

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

**FINANCIAL STATEMENTS**

**31 DECEMBER 2021**

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

**TABLE OF CONTENTS**

YEAR ENDED 31 DECEMBER, 2021

<b>CONTENTS</b>	<b>PAGE</b>
Project Information .....	2
Independent Auditor's Report .....	3 - 5
Statement of Financial Performance.....	6
Statement of Financial Position.....	7
Statement of Changes in Accumulated Fund.....	8
Statement of Cash Flows.....	9
Notes to the Financial Statements.....	10 - 21

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

PROJECT INFORMATION

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



**Donaldy Associates  
Chartered Accountants  
House of Excellence Annex  
Adum -Kumasi**

**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, 2021**

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the project as at 31 December, 2021 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, 2021.

The financial statements comprise:

- Statement of Financial Position as at 31 December, 2021;
- 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 intends 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).

22nd June, 2022



Donaldy Associates (ICAG/F/2022/100)

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, 2021

	(NOTES)	2021 US\$	2020 US\$
<b>Revenue</b>			
Grant	(5)	563,774	1,445,819
Gain on Exchange Transactions	(6)	-	30,322
<b>Total Revenue</b>		<b>563,774</b>	<b>1,476,141</b>
<b>Expenditure</b>			
Regional Capacity Training	(7a)	(442,839)	(29,327)
Learning and Teaching Environment	(7b)	(15,641)	(37,334)
Academic Partnership	(7c)	(2,916)	(9,463)
Governance and Administration	(7d)	(189,534)	(74,978)
Centre Visibility	(7e)	(525)	(663)
Industrial Partnership	(7f)	(24,625)	(7,295)
Loss on Exchange Transactions	(6)	(42,560)	-
<b>Total Expenditure</b>		<b>(718,641)</b>	<b>(159,060)</b>
<b>(Deficit) / Surplus for the Year</b>		<b>(154,867)</b>	<b>1,317,081</b>

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, 2021**

	(NOTES)	2021 US\$	2020 US\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	(8)	1,870,831	796,604
Receivables	(9)	118,767	1,373,008
<b>Total Current Assets</b>		<b>1,989,598</b>	<b>2,169,612</b>
<b>Total Assets</b>		<b>1,989,598</b>	<b>2,169,612</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Payables	(10)	10,000	35,147
<b>Total Current Liabilities</b>		<b>10,000</b>	<b>35,147</b>
<b>EQUITY</b>			
Accumulated Fund		1,979,598	2,134,465
<b>Total Accumulated Equity</b>		<b>1,979,598</b>	<b>2,134,465</b>
<b>Total Liabilities &amp; Equity</b>		<b>1,989,598</b>	<b>2,169,612</b>

The financial statements were approved by KNUST on 22nd June, 2022 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  
REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE  
KUMASI (TRECK- KNUST)**

**STATEMENT OF CHANGES IN EQUITY**

**YEAR ENDED 31 DECEMBER, 2021**

	Accumulated Fund	Total
<b>2021</b>	<b>US\$</b>	<b>US\$</b>
Balance at 1st January 2021	2,134,465	2,134,465
Deficit for the year	(154,867)	(154,867)
<b>Balance at 31 December 2021</b>	<b>1,979,598</b>	<b>1,979,598</b>

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

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, 2021**

(NOTES)	2021 US\$	2020 US\$
<b>Cash Flows from Operating Activities</b>		
(Deficit) / Surplus for the Year	(154,867)	1,317,081
<b>Operating (Deficit) / Surplus before changes in working capital</b>	<b>(154,867)</b>	<b>1,317,081</b>
<b>Changes in Operating Activities</b>		
Change in Receivables	1,254,241	(287,881)
Change in Payables	(25,147)	(232,595)
<b>Net Cash Flows from Operating Activities</b>	<b>1,074,227</b>	<b>796,604</b>
Change in Cash and Cash Equivalents	1,074,227	796,604
Cash and Cash Equivalents at Beginning of Year	796,604	-
<b>Cash and Cash Equivalents at End of Year</b>	<b>(8) 1,870,831</b>	<b>796,604</b>

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, 2021**

**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 (US\$), 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 the Centre to make estimates, assumptions and judgements that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the notes.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE  
KUMASI (TRECK- KNUST)  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER, 2021**

**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 the fund is earned from the International Development Association of the World Bank based on Disbursement Link Indicators (DLI's) achieved by the Centre and verified by World Bank.

**4.2 Foreign Currency Translations**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. 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 cash and bank balances and 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. 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 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 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 collectible.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE  
KUMASI (TRECK- KNUST)  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER, 2021**

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 debts 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 include 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.

**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.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE  
KUMASI (TRECK- KNUST)  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER, 2021**

**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)	2021 US\$	2020 US\$
<b>5. GRANT</b>			
Funding from World Bank - IDA	(11a)	<u>563,774</u>	<u>1,445,819</u>
		<u>563,774</u>	<u>1,445,819</u>
<b>6. EXCHANGE GAIN/(LOSS)</b>			
Gain - Grant Income	(11a)	5,126	29,171
Gain - Expenditure		120,578	1,151
Loss - Accumulated Fund		<u>(168,264)</u>	-
		<u>(42,560)</u>	<u>30,322</u>

**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE  
KUMASI (TRECK- KNUST)  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER, 2021**

	(NOTES)	2021 US\$	2020 US\$
<b>7. EXPENDITURE</b>			
<b>(a) REGIONAL CAPACITY TRAINING</b>			
Conference & Seminars		72,939	8,639
Hotel Accommodation		713	80
Student Stipend		73,161	15,334
Student Fees		194,366	-
Membership Subscription		1,842	332
Other Teaching & Learning Materials		14,909	4,874
Students Drugs Expenses		641	69
Admission /Student Recruitment Expenses		1,830	-
Consultancy and Related Expenditure		4,268	-
Other reserch & Publication Expenditure		57,502	-
Accreditation Expenses		1,920	-
Direct Post Graduate Training Cost		16,280	-
Internet and Other ICT charges		2,469	-
		<b>442,839</b>	<b>29,328</b>
 <b>(b) LEARNING AND TEACHING ENVIRONMENT</b>			
Materials & Consumables		929	821
Cleaning & Sanitation		1,428	1,783
Maintenance of Building - RTEP Building		9,949	19,473
Electrical Works & Repairs - RTEP Building		1,935	7,833
Clearing Charges		1,401	962
Maintenance of Equipment		-	1,657
Laboratory Expenses		-	3,447
Plumbing Works		-	438
Admission /Student Recruitment Expenses		-	920
		<b>15,641</b>	<b>37,334</b>
 <b>(c) ACADEMIC PARTNERSHIP</b>			
Workshops Seminars & Training on Research		724	4,686
Other Affiliated Bodies		2,192	4,777
		<b>2,916</b>	<b>9,463</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER, 2021**

	(NOTES)	2021	2020
		US\$	US\$
<b>(d) GOVERNANCE AND ADMINISTRATION</b>			
Salaries		40,271	34,559
Staff Training & Refresher Courses-Local		4,423	-
Foreign Travel & Subsistence		32,372	19,451
Monitoring Expenses		488	-
Sectorial Advisory Board Meetings		12,958	-
Payment to KNUST DLI-7.2		50,000	-
Centre Management Meeting		8,631	2,984
Printing & Stationery		1,658	562
Fuel & Lubricants for Vehicle		1,981	1,554
Telephone Expenses		6,112	1,638
Local Travel and Subsistence		8,305	615
Office Expenses		1,469	161
Audit Fees		10,000	10,000
Courier & Postal Charges		46	9
Vehicles Repairs and Maintenance		7,870	1,793
Official Ceremony		131	1,383
Bank Charges		2,819	269
		<b>189,534</b>	<b>74,978</b>
<b>(e) CENTRE VISIBILITY</b>			
ID Card Materials & Printing		525	663
		<b>525</b>	<b>663</b>
<b>(f) INDUSTRIAL PARTNERSHIP</b>			
Students Internship Allowances		24,625	7,295
		<b>24,625</b>	<b>7,295</b>
<b>8. CASH AND CASH EQUIVALENTS</b>			
Bank Balance - US Dollar		1,862,761	773,468
Bank Balance - Ghana Cedi		8,070	23,136
		<b>1,870,831</b>	<b>796,604</b>



**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE  
KUMASI (TRECK- KNUST)  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER, 2021**

	2021 US\$	2020 US\$
<b>9. RECEIVABLES</b>		
Grant Debtors - IDA	<u>118,767</u>	<u>1,373,008</u>
	<u>118,767</u>	<u>1,373,008</u>

This represents grants receivable from World Bank (IDA) as at the year end for achieving DLI 3.1, 3.2, 6.2, and 6.3.

<b>10. PAYABLES</b>		
Other Creditors	<u>10,000</u>	<u>35,147</u>
	<u>10,000</u>	<u>35,147</u>

**11. (a) FUNDING FROM WORLD BANK-IDA - 2021**

	Results Verified	SDR Equivalent	US\$
<b>DLI 3 - Quantity of students with focus on gender and regionalization</b>			
<b>3.1 New PhD Students</b>			
National and men	12	86,280	121,521
National and women	2	17,980	25,324
Regional and men	1	11,215	15,796
<b>3.2 New Master Students</b>			
National and men	13	18,720	26,366
National and women	2	3,600	5,070
Regional and men	3	8,625	12,148
Regional and women	2	7,190	10,127
<b>4.2: Research Publications</b>			
Regional Co-authored	3	32,355	45,570
National/Student/Faculty Co-authored	13	93,470	131,648
<b>5.2: Internships</b>			
National	39	28,080	39,549
Regional	5	5,400	7,606
<b>DLI 6 - Timeliness and quality of fiduciary management</b>			
6.1: Timely Fiduciary Reporting		7,910	11,141
6.2: Functioning Internal Audit Unit & Committee		15,820	22,282
6.3 Financial Online Transparency		27,685	38,993
<b>DLI 7: Institutional Impact</b>			
7.2: Open & Merit-based Selection of Inst. Leaders: Dean		<u>35,950</u>	<u>50,634</u>
		<u>400,280</u>	<u>563,774</u>
SDR Exchange Gain		-	5,126
		<u>400,280</u>	<u>568,900</u>

The Centre earned US\$563,774 been equivalent of SDR 400,280 during the year. However, the Centre received US\$568,900 with an exchange gain difference of US\$5,126.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE  
KUMASI (TRECK- KNUST)  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER, 2021**

**11. (b) FUNDING FROM WORLD BANK-IDA - 2020**

	Results Verified	SDR Equivalent	US\$
<b>DLI 4-Quality of Education &amp; Research</b>			
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	-	-	-
<b>DLI 5-Relevance of Education and Research</b>			
<b>DLI 5.1 External Revenue</b>			
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><b>1,209,454</b></u>	<u><b>1,474,990</b></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 difference of US\$29,171.

	2021 US\$	2020 US\$
<b>11. (c) TOTAL FUNDS RECEIVED TO DATE</b>		
2021	<b>568,900</b>	-
2020	<b>1,445,819</b>	1,445,819
2019	<b>1,124,289</b>	1,124,289
	<u><b>3,139,008</b></u>	<u>2,570,108</u>

**12. RISK MANAGEMENT FRAMEWORK**

The Board and management team of the Centre have 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) Project Funding Risk**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER, 2021**

**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.

<b>2021</b>	<b>Total</b>	<b>12 Months</b>
<b>Financial Liabilities</b>	<b>Amount</b>	<b>or Less</b>
	<b>US\$</b>	<b>US\$</b>
Payables	10,000	10,000
	10,000	10,000
 <b>Financial Assets</b>		
Cash and Cash Equivalents	1,870,831	1,870,831
Receivables	118,767	118,767
	1,989,598	1,989,598
 <b>2020</b>		
<b>Financial Liabilities</b>	<b>Total</b>	<b>12 Months</b>
	<b>Amount</b>	<b>or Less</b>
	<b>US\$</b>	<b>US\$</b>
Payables	35,147	35,147
	35,147	35,147
 <b>Financial Assets</b>		
Cash and Cash Equivalents	796,604	796,604
Receivables	1,373,008	1,373,008
	2,169,612	2,169,612

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER, 2021**

**13. (a) REVENUE PERFORMANCE ON DISBURSEMENT LINK INDICATORS (DLIs) - 2021**

INDICATORS	TARGET US\$	ACTUAL US\$	REMARKS
DLI 1 Institutional Readiness	-	-	Achieved in 2019
DLI 2 - Development Impact of ACE	120,000	-	Not Achieved - Committee now constituted
DLI 3 Number of Students with Focus on Gender and Regionalization	206,500	216,352	Achieved
DLI 4 Quality of Education and Research through International Accreditation	120,000	177,218	Achieved
DLI 5 Relevance of Education and Research through External Generated Funds	430,000	47,155	Partly Achieved - No Entrepreneurship Programme
DLI 6 Timeliness and Quality of Fiduciary Management	88,000	72,415	In Progress - Various Audits in Progress
DLI 7 Institutional Impact	225,000	50,634	Partly Achieved - Committee now constituted
	<b>1,189,500</b>	<b>563,774</b>	

The Centre executed DLI 4 and DLI 5 out of the DLIs and earned US\$563,774.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE  
KUMASI (TRECK- KNUST)  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER, 2021**

(b) 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 Funds	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 1 and DLI 3 out of the DLIs and earned US\$1,445,819.

**14. (a) EXPENDITURE BUDGET REVIEW FOR YEAR 2021**

EXPENDITURE	BUDGET US\$	ACTUAL US\$	VARIANCE US\$
Regional Capacity Training	609,000	442,839	166,161
Learning and Teaching Environment	917,000	15,641	901,359
Academic Partnership	65,000	2,916	62,084
Governance & Administration	202,000	189,534	12,466
Centre Visibility	3,000	525	2,475
Industrial Partnership	140,000	24,625	115,375
	<u>1,936,000</u>	<u>676,081</u>	<u>1,259,919</u>

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

**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE  
KUMASI (TRECK- KNUST)  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER, 2021**

(b) 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>159,060</u>	<u>923,940</u>

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

**15. CAPITAL COMMITMENTS**

Capital commitments authorized but not expended for projects / contracts at the reporting date were:

- (i) Construction of two-storey Africa Centre of Excellence building for the College of Engineering, Kwame Nkrumah University of Science and Technology, Kumasi - GH¢6,383,657 equivalent to US\$1,023,022.
- (ii) Contract for the procurement of 1 4x4 cross country station wagon vehicle for the Transport Research and Education Centre, Kumasi (TRECK) - GH¢460,300 equivalent to US\$73,766.
- (iii) Contract for the procurement of 1 (1) seater buses for the Regional Transport Research and Education Centre, KNUST - GH¢519,112 equivalent to US\$83,191.
- (iv) Contract for the Gap Assessment of Postgraduate Programmes at the Regional Transport Research and Education Centre. Kumasi - GH¢133,380 equivalent US\$21,375.