

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
REGIONAL TRANSPORT RESEARCH AND EDUCATION
CENTRE KUMASI
(TRECK- KNUST)**

FINANCIAL STATEMENTS

31 DECEMBER 2020

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE
KUMASI (TRECK- KNUST)**

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**AFRICA CENTRES OF EXCELLENCE PROJECT ON
REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE
KUMASI (TRECK- KNUST)**

PROJECT INFORMATION

Project Financier	International Development Association (IDA)
Participating University/ Implementer	Kwame Nkrumah University of Science and Technology (KNUST)
Address	PMB University Post Office Kumasi - Ashanti
Project Name	Africa Centres of Excellence Project on Regional Transport Research and Education Centre Kumasi (TRECK- KNUST)
Auditors	Donaldy Associates Chartered Accountants P.O. Box KS 6608 Kumasi, Ghana
Bankers	Consolidated Bank Ghana Limited

REPORT OF THE INDEPENDENT AUDITOR'S TO THE MEMBERS OF THE
AFRICA CENTRES OF EXCELLENCE PROJECT ON REGIONAL TRANSPORT RESEARCH
AND EDUCATION CENTRE KUMASI (TRECK - KNUST)
ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2020

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the project as at 31 December, 2020 and of its financial performance, changes in equity and its cash flows for the year ended in accordance with International Public Sector Accounting Standards (IPSAS) and in the manner required by the Project Agreement.

What we have audited

We have audited the financial statements of Africa Centres of Excellence Project on Transport Research and Education Centre Kumasi (TRECK-KNUST) for the year ended 31 December, 2020.

The financial statements comprise:

- Statement of Financial Position as at 31 December, 2020;
- Statement of Financial Performance for the year then ended;
- Statement of Changes in Equity for the year then ended;
- Statement of Cash flows for the year then ended; and
- Notes to the Financial Statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the project in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the code) issued by the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

The Participating University, KNUST is responsible for the other information. The other information comprises Report of the Project Implementation Team but does not include the project's financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Participating University

The Participating University is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Public Sector Accounting Standards (IPSAS) and in the manner required by the Project Agreement and for such internal controls as the Participating University, KNUST determine are necessary to enable the preparation of financial statements that are free from material misstatements, due to fraud or error. In preparing the financial statements, the Participating University, KNUST is responsible for assessing the project's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Participating University, KNUST either intend to stop the project or to cease operations, or have no alternative but to do so. The Participating University, KNUST is responsible for overseeing the project's financial reporting process.

Auditors Responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of the audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Participating University, KNUST.
- Conclude on the appropriateness of the Participating University's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the project to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

The Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account have been kept by the Participating University, KNUST insofar as appears from our examination of those books;
- c) The statements of financial position and performance are in agreement with the books of accounts.
- d) The transactions were within the Project agreement.

The engagement partner on the audit resulting in this independent auditors report is Robert Donaldy (ICAG/P/1113).

26th July, 2021



Donaldy Associates (ICAG/F/2021/100)
Chartered Accountants
House of Excellence Annex
Adum, Kumasi

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE
KUMASI (TRECK- KNUST)**

**STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER, 2020**

	(NOTES)	2020 US\$	2019 US\$
Revenue			
Grant	(5)	1,445,819	1,124,289
Gain on Exchange Transactions	(6)	30,322	-
Total Revenue		1,476,141	1,124,289
Expenditure			
Loss on Exchange Transactions	(6)	-	(39,163)
Regional Capacity Training	(7a)	(29,327)	(152,129)
Learning and Teaching Environment	(7b)	(37,334)	(1,676)
Academic Partnership	(7c)	(9,463)	(31,192)
Governance and Administration	(7d)	(74,978)	(81,809)
Centre Visibility	(7e)	(663)	(160)
Institutional Readiness	(7f)	-	(776)
Industrial Partnership	(7g)	(7,295)	-
Total Expenditure		(159,061)	(306,905)
Surplus for the Year		1,317,081	817,384

The annexed notes form an integral part of these financial statements.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE
KUMASI (TRECK- KNUST)**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2020**

		2020	2019
	(NOTES)	US\$	US\$
ASSETS			
Current Assets			
Cash and Cash Equivalents	(8)	796,604	-
Receivables	(9)	1,373,008	1,085,126
Total Current Assets		2,169,612	1,085,126
Total Assets		2,169,612	1,085,126
LIABILITIES AND EQUITY			
Current Liabilities			
Payables	(10)	35,147	267,742
Total Current Liabilities		35,147	267,742
EQUITY			
Accumulated Surpluses		2,134,465	817,384
Total Accumulated Equity		2,134,465	817,384
Total Liabilities & Equity		2,169,612	1,085,126

The financial statements were approved by KNUST on 26th July, 2021 and were signed on its behalf by:

CENTRE LEADER

FINANCE OFFICER

The annexed notes form an integral part of these financial statements.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
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KUMASI (TRECK- KNUST)**

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER, 2020

	Accumulated Surpluses	Total
2020	US\$	US\$
Balance at 1st January 2020	817,384	817,384
Surplus for the year	1,317,081	1,317,081
Balance at 31 December 2020	2,134,465	2,134,465

	Accumulated Surpluses	Total
2019	US\$	US\$
Surplus for the year	817,384	817,384
Balance at 31 December 2019	817,384	817,384

The annexed notes form an integral part of these financial statements.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE
KUMASI (TRECK- KNUST)
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER, 2020**

	(NOTES)	2020 US\$	2019 US\$
Cash Flows from Operating Activities			
Surplus for the Year		1,317,081	817,384
Operating Surplus before changes in working capital		1,317,081	817,384
Changes in Operating Activities			
Change in Receivables		(287,881)	(1,085,126)
Change in Payables		(232,595)	267,742
Net Cash Flows from Operating Activities		796,605	-
Change in Cash and Cash Equivalents		796,604	-
Cash and Cash Equivalents at Beginning of Year		-	-
Cash and Cash Equivalents at End of Year	(8)	796,604	-

The annexed notes form an integral part of these financial statements.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE
KUMASI (TRECK- KNUST)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER, 2020**

1. REPORTING ENTITY

The Regional Transport Research and Education Centre Kumasi (TRECK-KNUST) is a center under Kwame Nkrumah University of Science and Technology, a university registered and domiciled in Ghana. The University is located at Bomso, Kumasi - Ghana. The Centre provides research into science, technology and training in related activities.

2. THE PROJECT

An agreement was signed between Ministry of Finance (MOF) and the International Development Association (IDA) of the World Bank for the implementation of this project through Kwame Nkrumah University of Science and Technology (KNUST) herein referred to as the "Participating University (ACE)". The Project is to support Republic of Ghana to promote regional specialization among African Participating Universities in areas that address regional challenges and strengthen the capacities of these Universities to deliver quality training and applied research. The Participating University (ACE) is an implementing entity under the Financing Agreement and it is an Institution of higher education, established on October 6, 1951 " To develop world- class human resource and capabilities to meet national development needs and global challenges through quality teaching, learning, research and knowledge dissemination" and selected to host one of the Africa Centres of Excellence (ACE) known as the "Regional Transport Research and Education Centre Kumasi". The IDA of the World Bank offered The Participating University (ACE) a grant amounting to SDR 4,608,000 (US\$ 6.4 million equivalent, SDR 0.71 = US\$ 1) to support the Project.

3. BASIS OF PREPARATION

3.1 Statement of Compliance

The financial statements of the project have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) and in compliance with the Project agreement.

3.2 Basis of Accounting

The financial statements are prepared on the historical cost convention unless otherwise stated.

3.3 Functional and Presentational Currency

The financial statements are presented in US Dollars (\$), which is the functional and presentational currency. The Ghana Cedi was also partly used as a functional currency for the project.

3.4 Use of Estimates and Judgements

The preparation of financial statements in accordance with IPSAS for public entities requires the use of estimates, assumptions and judgements that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities (if any) at the date of the financial statements and the reported amounts of revenues and expenses. These estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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**NOTES TO THE FINANCIAL STATEMENTS
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The estimates, assumptions and judgements are reviewed on an ongoing basis and actual results however may differ from these estimates. Revisions to accounting revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Grant Income

Grant Income (Project Funding) is measured at the fair value of consideration received. It is recognized when received from the International Development Association of the World Bank.

4.2 Foreign Currency Translations

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the statement of income. Non-monetary assets and liabilities are translated at historical cost or exchange rates at the date that fair value was determined, if held at fair value, and the resulting foreign exchange gains and losses are recognized in the statement of income. The closing rate used was US\$1.00/GH¢5.7573

4.3 Financial Instruments

Initial Recognition and Subsequent Measurement

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets, as appropriate. The Participating University determines the classification of its financial assets at initial recognition. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Financial assets are derecognized only when the contractual rights to the cash flows from the financial asset expire or the company transfers substantially all risks and rewards of ownership.

The centre financial assets consist of loans and receivables and available-for-sale financial assets. Financial assets are recognized in the statement of financial position as receivables. They are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment. Cash and Cash Equivalents are also classified as financial assets. They are subsequently measured at amortized cost. Cash and Cash Equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. The centre assesses each financial position date whether there is objective evidence (such) as significant financial difficulty of the obligor, breach of contract, or it becomes probable that the debtor will enter bankruptcy, the asset is tested for impairment. The amount of loss is measured as the difference between the asset's carrying

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amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognized in the statement of income. In relation to receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the centre will not be able to collect all the amounts due under the original terms of the invoice. Impaired debts are derecognized when they are assessed as uncollectible.

If in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in the statement of income.

Financial liabilities

Liabilities within the scope of IPSAS are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. All loans and borrowings are classified as other liabilities. Initial Recognition is at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Financial liabilities included payables and are recognized initially at fair value and subsequently amortized cost.

4.4 Receivables

Receivables are stated at amortised costs, less impairment losses. Specific allowances for doubtful debts are made for receivables of which recovery is doubtful.

4.5 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and bank balances and are carried at amortised cost. Bank overdrafts that are repayable on demand, and which form an integral part of the Participating University, KNUST cash management are included as a component of cash and cash equivalents for the purpose of the statement of cashflows.

4.6 Employee Benefits

The Participating University, KNUST contributes to a defined statutory contribution scheme, Social Security and National Insurance Trust on behalf of its staff.

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Social Security and National Insurance Trust (SSNIT)

Under a National Deferred Benefit Pension Scheme, the Participating University, KNUST contributes 13% of employees' basic salary in addition to 5.5% deduction from employees basic salary to SSNIT for employee pension. The University's obligation is limited to the relevant contributions, which were settled on due dates. The pension liabilities and obligations, however, rest with SSNIT and United Smart Pension Fund Scheme.

4.7 Events after the year end

Events subsequent to the financial position are reflected only to the extent that they relate directly to the financial statements and the effect is material.

4.8 Property, Plant & Equipment

All non-current assets acquired during the period are treated as revenue expenditures and are treated in the income statement in line with the project agreement.

4.9 Going Concern

The Participating University, KNUST assesses annually whether the project is a going concern and if it would continue in operation for the project period. In assessing going concern, the Participating University, KNUST considers if there is any intention to liquidate or curtail materially the scale of operations or if it is aware of any material uncertainties that may cast significant doubt on the project's ability to continue as a going concern. Also, the Participating University, KNUST takes into consideration if the Centre would have access to resources to continue the project up to its completion. There is the assurance that the project will be continued in the subsequent year.

	(NOTES)	2020 US\$	2019 US\$
5. GRANT			
Funding from World Bank - IDA	(11a)	1,445,819	1,124,289
		<u>1,445,819</u>	<u>1,124,289</u>
6. EXCHANGE GAIN/(LOSS)			
Gain/ (Loss) - Grant Income	(11a)	29,171	(39,163)
Gain - Expenditure		1,151	-
		<u>30,322</u>	<u>(39,163)</u>
7. EXPENDITURE			
(a) REGIONAL CAPACITY TRAINING			
Conference & Seminars		8,639	2,328
Hotel Accommodation		80	842
Student Stipend		15,334	16,632
Student Fees		-	132,328
Membership Subscription		332	-
Other Teaching & Learning Materials		4,874	-
Students Drugs Expenses		69	-
		<u>29,327</u>	<u>152,129</u>

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	2020	2019
	US\$	US\$
(b) LEARNING AND TEACHING ENVIRONMENT		
Materials & Consumables	821	287
Cleaning & Sanitation	1,783	108
Maintenance of Building - RTEP Building	19,473	125
Electrical Works & Repairs - RTEP Building	7,833	43
Clearing Charges	962	1,113
Maintenance of Equipment	1,657	-
Laboratory Expenses	3,447	-
Plumbing Works	438	-
Admission /Student Recruitment Expenses	920	-
	37,334	1,676
(c) ACADEMIC PARTNERSHIP		
Workshops Seminars & Training on Research	4,686	18,978
Other Affiliated Bodies	4,777	12,214
	9,463	31,192
(d) GOVERNANCE AND ADMINISTRATION		
Salaries	34,559	11,640
Staff Training & Refresher Courses-Local	-	7,062
Foreign Travel & Subsistence	19,451	40,889
Centre Management Meeting	2,984	599
Printing & Stationery	562	55
Fuel & Lubricants for Vehicle	1,554	25
Telephone Expenses	1,638	79
Local Travel and Subsistence	615	4,493
Office Equipment	-	2,857
Office Furniture	-	5,924
Office Expenses	161	185
Audit Fees	10,000	8,000
Courier & Postal Charges	9	-
Vehicles Repairs and Maintenance	1,793	-
Official Ceremony	1,383	-
Bank Charges	269	-
	74,978	81,809

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	(NOTES)	2020 US\$	2019 US\$
(e) CENTRE VISIBILITY			
ID Card Materials & Printing		663	160
		663	160
 (f) INSTITUTIONAL READINESS			
Advertisement		-	675
Internet & Other ICT Charges		-	102
		-	776
 (g) INDUSTRIAL PARTNERSHIP			
Students Internship		7,295	-
		7,295	-
 8. CASH AND CASH EQUIVALENTS			
Bank Balance - Dollar		773,468	-
Bank Balance- Cedi		23,136	-
		796,604	-
 9. RECEIVABLES			
Receivables		1,373,008	1,085,126
		1,373,008	1,085,126
This represents grants receivable from World Bank (IDA) as at the year end for achieving DLI 5.1.			
 10. PAYABLES			
Payables		35,147	267,742
		35,147	267,742

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11. (a) FUNDING FROM WORLD BANK-IDA- 2020

	Results Verified	SDR Equivalent	US\$
DLI 4-Quality of Education & Research			
DLI 4.2 Research Publications Basic Readiness	4	43,140	60,761
Regional Co-authored	4	28,760	40,507
National/Student/Faculty Co-authored	-	-	-
DLI 5-Relevance of Education and Research			
DLI 5.1 External Revenue			
National	1	2,819	3,333
Regional	2	1,134,734	1,341,218
		<u>1,209,454</u>	<u>1,445,819</u>
SDR Exchange Gain		-	29,171
		<u>1,209,454</u>	<u>1,474,990</u>

The Centre earned US\$1,445,819 been equivalent of SDR 1,209,454 during the year. However, the Centre received US\$1,474,990 with an exchange gain of US\$29,171 when the SDR was converted to US Dollars.

(b) FUNDING FROM WORLD BANK-IDA -2019

	Results Verified	SDR Equivalent	US\$
DLI 1-Institutional Readiness			
DLI 1.1 Basic Readiness	-	305,580	430,394
DLI 1.2 Full Readiness	-	305,580	430,394
DLI 3-Number of Students With Focus on Gender and Regionalization			
DLI 3.1 New PhD Students			
National and men	3	21,570	30,380
National and women	9	80,910	113,958
Regional and men	2	17,980	25,324
Regional and women	1	11,215	15,796
DLI 3.2 New Masters Students			
National and men	18	25,920	36,507
National and women	6	10,800	15,211
Regional and men	4	11,500	16,197
Regional and women	2	7,190	10,127
		<u>798,245</u>	<u>1,124,289</u>
SDR Exchange Losses		-	(39,163)
		<u>798,245</u>	<u>1,085,126</u>

The Centre earned US\$1,124,289 been equivalent of SDR 798,245 during the year. However, the Centre received US\$1,085,126 with an exchange loss of US\$39,163 when the SDR was converted to US Dollars.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. RISK MANAGEMENT FRAMEWORK

The Board and management team of the Centre has overall responsibility for the establishment and oversight of the Centre's risk management framework. The Board and the management team are responsible for developing and monitoring the Centre's risk management policies. The Centre's risk management policies are established to identify and analyse the risk faced by the Centre, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Centre, through its training and management standards and procedures, has developed a disciplined and constructive control environment in which all project staff understand their roles and obligations. The Centre has identified the following as areas of risk exposure from its use of financial instruments:

a) Credit Risk

Credit risk is the risk of financial loss to the Centre if a counter party to the contract fails to meet its contractual and arises principally from the Centre's receivables from funders. The Centre has clear policies and procedures to control and monitor all such risks.

b) Liquidity Risk

Liquidity Risk is the risk that the Centre either does not have sufficient financial resources available to meet all its obligation and commitments as they fall due, or can access them only at excessive cost. The Centre's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due. The following are contractual maturities of financial liabilities.

2020	Total	12 Months
Financial Liabilities	Amount	or Less
	US\$	US\$
Payables	<u>35,147</u>	<u>35,147</u>
	35,147	35,147
Financial Assets		
Cash and Cash Equivalents	796,604	796,604
Receivables	<u>1,373,008</u>	<u>1,373,008</u>
	2,169,612	2,169,612
2019	Total	12 Months
Financial Liabilities	Amount	or Less
	US\$	US\$
Payables	<u>267,742</u>	<u>267,742</u>
	267,742	267,742
Financial Assets		
Receivables	<u>1,085,126</u>	<u>1,085,126</u>
	1,085,126	1,085,126

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c) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Centre's income. The Centre has clear policies and procedures to manage and control market risk exposures within acceptable parameters while optimising returns.

13. (a) REVENUE PERFORMANCE ON DISBURSEMENT LINK INDICATORS (DLIs) - 2020

INDICATORS	TARGET US\$	ACTUAL US\$	REMARKS
DLI 1 Institutional Readiness	-	-	Achieved in 2019
DLI 3 Number of Students with Focus on Gender and Regionalization	183,500	-	Not Achieved- Did not admit students in 2020
DLI 4 Quality of Education and Research through International Accreditation	520,000	101,268	Not Achieved
DLI 5 Relevance of Education and Research through External Generated	230,000	1,344,551	Achieved
DLI 6 Timeliness and Quality of Fiduciary Management	88,000	-	In Progress
DLI 7 Institutional Impact	225,000	-	In Progress
	<u>1,246,500</u>	<u>1,445,819</u>	

The Centre executed DLI 4 and DLI 5 out of the DLIs and earned US\$1,445,819.

(b) REVENUE PERFORMANCE ON DISBURSEMENT LINK INDICATORS (DLIs) FOR - 2019

INDICATORS	TARGET US\$	ACTUAL US\$	REMARKS
DLI 1 Institutional Readiness	850,000	860,789	Achieved
DLI 3 Number of Students with Focus on Gender and Regionalization	126,000	263,500	Achieved
DLI 4 Quality of Education and Research through International Accreditation	620,000	-	In Progress
DLI 5 Relevance of Education and Research through External Generated	120,000	-	In Progress
DLI 6 Timeliness and Quality of Fiduciary Management	88,000	-	In Progress
	<u>1,804,000</u>	<u>1,124,289</u>	

The Centre executed DLI 1 and DLI 3 out of the DLIs and earned US\$1,124,289.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE
KUMASI (TRECK- KNUST)**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER, 2020**

14. (a) EXPENDITURE BUDGET REVIEW FOR YEAR 2020

EXPENDITURE	BUDGET	ACTUAL	VARIANCE
	US\$	US\$	US\$
Regional Capacity Training	357,000	29,327	327,673
Learning and Teaching Environment	402,000	37,334	364,666
Academic Partnership	65,000	9,463	55,537
Governance & Administration	111,000	74,978	36,022
Centre Visibility	11,000	663	10,337
Institutional Readiness	25,000	-	25,000
Industrial Partnership	112,000	7,295	104,705
	<u>1,083,000</u>	<u>159,061</u>	<u>923,939</u>

All expenditures of the Centre were within the budget for the year.

(b) EXPENDITURE BUDGET REVIEW FOR YEAR 2019

EXPENDITURE	BUDGET	ACTUAL	VARIANCE
	US\$	US\$	US\$
Regional Capacity Training	268,000	152,129	115,871
Learning and Teaching Environment	270,000	1,676	268,324
Academic Partnership	55,000	31,192	23,808
Governance & Administration	147,500	120,972	26,528
Centre Visibility	29,500	936	28,564
Industrial Partnership	40,000	-	40,000
Regional Research Capacity Building	16,000	-	16,000
	<u>826,000</u>	<u>306,905</u>	<u>519,095</u>

All expenditures of the Centre were within the budget for the year.

15. CAPITAL COMMITMENTS

There were no capital commitments at the end of the year.