



AfricaRice



Audited Financial Statement

for the year ended
31 December 2010



Africa Rice Center (AfricaRice)

Audited
Financial
Statement
for the year ended
31 December 2010



STATEMENT OF THE BOARD CHAIR Year ended December 31, 2010

The Board of Trustees of the Africa Rice Center (AfricaRice) is pleased with the continued improvement in the financial health and stability of the Center during the financial year ended on December 31, 2010 in spite of challenges posed by the continued weakening of the US dollar and effects of the global economic crisis during the course of the year. The Board wishes to commend the management for the sound and prudent manner in which it has managed the Center's resources in accordance with Board-approved program of work and budget.

The Board is proud to note that AfricaRice was awarded an "Outstanding" rating in the latest CGIAR Performance Measurement System evaluation.

The Board of Trustees met two times during the year 2010. The full Board met in Cotonou, Benin, during the month of March and later the Executive and Finance Committee (EFC) of the Board met in Addis Ababa, Ethiopia, in September 2010. The Chair of the Program Committee of the Board was able to participate in the research review and planning meeting commonly referred to as "Research Days" held in Cotonou from 29 November to 2 December 2010 .

The total revenue during the year dropped by US\$ 0.428 million to US\$22.031 million, down from US\$22.459 million in 2009. The net expenditure increased by US\$ 0.003 million to US\$19.831 million up from US\$19.828 million in 2009. This resulted in a surplus of US\$2.200 million and increased the Center's net assets. The Center's operating reserves increased from US\$8.598 million at end of 2009 to US\$10.798 million at end of 2010. This increase was mainly due to a combination of revenue recognition of member states receipts from 2009, US\$ 1.565 million and cost savings due to reduced expenditures during the year.

The Center's liquidity and reserve indicator levels have risen to 195 days, from 152 days in 2009. It is the fifth consecutive year that this financial indicator is above CGIAR recommended level.

Risk Management

The Board approved a risk management statement at its 26th session in March 2006 and continues to monitor and manage identified risks having regard to their likely impact and probability of occurrence. The Board, in close consultation with the Director General, sets the risk appetite for the Center.

Fiduciary Responsibility

The Board recognizes its fiduciary responsibility for the financial statements of the center as well as in setting the overall strategy for the center and following up on its implementation in accordance with agreed policies, timelines and output/outcomes.

Global Rice Science Partnership (GRiSP)

The Board congratulates the leadership and management of AfricaRice for developing the Global Rice Science Partnership (GRiSP) as the first Consortium Research Program of the CGIAR. This is the result of the effective partnership of AfricaRice with the International Rice Research Institute (IRRI) and the International Center for Tropical Agriculture (CIAT).

Africa Rice Center - Centre du riz pour l'Afrique

Address / Adresse	Telephone / Téléphone	Fax / Télécopieur	E-mail / Courrier électronique	Web Site / Site Internet
01 B.P. 2031 Cotonou, Bénin	(229) 21 35 01 88	(229) 21 35 05 56	AfricaRice@cgiar.org	www.AfricaRice.org



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Appreciation

On behalf of the Board of Trustees, I would like to thank the management and staff for their dedication and commitment in continuing the provision of corporate services to the International Institute of Tropical Agriculture (IITA), Bioversity International and the International Potato Center (CIP) offices for their West Africa activities in our Cotonou research station during the course of the year. I would also like to put on record our sincere appreciation to our member states, donors, collaborating national and international institutions and the CGIAR partners for their continued support and cooperation towards meeting the mission of the Center, which is aimed at alleviating poverty and enhancing income of resource-poor farmers in Africa.

Getachew Engida
Chairman, Board of Trustees

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BOARD STATEMENT ON RISK MANAGEMENT Year ended December 31, 2010

The Board of Trustees of the Africa Rice Center (AfricaRice) has the responsibility for ensuring that an appropriate mechanism is in place for Center-wide risk management in order to ensure the achievement of the Center's research objectives. These risks include strategic, operational, financial and reputational elements that are inherent to the nature, *modus operandi* and locations of the Center's activities. These risks evolve over time owing to the environment in which the Center operates. There is potential for negative impact arising from inadequate or failed internal processes, systems, human factors and/or external events.

Most critical risks include:

- Irrelevant priorities and poor strategy resulting in low impact science (and therefore inappropriate technology);
- Misallocation of scientific efforts from agreed priorities;
- Loss of reputation for scientific excellence and integrity;
- Research disruption and information system failure;
- Financial liquidity problems;
- Transaction processing failures;
- Loss of assets, including information assets;
- Failure to recruit, retain and effectively utilize qualified and experienced staff;
- Failures in staff health and safety systems;
- Failures in the execution of Center's legal and fiduciary responsibilities; and
- Failure on the part of donors to make appropriate level of investments to support research.

The Board has adopted a risk management policy – communicated to all staff – that includes a framework by which the Center's management identifies, evaluates and prioritizes risks and opportunities across the organization; develops risk mitigation strategies which balance benefits with costs; monitors the implementation of these strategies; and periodically reports to the Board on results. This process draws upon risk assessments and analysis prepared by the staff of the Center's business units, internal auditors, Center-commissioned external reviewers and the external auditors.

The risk assessments also incorporate the results of collaborative risk assessments with other CGIAR Centers, System Office components, and other entities in relation to shared risks arising from jointly managed activities. The risk management framework seeks to draw upon best practices, as promoted in codes and standards promulgated in a number of CGIAR member countries. It is subject to ongoing review as part of the Center's continuous improvement efforts.

Risk mitigation strategies include the implementation of systems of internal controls, which, by their nature, are designed to manage rather than eliminate risk. The Center endeavors to manage risk by ensuring that the appropriate infrastructure, control, systems and people are in place throughout the organization. Key practices employed in managing risks and opportunities include environmental reviews, clear policies and accountabilities, transaction approval frameworks, financial and management reporting, and the monitoring of metrics designed to highlight

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positive or negative performance of individuals and processes across a broad range of key performance areas. The design and effectiveness of the risk management system and internal controls is subject to coordination through a Risk Management Committee and ongoing review by the Center's Internal Audit Unit, which is independent of the operating units, and which reports on the results of its audits directly to the Director General and to the Board through its Audit Committee.

The AfricaRice Board and management have reviewed the implementation of the risk management process during 2010 and the Board is satisfied with the progress made.

The board has carried out its obligations for sound fiscal management of Africa Rice Center (AfricaRice). The Board monitored the effectiveness of internal controls through the Internal Audit function that reports to the Audit Committee.

Getachew Engida
Chairman, Board of Trustees

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CERTIFICATE BY CENTER MANAGEMENT Year ended December 31, 2010

We have prepared the accompanying financial statements of the Africa Rice Center (AfricaRice) as of December 31, 2010. These financial statements are the responsibility of the Africa Rice Center management, and have been duly presented to the Center's external auditors, Ernst and Young for review.

The Center's management has worked closely with the internal and external auditors to ensure that the financial statements are presented in compliance with the CGIAR Manual, Financial Guideline Number 2.

In accordance with the requirement of Financial Guideline Number 2, the undersigned certify that:

- (i) the financial records of Africa Rice Center have been properly maintained;
- (ii) the financial statements, together with the explanatory notes thereto, comply in full with the provisions of the manual; and that
- (iii) the financial statements and the notes thereto give a true and fair view of the financial position, financial performance and cash flows of the Africa Rice Center.

Aguibou D Tall
Director of Administration and Finance

Papa Abdoulaye Seck
Director General



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REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF AFRICA RICE CENTER (AfricaRice)

Report on the Financial Statements

We have audited the accompanying financial statements of Africa Rice Center, which comprise the Statement of Financial Position as at December 31, 2010, the Statement of Activities and Statement of Cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with policies and practices prescribed for International research center seeking assistance from Consultative Group on International Agricultural Research (CGIAR) as described on page 4.

Auditor's Responsibilities

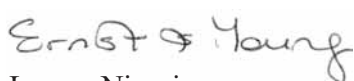
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 Africa Rice Center (AfricaRice) as at December 31, 2010, and of its surplus and its cash flows for the year then ended in accordance with CGIAR Accounting Policies and Reporting Practices Manual.



Lagos, Nigeria.

March 7, 2011

AFRICA RICE CENTER (AfricaRice)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010

	Note	2010	2009 US \$
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash and Cash Equivalent	3	10,567,088	11,275,590
Accounts Receivable:			
Donors	4	4,611,594	5,034,043
Employees	5	278,420	250,847
Others	6	412,691	796,258
Inventories	13	318,940	295,383
Prepaid Expenses	7	284,135	169,278
Total Current Assets		16,472,868	17,821,399
<u>Property and Equipment</u>			
Property and Equipment	8	10,407,080	9,346,901
Less: Accumulated Depreciation	8	(9,599,034)	(8,544,079)
Total Property and Equipment-Net		808,046	802,822
TOTAL ASSETS		17,280,914	18,624,221
<u>LIABILITIES AND NET ASSETS</u>			
<u>Current Liabilities</u>			
Accounts Payable:			
Donors	9	1,974,036	5,953,935
Employees	10(a)	380,634	421,570
Others	11	727,763	762,963
Employees Investment Account	10(b)	214,000	214,000
Provisions and Accruals	12	3,186,157	2,673,395
Total Current Liabilities		6,482,590	10,025,863
TOTAL LIABILITIES		6,482,590	10,025,863
<u>Net Assets</u>			
<u>Unrestricted Net Assets:-</u>			
Undesignated		9,990,278	7,795,536
Designated		808,046	802,822
TOTAL NET ASSETS		10,798,324	8,598,358
TOTAL LIABILITIES & NET ASSETS		17,280,914	18,624,221

The financial statements were approved by the Board of Trustees on **March 7, 2011** and were signed on their behalf by:



Mr. Aguibou Dahirou Tall, Director of Finance and Administration



Dr. Papa Abdoulaye Seck, Director General

The accompanying notes to the financial statements(1-16) form part of this statement

AFRICA RICE CENTER (AfricaRice)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

		Unrestricted	Restricted		Total	
	Note		Temporarily Restricted	Challenge Programs	2010	2009
		US \$	US \$		US \$	US \$
<u>REVENUES, GAINS AND OTHER SUPPORT</u>						
	Annex 8	5,991,929	13,710,831	618,502	20,321,262	21,801,167
	14(a)	1,565,073			1,565,073	556,958
	14(b)					
	15	144,899			144,899	100,463
Total Revenue,Gains and Other Support		7,701,901	13,710,831	618,502	22,031,234	22,458,588
<u>EXPENSES AND LOSSES</u>						
Program Related Expenses	16(a),(b)	3,455,328	13,710,831	618,502	17,784,661	19,226,811
Management and General Expenses	16(b)	3,731,745			3,731,745	3,514,897
Sub-Total Expenses and Losses		7,187,073	13,710,831	618,502	21,516,406	22,741,708
Indirect Cost Recovery		(1,685,137)			(1,685,137)	(2,914,225)
Total Expenses and Losses		5,501,936	13,710,831	618,502	19,831,269	19,827,483
Change in Net Assets:						
Net Surplus		2,199,965			2,199,965	2,631,105
<u>Total Expenses-by Natural Classification</u>						
		Unrestricted	Restricted		Total	
			Temporarily Restricted	Challenge Programs	2010	2009
Personnel Costs		3,147,985	3,237,261	101,539	6,486,785	6,354,114
Supplies & Services		3,069,640	4,743,021	328,305	8,140,966	8,538,385
Collaborators and Partnerships Costs		9,335	4,137,446	123,340	4,270,121	5,720,546
Operational Travel		665,490	761,197	45,856	1,472,543	1,079,391
Depreciation		294,623	831,906	19,462	1,145,991	1,049,272
Sub-Total Expenses and Losses		7,187,072	13,710,831	618,502	21,516,406	22,741,708
Indirect Cost Recovery		(1,685,137)			(1,685,137)	(2,914,225)
Total Expenses and Losses		5,501,935	13,710,831	618,502	19,831,269	19,827,483

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AFRICA RICE CENTER (AfricaRice)
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

UNRESTRICTED NET ASSETS	Undesignated	Designated ^{1/}	Total
	US \$	US \$	US \$
	-	-	-
Balance as at January 1 2009	5,253,988	713,266	5,967,254
Net Surplus for the year	2,631,105		2,631,105
Net Changes in Investment in Fixed Assets	(89,557)	89,557	
Balance as at December 31, 2009	7,795,536	802,822	8,598,358
Net Surplus for the year	2,199,965		2,199,965
Net Changes in Investment in Fixed Assets	(5,223)	5,223	
^{1/} Designated in an amount equal to the Investment in Net book Value of Property Plant and Equipment			
Balance as at December 31, 2010	9,990,278	808,046	10,798,324

^{1/} **Designated Net Assets**

This amount has been transferred from undesignated net assets in an amount representing the accumulated net book value of investment in fixed assets with effect from 2007

Net Assets are the residual interest in the Center's assets remaining after liabilities are deducted. These are classified as follows:-

(a) Undesignated Net Assets

These represent that part of net assets accumulated from past and present surpluses of revenue over expenses that are not designated by Center Management for specific purposes.

(b) Designated Net Assets

These represent that part of net assets that has been designated by Center Management for the future acquisitions and replacement of property and equipment in an amount equal to the net investment in fixed assets. This has been introduced during the current year in order to disclose this amount in line with the requirements of CG Financial Guideline Series No.2

The accompanying notes to the financial statements (1-16) form part of this statement

AFRICA RICE CENTER (AfricaRice)

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

	Total	
	2010	2009
CASHFLOWS PROVIDED (USED) IN OPERATING ACTIVITIES		
Change in Net Assets	2,199,965	2,631,105
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities :		
Depreciation	1,145,990	1,153,902
Gain on Disposal of Fixed Assets	(23,465)	(5,095)
Decrease (Increase) in Assets		
Accounts Receivable: Donors	422,449	(1,017,941)
Employees	(27,573)	4,304
Others	383,567	134,340
Inventories	(23,557)	142,397
Prepaid Expenses	(114,857)	86,396
Increase (Decrease) in Liabilities		
Accounts Payable: Donors	(3,979,899)	3,474,819
Employees	(40,936)	114,871
Others	(35,200)	276,449
Provisions and Accruals	512,762	1,083,122
Net Cash Provided in Operating Activities	419,247	8,078,670
CASHFLOWS PROVIDED (USED) IN INVESTING ACTIVITIES		
Acquisition of Property and Equipment	(1,152,749)	(1,243,700)
Proceeds from Disposal of Property and Equipment	25,000	5,337
Net Cash Used in Investing Activities	(1,127,749)	(1,238,363)
<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>		
Cash and Cash Equivalents at Beginning of Year	11,275,590	4,435,284
(Decrease)/Increase in Cash and Cash Equivalents	(708,502)	6,840,306
Cash and Cash Equivalents at End of Year	10,567,088	11,275,590

The accompanying notes to the financial statements (1-16) form part of this statement

AFRICA RICE CENTER (AfricaRice)

NOTES T.O THE FINANCIAL STATEMENTS

1. ORGANIZATION AND OBJECTIVES

The Africa Rice Center (AfricaRice) is a leading pan-African research organization with a mission to contribute to poverty alleviation and food security in Africa through research, development and partnership activities. It belongs to the Consortium of Centers supported by the Consultative Group on International Agricultural Research (CGIAR). It is also an autonomous intergovernmental research association of African member countries.

The Center was created in 1971 by 11 African countries. Today its membership comprises 24 countries, covering West, Central, East and North African regions, namely Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Côte d'Ivoire, Democratic Republic of Congo, Egypt, Gabon, the Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Madagascar, Mali, Mauritania, Niger, Nigeria, Republic of Congo, Senegal, Sierra Leone, Togo and Uganda.

Recognizing the strategic importance of rice for Africa and for the effective geographic expansion of the Center – which was constituted as the West Africa Rice Development Association (WARDA) – its Council of Ministers took a historic decision in 2009 to officially change its name to “Africa Rice Center (AfricaRice)” and to no longer refer to it as WARDA.

Following the political crisis in Côte d'Ivoire, AfricaRice's headquarters was temporarily relocated in 2005 to Cotonou, Benin. Research staff are also based in Senegal, Nigeria, Tanzania and Côte d'Ivoire.

The Center receives funds from the CGIAR, as well as from its member countries and other donors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention. The significant accounting policies, which have been applied consistently with the previous year, are set out below.

(i) Basis of Preparation and Presentation of Financial Statements

The financial statements are prepared and presented in accordance with the recommendations made in the CGIAR Financial Guidelines Series No. 2: Accounting Policies and Reporting Practices Manual (March 2004 – updated in February 2006) which are in conformity with International Accounting Standards (IAS) for not-for-profit organizations.

(ii) Revenue Recognition

The financial statements of AfricaRice have been presented using the accrual basis of accounting except for contributions from member states in support of the operational budget of AfricaRice that are recognized as revenue in the fiscal year following the one in which the contributions are received.

All grants whether restricted or unrestricted, are recognized as revenue upon fulfillment of the donor-imposed conditions, or the donor has explicitly waived the conditions.

They are classified as follows according to the type of donor-imposed restrictions:

- ❖ Unrestricted grants are funds made available to AfricaRice to meet normal operating costs or whatever other purpose AfricaRice may deem fit.
- ❖ Restricted grants, which may be pledged for more than one year, are funds that are used to finance and support specific projects identified and agreed upon by their donors and AfricaRice. Such projects may include fixed assets acquisitions and replacement funds as well as research and training activities, and are recognized as revenue only to the extent that related expenses have been incurred. They are labeled as permanently or temporarily restricted.

(iii) Foreign Currency Transactions

Since the currency for accounting at AfricaRice is the US dollar, AfricaRice accounts are maintained in US dollars. Local currency of various member states and other countries in which AfricaRice operates are recorded in the books of AfricaRice at the rate of exchange prevailing on the dates of the transactions.

Pledges in currencies other than US dollars are recorded at the exchange rates prevailing at the time of receipt or, if outstanding, at the rate of exchange prevailing at the year end.

Monetary assets and liabilities in currencies other than the US dollars are restated at market rates of exchange prevailing at the year-end. Differences in exchange are accounted for in the statement of activities.

(iv) Property, Plant, Equipment and Depreciation

The introduction of revised CGIAR Accounting Financial Guidelines No. 2 effective from year 2004 and updated in February 2006 has resulted in a change in the treatment of fixed assets acquired through restricted project funds. The depreciation rates for all such purchases have been revised to 100% during the year of purchase in line with these guidelines.

Likewise, the treatment of fixed assets intended to revert to host countries in the event that AfricaRice ceases its operations in that country have been revised. The assets constructed or purchased effective January 1, 2005 are now capitalized in accordance with the new guidelines.

The annual depreciation rates are as follows:

	Rates
Land, buildings and installations*	1.67%
Heavy duty equipment	10.00%
Agricultural equipment	10.00%
Vehicles and tractors	14.29%
Furniture and office equipment	10.00%
Laboratory and scientific equipment	10.00%
Computer equipment	20.00%

* With the exception of land, buildings and installations constructed in Benin which have been depreciated at an accelerated rate of 20% in line with the Board-approved decision to remain in the new temporary location for 5 years.

(v) Accrued Relocation Allowance

A provision has been made to meet the terminal relocation allowance in accordance with the contracted amount for each international staff member. This provision takes into account a new Board-approved policy that no allowance is payable before one full year of service, and is further prorated for the period between one and two years of service before attaining the full sum contracted.

(vi) Inventories

Inventories of materials and supplies are stated at the lower amount between the of acquisition cost and the net realizable values. Acquisition cost is determined using the moving average method.

Materials in transit are stated at invoice cost.

2.1 Tax status

In accordance with the agreements between AfricaRice and the governments of Côte d'Ivoire and Benin, signed on September 26, 1989 and December 14, 2004 respectively, AfricaRice, its assets, income and any other property are exempted from any form of direct taxation in Côte d'Ivoire and Benin. AfricaRice may be reimbursed on its request value added tax on construction work for buildings, supplies and services used exclusively for official purposes, except for tax on services in the case of Benin. AfricaRice and its staff are not required to contribute to

the social security plan of Côte d'Ivoire although in practice a certain number of staff are affiliated to the Social Security Organization in Côte d'Ivoire. Certain AfricaRice staff are exempt from all taxes on salaries and benefits for their activities at AfricaRice.

2.2 Grants in-kind

The financial statements do not include grants in-kind, but these are disclosed in as detailed below.

Seconded personnel

The following countries and institutions provided support in the form of seconded scientific personnel to AfricaRice during the year. The costs were borne by the donors based on a fair valuation of the services provided by these personnel as shown below, whilst AfricaRice provided the necessary operational services and utilities.

	2010	2010	2009	2009
	Number of personnel	Estimated costs (US \$)	Number of personnel	Estimated costs (US \$)
Japan	2	240,000	2	240,000
France	1	120,000		
Total	<u>3</u>	<u>360,000</u>	<u>2</u>	<u>240,000</u>

2.3 Nationally recruited staff (gss) provident fund

The nationally recruited staff, commonly referred to as General Support Staff (GSS), participate in a Contributory Provident Fund where the employer and employee both contribute funds to the Fund on a monthly basis.

The Provident Fund is managed by an independent management committee comprising of elected representatives of the staff body and ex-officio representatives of the Center management. The Fund operates under an intra-Center constitution which lays out the guidelines for granting loans to its members as well as fund withdrawal options.

AfricaRice has invested part of the Provident Fund savings in an interest-earning short-term deposit with Citibank, New York.

2.4 Indirect cost recovery

The pooling of direct and indirect costs is based on the principle of attribution and assignability. Expenditures that are common to the different cost centers are allocated on the basis of resource drivers. Non-operating and non-recurring expenditures are excluded in the computation.

The method of calculating the indirect cost recovery rate is based in accordance with the CGIAR Financial Guidelines No.5 (refer to Annex 10).

The indirect cost rates on restricted projects may vary depending on the rates agreed upon in the terms and conditions of the relevant agreements.

2.5 contingent liabilities and subsequent events

Post year-end events and contingent liabilities that may have an impact on the Center's financial situation as at the end of the reporting period, if any, are reflected in the financial statement, and any significant non-adjusting post year-end events are disclosed in the notes to the financial statements.

AFRICA RICE CENTER (AfricaRice)

NOTES TO THE FINANCIAL STATEMENTS - (Cont'd)

3. CASH AND CASH EQUIVALENTS

	2010	2009
	US \$	US \$
Bank Balances-Current Accounts ^{a/}	2,685,514	1,834,878
Bank Balances-Short Term Investment Accounts ^{b/}	7,837,083	9,349,044
Cash on Hand ^{c/}	44,491	91,668
	10,567,088	11,275,590

^{a/} The bank balances include bank accounts at headquarters and those held by outstations for local cash management in the respective locations

^{b/} The short-term deposits are investments acquired with original maturities of three months or less and are therefore readily available in case of cash flow pressures during a particular year.

^{c/} The cash on hand balances include cash imprests both at headquarters and those held by outstations for local cash management in the respective locations

4 ACCOUNTS RECEIVABLE-DONORS

	2010	2009
	US \$	US \$
<u>Unrestricted Grants:-</u>		
United States of America	500,000	62,500
France	168,425	181,332
Canada	656,619	627,801
Japan		597,782
Sweden	486,476	
Norway	244,706	
Sub-Total Unrestricted Grants Receivable	2,056,226	1,469,415
<u>Restricted Grants:-</u>		
<u>Restricted Project Fund Balances Receivable-See note (a) below</u>		
Restricted Grants Receivable	2,457,598	3,436,982
Challenge Program Grants Receivable	97,769	127,647
Sub-Total Restricted Grants Receivable	2,555,367	3,564,629
	4,611,594	5,034,043

(a) Details of amounts receivable from restricted donors are given in the Schedule of Restricted Agenda Funding on Annex 9

AFRICA RICE CENTER (AfricaRice)

NOTES TO THE FINANCIAL STATEMENTS - (Cont'd)

5 ACCOUNTS RECEIVABLE-EMPLOYEES

	2010	2009
	US \$	US \$
Due from Staff Members	278,420	250,847
Due from Separated Staff Members	1,235	19,361
Sub-Total Employee Accounts Receivable	279,655	270,208
Less: Provision for Doubtful Accounts Receivable ^{a/}	(1,235)	(19,361)
	278,420	250,847

^{a/}No general provision is made for doubtful receivables.

The accounts deemed doubtful are identified based on case by case review

6 ACCOUNTS RECEIVABLE-OTHERS

	2010	2009
	US \$	US \$
<u>Corporate Services Inter-Center Receivables:</u>		
International Institute of Tropical Agriculture (IITA)	179,305	475,392
Bioversity International		8,474
International Potato Center (CIP)	16,832	
Sub-Total Iner-Center Accounts Receivable	196,137	483,866
Sundry Receivable Accounts	225,359	421,911
Sub-Total	421,496	905,778
Less: Provision for Doubtful Accounts Receivable ^{a/}	(8,805)	(109,519)
	412,691	796,258

^{a/}No general provision is made for doubtful receivables.

The accounts deemed doubtful are identified based on case by case review

7 PREPAID EXPENSES

	2010	2009
	US \$	US \$
Petrol Coupons	2,984	2,746
Pre-Paid to Suppliers	281,151	166,532
	284,135	169,278

AFRICA RICE CENTER (AfricaRice)

NOTES TO THE FINANCIAL STATEMENTS - (Cont'd)

8 PROPERTY, PLANT AND EQUIPMENT

		Balance January 1 2010 US \$	Reclassified Assets in Transit	Disposals US \$	Additions (Note b) US \$	Balance December 31 2010 US \$
<u>Cost</u>						
Land, Buildings and Installations	Note (a)	546,220	78,890		203,835	828,945
Heavy Duty Equipment		602,905			1,582	604,487
Agricultural Equipment		1,514,861	912		97,382	1,613,155
Vehicles and Tractors		1,895,369	29,018	(84,101)	248,897	2,089,183
Furniture and Office Equipment		1,219,178			18,361	1,237,539
Laboratory & Scientific Equipment		2,353,394	5,800		327,445	2,686,639
Computers		1,100,354		(8,470)	191,331	1,283,215
Fixed Assets in Transit		114,620	(114,620)		63,917	63,917
		9,346,901		(92,571)	1,152,750	10,407,080
<u>Accumulated Depreciation</u>						
Land, Buildings and Installations		471,258	61,064		172,489	704,811
Heavy Duty Equipment		573,931			4,522	578,453
Agricultural Equipment		1,472,078	912		92,051	1,565,041
Vehicles and Tractors		1,614,535	29,018	(82,565)	334,265	1,895,253
Furniture and Office Equipment		1,135,879			36,914	1,172,793
Laboratory & Scientific Equipment		2,303,700	5,800		352,553	2,662,053
Computers		875,903		(8,470)	147,987	1,015,420
Fixed Assets in Transit		96,795	(96,795)		5,210	5,210
		8,544,079		(91,035)	1,145,991	9,599,034
Net Book Value		802,822		(1,536)	6,759	808,046

- (a) As a result of adjustments which followed a change of Accounting Policy on Capitalization of Land, Buildings and Installations in year 2000 as described in other notes, Buildings and Installations amounting to \$12,029,892 were excluded from the Fixed Assets Register and treated as 'Assets in Custody'.

This policy has been discontinued with effect from January 1, 2004 following the implementation of the revised Financial Guideline No. 2.

The buildings constructed in Cotonou, Republic of Benin, since 2005 are being depreciated over a period of 5 years in line with the Management decision to stay in the host country, Benin, for a period of 5 years by which period it is anticipated that peace will have been re-established in Côte d'Ivoire.

- (b) The Fixed Asset additions financed from restricted funds during the year amounted to US\$ 948,411 and US\$ 745,649 in 2009.

AFRICA RICE CENTER (AfricaRice)

NOTES TO THE FINANCIAL STATEMENTS - (Cont'd)

9 ACCOUNTS PAYABLE-DONORS

	2010	2009
	US \$	US \$
<u>Restricted Grants:-</u>		
<u>Restricted Grants Received in Advance - See Note (a) below</u>		
Restricted Grants Received in Advance	1,381,071	4,269,934
Challenge Program Grants Received in Advance		18,929
Sub-Total Restricted Grants Payable as per Schedule	1,381,071	4,288,862
USAID-OFDA Refundable Balance -See Note (b) below	100,000	100,000
Sub-Total Restricted Grants Payable	1,481,071	4,388,862
<u>Member States and Other Contribution:</u>		
Member States Contributions Received in Advance	492,965	1,565,073
Sub-Total Member States Contributions Received in Advance	492,965	1,565,073
	1,974,036	5,953,935

(a) Details of amounts received in advance from restricted donors are given in the Schedule of Restricted Agenda Funding on Annex 9.

(b) This account payable was held under instruction from the donor USAID who had indicated a decision to have the amount transferred to a different project that has yet to be identified.

No provision is made for donor accounts receivable based on past experience and a detailed review of restricted spending to ensure that the receivables fall within amounts pledged by the donors.

10(a) ACCOUNTS PAYABLE-EMPLOYEES

	2010	2009
	US \$	US \$
Staff Provident Funds (Liberia Staff) ^{a/}	25,145	25,145
Staff Provident Funds (Côte D'Ivoire, Senegal and Benin-based Staff) ^{a/}	176,286	139,456
Due to Separated Staff Members	31,700	31,700
Due to Staff Members	147,503	225,269
	380,634	421,570

^{a/} Provident Fund is a retirement fund for Nationally Recruited Staff (See also note 2.3)

10(b) ACCOUNTS PAYABLE-EMPLOYEES INVESTMENT ACCOUNT

	2010	2009
	US \$	US \$
Amount Invested in Time Deposit for the General Support Staff Provident Fund		
Balance Brought Forward January 1, 2010	214,000	214,000
Capital Enhancements During the Year 2010	-	-
Balance Carried Forward December 31, 2010	214,000	214,000

These are excess cash funds belonging to the Staff Provident Fund that were invested in short term deposit with Citibank New York.

Interest earned during the year has been credited to the control account for the General Support Staff Provident Fund.

The Provident Fund is a retirement fund which operates under an intra-center constitution managed by elected representatives of the staff and ex-officio representatives of Center management (See also Note 2.3).

AFRICA RICE CENTER (AfricaRice)

NOTES TO THE FINANCIAL STATEMENTS - (Cont'd)

11	ACCOUNT PAYABLE-OTHERS	2010	2009
		US \$	US \$
	Suppliers Payable Accounts	394,349	319,975
	<u>Corporate Services Inter-Center Payables:</u>		
	International Institute of Tropical Agriculture (IITA)	103,620	191,751
	Bioversity International	8,902	
	International Potato Center (CIP)		25,424
	Sub-Total Corporate Service Inter-Center Accounts Payable	112,522	217,175
	Sundry Payable Accounts	220,892	225,814
		727,763	762,963
12	PROVISIONS AND ACCRUALS	2010	2009
		US \$	US \$
	Accrued Expenses & Provisions	2,004,741	1,573,900
	Staff Accrued Leave	542,822	461,264
	Accrued Relocation & Repatriation Allowances	429,111	411,372
	Accrued Termination Benefits-Support Staff	161,983	161,983
	Accrued Audit Fees-Internal and External	47,500	64,876
		3,186,157	2,673,395
13	INVENTORIES	2010	2009
		US \$	US \$
	Stationery and Office Supplies	28,405	21,127
	Vehicle and Equipment Spare Parts	196,854	161,504
	Building and Maintenance Supplies	52,743	59,925
	Fuel and Lubricants	14,503	14,455
	Fuel Stocks - Cotonou	4,831	20,204
	Field and Farm Supplies	1,738	3,188
	Laboratory Supplies	600	565
	Stocks - Health Post	996	359
	General Stocks	18,270	14,056
		318,940	295,383

The inventory is periodically reviewed to ensure that any slow moving item with a possible obsolescence risk are identified and disposed of. No general provision for inventory obsolescence is deemed necessary under these circumstances.

AFRICA RICE CENTER (AfricaRice)

NOTES TO THE FINANCIAL STATEMENTS - (Cont'd)

14 MEMBER STATES' CONTRIBUTION

(a) Funds paid by Member States towards AfricaRice's Operations will continue to be recognised as Revenue in the subsequent year in accordance with Note 2.(i).

The following Member States paid in contributions to the Operational activities of AfricaRice during the years ended December 31, 2009 and 2008

	2010 US \$	2009 US \$
Burkina-Faso	32,328	
Sierra Leone	418,640	
Ghana	604,645	
Liberia	18,283	15,598
Mali	104,041	71,633
Senegal	36,566	18,283
Niger	24,070	143,541
The Gambia	74,336	
Cameroun	-	214,765
Togo	215,598	20,451
Mauritania	-	18,283
Uganda	18,283	18,283
Egypt	18,283	18,283
Congo Brazzaville		17,838
	1,565,073	556,958

(b) Funds paid by Member States and other Donors towards Capital Development are therefore credited to Revenue when they are received in accordance with the existing Board-approved Policy

No Member States made contributions to the Capital Development activities of AfricaRice relating to the years ended December 31, 2010 and 2009

15 OTHER INCOME

	2010 US \$	2009 US \$
‘Other Income’ Revenues are made up as follow:		
Interest Income	45,672	60,771
Sale of rice	1,492	1,014
Guest House	7,833	15,377
Transport	4,569	13,273
Miscellaneous Income	61,868	4,933
Sale of Fixed Assets	23,465	5,095
	144,899	100,463

NOTES TO THE FINANCIAL STATEMENTS - (Cont'd)

16 EXPENSES AND LOSSES

	2010	2009
	US \$	US \$
(a) Program Related Expenses by Functional Classification as of December 31, 2010		
Research	8,096,303	8,348,291
Challenge Programs	618,502	345,608
Research Support	2,523,236	1,742,709
Training Information and Library Services	232,243	193,180
Rice TIME Unit	4,736,398	7,626,129
System-Wide Program (SWEP-IVC)	1,577,979	970,894
	17,784,661	19,226,811

(b) Expenses and Losses by Functional and Natural Classification as of December 31, 2010

	2010		2009	
	US \$		US \$	
	Program Related	Management and General	Program Related	Management and General
Personnel Costs	4,893,259	1,593,526	4,339,225	2,014,889
Supplies & Services	6,422,772	1,718,194	7,498,969	1,039,416
Supplies & Services-Collaborators and Partnerships Costs	4,268,793	1,328	5,720,546	
Operational Travel	1,276,985	195,560	885,174	194,217
Depreciation	922,853	223,137	782,898	266,374
Gross Operating Expenses	17,784,661	3,731,745	19,226,811	3,514,897

ANNEX 1

AFRICA RICE CENTER (AfricaRice)

AFRICAN DEVELOPMENT BANK

FINANCIAL REPORT: period from January 1 to December 31, 2010

Project Title:-AFDB(WARDA)-NERICA DISSEMINATION PROJECT	
DESCRIPTION	AMOUNT (US\$)
Balance due from AfDB brought forward January 1, 2010	319,303
WARDA (AfricaRice) Grant:	
-PERSONNEL COSTS	48,461
-SUPPLIES AND SERVICES	50,246
-OPERATIONAL TRAVEL	59,495
-CAPITAL	-
Total expenses on WARDA (AfricaRice) Grant	158,202
NARS GRANT:	
-OPERATIONAL FUNDS PAID OUT	421,383
Total expenses on NARS Grant	421,383
TOTAL EXPENDITURE FOR THE YEAR	579,585
Received from AFDB in 2010:	
Received in February 2010	(379,778)
Received in February 2010	(362,250)
Interest earned on Ecobank Current Account	(1,376)
Total funds received	(743,404)
Balance due from AFDB carried forward as at December 31, 2010	155,484

ANNEX 2

AFRICA RICE CENTER (AfricaRice)

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD) (EUROPEAN UNION FUNDING)

FINANCIAL REPORT: Statement of Expenditure for the period January 1 to December 31, 2010

Project Title:-IFAD/EC-Rice Policy and Technology Impact for Food Security and Poverty Reduction		
DESCRIPTION	AMOUNT (US\$)	AMOUNT (EURO)
-PERSONNEL COSTS	202,996	161,593
-SUPPLIES AND SERVICES	213,521	169,972
-OPERATIONAL TRAVEL	29,405	23,408
-CAPITAL	11,340	9,027
TOTAL EXPENDITURE FOR THE YEAR	457,262	364,000
Balance due from IFAD in December 2009	138,028	72,800
Exchange Difference on Prior Year Receivable Amount	(11,653)	
Amount received from IFAD:		
Jan-10 (10% of Budget 2008)	(52,343)	(36,400)
May-10 (90% of Budget 2010)	(433,742)	(327,600)
Balance due from IFAD as of December 31, 2010	97,552	72,800

ANNEX 3

AFRICA RICE CENTER (AfricaRice)

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD) (EUROPEAN UNION FUNDING)

FINANCIAL REPORT: Statement of Expenditure for the period January 1 to December 31, 2010

Project Title:- IFAD/EC System Wide Programme "Realisation of Agricultural Potential (RAP) of Inland Valley Lowlands in SSA"		
DESCRIPTION	AMOUNT (US\$)	AMOUNT (EURO)
-PERSONNEL COSTS	98,478	73,582
-SUPPLIES AND SERVICES	573,917	428,823
-OPERATIONAL TRAVEL	27,898	20,845
-CAPITAL	-	-
TOTAL EXPENDITURE FOR THE YEAR	700,293	523,250
Balance due from IFAD in December 2009	63,443	52,325
Received from IFAD in May 2010 (90% of 2010 Budget)	(623,505)	(470,925)
Balance due from IFAD as of December 31, 2010	140,231	104,650

ANNEX 4

AFRICA RICE CENTER (AfricaRice)

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD) (EUROPEAN UNION FUNDING)

FINANCIAL REPORT: Statement of Expenditure for the period January 1 to December 31, 2010

Project Title:- "2010 Incremental EC Contribution to CGIAR"		
DESCRIPTION	AMOUNT	AMOUNT
	(US\$)	(EURO)
-PERSONNEL COSTS	186,445	139,138
-SUPPLIES AND SERVICES	444,827	331,960
-OPERATIONAL TRAVEL	104,866	78,258
-CAPITAL	74,900	55,896
TOTAL EXPENDITURE FOR THE YEAR	811,038	605,252
Received from IFAD 2010:	-	-
Balance due from IFAD as of December 31, 2010	811,038	605,252

ANNEX 5

AFRICA RICE CENTER (AfricaRice)

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

FINANCIAL REPORT: Statement of Expenditure for the period January 1 to December 31, 2010

Project Title:- NERICA Access-WCA Project "Enhancing Smallholder Access to NERICA for Alleviating Rural Poverty in West and Central Africa"	
DESCRIPTION	AMOUNT (US\$)
-PERSONNEL COSTS	102,624
-SUPPLIES AND SERVICES	387,396
-OPERATIONAL TRAVEL	60,156
-CAPITAL	108,048
TOTAL EXPENDITURE FOR THE YEAR	658,224
Balance due from IFAD in December 2009	202,182
Received from IFAD in 2010: Nov-10 (2nd Year -2009 Budget)	(360,000)
Balance due from IFAD as of December 31, 2010	500,406

ANNEX 6

AFRICA RICE CENTER (AfricaRice)

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

FINANCIAL REPORT: Statement of Expenditure for the period January 1 to December 31, 2010

Project Title:- IFAD/IRRI-Project No. DPPC2005-71 (ESA) Project "Alleviating Rural Poverty through Improving Rice Production in East and Southern Africa(ESA)"	
DESCRIPTION	AMOUNT (US\$)
-PERSONNEL COSTS	15,000
-SUPPLIES AND SERVICES	-
-OPERATIONAL TRAVEL	-
-CAPITAL	-
TOTAL EXPENDITURE FOR THE YEAR	15,000
Balance due from IFAD in December 2009	-
Received from IFAD/IRRI in September 2010	(15,000)
Balance due from IFAD/IRRI as of December 31, 2010	-

ANNEX 7

AFRICA RICE CENTER (AfricaRice)

GERMANY UNRESTRICTED (ATTRIBUTED) CONTRIBUTION (GTZ GmbH CONTRACT No.: 81127287 AND PROJECT No.:09.7860.1-001.00)

FINANCIAL REPORT: Statement of Expenditure for the period January 1 to December 31, 2010

Program: Genetic Resources Unit "Rice Genetic Diversity and Discovery"		
DESCRIPTION	AMOUNT (US\$)	AMOUNT (EURO)
-PERSONNEL COSTS	101,906	78,346
-OPERATIONS	102,363	78,698
-INDIRECT ADMINISTRATIVE COSTS	27,259	20,957
TOTAL EXPENDITURE FOR THE YEAR	231,528	178,000
Received from GTZ in 2010:		
1st Payment -Sept 2010 Ref: CM/09/10/10	(112,215)	(89,000)
2nd Payment -Sept 2010 Ref: CM/09/10/07	(119,313)	(89,000)
Total Receipts	(231,528)	(178,000)
Balance due from GTZ as of December 31, 2010	-	-

AFRICA RICE CENTER (AfricaRice)

SCHEDULE OF GRANT REVENUES

For the Year Ended December 31, 2010 and 2009
(Expressed in US Dollars)

DONORS	For the year ended 31 December 2010						Grant 2009
	Grant Period	Grant Pledges Available	Accounts Receivable	Accounts Payable	Grant 2010	Grant 2009	
<u>UNRESTRICTED</u>							
Belgium	Jan '10-Dec '10	647,396				647,396	559,888
Canada	Jan '10-Dec '10	656,619	656,619			656,619	627,801
France	Jan '10-Dec '10	246,449	168,425			246,449	270,090
Germany	Jan '10-Dec '10						213,315
Japan	Jan '10-Dec '10	379,365				379,365	597,782
Norway	Jan '10-Dec '10	244,706	244,706			244,706	
Sweden	Jan '10-Dec '10	486,476	486,476			486,476	471,184
United Kingdom	Jan '10-Dec '10	1,030,918				1,030,918	852,941
USAID	Jan '10-Dec '10	500,000	500,000			500,000	250,000
World Bank	Jan '10-Dec '10	1,800,000				1,800,000	1,020,000
Cote D'Ivoire	Jan '10-Dec '10						7,296
Total Unrestricted Grants		5,991,929	2,056,226			5,991,929	4,870,297
<u>TEMPORARILY RESTRICTED</u>							
AfDB I (NERICA Dissemination Project)	Jan '04-Dec '11	1,230,000	155,484			579,585	404,600
Services to CARD Secretariat	Oct '09-Jul '10	24,415	18,249			23,494	
ACP - AfroWEEDs Project	Oct '09-Oct '12	408,453	51,328			161,465	7,741
BADEA-IRM Training	Jan '09-Dec '09	320,000				(121,488)	319,368
BADEA 2010 IRM Training	Jul '10-Dec '11	330,000		87,891		196,524	
Diffusion of Improved Crop Varieties in Africa (DIVA)	Nov '09-Dec '12	168,300	45,674			113,974	
CAAS - Chinese Academy of Agricultural Sciences	Nov '08-Oct '11	3,449,862	106,033			1,630,626	1,168,719
CANADA Linkage Fund - Mc Gill University	Apr '08-Mar '11	209,711				72,593	78,911
CARD Regional Workshop July 10	Jul '10-Jul '10	79,584		50,601		79,511	
CFC-FAO (Spirivwa Project)	Jan '00-Jun '10	536,039	27,610			18,024	84,247

DONORS	For the year ended 31 December 2010					
	Grant Period	Grant Pledges Available	Accounts Receivable	Accounts Payable	Grant 2010	Grant 2009
CFC-FAO-NERICA Dissemination in Central Africa Project	Jan '08-Mar '12	2,500,961	158,772		181,676	341,592
Conserv. Food & Health Found.	Jul '06-Dec '10	81,000			6,177	25,691
DFID16 - Striga Project - University of Sheffield	May '08-Sep '11	53,250		2,568	37,664	10,175
ESSO Rice Development in Chad	Jan '10-Dec '11	214,242		6,170	147,187	
European Union (Rice Policy & Techn. Impact on Food Security....)	Jan '07-Dec '10	1,203,184	97,552		457,262	510,069
European Union (RAP Project)	Jan '09-Dec '10	1,424,914	140,231		700,293	724,622
Rice Policy (Incremental Fund)	Jun '10-Dec '12	2,000,000	811,038		811,038	
FAO - Liberia Seed Production Project	Aug '08-Jun '09	168,475		2,188	(9,929)	156,239
FAO - Seed Systems Study Project	Jan '10-Dec '10	198,500			198,500	
GTZ-RISOCAS-University of Hohenheim Project	Mar '08-Feb '11	236,553	22,045		(44,233)	163,044
GTZ - Characterization of Bacterial Leaf Blight	May '08-Apr '10	86,420			4,552	32,045
GTZP8 - GTZ MICCORDEA	Jan '10-Dec '12	1,608,000		98,469	436,811	
GTZ - Attributed Grant	Jan '10-Dec '10	231,528			231,528	
IBRD - Genebank Upgrade Project(GPG-Phase 2)	Jan '07-Dec '09	314,000				102,918
IBRD - AfricaRice Full Cost Recovery Proj.	Jan '09-Dec '09	29,500				29,072
IBRD-CGIAR Collaboration Fund Proj.	Jan '11 - Open	414,492		414,492		
IFAD - HIV/AIDS and Rural Poverty Project	Jan '07-Jun '09	165,000	8,250			19,956
IFAD - NERICA Seeds Access - West and Central Africa Project	Dec '07-Dec '12	1,500,000	500,406		658,224	360,608
IFAD ESA Project	Jan '09-Dec '10	60,000			15,000	45,000
IFAR-CGIAR Fellowship Programs	Jan '09-Feb '11	55,000		5,676	27,324	22,000
IRRI/WARDA Abiotic Stress Project	Jan '08-Dec '10	4,799,818			874,001	2,397,892
Japan/UNDP-TCDC (Interspecific Hybrid. Project)	Jan '00-Mar '11	380,000		6,188	283,801	403,951
Japan - Increasing Quality Compet. Loc. Project	Jan '03-Mar '11	100,000	1,304		81,143	115,732
Japan - Dev. Interspec. OG&OS Progenies Project	Jan '03-Mar '11	100,000	55,753		102,112	97,233
Japan - High Yield Varieties-Humid Zones project	Dec '05-Mar '11	100,000		78,837	138,453	88,054
Japan - Phys. & Genetic Invest. - NERICA Project	Jan '07-Mar '11	100,000	704		70,392	136,951
Japan - Development of Sustainable Rice Farming Systems Project	Jan '08-Mar '11	60,000		73,004	51,895	66,125
Japan - Emergency Rice Initiative	Apr '09-Sep '10	4,800,000			287,738	4,512,262
Japan Breeding Project	Jan '10-Dec '14	6,000,000	150,900		1,748,100	
Japan - SMART IV Project	Oct '09-Sep '14	3,000,000		513,200	727,149	42,733
Japan - Capacity Building (Saito)	Oct '09-Dec '10	10,730			3,640	7,070
Japan - Capacity Building (Sokei)	Oct '09-Feb '11	48,349			26,885	22,936
Japan - Capacity Building (Abe)	Sep '10-Feb '11	11,500	1,472		8,912	
Japan/CGFellowship Program - Abe	Nov '10-Feb '11	12,700		2,588	9,285	
Japan/CGFellowship Program - Saito	Nov '10-Mar '11	7,000		7,000	3,415	
Japan (RYMV Project)	Jan '00-Mar '11	100,000		1,601	64,254	117,150

DONORS	For the year ended 31 December 2010					Grant 2009
	Grant Period	Grant Pledges Available	Accounts Receivable	Accounts Payable	Grant 2010	
JICA/WARDA-Collaboration Project	Apr '04-Open	164,035	58,171		198,866	209,901
JIRCAS/WARDA-Drought Project	Apr '05-Open	38,211				30,588
JIRCAS Collaboration Project - Benin	Jun '10-Open	4,000	1,640	3,046	78	
Syngenta Proposal Development	Jan '10-Dec '10	193,530			118,702	
UNDP - Interspecific Hybridization (Phase 2) Project	Jan '07-Dec '09	512,160			90,224	181,185
UNDP - Liberia Seed Production Project	Apr '09-Apr '11	296,604	44,982	18,268	76,092	77,891
UNDP - KMV Project, Liberia	Oct '08-Jun '11	230,000			39,000	89,290
USAID Bridge Fund 2009	Jan '09-Dec '09	350,000				350,000
USAID/CORAF - RYMV Project	Jan '10-Dec '10	39,000				
USAID - RYMV Project	Oct '06-Dec '09	890,000			2,102,578	34,278
USAID - West Africa Rice Initiative Project	Oct '08-Sep '10	5,100,000				2,997,422
Sub-Total Restricted Grants		46,749,020	2,457,598	1,381,071	13,710,831	16,585,262
CHALLENGE PROGRAMS						
Water and Food						
WorldFish-Project M439	Apr '05-Mar '10	42,946			8,471	20,175
Generation Challenge Program						
CIMMYT-GCP-Project SP1-G4008-05	Jan '08-Dec '10	19,200	1,320		24,223	6,995
CIMMYT-GCP-Project SP3-G4007-08	Aug '07-Jul '09	304,440	29,618			149,205
GCP-I-Bridges-WARDA/IRD	Aug '07-Dec '09	80,000	9,000			22,984
GCP-NAM population-WARDA/CIAT	Aug '08-Jun '09	114,058	9,994		6,898	79,512
GCP Rice Challenge Initiative	Jun '09-Mar '14	2,717,754	21,799		517,965	34,442
GCP Drought Avoidance Root	Nov '08-Sep '11	100,800	26,039		60,944	32,295
Sub-Total Challenge Program Grants		3,379,198	97,769		618,502	345,608
Total Restricted Grants		50,128,218	2,555,367	1,381,071	14,329,333	16,930,870
Total Grants		56,120,147	4,611,594	1,381,071	20,321,262	21,801,167

ANNEX 9

AFRICA RICE CENTER (AfricaRice)

SCHEDULE OF RESTRICTED AGENDA FUNDING

For the Year Ended December 31, 2010 and 2009
(Expressed in US Dollars)

TEMPORARILY RESTRICTED

Donor and Project	Notes to Adjustments	Grant Period	Grant Pledged	2009 Balances		Balance Adjustments 2010	Received in 2010	2010 Balances		Expenditures/ Grants in	
				Receivable @31/12/09	Payables @31/12/09			Receivable @31/12/10	Payables @31/12/10	2010	2009
AFDB I (NERICA Dissemination Project)		Jan '04-Dec '11	1,230,000	319,303			743,404	155,484		579,585	404,600
Contracted Services to CARD Secretariat		Oct '09-Jul '10	24,415			5,245		18,249		23,494	
ACP - AfroWEEEDs Project		Oct '09-Oct '12	408,453	7,741		117,878		51,328		161,465	7,741
BADEA - IRM Training	(a)	Jan '09-Dec '09	320,000	45,768	61	(75,780)				(121,488)	
BADEA - 2010 IRM Training	(a)	Jul '10-Dec '11	330,000		815	283,600			87,891	196,524	319,368
Diffusion of Improved Crop Varieties in Africa (DIVA)		Nov '09-Dec '12	168,300			68,300		45,674		113,974	
CAAS - Chinese Academy of Agricultural Sciences		Nov '08-Oct '11	3,449,862			443,830		106,033		1,630,626	1,168,719
CANADA Linkage Fund - Mc Gill University		Apr '08-Mar '11	209,711		1,080,763	74,353			50,601	72,593	78,911
CARD Regional Workshop July 10	(a)	Jul '10-Jul '10	79,584		(73)	79,584				79,511	
CFC-FAO (Spirivwa Project)	(b)	Jan '00-Dec '09	536,039	242,644	69,841	163,217		27,610		18,024	84,247
CFC-FAO - NERICA Dissemination in Central Africa Project		Jan '08-Mar '12	2,500,961	309,710		332,614		158,772		181,676	341,592
Conserv. Food & Health Found.		Jul '06-Dec '10	81,000							6,177	25,691
DFID16-Striga Project - University of Sheffield		May '08-Sep '11	53,250			21,820			2,568	37,664	10,175
ESSO - Rice Development in Chad		Jan '10-Dec '11	214,242			153,357			6,170	147,187	
European Union - Rice Policy & Techn. Impact on Food Security...	(b)	Jan '07-Dec '10	1,203,184	138,029	11,653	486,086		97,552		457,261	510,069
European Union - RAP Project		Jan '09-Dec '10	1,424,914	63,443		623,505		140,231		700,293	724,622
Rice Policy (Incremental Fund)		Jun '10-Dec '12	2,000,000					811,038		811,038	
FAO - Liberia Seed Production Project	(a)	Aug '08-Jun '09	168,475	7,721	(19)	158,800			2,188	(9,929)	156,239
FAO - Seed Systems Study Project		Jan '10-Dec '10	198,500			30,132				198,500	
GTZ-RISOCAS-University of Hohenheim Project	(a)	Mar '08-Feb '11	236,553	96,405	(5)	25,153		22,045		(44,233)	163,044
GTZ - Characterization of Bacterial Leaf Blight		May '08-Apr '10	86,420	20,601		535,280			98,469	4,552	32,045
GTZP8 - GTZ MICCORDEA		Jan '10-Dec '12	1,608,000			231,528				436,811	
GTZ - Attributed Grant	(a)	Jan '10-Dec '10	314,000	10,281	19	231,528				231,547	
IBRD - Genebank Upgrade Project(GPG-Phase 2)	(a)	Jan '07-Dec '09	314,000		1	10,280					102,918
IBRD - AfricaRice Full Cost Recovery Proj.	(b)	Jan '09-Dec '09	29,500		(428)				414,492		29,072
IBRD-CGIAR Collaboration Fund Proj.		Jan '11 - Open	414,492								

Donor and Project	Notes to Adjustments	Grant Period	Grant Pledged	2009 Balances		Balance Adjustments 2010	Received in 2010	2010 Balances		Expenditures/ Grants in 2010	Expenditures/ Grants in 2009
				Receivable @31/12/09	Payables @31/12/09			Receivable @31/12/10	Payables @31/12/10		
IFAD - HIV/AIDS and Rural Poverty Project		Jan '07-Jun '09	165,000	8,250			360,000	8,250		658,224	19,956
IFAD - NERICA Seeds Access - West and Central Africa Project	(a)	Dec '07-Dec '12	1,500,000	202,182	(0)		15,000	500,406		15,000	360,608
IFAD - ESA Project		Jan '09-Dec '10	60,000				33,000		5,676	27,324	45,000
IFAR-CGIAR Fellowship Programs		Jan '09-Feb '11	55,000				1,760,375			874,001	2,397,892
IRRI/WARDA Abiotic Stress Project		Jan '08-Dec '10	4,799,818	886,374			704,000		6,188	283,801	403,951
Japan/UNDP-TCDC (Interspecific Hybrid. Project)	(a)	Jan '00-Mar '11	380,000	414,011	(23)		186,000	1,304		81,143	115,732
Japan - Increasing Quality Compet. Loc. Project		Jan '03-Mar '11	100,000	106,139			186,000	55,753		102,112	97,233
Japan - Dev. Interspec. OG&OS Progenies Project		Jan '03-Mar '11	100,000	139,641			186,000	704	78,837	138,453	88,054
Japan - High Yield Varieties-Humid Zones project		Dec '05-Mar '11	100,000			31,290	186,000			70,392	136,951
Japan - Phys. & Genetic Invest.-NERICA Project		Jan '07-Mar '11	100,000	116,312			113,000		73,004	51,895	66,125
Japan - Development of Sustainable Rice Farming Systems Project		Jan '08-Mar '11	60,000	11,899			1,597,200	150,900		287,738	4,512,262
Japan - Emergency Rice Initiatiiv		Apr '09-Sep '10	4,800,000	287,738			661,383		513,200	727,149	42,733
Japan Breeding Project		Jan '10-Dec '14	6,000,000							3,640	7,070
Japan - SMART IV Project		Oct '09-Sep '14	3,000,000	578,966						26,885	22,936
Japan - Capacity Bldg (Saito)		Oct '09-Dec '10	10,730	3,640			20,271	1,472		8,912	
Japan - Capacity Building (Sokoi)		Oct '09-Feb '11	48,349	5,142			11,500		2,588	3,415	
Japan - Capacity Building (Abe)		Sep '10-Feb '11	11,500				12,700		7,000		
Japan/CGFellowship Program - Abe		Nov '10-Feb '11	12,700				7,000		1,601		
Japan/CGFellowship Program - Saito		Nov '10-Mar '11	7,000				186,000			64,254	117,150
Japan (RYMV Project)		Jan '00-Mar '11	100,000	120,145			213,539	58,171		198,866	209,901
JICA-WARDA Collaboration Project		Apr '04-Open	164,035	72,844			33,287				30,588
JIRCAS/WARDA - Drought Project	(b)	Apr '05-Open	38,211	34,304	1,017		4,000		3,046	78	
JIRCAS - Collab. Proj. - Benin	(a)	Jun '10-Open	4,000		(876)		117,061	1,640		118,702	
Syngenta Proposal Development		Jan '10-Dec '10	193,530	68,667			57,400		18,268	90,224	181,185
UNDP - Interspecific Hybridization (Phase 2) Project	(b)	Jan '07-Dec '09	512,160		11,267		79,843			76,092	77,891
UNDP - Liberia Seed Production Project		Apr '09-Apr '11	296,604			28,649	5,400	44,982			89,290
UNDP - KMV Project, Liberia		Oct '08-Jun '11	230,000	25,710			39,000			39,000	350,000
USAID - Bridge Fund 2009		Jan '09-Dec '09	350,000								
USAID/CORAF - RYMV Project	(a)	Jan '10-Dec '10	39,000								34,278
USAID - RYMV Project		Oct '06-Dec '09	890,000								2,997,422
USAID - West Africa Rice Initiative Project		Oct '08-Sep '10	5,100,000	2,102,578						2,102,578	
Sub-Total Restricted Grants			3,430,514	4,269,934	93,250	11,701,636	2,457,598	1,381,071	13,710,831	16,585,262	

NOTES:

- (a) Corrective adjustments to expenditures and revenue during the period.
- (b) End of project reconciliation and exchange difference adjustments made during the period.

ANNEX 9

AFRICA RICE CENTER (AfricaRice)

SCHEDULE OF RESTRICTED AGENDA FUNDING

For the Year Ended December 31, 2010 and 2009
(Expressed in US Dollars)

CHALLENGE PROGRAMS

Donor and Project	Notes to Adjustments	Grant Period	Grant Pledged	2009 Balances		Balance Adjustments 2010	Received in 2010	2010 Balances		Expenditures/ Grants in	
				Receivable @31/12/09	Payables @31/12/09			Receivable @31/12/10	Payables @31/12/10	2010	2009
<u>Water and Food</u> <u>WorldFish-Project M439</u> -Community Based Fish Culture in Irrigation Systems and Seasonal Floodplains		Apr'05-Mar'10	42,946	17,667			26,138			8,471	20,175
<u>Generation Challenge Program</u> <u>CIMMYT-GCP-Project SPI-G4008-05</u> -Connecting performance under drought with genotypes through phenotype associations		Jan'08-Dec'10	19,200		17,623		5,280	1,320		24,223	6,995
<u>CIMMYT-GCP-Project SP3-G4007-08</u> -Integration of genomics tools with conventional screening for developing NERICA rice cultivars for West Africa		Aug'07-Jul'09	304,440	29,618				29,618			149,205
<u>LGDP/IRD-GCP-I-Bridges</u> -Interspecific bridges that give full access to the African rice allele pool for enhancing drought tolerance of African rice		Aug'07-Dec'09	80,000	9,000				9,000			22,984
<u>CIMMYT-GCP-Project SPI-G4008-45-A</u> Nested Association Mapping (NAM) population of Rice		Aug'08-Jul'09	114,058	43,072			39,976	9,994		6,898	79,512
<u>GCP Rice Challenge Initiative</u>	(a)	Jun'09-Mar'14	2,717,754	10,346		5	506,508	21,799		517,965	34,442
<u>GCP Drought Avoidance Root</u>		Nov'08-Sep'11	100,800		1,305		33,600	26,039		60,944	32,295
Sub-Total Challenge Program Grants				109,703	18,929	5	611,502	97,769		618,502	345,608
Total Restricted Grants				3,540,218	4,288,862	93,255	12,313,138	2,555,367	1,381,071	14,329,333	16,930,870

NOTES:

(a) Corrective adjustments to expenditures and revenue during the period.

ANNEX 10

AFRICA RICE CENTER (AfricaRice)

STATEMENT OF OPERATING EXPENSES

For the Year Ended December 31, 2010 AND 2009

INDIRECT COST RATE

	<u>2010</u>	<u>2009</u>
Direct Operating Expenses		
Research	15,333,011	17,501,502
Research Support	2,683,692	2,106,231
Operations	665,182	500,433
Sub-total	18,681,885	20,108,167
Less: Overhead recovery ¹	(1,420,158)	(2,507,709)
Total Direct Operating Expenses	17,261,727	17,600,457
Indirect Operating Expenses		
Management	2,678,271	2,522,004
Common Sustenance Services	156,250	111,537
Total Indirect Operating Expenses	2,834,521	2,633,541
Less: Indirect Cost Recovery from Hosted Institutions ¹	(264,979)	(406,516)
Total Operating Expenses	19,831,269	19,827,483
Cost Ratios		
Direct/Total	87.0%	88.8%
Indirect/Total	14.3%	13.3%
Indirect/Direct	16.4%	15.0%

¹The deduction of the overhead recovery does not result in a net amount but rather it results in the correct gross amount of the direct costs. This is because the project costs (normally reported as direct project costs) include an amount of indirect costs that a donor of restricted projects allows a Center to recover. As this is not a real direct cost it should be removed. This is usually the amount shown as recovery in the Statement of Activity (SOA). However, since 2007 this amount includes additional overhead recovery due to services provided to hosted institutions and for invoiced services that do not form part of AfricaRice's direct costs stated above.



AfricaRice

**Africa Rice Center (AfricaRice)
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