



AfricaRice

Africa Rice Center (AfricaRice)



**Audited Financial Statement
for the year ended
31 December 2009**



**Audited Financial Statement
for the year ended
31 December 2009**



STATEMENT OF THE BOARD CHAIR

Year ended December 31, 2009

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, 2009 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 Management for the sound and prudent manner in which it has managed the center resources in accordance with Board approved program of work and budget.

Total revenue during the year increased by US\$ 9.35 million to US\$22.46 million, up from US\$13.11 million in 2008. The net expenditure increased by US\$ 8.61 million to US\$19.83 million up from US\$11.21 million in 2008. This resulted in a surplus of US\$ 2.6 million and increased the Center's net assets. The Center's operating reserves increased from US\$5.97 million at end of 2008 to US\$8.60 million at end of 2009. This increase was mainly due to a combination of increased indirect cost recoveries; the implementation of full cost recovery guidelines for part of the year; and additional revenue recognition of receipts from member states contributions (current and arrears) in 2009.

The Center's liquidity and reserve indicator levels have fallen to 152 days, from 181 days in 2008, despite the absolute rise in reserves due to the increased level of per-day operating expenses caused by the higher budget levels attained in 2009. It is the fourth consecutive year that this financial indicator is above CGIAR recommended level.

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 of the center.

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

On behalf of the Board of Trustees, I would like to thank management and staff for their dedication and commitment in continuing the provision of Corporate Services to IITA and Bioversity International during the year, welcome the installation of a CIP Office for their West Africa activities in our Cotonou Research Station during the second half of 2009. I would like also 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



BOARD STATEMENT ON RISK MANAGEMENT

Year ended December 31, 2009

The Board of Trustees of Africa Rice Center (AfricaRice) has 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 that are inherent in 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.

Risks include:

- low impact science (and therefore irrelevance);
- misallocation of scientific efforts away from agreed priorities;
- loss of reputation for scientific excellence and integrity;
- research disruption and information system failure;
- liquidity problems;
- transaction processing failures;
- loss of assets, including information assets;
- failures to recruit, retain and effectively utilize qualified and experienced staff;
- failures in staff health and safety systems;
- failures in the execution of legal, fiduciary and Center 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 prioritises 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 staff of the Center's business unit, internal auditors, Center-commissioned external reviewers and the external auditor.

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.

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



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 endeavours to manage risk by ensuring that the appropriate infrastructure, controls, 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 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 service, 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 2009 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 Internal Audit function that reports to the Audit Committee.

Getachew Engida
Chairman, Board of Trustees



Certificate by Center Management

Year ended December 31, 2009

We have prepared the accompanying financial statements of Africa Rice Center (AfricaRice) as of December 31, 2009. 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 have worked closely with 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 Africa Rice Center.

Aguibou D. Tall
Director of Administration and Finance

Papa Abdoulaye Seck
Director General

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, 2009, 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, 2009, and of its surplus and its cash flows for the year then ended in accordance with CGIAR Accounting Policies and Reporting Practices Manual.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Lagos, Nigeria

March 8, 2010

AFRICA RICE CENTER (AfricaRice)

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2009

	Note	2009	2008 US \$
ASSETS			
<u>Current Assets</u>			
Cash and Cash Equivalent	3	11,275,590	4,435,284
Accounts Receivable:			
Donors	4	5,034,043	4,016,102
Employees	5	250,847	255,151
Others	6	796,258	930,598
Inventories	14	295,383	437,780
Prepaid Expenses	7	169,277	255,673
Total Current Assets		17,821,399	10,330,588
<u>Property and Equipment</u>			
Property and Equipment	8	9,346,901	8,231,407
Less: Accumulated Depreciation	8	(8,544,079)	(7,518,141)
Total Property and Equipment-Net		802,822	713,266
TOTAL ASSETS		18,624,221	11,043,854
LIABILITIES AND NET ASSETS			
<u>Current Liabilities</u>			
Accounts Payable:			
Donors	9	5,953,935	2,479,114
Employees	10(a)	421,570	306,699
Others	11	762,963	486,514
Employees Investment Account	10(b)	214,000	214,000
Provisions and Accruals	12	2,673,395	1,590,273
Total Current Liabilities		10,025,863	5,076,600
TOTAL LIABILITIES		10,025,863	5,076,600
<u>Net Assets</u>			
<u>Unrestricted Net Assets:-</u>			
Undesignated	13	7,795,536	5,253,988
Designated	13	802,822	713,266
TOTAL NET ASSETS		8,598,358	5,967,254
TOTAL LIABILITIES & NET ASSETS		18,624,221	11,043,854

The financial statements were approved by the Board of Trustees on **March 10, 2010** 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(1-18) form part of this statement

AFRICA RICE CENTER (AfricaRice)

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2009

	Note	Unrestricted	Restricted		Total	
		US \$	Temporarily Restricted	Challenge Programs	2009	2008
<u>REVENUES, GAINS AND OTHER SUPPORT</u>						
Grants	15	4,870,297	16,585,262	345,608	21,801,167	10,900,172
Member States-Operating Income	16(a)	556,958			556,958	1,894,367
Member States-Capital Dev. Income	16(b)					
Other Income	17	100,463			100,463	314,835
Total Revenue,Gains and Other Support		5,527,718	16,585,262	345,608	22,458,587	13,109,374
<u>EXPENSES AND LOSSES</u>						
Program Related Expenses	18(a)	2,325,013	16,556,189	345,608	19,226,811	8,540,670
Management and General Expenses	18(b)	3,485,825	29,072	-	3,514,897	4,234,534
Sub-Total Expenses and Losses		5,810,838	16,585,262	345,608	22,741,708	12,775,204
Indirect Cost Recovery		(2,914,225)			(2,914,225)	(1,560,854)
Total Expenses and Losses		2,896,613	16,585,262	345,608	19,827,483	11,214,350
Change in Net Assets:						
Net Surplus		2,631,105			2,631,105	1,895,024

MEMO ITEM

Total Expenses-by Natural Classification

	Unrestricted	Restricted		Total	
		Temporarily Restricted	Challenge Programs	2009	2008
Personnel Costs	2,857,260	3,423,819	73,035	6,354,114	5,524,778
Supplies & Services	2,354,410	6,008,256	175,719	8,538,385	4,791,044
Collaborators and Partnerships Costs	2,408	5,681,317	36,821	5,720,546	1,160,345
Operational Travel	293,137	763,610	22,644	1,079,391	701,893
Depreciation	303,623	708,260	37,389	1,049,272	597,144
Sub-Total Expenses and Losses	5,810,838	16,585,262	345,608	22,741,708	12,775,204
Indirect Cost Recovery	(2,914,225)			(2,914,225)	(1,560,854)
Total Expenses and Losses	2,896,613	16,585,262	345,608	19,827,483	11,214,350

The accompanying notes to the financial statements(1-18) form part of this statement

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2009

	Undesignated US \$	Designated ^{1/} US \$	Total US \$
UNRESTRICTED NET ASSETS			
Balance as at January 1 2008	3,075,574	996,655	4,072,230
Net Surplus for the year	1,895,024		1,895,024
<u>Net Gain and Losses not recognised in Statement of Activities:</u>			
Prior Period Adjustments			
Net Changes in Investment in Fixed Assets	283,390	(283,390)	
Balance as at December 31, 2008	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	
^{1/} Designated in an amount equal to the Investment in Net book Value of Property Plant and Equipment			
Balance as at December 31, 2009	7,795,536	802,822	8,598,358

^{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

The accompanying notes to the financial statements (1-18) form part of this statement

AFRICA RICE CENTER (AfricaRice)

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED DECEMBER 31, 2009

	Total	
	2009	2008
		US \$
CASHFLOWS PROVIDED (USED) IN OPERATING ACTIVITIES		
Change in Net Assets	2,631,105	1,895,024
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities :		
Prior Period Adjustments		
Depreciation	1,153,902	597,144
Gain on Disposal of Fixed Assets	(5,095)	(45,299)
Decrease(Increase) in Assets		
Accounts Receivable:		
Donors	(1,017,941)	(1,158,026)
Employees	4,304	(68,492)
Others	134,340	(579,220)
Inventories	142,397	(1,954)
Prepaid Expenses	86,396	(83,416)
Increase(Decrease) in Liabilities		
Accounts Payable:		
Donors	3,474,819	(530,754)
Employees	114,871	115,954
Others	276,449	(106,560)
Provisions and Accruals	1,083,122	341,673
Net Cash Provided in Operating Activities	8,078,670	376,073
CASHFLOWS PROVIDED (USED) IN INVESTING ACTIVITIES		
Acquisition of Property and Equipment	(1,243,700)	(317,524)
Proceeds From Disposal of Property and Equipment	5,337	49,069
Net Cash Used in Investing Activities	(1,238,363)	(268,456)
CASHFLOWS PROVIDED (USED) IN FINANCING ACTIVITIES		
Bank Overdraft		
Net Cash Used in Financing Activities		
Net Increase(Decrease) in Cash and Cash Equivalents		
Cash and Cash Equivalents at Beginning of Year	4,435,284	4,327,667
Increase in Cash and Cash Equivalents	6,840,306	107,617
Cash and Cash Equivalents at End of Year	11,275,590	4,435,284

The accompanying notes to the financial statements(1-18) form part of this statement

AFRICA RICE CENTER (AfricaRice)

NOTES TO THE FINANCIAL STATEMENTS

1. ORGANIZATION AND OBJECTIVES

The Africa Rice Center (AfricaRice) is an international inter-governmental organization and a member of a network of centers supported by the Consultative Group of International Agricultural Research (CGIAR). It was established in 1970 to conduct research development and training in relation to all phases of rice production, management and distribution in West Africa, but has since enhanced the mandate to the whole of Africa. The objectives are to increase production levels throughout and increasing number of African Countries and to improve the varieties of rice suitable to the continent. At present, activities are carried out in four countries in different ecologies. Various research activities are carried out in Ibadan, Nigeria using the International Institute of Tropical Agriculture (IITA) campus as a station, the Sahel program is based at St. Louis in Senegal, and in March 2005, the East and Central Africa station started its activities in Dar-es-Salaam, Tanzania. The main research activities were formerly based at Bouaké in Côte d'Ivoire and physical presence at Rokupr ended in April 1993, but AfricaRice continues to carry out general maintenance activities as well as some seed multiplication in the Mbé valley near Bouaké.

The Council of Ministers passed a resolution at the last meeting held in Lome, Togo on September 3, 2009 to effectively change of the institution's designation due to the expansion of the geographic mandate of the Africa Rice Center towards East, Central and North Africa. The resolution made was to remove the acronym WARDA from the Center's name and to adopt with immediate effect in all communications and official documents the new designation Africa Rice Center (AfricaRice) to replace the designation Africa Rice Center (WARDA).

AfricaRice receives funds and assistance from the CGIAR which comprises international and regional organizations, also from its Member States and International aid Agencies.

Since January 2005, following the political crisis in Côte d'Ivoire in September 2002 and again in November 2004, AfricaRice's Headquarters have now been temporarily relocated to the International Institute for Tropical Agriculture (IITA) research station at Calavi, near Cotonou, Benin.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounts are 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 N°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 presented using the accrual basis of accounting except for contributions from Member States in support of 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 according to the type of donor-imposed restriction.

- ❖ 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 unit of account for 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 in 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 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 an exception for 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 is 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 of acquisition cost or 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 Ivorian and Benin governments 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.

	2009 Number of personnel	2009 Estimated costs (US \$)	2008 Number of personnel	2008 Estimated costs (US \$)
Japan	2	240,000	3	360,000
Total	2	240,000	3	360,000

2.3 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 4).

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

NOTES TO THE FINANCIAL STATEMENTS - (Cont'd)

3. CASH AND CASH EQUIVALENTS		
	2009	2008
	US \$	US \$
Bank Balances-Current Accounts	1,834,878	985,297
Bank Balances-Short Term Investment Accounts of less than 1 year	9,349,044	3,412,975
Cash on Hand	91,668	37,012
	11,275,590	4,435,284
4 ACCOUNTS RECEIVABLE-DONORS		
	2009	2008
	US \$	US \$
Unrestricted Grants:-		
United States of America	62,500	62,828
France	181,332	
Canada	627,801	537,466
Japan	597,782	603,478
Sub-total Unrestricted Grants Receivable	1,469,415	1,203,772
Restricted Grants:-		
<u>Restricted Project Fund Balances receivable-See note (a) below</u>		
Restricted Grants Receivable	3,436,982	2,772,370
Challenge Program Grants Receivable	127,647	39,960
Sub-Total Restricted Grants Receivable	3,564,629	2,812,330
	5,034,043	4,016,102
(a)	Details of amounts receivable from restricted donors are given in the Schedule of Restricted Projects on Annex 7	
5 ACCOUNTS RECEIVABLE-EMPLOYEES		
	2009	2008
	US \$	US \$
Due from Staff Members	250,847	253,756
Due from Separated Staff Members	19,361	1,395
Sub-Total Employee Accounts Receivable	270,208	255,151
Less: Provision for Doubtful Accounts Receivable	(19,361)	
	250,847	255,151
6 ACCOUNTS RECEIVABLE-OTHERS		
	2009	2008
	US \$	US \$
<u>Corporate Services Inter-Center Receivables:</u>		
International Institute of Tropical Agriculture (IITA)	475,392	498,903
Bioversity International	8,474	7,126
Sub-Total Inter-Center Accounts Receivable	483,866	506,029
Sundry Receivable Accounts	421,911	424,569
Sub-Total	905,778	930,598
Less: Provision for Doubtful Accounts Receivable	(109,519)	
	796,258	930,598
7 PREPAID EXPENSES		
	2009	2008
	US \$	US \$
Petrol Coupons	2,746	31,173
Pre-Paid to Suppliers	166,531	224,500
	169,277	255,673

NOTES TO THE FINANCIAL STATEMENTS - (Cont'd)

8 PROPERTY, PLANT AND EQUIPMENT

		Balance January 1 2009 US \$	Disposals US \$	Additions (Note b) US \$	Balance December 31 2009 US \$
<u>Cost</u>					
Land, Buildings and Installations	Note (a)	519,684		26,536	546,220
Heavy Duty Equipment		602,905			602,905
Agricultural Equipment		1,458,654		56,207	1,514,861
Vehicles and Tractors		1,588,408	(73,183)	380,144	1,895,369
Furniture and Office Equipment		1,215,834	(46,550)	49,894	1,219,178
Laboratory & Scientific Equipment		2,093,735		259,660	2,353,394
Computers		752,189	(8,473)	356,638	1,100,354
Fixed Assets in Transit				114,621	114,621
		8,231,407	(128,207)	1,243,700	9,346,901
<u>Accumulated Depreciation</u>					
Land, Buildings and Installations		377,600		93,658	471,258
Heavy Duty Equipment		569,541		4,390	573,931
Agricultural Equipment		1,406,148		65,929	1,472,078
Vehicles and Tractors		1,342,900	(73,183)	344,818	1,614,535
Furniture and Office Equipment		1,119,701	(46,309)	62,487	1,135,879
Laboratory & Scientific Equipment		2,013,989		289,711	2,303,700
Computers		688,263	(8,473)	196,113	875,903
Fixed Assets in Transit				96,795	96,795
		7,518,142	(127,965)	1,153,902	8,544,079
Net Book Value		713,266	(242)	89,798	802,822

- (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\$ 745,649 and US\$ 297,228 in 2008

AFRICA RICE CENTER (AfricaRice)

NOTES TO THE FINANCIAL STATEMENTS - (Cont'd)

9	ACCOUNTS PAYABLE-DONORS	2009 US \$	2008 US \$
	Restricted Grants:-		
	Restricted Grants Received in Advance-See Note (a) below		
	Restricted Grants Received in Advance	4,269,934	1,681,927
	Challenge Program Grants Received in Advance	18,929	50,282
	Sub-Total Restricted Grants Payable as per Schedule	4,288,862	1,732,209
	USAID-OFDA Refundable Balance (Project was stalled)	100,000	100,000
	Sub-Total Restricted Grants Payable	4,388,862	1,832,209
	Member States and Other Contribution:		
	Member States Contributions Received in Advance	1,565,073	556,905
	Sub-Total Member States Contributions Received in Advance	1,565,073	556,905
	Unrestricted Grants:-		
	World Bank Unrestricted Grant 2009 in Advance		90,000
	Sub-Total Unrestricted Grants Payable	-	90,000
		5,953,935	2,479,114
(a)	Details of amounts received in advance from restricted donors are given in the Schedule of Restricted Projects on Annex 7		
10(a)	ACCOUNTS PAYABLE-EMPLOYEES		
		2009 US \$	2008 US \$
	Staff Provident Funds (Liberia Staff)	25,145	25,146
	Staff Provident Funds (Côte D'Ivoire, Senegal and Benin-based Staff)	139,456	99,415
	Due to Separated Staff Members	31,700	24,380
	Due to Staff Members	225,268	157,758
		421,570	306,699
10(b)	ACCOUNTS PAYABLE-EMPLOYEES INVESTMENT ACCOUNT		
		2009 US \$	2008 US \$
	Amount Invested in Time Deposit for the General Support Staff Provident Fund		
	Balance Brought Forward January 1, 2009	214,000	214,000
	Capital Enhancements During the Year 2009	-	-
	Balance Carried Forward December 31, 2009	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		
11	ACCOUNT PAYABLE-OTHERS		
		2009 US \$	2008 US \$
	Suppliers Payable Accounts	319,975	352,263
	<u>Corporate Services Inter-Center Payables:</u>		
	International Institute of Tropical Agriculture (IITA)	191,751	94,914
	International Potato Center (CIP)	25,424	
	Sub-Total Corporate Service Inter-Center Accounts Payable	217,174	94,914
	Sundry Payable Accounts	225,814	39,337
		762,963	486,514
12	PROVISIONS AND ACCRUALS		
		2009 US \$	2008 US \$
	Accrued Expenses & Provisions	1,573,900	961,548
	Staff Accrued Leave	461,264	289,759
	Accrued Relocation & Repatriation Allowances	411,372	338,966
	Accrued Termination Benefits-Support Staff	161,983	
	Accrued Audit Fees-Internal and External	64,876	
		2,673,395	1,590,273

NOTES TO THE FINANCIAL STATEMENTS - (Cont'd)

13 UNRESTRICTED NET ASSETS

	2009	2008
	US \$	US \$
Unrestricted Net Assets:		
<u>Undesignated:</u>		
Net Assets at Beginning of Year	5,967,254	4,072,230
<u>Prior Period Adjustment</u>		
Transfer from Operating Result	2,631,105	1,895,024
Transfer towards Designated Net Assets(Investment in Property Plant and Equipment)	(802,822)	(713,266)
Sub-Total Undesignated Net Assets at End of Year	7,795,536	5,253,988
<u>Designated:</u>		
Transfer towards Designated Net Assets(Investment in Property Plant and Equipment)	802,822	713,266
Sub-Total Designated Net Assets at End of Year	802,822	713,266
Net Assets at End of Year	8,598,358	5,967,254

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

14 INVENTORIES

	2009	2008
	US \$	US \$
Stationery and Office Supplies	21,127	84,390
Vehicle and Equipment Spare Parts	161,504	249,394
Building and Maintenance Supplies	59,925	60,405
Fuel and Lubricants	14,455	12,606
Fuel Stocks - Cotonou	20,204	2,247
Field and Farm Supplies	3,188	2,202
Laboratory Supplies	565	601
Stocks -Health Post	359	1,267
General Stocks	14,056	18,407
St Louis Station Stores	-	6,261
	295,383	437,780

NOTES TO THE FINANCIAL STATEMENTS - (Cont'd)

15 GRANTS

	Grant Period	For the year ended December 31, 2009			
		Funds Received	Accounts Receivable	Total (US \$)	
				2009	2008
<u>UNRESTRICTED:</u>					
Belgium	Jan'09-Dec'09	559,888	-	559,888	497,194
Canada	Jan'09-Dec'09	-	627,801	627,801	702,657
France	Jan'09-Dec'09	88,758	181,332	270,090	239,051
Germany	Jan'09-Dec'09	213,315	-	213,315	230,329
Japan	Jan'09-Dec'09	-	597,782	597,782	603,478
Sweden	Jan'09-Dec'09	471,184	-	471,184	458,664
United Kingdom	Jan'09-Dec'09	852,941	-	852,941	820,875
USAID	Jan'09-Dec'09	187,500	62,500	250,000	250,000
World Bank	Jan'09-Dec'09	1,020,000	-	1,020,000	710,000
Cote D'Ivoire	Jan'09-Dec'09	7,296	-	7,296	8,971
Total Unrestricted Grants		3,400,882	1,469,415	4,870,297	4,521,220
<u>TEMPORARILY RESTRICTED:</u>					
AfDB I(NERICA Dissemination Project)	Jan'04-Dec'09	404,600		404,600	475,413
ACP- AfroWEEDs Project	Oct'09-Oct'12	7,741		7,741	
BADEA-IRM Training	Jan'09-Dec'09	319,368		319,368	
CAAS-Chinese Academy of Agricultural Sciences	Nov'08-Oct'11	1,168,719		1,168,719	
CANADA-Fund for Africa (CFA)	2003-2007				(1,385)
1/ New CANADA fund for SWIHA	2006-2008				24,460
CANADA Linkage Fund-Mc Gill University	Apr'08-Mar'11	78,911		78,911	7,607
CFC/FAO-Spirivwa Project	Jan'00-Dec'09	84,247		84,247	247,107
CFC-FAO-NERICA Dissemination in Central Africa Project	Jan'08-Dec'11	341,592		341,592	472,863
Conserv. Food & Health Found.	Jul'06-Jun'09	25,691		25,691	19,342
DFIDI6-Striga Project-University of Sheffield	May'08-Dec'11	10,175		10,175	6,346
1/ European Union(Rice Policy & Techn. Impact on Food Security....)	Jan'07-Dec'09	510,069		510,069	518,519
European Union(RAP Project)	Jan'09-Dec'10	724,622		724,622	
FAO-Liberia Seed Production Project	Aug'08-Jun'09	156,239		156,239	19,957
Federal Rep. of Nigeria Seed Mult.Prj	2006-2008				53,706
GTZ-RISOCAS-University of Hohenheim Project	Mar'08-Feb'11	163,044		163,044	137,373
GTZ-Characterization of Bacterial Leaf Blight	May'08-Apr'10	32,045		32,045	49,822
IBRD- Genebank Upgrade Project	2003-2008				6,145
1/ IBRD-World Bank Contrib.to SWEP-IVC	Jan'06-Mar'08				28,054
IBRD- Genebank Upgrade Project(GPG-Phase 2)	Jan'07-Dec'09	102,918		102,918	101,487
IBRD- IITA / WARDA Corporate Services Alignment Project	Jan'07-Dec'08				487,015
IBRD-AfricaRice Full Cost Recovery Proj.	Jan'09-Dec'09	29,072		29,072	
IFAD(PADS Project)	Mar'05-Mar'08				36,841
IFAD-HIV/AIDS and Rural Poverty Project	Jan'07-Jun'09	19,956		19,956	77,375
IFAD-NERICA Seeds Access-West and Central Africa Project	Dec'07-Sep'12	360,608		360,608	191,573
IFAD ESA Project	Jan '09-Dec'09	45,000		45,000	
IFAR-CGIAR Fellowship Programs	Jan'09-Dec'09	22,000		22,000	
IRRI/WARDA Abiotic Stress Project	Jan'08-Dec'10	2,397,892		2,397,892	1,527,925
Japan-(Interspecific Hyb. Project)	Jan'00-Mar'09	403,951		403,951	387,240

1/	Japan(Increasing Quality Compet.Loc. Project)	Jan'03-Mar'09	115,732		115,732	107,920
1/	Japan(Dev.Interspec. OG&OS Progenies)	Jan'03-Mar'09	97,233		97,233	131,670
1/	Japan (High Yield Varieties-Humid Zones)	Dec'05-Mar'09	88,054		88,054	91,916
1/	Japan (Phys. & Genetic Invest.-NERICA Project)	Jan'07-Mar'09	136,951		136,951	95,977
1/	Japan-Development of Sustainable Rice Farming Systems Project	Jan'08-Mar'09	66,125		66,125	51,945
	Japan Emergency Rice Initiativ	Apr'09-Mar'10	4,512,262		4,512,262	
	Japan SMART IV	Oct'09-Sep'14	42,733		42,733	
	Japan-Capacity Bldg-Saito	Oct'09-Dec'09	7,070		7,070	
	Japan-Capacity Building-Sokei	Oct'09-Dec'09	22,936		22,936	
1/	Japan(RYMV Project)	Jan'00-Mar'09	117,150		117,150	102,508
	JICA/WARDA-Collaboration Project	Apr'04-Open	209,901		209,901	233,095
	JIRCAS/WARDA-Drought Project	Apr'05-Open	30,588		30,588	43,090
	Netherlands(APO/JPO Project)	2004-2007				(1,235)
	Rockfeller(Drought Tolerance Project)	Mar'04-Dec'07				(663)
	UNDP/TCDC-IHP PHASE 2	Jan'07-Dec'09	181,185		181,185	149,912
	UNDP New PVS Entension Project	Jun'06-Apr'08				64,124
	UNDP Enhancing Capacity-NERICA	Jun'06-Dec'08				135,643
	UNDP-Liberia Seed Production Project	Oct'08-Jun'11	77,891		77,891	985
	UNDP KMV Project Liberia	Apr'09-Apr'11	89,290		89,290	
	USAID Bridge Fund 2009	Jan'09-Dec'09	350,000		350,000	
	USAID - RYMV Project	Oct'06-Dec'09	34,278		34,278	74,064
	USAID:INSAH2-RiceMaize Stratification Project	Sep'06-Dec'07				(3,993)
	USAID:West Africa Rice Initiative Project	Oct'08-Sep'09	2,997,422		2,997,422	
	Sub-Total Restricted Grants		16,585,262	-	16,585,262	6,151,744
	<u>CHALLENGE PROGRAMS:</u>					
	<u>Harvest Plus</u>					
	CIAT-Agreement No. 5021	Nov'05-Dec'09				15,833
	<u>Water and Food</u>					
	WorldFish-Project M439	Apr'05-Mar'10	20,175		20,175	81
	<u>Generation Challenge Program</u>					
	CIMMYT-GCP-Project SP1-G4008-05	Jan'08-Dec'08	6,995		6,995	8,982
	CIMMYT-GCP-Project SP3-G4007-08	Aug'07-Jul'09	149,205		149,205	134,471
	CIAT-Agreement No. C-119-06	Jan'05-Dec'08				10,826
	GCP-I-Bridges-WARDA/IRD	Aug'07-Dec'09	22,984		22,984	57,016
	GCP-NAM population-WARDA/CIAT	Aug'08-Jul'09	79,512		79,512	
	GCP Rice CI Workshop	Jun'09-Dec'09	34,442		34,442	
	GCP Drought Avoidance Root	Nov'08-Sep'11	32,295		32,295	
	Sub-Total Challenge Program Grants		345,608	-	345,608	227,209
	Total Grant Revenue		20,331,752	1,469,415	21,801,167	10,900,172

1/ The use of these Grants has been restricted towards selected projects in CGIAR Approved Agenda for AfricaRice

NOTES TO THE FINANCIAL STATEMENTS - (Cont'd)

16 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 made contributions to the Operational activities of AfricaRice relating to the years ended December 31, 2008 and 2007

	2009	2008
	US \$	US \$
Benin		89,527
Cote D'Ivoire		223,212
Guinea Bissau		50,000
Nigeria		1,216,823
Liberia	15,598	18,131
Mali	71,633	20,260
Senegal	18,283	19,536
Niger	143,541	207,900
The Gambia		7,504
Cameroun	214,765	
Togo	20,451	41,474
Mauritania	18,283	
Uganda	18,283	
Egypt	18,283	
Congo Brazzaville	17,838	
	556,958	1,894,367

(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, 2009 and 2008

	2009	2008
	US \$	US \$

17 OTHER INCOME

	2009	2008
	US \$	US \$
‘Other Income’ Revenues are made up as follow:		
Interest Income	60,771	66,843
Sale of rice	1,014	3,601
Guest House	15,377	34,092
Transport	13,273	13,851
Miscellaneous income	4,933	151,150
Sale of Fixed Assets	5,095	45,299
	100,463	314,835

	2009 US \$	2008 US \$
(a) Program Related Expenses by Functional Classification as of December 31, 2009		
Research	8,348,291	6,706,268
Challenge Programs	345,608	227,209
Research Support	1,742,709	1,280,480
Training Information and Library Services	193,180	326,713
Rice TIME Unit	7,626,129	
System-Wide Program (SWEP-IVC)	970,894	
	19,226,811	8,540,670

(b) Expenses and Losses by Functional and Natural Classification as of December 31, 2009

	2009 US \$		2008 US \$	
	Program Related	Management and General	Program Related	Management and General
Personnel Costs	4,339,225	2,014,889	3,545,320	1,979,458
Supplies & Services	7,498,969	1,039,416	3,232,845	1,558,199
Supplies & Services-Collaborators and Partnerships Costs	5,720,546		1,157,142	3,202
Operational Travel	885,174	194,217	466,645	235,248
Depreciation	782,898	266,374	138,718	458,427
Gross Operating Expenses	19,226,811	3,514,897	8,540,670	4,234,534

ANNEX 1**AFRICA RICE CENTER (AfricaRice)****AFRICAN DEVELOPMENT BANK**

FINANCIAL REPORT: period from January 1 to December 31, 2009

Project Title:-AFDB(WARDA)-NERICA DISSEMINATION PROJECT	
DESCRIPTION	AMOUNT (US\$)
Balance (Receivable) brought forward January 1, 2009	(85,297)
WARDA GRANT:	
- PERSONNEL COSTS	34,814
- SUPPLIES AND SERVICES	74,139
- OPERATIONAL TRAVEL	10,280
- CAPITAL	-
Total expenses on WARDA GRANT	119,233
NARS GRANT:	
- OPERATIONAL FUNDS PAID OUT	285,367
Total expenses on NARS GRANT	285,367
TOTAL EXPENDITURE FOR THE YEAR	404,600
Received from AFDB in 2009:	-
Total funds received	-
Balance (Receivable) carried forward as at December 31, 2009	319,303

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 31,2009

Project Title:-IFAD/EC-Rice Policy and Technology Impact for Food Security and Poverty Reduction		
DESCRIPTION	AMOUNT (US\$)	AMOUNT (EURO)
- PERSONNEL COSTS	254,538	181,646
- SUPPLIES AND SERVICES	192,960	137,702
- OPERATIONAL TRAVEL	57,502	41,035
- CAPITAL	5,067	3,616
TOTAL EXPENDITURE FOR THE YEAR	510,067	364,000
Balance due from IFAD in December 2008	639,215	446,100
Amount received from IFAD:		
Jan-09 (90% of 2008 budget)	(459,950)	(327,600)
Jan-09 (10% of 2007 budget)	(115,268)	(82,100)
May-09 (90% of 2009 budget)	(436,036)	(327,600)
Balance due from IFAD as of December 31, 2009	138,028	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, 2009

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	180,339	130,223
- SUPPLIES AND SERVICES	503,789	363,786
- OPERATIONAL TRAVEL	36,042	26,026
- CAPITAL	4,452	3,215
TOTAL EXPENDITURE FOR THE YEAR	724,622	523,250
Received from IFAD in January 2009 (90% of 2009 budget)	(661,179)	(470,925)
Balance due from IFAD as of December 31, 2009	63,443	52,325

ANNEX 4**AFRICA RICE CENTER (AfricaRice)
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)**

FINANCIAL REPORT: Statement of Expenditure for the period January 1 to December 31, 2009

Project Title:- HIV/AIDS and Rural Poverty "Mainstreaming the Linkages between HIV/AIDS and Rural Poverty Reduction in West & Central Africa"	
DESCRIPTION	AMOUNT (US\$)
- PERSONNEL COSTS	30
- SUPPLIES AND SERVICES	17,905
- OPERATIONAL TRAVEL	2,021
- CAPITAL	
TOTAL EXPENDITURE FOR THE YEAR	19,956
Balance due from IFAD in December 2008	13,044
Received from IFAD in April 2009	(24,750)
Balance due from IFAD as of December 31, 2009	8,250

ANNEX 5**AFRICA RICE CENTER (AfricaRice)****INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)**

FINANCIAL REPORT: Statement of Expenditure for the period January 1 to December 31,2009

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	100,017
- SUPPLIES AND SERVICES	218,730
- OPERATIONAL TRAVEL	39,619
- CAPITAL	2,243
TOTAL EXPENDITURE FOR THE YEAR	360,609
Balance due from IFAD in December 2008	(158,427)
Received from IFAD in 2009	-
Balance due from IFAD as of December 31, 2009	202,182

ANNEX 6**AFRICA RICE CENTER (AfricaRice)****INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)**

FINANCIAL REPORT: Statement of Expenditure for the period January 1 to December 31,2009

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	32,229
- SUPPLIES AND SERVICES	8,698
- OPERATIONAL TRAVEL	903
- CAPITAL	3,170
TOTAL EXPENDITURE FOR THE YEAR	45,000
Received from IFAD/IRRI in September 2009	(45000)
Balance due from IFAD/IRRI as of December 31,2009	-

ANNEX 7

**AFRICA RICE CENTER (AfricaRice)
STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2009 and 2008
(Expressed in US Dollars)
RESTRICTED GRANT REVENUE

TEMPORARILY RESTRICTED

Donor and Project	Notes to Adjustments	Grant Period	Grant Pledged	2008 Balances		Balance Adjustments 2009	Received in 2009	2009 Balances		Expenditures/ Grants in 2009	Expenditures/ Grants in 2008
				Receivable @31/12/08	Payables @31/12/08			Receivable @31/12/09	Payables @31/12/09		
AfDB (NERICA Dissemination Project)		Jan'04-Dec'09	1,230,000		85,297			319,303		404,600	475,413
ACP- AfroWEEEDs Project		Oct'09-Oct'12	516,754					7,741		7,741	
BADEA-IRM Training		Jan'09-Dec'09	320,000				273,600	45,768		319,368	
CAAS-Chinese Academy of Agricultural Sciences		Nov'08-Oct'11	3,449,862				2,249,482			1,168,719	
CANADA-Fund for Africa (CFA)		2003-2007	2,158,489						1,080,763		(1,385)
New CANADA fund for SWIHA	(a)	2006-2008	167,231	3,530		(3,530)					24,460
CANADA Linkage Fund-Mc Gill University		Apr'08-Mar 2011	214,695	64,530			63,221		48,840	78,911	7,607
CFC-FAO (Spirirwa Project)		Jan'00-Dec'09	536,039	158,397				242,644		84,247	247,107
CFC-FAO-NERICA Dissemination in Central Africa Project		Jan'08-Dec 2011	2,500,961	72,984			104,866	309,710		341,592	472,863
Conserv. Food & Health Found.		Jul'06-Jun'09	20,000	11,869			20,000		6,177	25,691	19,342
DFID16-Striga Project-University of Sheffield		May'08-Dec 2011	57,298	16,527			12,062		18,413	10,175	6,346
European Union(Rice Policy & Techn. Impact on Food Security....)		Jan'07-Dec'09	1,203,184	639,215			1,011,254	138,029		510,069	518,519
European Union(RAP Project)		Jan'09-Dec'10	1,508,007		16,018		661,179	63,443		724,622	19,957
FAO-Liberia Seed Production Project		Aug'08-June'09	168,475				132,500	7,721		156,239	
FAO-Seed Systems Study Project		Jan '10 - Dec '10	198,500	392			39,700		39,700		
Federal Rep. of Nigeria Seed Mult.Prj		2006-2008	200,000								53,706
GTZ-RISOCAS-University of Hohenheim Project		Mar'08-Feb 2011	254,383	9,229			75,868	96,405		163,044	137,373
GTZ-Characterization of Bacterial Leaf Blight		May'08-Apr 2010	86,460	11,445				20,601		32,045	49,822
IBRD- Genbank Upgrade Project(GPG-Phase 1)		2003-2008	1,001,500								6,145
IBRD-World Bank Contrib.to SWEP-IVC		Jan'06-Mar'08	155,000								28,054
IBRD- Genbank Upgrade Project(GPG-Phase 2)	(a)	Jan'07-Dec'09	314,000	47,587		(3,097)	143,320	10,281		102,918	101,487
IBRD- IITA / WARD A Corporate Services Alignment Project		Jan'07-Dec'08	600,000								487,015

Donor and Project	Notes to Adjustments	Grant Period	Grant Pledged	2008 Balances		Balance Adjustments 2009	Received in 2009	2009 Balances		Expenditures/ Grants in 2009	Expenditures/ Grants in 2008
				Receivable @31/12/08	Payables @31/12/08			Receivable @31/12/09	Payables @31/12/09		
IBRD-AfricaRice Full Cost Recovery Proj.		Jan'09-Dec'09	29,500				29,500		428	29,072	36,841
IFAD(PADS Project) Phase I & II		Mar'05-Mar'08	1,000,000								77,375
IFAD-HIV/AIDS and Rural Poverty Project		Jan'07-Jun'09	165,000	13,044			24,750	8,250		19,956	
IFAD-NERICA Seeds Access-West and Central Africa Project		Dec'07-Sept 2012	1,500,000	158,427				202,182		360,608	191,573
IFAD ESA Project		Jan'09-Dec'09	45,000				45,000			45,000	
IFAR-CGIAR Fellowship Programs		Jan'09-Dec'09	22,000				22,000			22,000	
IRRI/WARDA Abiotic Stress Project		Jan'08-Dec 2010	4,799,818	727,925			2,239,443	886,374		2,397,892	1,527,925
Japan/UNDP-TCDC (Interspecific Hybrid. Project)		Jan'00-Mar'09	380,000	453,197			443,137	414,011		403,951	387,240
Japan (Increasing Quality Compet.Loc. Project)		Jan'03-Mar'09	100,000	107,022			116,615	106,139		115,732	107,920
Japan (Dev.Interspec. OG&OS Progenies Project)		Jan'03-Mar'09	100,000	159,023			116,615	139,641		97,233	131,670
Japan (High Yield Varieties-Humid Zones Project)		Dec'05-Mar'09	100,000	2,729			116,615		31,290	88,054	91,916
Japan (Phys. & Genetic Invest.-NERICA Project)		Jan'07-Mar'09	100,000	95,977			116,615	116,312		136,951	95,977
Japan-Development of Sustainable Rice Farming Systems Project		Jan'08-Mar'09	60,000	8,055			69,969		11,899	66,125	51,945
Japan Emergency Rice Initiative		Apr'09-Mar'10	4,800,000				4,800,000		287,738	4,512,262	
Japan SMART IV		Oct'09-Sep'14	3,000,000				621,699		578,966	42,733	
Japan-Capacity Bldg-Saito		Oct'09-Dec'09	10,730				10,710		3,640	7,070	
Japan-Capacity Building-Sokei		Oct'09-Dec'09	28,078				28,078		5,142	22,936	
Japan (RYMV Project)		Jan'00-Mar'09	100,000	119,610			116,615	120,145		117,150	102,508
JICA/WARDA-Collaboration Project		Apr'04-Open	164,035	89,696			226,753	72,844		209,901	233,095
JIRCAS/WARDA-Drought Project		Apr'05-Open	38,211	49,614			45,898	34,304		30,588	43,090
Netherlands (APO/JPO Project)		2004-2007	1,252,647					6,034			(1,235)
PDIM/WARDA/SONADER Collaborative Project		Jan'06-Dec'07	144,000								(663)
Rockfeller (Drought Tolerance Project)		Mar'04-Dec'07	885,597							181,185	149,912
UNDP-Interspecific Hybrid. Phase 2 Project)		Jan'07-Dec'09	512,160	22,518			90,000	68,667			64,124
UNDP New PVS Extension Project		Jun'06-Apr'08	397,320								135,643
UNDP Enhancing Capacity-NERICA		Jun'06-Dec'08	349,500	42				42			985
UNDP-Liberia Seed Production Project		Oct'08-June 2011	296,604	8,215			98,325		28,649	77,891	
UNDP KMV Project Liberia		Apr'09-Apr'11	230,000				115,000		25,710	89,290	
USAID Bridge Fund 2009		Jan'09-Dec'09	350,000				350,000			350,000	
USAID - RYMV Project		Oct'06-Dec'09	890,000	23,385			57,663			34,278	74,064
USAID-INSAH2-RiceMaize Stratification Project		Sept'06-Dec'07	160,000								(3,993)
USAID-West Africa Rice Initiative Project		Oct'08-Sept'09	5,100,000	1,272,769			3,827,231		2,102,578	2,997,422	
Sub-Total Restricted Grants				2,772,370	1,681,927	(6,627)	18,515,284	3,436,982	4,269,934	16,585,262	6,151,744

ANNEX 7

AFRICA RICE CENTER (AfricaRice)

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2009 and 2008

(Expressed in US Dollars)

RESTRICTED GRANT REVENUE

CHALLENGE PROGRAMS

Donor and Project	Notes to Adjustments	Grant Period	Grant Pledged	2008 Balances		Balance Adjustments 2009	Received in 2009	2009 Balances		Expenditures/ Grants in 2009	Expenditures/ Grants in 2008
				Receivable @31/12/08	Payables @31/12/08			Receivable @31/12/09	Payables @31/12/09		
Harvest Plus											
CIAT-Agreement No. 5021-Gene mining of Indigenous rice germplasm to improve grain iron content for West and Central African People suffering from iron deficiency		Nov'05- Dec'09	85,250	17,944				17,944			15,833
Water and Food											
WorldFish-Project M439-Community Based Fish Culture in Irrigation Systems and Seasonal Floodplains		Apr'05- Mar'10	42,946		2,508			17,667		20,175	81
Generation Challenge Program											
CIMMYT-GCP-Project SP1-G4008-05-Connecting performance under drought with genotypes through phenotype associations		Jan'08- Dec'08	19,200		10,218		14,400		17,623	6,995	8,982
CIMMYT-GCP-Project SP3-G4007-08-Integration of genomics tools with conventional screening for developing NERICA rice cultivars for West Africa		Aug'07-Jul'09	304,440		1,115		118,472	29,618		149,205	134,471
CIAT-Agreement No. C-119-06-Exploring natural genetic variation: Developing genomic resources and introgression lines for four AA genomic rice relatives		Jan'05- Dec'08	63,740								10,826
LGDP/IRD-GCP-I-Bridges-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	22,016			36,000	9,000		22,984	57,016
CIMMYT-GCP-Project SP1-G4008-45-A Nested Association Mapping (NAM) population of Rice		Aug'08- Jul'09	36,440		36,440			43,072		79,512	
GCP Rice CI Workshop		Jun'09- Dec'09	30,210				24,096	10,346		34,442	
GCP Drought Avoidance Root		Nov'08- Dec'11	100,800				33,600		1,305	32,295	
Sub-Total Challenge Program Grants				39,960	50,282		226,568	127,647	18,929	345,608	227,209
Total Restricted Grants				2,812,330	1,732,209	(6,627)	18,741,852	3,564,629	4,288,862	16,930,870	6,378,952

NOTES:

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

ANNEX 8

**AFRICA RICE CENTER (AfricaRice)
STATEMENT OF OPERATING EXPENSES**

FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008
INDIRECT COST RATE

	<u>2009</u>	<u>2008</u>
Direct Operating Expenses		
Research	17,501,502	7,075,228
Research Support	2,106,231	1,659,271
Operations	500,433	961,268
sub-total	20,108,167	9,695,767
less: Overhead recovery ¹	(2,507,709)	(709,054)
Total Direct Operating Expenses	17,600,457	8,986,713
Indirect Operating Expenses		
Management	2,522,004	3,005,615
Common Sustenance Services	111,537	73,822
Sub-total Indirect Operating Expenses	2,633,541	3,079,437
Less: Extraordinary IITA CS Alignment Expenses	-	(487,015)
Total Indirect Operating Expenses (Net)	2,633,541	2,592,421
Less: Indirect Cost Recovery from Hosted Institutions ¹	(406,516)	(851,800)
Total Operating Expenses (Inclusive of IITA CS Alignment Expenses)	19,827,483	11,214,350
Cost Ratios		
Direct/Total	88.8%	80.1%
Indirect/Total	13.3%	23.1%
Indirect/Direct	15.0%	28.8%

¹ The 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)
01 BP 2031, Cotonou, Benin**