

**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
KNUST ENGINEERING EDUCATION PROJECT  
(KEEP)**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2020**

**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
KNUST ENGINEERING EDUCATION PROJECT  
(KEEP)**

**TABLE OF CONTENTS**

**YEAR ENDED 31 DECEMBER, 2020**

| <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 Equity. ....     | 8           |
| Statement of Cash Flows. ....            | 9           |
| Notes to the Financial Statements. ....  | 10 - 19     |

**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
KNUST ENGINEERING EDUCATION PROJECT  
(KEEP)**

**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  
KNUST Engineering Education Project  
(KEEP)

**Auditors**

Donaldy Associates  
Chartered Accountants  
P.O. Box KS 6608  
Kumasi, Ghana

**Bankers**

Stanbic Bank Ghana Limited

REPORT OF THE INDEPENDENT AUDITOR'S TO THE MEMBERS OF THE  
AFRICA CENTRES OF EXCELLENCE PROJECT ON KNUST ENGINEERING  
EDUCATION PROJECT (KEEP)  
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 KNUST Engineering Education Project (KEEP) 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  
KNUST ENGINEERING EDUCATION PROJECT  
(KEEP)**

**STATEMENT OF FINANCIAL PERFORMANCE  
YEAR ENDED 31 DECEMBER, 2020**

|                                     |         | 2020             | 2019             |
|-------------------------------------|---------|------------------|------------------|
|                                     | (NOTES) | US\$             | US\$             |
| <b>Revenue</b>                      |         |                  |                  |
| Grant                               | (5)     | 1,737,535        | 1,374,352        |
| Gain on Exchange Transactions       | (6)     | 101,192          | -                |
| <b>Total Revenue</b>                |         | <b>1,838,727</b> | <b>1,374,352</b> |
| <br><b>Expenditure</b>              |         |                  |                  |
| Loss on Exchange Transactions       | (6)     | -                | (47,873)         |
| Regional Capacity Training          | (7a)    | (19,130)         | (107,693)        |
| Governance and Administration       | (7b)    | (76,709)         | (130,594)        |
| Learning and Teaching Environment   | (7c)    | (2,859)          | -                |
| Centre Visibility                   | (7d)    | (2,748)          | -                |
| Industrial Partnership              | (7e)    | (5,213)          | -                |
| Regional Research Capacity Building | (7f)    | (1,729)          | -                |
| <b>Total Expenditure</b>            |         | <b>(108,387)</b> | <b>(286,160)</b> |
| <br><b>Surplus for the Year</b>     |         | <b>1,730,340</b> | <b>1,088,192</b> |

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

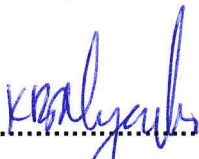


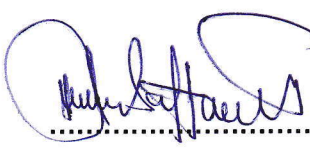
**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
KNUST ENGINEERING EDUCATION PROJECT  
(KEEP)**

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

|                                       | (NOTES) | 2020<br>US\$     | 2019<br>US\$     |
|---------------------------------------|---------|------------------|------------------|
| <b>ASSETS</b>                         |         |                  |                  |
| <b>Current Assets</b>                 |         |                  |                  |
| Cash and Cash Equivalents             | (8)     | 982,928          | -                |
| Receivables                           | (9)     | 1,846,048        | 1,326,479        |
| <b>Total Current Assets</b>           |         | <b>2,828,976</b> | <b>1,326,479</b> |
| <br>                                  |         |                  |                  |
| <b>Total Assets</b>                   |         | <b>2,828,976</b> | <b>1,326,479</b> |
| <br>                                  |         |                  |                  |
| <b>LIABILITIES AND EQUITY</b>         |         |                  |                  |
| <b>Current Liabilities</b>            |         |                  |                  |
| Payables                              | (10)    | 10,444           | 238,287          |
| <b>Total Current Liabilities</b>      |         | <b>10,444</b>    | <b>238,287</b>   |
| <br>                                  |         |                  |                  |
| <b>Equity</b>                         |         |                  |                  |
| Accumulated Surpluses                 |         | 2,818,532        | 1,088,192        |
| <b>Total Equity</b>                   |         | <b>2,818,532</b> | <b>1,088,192</b> |
| <br>                                  |         |                  |                  |
| <b>Total Liabilities &amp; Equity</b> |         | <b>2,828,976</b> | <b>1,326,479</b> |

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  
KNUST ENGINEERING EDUCATION PROJECT  
(KEEP)**

**STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED 31 DECEMBER, 2020**

| <b>2020</b>                         | <b>Accumulated<br/>Surpluses<br/>US\$</b> | <b>Total Equity<br/>US\$</b> |
|-------------------------------------|---|------------------------------|
| Balance at 1 January, 2020          | 1,088,192                                 | 1,088,192                    |
| Surplus for the year                | 1,730,340                                 | 1,730,340                    |
| <b>Balance at 31 December, 2020</b> | <b>2,818,532</b>                          | <b>2,818,532</b>             |

| <b>2019</b>                         | <b>Accumulated<br/>Surpluses<br/>US\$</b> | <b>Total<br/>US\$</b> |
|-------------------------------------|---|-----------------------|
| Surplus for the year                | 1,088,192                                 | 1,088,192             |
| <b>Balance at 31 December, 2019</b> | <b>1,088,192</b>                          | <b>1,088,192</b>      |

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



**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
KNUST ENGINEERING EDUCATION PROJECT  
(KEEP)**

**STATEMENT OF CASH FLOWS  
YEAR ENDED 31 DECEMBER, 2020**

|  | (NOTES)    | 2020<br>US\$     | 2019<br>US\$     |
|--|------------|------------------|------------------|
| <b>Cash Flows from Operating Activities</b>                |            |                  |                  |
| Surplus  |            | 1,730,340        | 1,088,192        |
| <b>Operating Surplus before changes in working capital</b> |            | <b>1,730,340</b> | <b>1,088,192</b> |
| <br><b>Changes in Operating Activities</b>                 |            |                  |                  |
| Change in Receivables                                      |            | (519,569)        | (1,326,479)      |
| Change in Payables   |            | (227,843)        | 238,287          |
| <b>Net Cash Flows used in Operating Activities</b>         |            | <b>982,928</b>   | <b>-</b>         |
| <br>Change in Cash and Cash Equivalents                    |            | <b>982,928</b>   | <b>-</b>         |
| Cash and Cash Equivalents at Beginning of Year             |            | -                | -                |
| <b>Cash and Cash Equivalents at End of Year</b>            | <b>(8)</b> | <b>982,928</b>   | <b>-</b>         |

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

# **AFRICA CENTRES OF EXCELLENCE PROJECT ON KNUST ENGINEERING EDUCATION PROJECT (KEEP)**

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

### **1. REPORTING ENTITY**

The KNUST Engineering Education Project (KEEP) 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, PMB University Post Office, 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 "KNUST Engineering Education Project". The IDA of the World Bank offered The Participating University (ACE) a grant amounting to SDR 3,969,955 (US\$ 5.5million 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



# **AFRICA CENTRES OF EXCELLENCE PROJECT ON KNUST ENGINEERING EDUCATION PROJECT (KEEP)**

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

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. The estimates, assumptions and judgements are reviewed on an ongoing basis and actual results however may differ from these estimates. Revisions to accounting estimates are recognized in the year in which the estimates are 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 to 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 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.

# **AFRICA CENTRES OF EXCELLENCE PROJECT ON KNUST ENGINEERING EDUCATION PROJECT (KEEP)**

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

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 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 at included in are recognized initially at fair value and subsequently measured amortized cost using the effective interest 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.



# **AFRICA CENTRES OF EXCELLENCE PROJECT ON KNUST ENGINEERING EDUCATION PROJECT (KEEP)**

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

### **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.

### **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.

### **4.7 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.



**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
KNUST ENGINEERING EDUCATION PROJECT  
(KEEP)**

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

|   | NOTES | 2020<br>US\$     | 2019<br>US\$     |
|---|-------|------------------|------------------|
| <b>5. GRANT</b>                             |       |                  |                  |
| Funding from World Bank - IDA               | (11a) | <u>1,737,535</u> | <u>1,374,352</u> |
|   |       | <u>1,737,535</u> | <u>1,374,352</u> |
| <b>6. EXCHANGE GAIN/(LOSS)</b>              |       |                  |                  |
| Gain/ (Loss) - Grant Income                 | (11a) | 96,421           | (47,873)         |
| Gain - Expenditure                          |       | <u>4,771</u>     | <u>-</u>         |
|   |       | <u>101,192</u>   | <u>(47,873)</u>  |
| <b>7. EXPENDITURE</b>                       |       |                  |                  |
| <b>(a) REGIONAL CAPACITY TRAINING</b>       |       |                  |                  |
| Student Stipend                             |       | 11,891           | 1,730            |
| Student Fees                                |       | 4,060            | 105,963          |
| Internet & Other ICT Charges                |       | <u>3,179</u>     | <u>-</u>         |
|   |       | <u>19,130</u>    | <u>107,693</u>   |
| <b>(b) GOVERNANCE AND ADMINISTRATION</b>    |       |                  |                  |
| Project Staff Salaries                      |       | 34,787           | 11,543           |
| Staff Training & Refresher Courses-Local    |       | -                | 13,452           |
| Foreign Travel & Subsistence                |       | 13,580           | 85,727           |
| Office Equipment                            |       | -                | 1,284            |
| Furniture & Fittings                        |       | -                | 1,587            |
| Computers & Accessories                     |       | -                | 3,947            |
| Centre Management Meeting                   |       | 2,771            | 462              |
| Printing & Stationery                       |       | 1,603            | 856              |
| Telephone Expenses                          |       | 3,219            | 152              |
| Local Travel and Subsistence                |       | 3,493            | 3,492            |
| Office Expenses                             |       | -                | 92               |
| Audit Expenses                              |       | 356              | -                |
| Membership Subscription - Professional Body |       | 113              | -                |
| Staff Medicals                              |       | 31               | -                |
| Maintenance of Equipment                    |       | 97               | -                |
| Conference & Seminars                       |       | <u>2,406</u>     | <u>-</u>         |
| <b>Balance Carried Forward</b>              |       | <u>62,455</u>    | <u>122,594</u>   |

**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
KNUST ENGINEERING EDUCATION PROJECT  
(KEEP)**

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

|  | NOTES | 2020<br>US\$     | 2019<br>US\$     |
|--|-------|------------------|------------------|
| <b><i>Balance Carried Down</i></b>                 |       | <b>62,455</b>    | <b>122,594</b>   |
| Bank Charges                                       |       | 191              | -                |
| Advertisement                                      |       | 649              | -                |
| Periodicals Magazines & Journals                   |       | 402              | -                |
| Fuel & Lubricants for Vehicle                      |       | 17               | -                |
| Materials & Consumables                            |       | 911              | -                |
| Programme Accreditation Expenses                   |       | 2,084            | -                |
| Audit Fees   |       | 10,000           | 8,000            |
|  |       | <b>76,709</b>    | <b>130,594</b>   |
| <br><b>(c) LEARNING AND TEACHING ENVIRONMENT</b>   |       |                  |                  |
| Centre Building                                    |       | 2,859            | -                |
|  |       | <b>2,859</b>     | <b>-</b>         |
| <br><b>(d) CENTRE VISIBILITY</b>                   |       |                  |                  |
| Other Research & Publication                       |       | 2,748            | -                |
|  |       | <b>2,748</b>     | <b>-</b>         |
| <br><b>(e) INDUSTRIAL PARTNERSHIP</b>              |       |                  |                  |
| Students Internship                                |       | 5,213            | -                |
|  |       | <b>5,213</b>     | <b>-</b>         |
| <br><b>(f) REGIONAL RESEARCH CAPACITY BUILDING</b> |       |                  |                  |
| Printing & Publication of Research                 |       | 1,729            | -                |
|  |       | <b>1,729</b>     | <b>-</b>         |
| <br><b>8. CASH AND CASH EQUIVALENTS</b>            |       |                  |                  |
| Bank Balance - Dollar                              |       | 978,967          | -                |
| Bank Balance- Cedi                                 |       | 3,962            | -                |
|  |       | <b>982,928</b>   | <b>-</b>         |
| <br><b>9. RECEIVABLES</b>                          |       |                  |                  |
| Receivables  | (11a) | 1,846,048        | 1,326,479        |
|  |       | <b>1,846,048</b> | <b>1,326,479</b> |

This represents grants receivable from World Bank (IDA) as at the year end for achieving DLI 4.1 and 5.1.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
KNUST ENGINEERING EDUCATION PROJECT  
(KEEP)**

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

|                     | <b>2020</b>   | <b>2019</b> |
|---------------------|---------------|-------------|
|                     | <b>US\$</b>   | <b>US\$</b> |
| <b>10. PAYABLES</b> |               |             |
| Payables            | <b>10,444</b> | 238,287     |
|                     | <b>10,444</b> | 238,287     |

| <b>11. (a) FUNDING FROM WORLD BANK-IDA - 2020</b> | <b>Results</b>  | <b>SDR</b>        | <b>2020</b>      |
|---|-----------------|-------------------|------------------|
|   | <b>Verified</b> | <b>Equivalent</b> | <b>US\$</b>      |
| <b>DLI 4-Quality of Education &amp; Research</b>  |                 |                   |                  |
| DLI 4.1 Programme Accreditation                   |                 |                   |                  |
| National Accreditation                            | 2               | 143,800           | <b>202,535</b>   |
| <b>DLI 5-Relevance of Education and Research</b>  | -               | -                 | -                |
| <b>DLI 5.1 External Revenue</b>                   |                 |                   |                  |
| National  | 1               | 220,797           | <b>241,819</b>   |
| Regional  | 2               | 1,180,753         | <b>1,293,181</b> |
|   |                 | 1,545,350         | <b>1,737,535</b> |
| SDR Exchange Gain                                 |                 | -                 | <b>96,421</b>    |
|   |                 | 1,545,350         | <b>1,833,956</b> |

The Centre earned US\$1,737,535 been equivalent of SDR 1,545,350 during the year. However, the Centre received US\$1,833,956 with an exchange gain of US\$96,421 when SDR was converted to US Dollars.

| <b>(b) FUNDING FROM WORLD BANK-IDA - 2019</b>                            | <b>Results</b>  | <b>SDR</b>        | <b>2019</b>      |
|--|-----------------|-------------------|------------------|
|  | <b>Verified</b> | <b>Equivalent</b> | <b>US\$</b>      |
| <b>DLI 1-Institutional Readiness</b>                                     |                 |                   |                  |
| DLI 1.1 Basic Readiness  | -               | 303,580           | 427,577          |
| DLI 1.2 Full Readiness   | -               | 303,580           | 427,577          |
| <b>DLI 3-Number of Students With Focus on Gender and Regionalization</b> |                 |                   |                  |
| <b>DLI 3.1 New PhD Students</b>  |                 |                   |                  |
| National and men   | 25              | 179,750           | 253,169          |
| National and women   | 6               | 53,940            | 75,972           |
| Regional and men   | 2               | 17,980            | 25,324           |
| <b>DLI 3.2 New Masters Students</b>                                      |                 |                   |                  |
| National and men   | 54              | 77,760            | 109,521          |
| National and women   | 9               | 16,200            | 22,817           |
| Regional and men   | 8               | 23,000            | 32,394           |
|  |                 | 975,790           | 1,374,352        |
| SDR Exchange Loss  |                 | -                 | <b>(47,873)</b>  |
|  |                 | 975,790           | <b>1,326,479</b> |

The Centre earned US\$1,374,352 been equivalent of SDR 975,790 during the year. However, the Centre received US\$1,326,479 with an exchange loss of US\$47,873 when the SDR was converted to US Dollars.



# AFRICA CENTRES OF EXCELLENCE PROJECT ON KNUST ENGINEERING EDUCATION PROJECT (KEEP)

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

### 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 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.

#### 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                  | 10,444           | 10,444           |
|                           | <u>10,444</u>    | <u>10,444</u>    |
| <b>Financial Assets</b>   |                  |                  |
| Cash and Cash Equivalents | 982,928          | 982,928          |
| Receivables               | 1,846,048        | 1,846,048        |
|                           | <u>2,828,976</u> | <u>2,828,976</u> |
| <br>2019                  | <br>Total        | <br>12 Months    |
| Financial Liabilities     | Amount           | or Less          |
|                           | US\$             | US\$             |
| Payables                  | 238,287          | 238,287          |
|                           | <u>238,287</u>   | <u>238,287</u>   |
| <br>Financial Assets      |                  |                  |
| Receivables               | 1,326,479        | 1,326,479        |
|                           | <u>1,326,479</u> | <u>1,326,479</u> |

# AFRICA CENTRES OF EXCELLENCE PROJECT ON KNUST ENGINEERING EDUCATION PROJECT (KEEP)

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

### 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 their returns.

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

| INDICATORS   | TARGET<br>US\$   | ACTUAL<br>US\$   | REMARKS                   |
|--|------------------|------------------|---------------------------|
| DLI 1 Institutional Readiness  | -                | -                | Achieved in 2019          |
| DLI 3 Number of Students with Focus on Gender and Regionalization                        | 207,000          | -                | Did not admit students in |
| DLI 4 Quality of Education and Research through International and National Accreditation | 750,000          | 202,535          | Partly Achieved           |
| DLI 5 Relevance of Education and Research through External Generated Revenue             | 350,000          | 1,535,000        | Partly Achieved           |
| DLI 6 Timeliness and Quality of Fiduciary Management                                     | 88,000           | -                | In Progress               |
|  | <b>1,395,000</b> | <b>1,737,535</b> |                           |

The Centre executed DLI 4.1 and DLI 5.1 out of the DLIs and earned US\$1,737,535.

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

| INDICATORS  | TARGET<br>US\$   | ACTUAL<br>US\$   | REMARKS     |
|---|------------------|------------------|-------------|
| DLI 1 Institutional Readiness   | 850,000          | 855,155          | Achieved    |
| DLI 3 Number of Students with Focus on Gender and Regionalization           | 207,000          | 519,197          | Achieved    |
| DLI 4 Quality of Education and Research through International Accreditation | 350,000          | -                | In Progress |
| DLI 5 Relevance of Education and Research through External Generated        | 240,000          | -                | In Progress |
| DLI 6 Timeliness and Quality of Fiduciary Management                        | 88,000           | -                | In Progress |
|   | <b>1,735,000</b> | <b>1,374,352</b> |             |

The Centre executed DLI 1 and DLI 3 out of the DLIs and earned US\$1,374,352.



**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
KNUST ENGINEERING EDUCATION PROJECT  
(KEEP)**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER, 2020**

**14. EXPENDITURE BUDGET REVIEW FOR YEAR - 2020**

| EXPENDITURE                         | BUDGET         | ACTUAL         | VARIANCE       |
|-------------------------------------|----------------|----------------|----------------|
|                                     | US\$           | US\$           | US\$           |
| Regional Capacity Training          | 445,000        | 19,130         | 425,870        |
| Governance & Administration         | 80,000         | 76,709         | 3,291          |
| Learning and Teaching Environment   | 10,000         | 2,859          | 7,141          |
| Industrial Partnership              | 30,000         | 5,213          | 24,787         |
| Centre Visibility                   | 23,000         | 2,748          | 20,252         |
| Regional Research Capacity Building | 25,000         | 1,729          | 23,271         |
| Academic Partnership                | 30,000         | -              | 30,000         |
|                                     | <b>643,000</b> | <b>108,387</b> | <b>534,613</b> |

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

**EXPENDITURE BUDGET REVIEW FOR YEAR - 2019**

| EXPENDITURE                         | BUDGET         | ACTUAL         | VARIANCE       |
|-------------------------------------|----------------|----------------|----------------|
|                                     | US\$           | US\$           | US\$           |
| Regional Capacity Training          | 232,000        | 107,693        | 124,307        |
| Governance & Administration         | 130,000        | 130,594        | (594)          |
| Centre Visibility                   | 20,000         | -              | 20,000         |
| Learning and Teaching Environment   | 7,000          | -              | 7,000          |
| Regional Research Capacity Building | 16,000         | -              | 16,000         |
| Academic Partnership                | 30,000         | -              | 30,000         |
| Industrial Partnership              | 12,000         | -              | 12,000         |
|                                     | <b>447,000</b> | <b>238,287</b> | <b>208,713</b> |

All expenditures of the Centre were within the budget for the year except Governance and Administration which exceeded by 0.46%.

**15. CAPITAL COMMITMENTS**

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