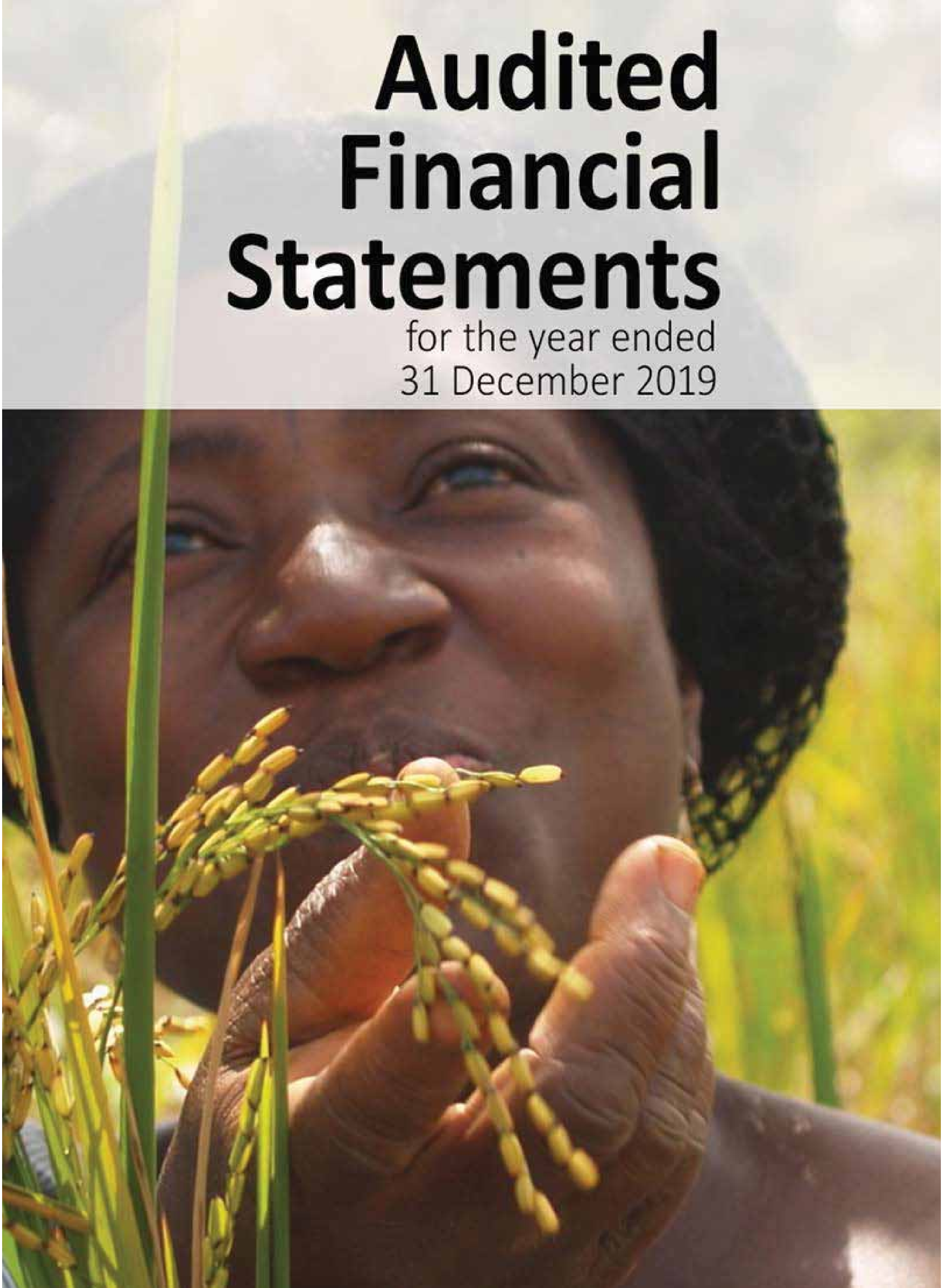
Audited Financial Statements

for the year ended
31 December 2019



KPMG Sénégal S.A.
Avec Conseil d'Administration
Immeuble Horizons S.A.
83, Boulevard de la République
Dakar – Sénégal

Téléphone : + 221 33 849 27 27
Télécopie : + 221 33 822 17 02
NINEA : 22486742 S 3 RC : SN-DKR -2003- B -4225

AFRICA RICE CENTER
(AfricaRice)

Independent Auditors' Report

Year ended as of 31 December 2019
AfricaRice
01 B.P. 4029- Abidjan
IVORY COAST
Ref : NDS-OF-OS-AN-FD/MS/2020-04/

AfricaRice

STATEMENT OF THE BOARD CHAIR
YEAR ENDED - 31 DECEMBER 2019

Financial situation

The Board notes that the total operating revenues decreased from US$ 17.481 million in 2018 to US$ 17.005 million in 2019, corresponding to a decrease of US$ 0.476 million. The operating expenses also decreased from US$ 17.177 million in 2018 down to US$ 16.884 million in 2019, corresponding to a decrease of US$ 0.293 million. This resulted in AfricaRice recording an operational surplus of US$ 0.121 million in 2019 against the operational surplus of US$ 0.304 million in 2018. Additionally, the net non-operating financial expenses reduced the annual surplus for the year to US$ 0.083 million compared to the surplus of US$ 0.158 million recorded at the end of 2018. The undesignated net assets of the Center increased from US$ 2.928 million at end of 2018 to US$ 3.326 million at end of 2019.

Other Indicators of Financial Health

The short-term solvency (liquidity) indicator level of the Center was improved to 96 days, up from 90 days as indicated for 2018, and the long-term financial stability ratio was similarly improved to 73 days up from 62 days as indicated for 2018. The audited Indirect Cost Rate for AfricaRice reduced to 14.3% during the year, from 16.9% in 2018, as indicated. The Current ratio reduced from 1.38 in 2018 to 1.33 in 2019, which is within the CGIAR recommended level (greater than 1.0)

Fiduciary Responsibility

The Board recognizes its fiduciary responsibility for the financial statements as well as in setting the overall strategy of the Center. It follows up on the implementation of the latter in accordance with agreed policies, timelines and output/outcomes. As such the Board is aware of the seriousness of the financial decline experienced at the center in the past three years before 2018. While appropriate risk management measures were in place at AfricaRice, several extraordinary factors over that period contributed to AfricaRice's unrestricted net assets declining to less than the CGIAR-recommended level by the end of 2018. However, there is no gainsaying that financial performance reflected challenging situations confronted by the Institution. In late 2017, a special session of the Board's Executive & Finance Committee endorsed (and the full Board later approved) a three-year financial recovery plan, that set a goal of balanced budget performance in 2018 and surpluses designed to begin re-building reserves in 2019 and 2020. The first and second years of the financial recovery plan have ended with surpluses. This is marking the beginning of a good trend. However, re-building unrestricted reserves remains a difficult task in the present CGIAR funding structure

Africa Rice Center – Centre du riz pour l'Afrique

Address / Adresse 01 BP 4029 Abidjan 01, Côte d'Ivoire | Telephone / Téléphone + 225 22 48 09 10 | Fax / Télécopieur + 225 22 44 26 29 | E-mail / Courrier électronique africarice@cgiar.org | Web Site / Site Internet www.africaRice.org

that encourages financing to CRP's, which is categorized as restricted funding for accounting purposes, and therefore cannot flow to unrestricted reserves.

AfricaRice will enhance its efforts to further strengthen partnerships with both international organizations and national systems in 2020. At the same time, certain costs saving measures that were taken in the last two years, such as the suspension of office activities in some locations, will continue to be monitored in 2020. Vigorous resource mobilization and planning for new public private partnerships that have started, will further be strengthened with the aim of improving the center's financial position. The renovation of the Main Research Center at M'Bé continues, and the new GeneBank to be inaugurated in 2020. The scientific research staff are now located in Bouake-M'Bé, while the headquarters facility in Abidjan houses administration and some support services. This hybrid structure was a condition for the center's re-establishment in Côte d'Ivoire, and the Board believes it is the best way to harness both technical and political support required from the Member States, which continue to play a critically important role for the center – not only as research partners, but also as financial supporters. The Center will continue to participate in the process of forming a global Rice Alliance with sister a sister organization of the CG, and also adhere to the ONE CGIAR reforms in the new year.

On 12 March 2020 the World Health Organization (WHO) declared the COVID-19 outbreak a global pandemic. One of the emerging results of this health crisis is the disruption of global economic activities, and this could include the activities of AfricaRice's existing and potential funding/development partners. The AfricaRice Board and Management will be closely monitoring and assessing the impact of COVID-19 on the operations of AfricaRice.

In summary the Board, while mindful of the challenges ahead, believes the necessary actions that has been taken, is gradually stabilizing AfricaRice's financial situation, and it looks forward to a more positive 2020 in all respects.

Carol S. Kramer

Carol Kramer-LeBlanc
Chair, Board of Trustees

Africa Rice Center – Centre du riz pour l'Afrique

Address / Adresse 01 BP 4029 Abidjan 01, Côte d'Ivoire | Telephone / Téléphone + 225 22 48 09 10 | Fax / Télécopieur + 225 22 44 26 29 | E-mail / Courrier électronique africarice@cgiar.org | Web Site / Site Internet www.africaRice.org

AfricaRice

BOARD STATEMENT ON RISK MANAGEMENT

YEAR ENDED 31 DECEMBER 2019

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

Most critical risks include:

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

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

The risk assessments also incorporate the results of collaborative risk assessments with other CGIAR Centers, CGIAR System Management Office components, and other entities in relation to shared risks arising from jointly managed activities. The risk management framework seeks

Africa Rice Center – Centre du riz pour l'Afrique

Address / Adresse	Telephone / Téléphone	Fax / Télécopieur	E-mail / Courrier électronique	Web Site / Site Internet
01 BP 4029 Abidjan 01, Côte d'Ivoire	+ 225 22 48 09 10	+ 225 22 44 26 29	africarice@cgiar.org	www.africaRice.org

to draw upon best practices, as promoted in codes and standards promulgated in a number of CGIAR member countries. It is subject to ongoing review as part of the Center's continuous improvement efforts.

Risk mitigation strategies include the implementation of systems of internal controls, which, by their nature, are designed to manage rather than eliminate risk. The Center endeavors to manage risk by ensuring that the appropriate infrastructure, control systems and people are in place throughout the organization. Key practices employed in managing risks and opportunities include environmental reviews, clear policies and accountabilities, transaction approval frameworks, financial and management reporting, and the monitoring of metrics designed to highlight positive or negative performance of individuals and processes across a broad range of key performance areas. The design and effectiveness of the risk management system and internal controls is subject to coordination through a Risk Management Committee and ongoing review by the Center's Internal Audit Unit, which is independent of the operating units, and which reports on the results of its audits directly to the Director General and to the Board through its Audit Committee.

The AfricaRice Board and management have reviewed the implementation of the risk management process during 2019 and the Board is satisfied with the progress made.

The Board has monitored and satisfied themselves of the sound fiscal management of Africa Rice Center (AfricaRice). The Board monitored the effectiveness of internal controls through the interactions with the Internal and External Audit functions that report to the Audit Committee.

Carol S. Kramer

Carol Kramer-LeBlanc
Chair, Board of Trustees

Africa Rice Center – Centre du riz pour l'Afrique

Address / Adresse 01 BP 4029 Abidjan 01, Côte d'Ivoire | Telephone / Téléphone + 225 22 48 09 10 | Fax / Télécopieur + 225 22 44 26 29 | E-mail / Courrier électronique africarice@cgiar.org | Web Site / Site Internet www.africaRice.org

AfricaRice

CERTIFICATE BY CENTER MANAGEMENT

YEAR ENDED 31 DECEMBER 2019

We have prepared the accompanying financial statements of the Africa Rice Center (AfricaRice) as of 31 December 2019. These financial statements are the responsibility of the Africa Rice Center management, and have been duly presented to the Center's external auditors, KPMG, Senegal for review.

The Center's management has worked closely with the internal and external auditors to ensure that the financial statements are presented in compliance with the IFRS and CGIAR Reporting Guidelines issued by the CGIAR System Management Office in December, 2017.

In accordance with the requirement of IFRS and CGIAR Reporting Guidelines, the undersigned certify that:

(i) The financial records of Africa Rice Center have been properly maintained;

(ii) The financial statements, together with the explanatory notes thereto, comply in full with the provisions of the IFRS; and that

(iii) The financial statements and the notes thereto give a true and fair view of the financial position, financial performance and cash flows of the Africa Rice Center.

Kolade Olatifede	**Harold Roy-Macauley**
Director of Finance and Corporate Services	**Director General**

Africa Rice Center – Centre du riz pour l'Afrique

Address / Adresse | Telephone / Téléphone | Fax / Télécopieur | E-mail / Courrier électronique | Web Site / Site Internet

KPMG Sénégal S.A.
Avec Conseil d'Administration
Immeuble Horizons S.A.
83, Boulevard de la République
Dakar – Sénégal

Téléphone : + 221 33 849 27 27
Télécopie : + 221 33 822 17 02
NINEA : 22486742 S 3 RC : SN-DKR -2003- B -4225

AFRICA RICE CENTER (AfricaRice)
Boulevard François Mitterrand
01 B.P.4029- Abidjan- IVORY COAST

Independent Auditors' Report

Year ended as of 31 December 2019

Audit Report on the Financial Statements

We have audited the accompanying financial statements of Africa Rice Center (AfricaRice) for the year ended as of 31 December 2019 comprising the Statement of Financial Position, the Statement of Activities and the Statement of Cash Flows and a Summary of Significant Accounting Policies and Other Explanatory notes.

Management's Responsibility for the Financial Statements

AfricaRice's management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS).

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial report that is free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Financial Reporting Standards (IFRS) and International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Africa Rice Center (AfricaRice) as of 31 December 2019, its surplus and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS).

Dakar, 30 April 2020

KPMG Senegal

Ndiaga SARR

Senior Partner

AFRICA RICE CENTER (AfricaRice)

Statement of Financial Position

For the years ended 31 December, 2019 and 2018

(all figures expressed in thousands of US dollars)

	Notes	As of 31 December 2019 US$'000	As of 31 December 2018 US$'000
ASSETS			
Current Assets			
Cash and cash equivalents	3	5,455	3,675
Short term investments		-	-
Accounts Receivables:			
• *Donors*	4	4,969	3,163
• *Employees*	5	329	377
• *CGIAR Centers*	6(a)	568	545
• *Others, net*	6(b)	4,263	5,318
Prepaid expenses	7	2,023	1,771
Inventories	8	202	203
Total current assets		**17,809**	**15,052**
Other Assets held for Sale		-	-
Non-current Assets			
Property, plant and equipment	9(a)	3,080	3,238
Long term investments		-	
Biological assets		-	
Intangible assets	9(b)	84	186
Other non-current assets			
Total non-current assets		**3,164**	**3,424**
TOTAL ASSETS		**20,973**	**18,476**
LIABILITIES			
Current liabilities			
Account payables:			
• *Deferred income from Donors*	10	6,064	4,824
• *Employees*	11	678	448
• *CGIAR Centers*	12(a)	868	540
• *Accruals*	12(b)	2,725	1,723
• *Others*	12 (c)	3,042	3,283
Provisions	12 (d)	54	52
Funds in Trust		-	-
Other current liabilities		-	-
Total current liabilities		**13,431**	**10,870**
Non-current liabilities			
Employees	13 (a)	1,052	1,305
Provisions		-	-
Other non-current liabilities	13 (b)	1,151	1,044
Total non-current liabilities		2,202	2,349
TOTAL LIABILITIES		**15,633**	**13,219**
NET ASSETS			
Unrestricted Net assets:			
Undesignated		3,326	2,928
Designated		2,014	2,328
Total Unrestricted Net assets		**5,340**	**5,256**
Temporary net assets-Other Comprehensive Income			
IFRS Conversion			
Restricted Net Assets			
TOTAL NET ASSETS		**5,340**	**5,256**
TOTAL LIABILITIES AND NET ASSETS		**20,973**	**18,476**

The accompanying notes to the financial statements (1-17) form part of this statement

The financial statements were approved by the Board of Trustees on 22 April 2020.

Kolade Olatifede
Director of Finance and Corporate Services

Harold Roy-Macauley
Director General

Statement of Activities and Other Comprehensive Expenses

For the years ended 31 December, 2019 and 2018

(all figures expressed in thousands of US dollars)

		2019							2018						
		Unrestricted		Restricted		Total			Unrestricted		Restricted		Total		
		Portfolio	Non-Portfolio	Portfolio	Non-Portfolio	Portfolio	Non-Portfolio	Grand Total	Portfolio	Non-Portfolio	Portfolio	Non-Portfolio	Portfolio	Non-Portfolio	Grand Total
Revenue	**Notes**	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Grant Revenue															
Window 1 & 2		-	-	3,987	190	3,987	190	4,177	-	-	4,222	-	4,222	-	4,222
Window 3		-	-	4,064	509	4,064	509	4,573	-	-	2,236	325	2,236	325	2,560
Bilateral		-	568	4,728	2,380	4,728	2,949	7,676	1,184	-	5,852	2,824	7,036	2,824	9,860
Total Grant Revenue		-	568	12,780	3,079	12,780	3,647	16,427	1,184	-	12,310	3,149	13,494	3,149	16,642
Others revenues and gains	15	-	578	-	-	-	578	578	839	-	-	-	839	-	839
Total revenues		-	1,146	12,780	3,079	12,780	4,225	17,005	2,023	-	12,310	3,149	14,333	3,149	17,481
Expenses and losses															
Research expenses		-	405	9,298	2,053	9,298	2,458	11,756	629	-	9,922	2,788	10,551	2,788	13,339
CGIAR Collaboration expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non CGIAR Collaboration expenses		-	-	2,063	954	2,063	954	3,018	-	-	1,070	285	1,070	285	1,355
General and administrative expenses		-	620	1,418	71	1,418	691	2,110	1,097	-	1,315	71	2,412	71	2,483
Others Expenses and losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses and Losses		-	1,025	12,780	3,079	12,780	4,104	16,884	1,726	-	12,307	3,144	14,033	3,144	17,177
Operating surplus/deficit		-	121	-	-	-	121	121	297	-	3	5	300	5	304
Gain/loss on sales of assets	16 (a)	-	33	-	-	-	33	33	4	-	-	-	4	-	4
Restructuring cost/others*		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finances income		-	0	-	-	-	0	-	15	-	-	-	15	-	15
Finance expenses	16 (b)	-	(72)	-	-	-	(72)	(72)	(158)	-	(3)	(5)	(162)	(5)	(166)
Surplus/deficit for the year		-	83	-	-	-	83	83	158	-	-	-	158	-	158
Others comprehensive income															
Unrealized gain/loss-hedging activities		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gain/loss-defined benefit plan		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total others comprehensive income		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive surplus/deficit for the year		-	83	-	-	-	83	83	158	-	-	-	158	-	158

AFRICA RICE CENTER (AfricaRice)

Statement of Changes in Net Assets

For the years ended 31 December, 2019 and 2018

(all figures expressed in thousands of US dollars)

	Notes	UNRESTRICTED					OTHER		IFRS CONVERSION		RESTRICTED	TOTAL
			Designated									
		Undesignated	Property, Plant and Equipment	Reserve for Replacement of Property, Plant and Equipment	Other Designated	Sub-total Designated	Hedging operations Gains(losses)	Actuarial gain(loss)	Fixed Assets	Others		
Balance at 1 January 2018		2,394	-	2,704	-	2,704	-	-	-	-	-	5,099
Depreciation for the year												
Appropiration from Undesignated to designated		376		(376)		(376)						-
Additions during the year												
Disposals during the year												
Surplus (Deficit) for the year		158				-						158
Other Comprehensive Income						-					-	-
Others*												
Balance at 31 December 2018		2,928	-	2,328	-	2,328	-	-	-	-	-	5,256
Depreciation for the year												
Appropiration from Undesignated to designated		315	-	(315)	-	(315)						-
Additions during the year												
Disposals during the year												
Surplus (Deficit) for the year		83	-	-	-	-						83
Other Comprehensive Income												
Others*												
Balance at 31 December 2019		3,325	-	2,014	-	2,014	-	-	-	-	-	5,339

-

AFRICA RICE CENTER (AfricaRice)
Statement of Cash Flows
For the years ended 31 December, 2019 and 2018
(all figures expressed in thousands of US dollars)

PARTICULARS		Total 2019	Total 2018
CASHFLOWS PROVIDED (USED) IN OPERATING ACTIVITIES			
Change in Net Assets		**83**	**158**
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities :			
Prior Period Adjustments		**-**	**-**
Depreciation		**507**	**376**
Gain on Disposal of Fixed Assets		**(33)**	**(4)**
Decrease (Increase) in Assets			
Accounts Receiv	Donors	**(1,806)**	**801**
	Employees	**47**	**163**
	CGIAR Centers	**(23)**	**85**
	Others	**1,056**	**(1,098)**
Inventories		**0**	**1**
Prepaid Expenses		**(252)**	**233**
Increase (Decrease) in Liabilities			
Accounts Payab	Donors	**1,241**	**420**
	Employees	**230**	**(129)**
	CG Centers	**328**	**112**
	Accruals	**1,002**	**(807)**
	Others	**(241)**	**472**
Provisions		**2**	**4**
Employees-Non-Current		**(253)**	**(120)**
Other Non-Current Liabilities		**107**	**124**
Net Cash Provided in Operating Activities		**1,995**	**789**
CASHFLOWS PROVIDED (USED) IN INVESTING ACTIVITIES			
Acquisition of Property and Equipment		**(248)**	**(209)**
Proceeds from Disposal of Property and Equipment		**33**	**6**
Acquisition of Intangible Assets			
Adjustment to Opening Net Book Value of Property and Equipmei			**31**
Net Cash Used in Investing Activities		**(214)**	**(172)**
Net Increase (Decrease) in Cash and Cash Equivalents			
Cash and Cash Equivalents at Beginning of Year		**3,675**	**3,057**
(Decrease)/Increase in Cash and Cash Equivalents		**1,780**	**618**
Cash and Cash Equivalents at End of Year		**5,455**	**3,675**

The accompanying notes to the financial statements (1-17) form part of this statement.

AFRICA RICE CENTER (AfricaRice)

NOTES TO THE FINANCIAL STATEMENTS

AFRICA RICE CENTER (AfricaRice)

NOTES TO THE FINANCIAL STATEMENTS

AFRICA RICE CENTER (AfricaRice)

NOTES TO THE FINANCIAL STATEMENTS

1. ORGANIZATION AND OBJECTIVES

The Africa Rice Center (AfricaRice) is an autonomous intergovernmental research association of African member countries. It is also a leading pan-African research organization with a mission to contribute to poverty alleviation and food security in Africa through research, development and partnership activities. It is one of 15 Centers of the CGIAR System organization supported by the CGIAR Fund. The Center was created in 1971 by 11 African countries. Today its membership comprises 28 countries, covering West, Central, East and North African regions, namely Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Côte d'Ivoire, Democratic Republic of Congo, Egypt, Ethiopia, Gabon, the Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Liberia, Madagascar, Mali, Mauritania, Mozambique, Niger, Nigeria, Republic of Congo, Senegal, Sierra Leone, Togo, Uganda, and Rwanda,

The headquarters of AfricaRice is based in Abidjan, with the main research station located in Bouake, Côte d'Ivoire. The research staff are based in Côte d'Ivoire (Bouake) as well as in various outstations located in Benin, Senegal, Nigeria, Liberia, Madagascar and Uganda.

AfricaRice signed a renewed headquarters agreement with the government of Côte d'Ivoire following the relocation of the temporary headquaters from Benin to Côte d'Ivoire.

The Center in addition to receiving funds from the CGIAR System Organization (CSO) , also receives funds from its member States and other donors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(i) Basis of Preparation and Presentation of Financial Statements

The financial statements are prepared and presented in accordance with the IFRS and the recommendations made in the IFRS Compliant CGIAR Reporting Guidelines approved by the System Management Borad in December 2017, which are in conformity with International Accounting Standards (IAS) for not-for-profit organizations.

This guideline was approved in December 2017 and replaces the use of Financial Guideline Series Number 2 for all IFRS Compliant CGIAR Centers.

The implementation for full IFRS compliance started with comparative Financial Statements for 2016 in the 2017 Audited Financial Statements, while from 2018 Audited Financial Statements are in full compliance with IFRS..

(ii) Revenue Recognition

The financial statements of AfricaRice have been presented using the accrual basis of accounting. Funds paid by Member States and other Donors are, therefore, credited to

NOTES TO THE FINANCIAL STATEMENTS

Revenue when they are received or when a definite letter of commitment is received at the time of closing in accordance with the existing Board-approved Policy.

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

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

- Unrestricted grants are funds made available to AfricaRice to meet normal operating costs or whatever other purpose AfricaRice may deem fit.

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

- Restricted CGIAR Research Programs (CRP) and Platforms that are funded through the CGIAR Funding Windows, are treated as restricted funds for carrying out the approved workplans and budgets under the Strategy and Results Framework (SRF) of the CGIAR System Organization.

(iii) Foreign Currency Transactions

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

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

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

(iv) Property, Plant, Equipment and Depreciation

Property Plant and Equipment are tangible goods that are held for use in the carrying out of the Center's objectives.

In accordance with the IFRS the depreciation rates for all purchases made from restricted project funds that were initially depreciatied at 100% of cost during the year were restated at year end.

The cost is assets acquired through restricted funds expensed to the project at the date of acquisition in line with the grant agreements.

AFRICA RICE CENTER (AfricaRice)

NOTES TO THE FINANCIAL STATEMENTS

The deferred depreciation on the restricted assets is held in deferred revenue and are taken into account in a systematic and rational basis over the useful life-time of the assets.

The threshold for capitalization of individual assets is US$ 1,000.

The initial recognition of property, plant and equipment are stated at cost incurred plus cost to bring them to their intended location of use.

Subsequent expenditure on property, plan and equipment that have been already recognized in the past are only added to the carying amount if the expenditures improve the condition of the assets beyond its orginally estimated lifetime.

The depreciation of property, plant and equipement assets is computed on a straight-line method over the estmated useful lifetime of the assets.

No salvage value is considered for the assets at the end of their useful lifetime as no stable local market exists for most of the assets held by AfricaRice.

Land is not depreciated.

The following have been determined as the useful liftime of the various groups of property , plant and equipment:

Useful lives of property, plant and equipment	
Physical Facilities (buildings and installations)	60 years
Heavy duty equipment	10 years
Agricultural equipment	10 years
Vehicles and tractors	7 years
Furniture and office equipment	10 years
Laboratory and scientific equipment	10 years
Computer equipment	5 years

The usefull life-time of Property, Plant and Equipment is reviewed annually for each specific asset with a view to determine whether to sell, repair or impair the value of the assets.

(v) Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. An intangible asset shall be recognized if, and only if :

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and ;
- The cost of the asset can be measured reliably

Intangible assets held in AfricaRice books are limited to ERP software development. The assets are initially recognized at cost, including directly attributable cost of preparing the asset for its intended use in line with the provisions of International Accounting Standards (IAS #38). The useful life of AfricaRice intangible assets is finite, and the cost of the asset is amortized over its useful life.The amortization period and amortization method for intangible asset with a finite life are reviewed at least at each financial year-end.

The useful life for the intangible asset has been determined as five years or 20% per year using the stratight-line method over the useful life of the software. (see Note 10(b))

(vi)Accrued Relocation Allowance

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

(vii) Inventories

Inventories are assets held in the form of supplies and other consumables for use in carrying out the Center’s operations or in redering of in-house services.

Inventories of materials and supplies are initially reported at cost, including expenditure to bring them to their current location and condition and subsequently charged out to users at a weighted average cost.

The Invenotories are stated at the lower of the acquisition cost and the net realizable values.

Materials in transit are stated at invoice cost, inclusive of insurance and freight.

2.1 TAX STATUS

In accordance with the agreements between AfricaRice and the governments of Côte d’Ivoire and Benin, signed on 14 November 2014 and 14 December 2004, respectively, AfricaRice, its assets, income and any other property are exempted from any form of direct taxation in

NOTES TO THE FINANCIAL STATEMENTS

Côte d'Ivoire and Benin. AfricaRice may be reimbursed on its request value added tax on construction work for buildings, supplies and services used exclusively for official purposes, except for tax on services in the case of Benin. AfricaRice and its staff are not required to contribute to the social security plan of Côte d'Ivoire, although in practice, a certain number of staff are affiliated to the Social Security Organization in Côte d'Ivoire. Certain AfricaRice staff are exempt from all taxes on salaries and benefits for their activities at AfricaRice.

2.2 INDIRECT COST RECOVERY

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

The method of calcultating the indirect cost recovery rate is based in accordance with the CGIAR Financial Guidelines No.5, and the IFRS Compliant CGIAR Reporting Guidelines issued in December 2017 (refer to Annex 3).

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

2.3 NATIONALLY RECRUITED STAFF (GSS) CONTINGENCY FUND

The nationally recruited staff, commonly referred to as General Support Staff (GSS), participate in a Contributory Contingency Fund where the employer and employee both contribute to the Fund on a monthly basis. The Contingency Fund is managed by an independent management committee comprising of elected representatives of the staff body and ex-officio representatives of the Center management. The Fund operates under an intra-Center constitution, which lays out the guidelines for granting loans to its members as well as fund withdrawal options.

2.4 CONTINGENT LIABILITIES AND SUBSEQUENT EVENTS

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

However, it is worth noting that initial cases of the COVID-19 (Corona Virus) infection were reported in China towards the end of 2019. The virus has since spread to many other countries around the world including Cote d'Ivoire and other countries where the Center is operating. On 12 March 2020 the World Health Organisation (WHO) declared the COVID-19 outbreak a global pandemic. One of the emerging results of this health crisis is the disruption of global economic activities, and this could include the activities of AfricaRice's existing and potential funding/development partners. The AfricaRice Board and Management will be closely monitoring and assessing the impact of COVID-19 on the operations of AfricaRice.

2.5 GOING CONCERN

These Financial Statements are prepared on a going concern basis.

The declining levels and uncertainty of CGIAR funding disbursements experienced over the past several years has occasioned unanticipated overspending, this coupled with the financing cut on some projects in the previous years, contributed to a decline in the reserve level of the Center.

Immediate steps were however taken including most importantly the establishment of a Financial Recovery Plan (FRP) that aims to address the impact of these write-offs and move the Center into a forward looking building up of lost reserves through the following ongoing and closely monitored bold moves:

-Establishment of a solid Project portfolio that ensures the setting of realistic targets, expressions of the determination on how to achieve those targets; and the confirmation of several of the portfolio projects that are already materializing.

-Reduction of staff and thus the staff related costs

-Placing a cap on unrestricted spending to between US$ 4.5 million and US$ 5 million for 2018

-Proactive revenue generation efforts, including the Public Private Partnerships involving important activities to support the Rice Value Chain.

The first two years of the FRP have ended in a surplus result as intended and putting a break on the successive deficit of the previous three years.

AFRICA RICE CENTER (AfricaRice)
NOTES TO THE FINANCIAL STATEMENTS

1. ORGANIZATION AND OBJECTIVES

The Africa Rice Center (AfricaRice) is an autonomous intergovernmental research association of African member countries. It is also a leading pan-African research organization with a mission to contribute to poverty alleviation and food security in Africa through research, development and partnership activities. It is one of 15 Centers of the CGIAR System organization supported by the CGIAR Fund. The Center was created in 1971 by 11 African countries. Today its membership comprises 28 countries, covering West, Central, East and North African regions, namely Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Côte d'Ivoire, Democratic Republic of Congo, Egypt, Ethiopia, Gabon, the Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Liberia, Madagascar, Mali, Mauritania, Mozambique, Niger, Nigeria, Republic of Congo, Senegal, Sierra Leone, Togo, Uganda, and Rwanda,

The headquarters of AfricaRice is based in Abidjan, with the main research station located in Bouake, Côte d'Ivoire. The research staff are based in Côte d'Ivoire (Bouake) as well as in various outstations located in Benin, Senegal, Nigeria, Liberia, Madagascar and Uganda.

AfricaRice signed a renewed headquarters agreement with the government of Côte d'Ivoire following the relocation of the temporary headquaters from Benin to Côte d'Ivoire.

The Center in addition to receiving funds from the CGIAR System Organization (CSO) , also receives funds from its member States and other donors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(i) Basis of Preparation and Presentation of Financial Statements

The financial statements are prepared and presented in accordance with the IFRS and the recommendations made in the IFRS Compliant CGIAR Reporting Guidelines approved by the System Management Borad in December 2017, which are in conformity with International Accounting Standards (IAS) for not-for-profit organizations.

This guideline was approved in December 2017 and replaces the use of Financial Guideline Series Number 2 for all IFRS Compliant CGIAR Centers.

The implementation for full IFRS compliance started with comparative Financial Statements for 2016 in the 2017 Audited Financial Statements, while from 2018 Audited Financial Statements are in full compliance with IFRS..

(ii) Revenue Recognition

The financial statements of AfricaRice have been presented using the accrual basis of accounting. Funds paid by Member States and other Donors are, therefore, credited to

Revenue when they are received or when a definite letter of commitment is received at the time of closing in accordance with the existing Board-approved Policy.

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

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

- Unrestricted grants are funds made available to AfricaRice to meet normal operating costs or whatever other purpose AfricaRice may deem fit.

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

- Restricted CGIAR Research Programs (CRP) and Platforms that are funded through the CGIAR Funding Windows, are treated as restricted funds for carrying out the approved workplans and budgets under the Strategy and Results Framework (SRF) of the CGIAR System Organization.

(iii) Foreign Currency Transactions

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

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

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

(iv) Property, Plant, Equipment and Depreciation

Property Plant and Equipment are tangible goods that are held for use in the carrying out of the Center's objectives.

In accordance with the IFRS the depreciation rates for all purchases made from restricted project funds that were initially depreciatied at 100% of cost during the year were restated at year end.

The cost is assets acquired through restricted funds expensed to the project at the date of acquisition in line with the grant agreements.

The deferred depreciation on the restricted assets is held in deferred revenue and are taken into account in a systematic and rational basis over the useful life-time of the assets.

The threshold for capitalization of individual assets is US$ 1,000.

The initial recognition of property, plant and equipment are stated at cost incurred plus cost to bring them to their intended location of use.
Subsequent expenditure on property, plan and equipment that have been already recognized in the past are only added to the carying amount if the expenditures improve the condition of the assets beyond its orginally estimated lifetime.
The depreciation of property, plant and equipement assets is computed on a straight-line method over the estmated useful lifetime of the assets.
No salvage value is considered for the assets at the end of their useful lifetime as no stable local market exists for most of the assets held by AfricaRice.
Land is not depreciated.
The following have been determined as the useful liftime of the various groups of property , plant and equipment:

Useful lives of property, plant and equipment

Physical Facilities (buildings and installations)	60 years
Heavy duty equipment	10 years
Agricultural equipment	10 years
Vehicles and tractors	7 years
Furniture and office equipment	10 years
Laboratory and scientific equipment	10 years
Computer equipment	5 years

The usefull life-time of Property, Plant and Equipment is reviewed annually for each specific asset with a view to determine whether to sell, repair or impair the value of the assets.

(v) Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. An intangible asset shall be recognized if, and only if :

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and ;
- The cost of the asset can be measured reliably

Intangible assets held in AfricaRice books are limited to ERP software development. The assets are initially recognized at cost, including directly attributable cost of preparing the asset for its intended use in line with the provisions of International Accounting Standards (IAS #38). The useful life of AfricaRice intangible assets is finite, and the cost of the asset is amortized over its useful life.The amortization period and amortization method for intangible asset with a finite life are reviewed at least at each financial year-end.

The useful life for the intangible asset has been determined as five years or 20% per year using the stratight-line method over the useful life of the software. (see Note 10(b))

(vi)Accrued Relocation Allowance

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

(vii) Inventories

Inventories are assets held in the form of supplies and other consumables for use in carrying out the Center's operations or in redering of in-house services.

Inventories of materials and supplies are initially reported at cost, including expenditure to bring them to their current location and condition and subsequently charged out to users at a weighted average cost.

The Invenotories are stated at the lower of the acquisition cost and the net realizable values.

Materials in transit are stated at invoice cost, inclusive of insurance and freight.

2.1 TAX STATUS

In accordance with the agreements between AfricaRice and the governments of Côte d'Ivoire and Benin, signed on 14 November 2014 and 14 December 2004, respectively, AfricaRice, its assets, income and any other property are exempted from any form of direct taxation in Côte d'Ivoire and Benin. AfricaRice may be reimbursed on its request value added tax on construction work for buildings, supplies and services used exclusively for official purposes, except for tax on services in the case of Benin. AfricaRice and its staff are not required to contribute to the social security plan of Côte d'Ivoire, although in practice, a certain number of staff are affiliated to the Social Security Organization in Côte d'Ivoire. Certain AfricaRice staff are exempt from all taxes on salaries and benefits for their activities at AfricaRice.

2.2 INDIRECT COST RECOVERY

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

The method of calcultating the indirect cost recovery rate is based in accordance with the CGIAR Financial Guidelines No.5, and the IFRS Compliant CGIAR Reporting Guidelines issued in December 2017 (refer to Annex 3).

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

2.3 NATIONALLY RECRUITED STAFF (GSS) CONTINGENCY FUND

The nationally recruited staff, commonly referred to as General Support Staff (GSS), participate in a Contributory Contingency Fund where the employer and employee both contribute to the Fund on a monthly basis. The Contingency Fund is managed by an independent management committee comprising of elected representatives of the staff body and ex-officio representatives of the Center management. The Fund operates under an intra-Center constitution, which lays out the guidelines for granting loans to its members as well as fund withdrawal options.

2.4 CONTINGENT LIABILITIES AND SUBSEQUENT EVENTS

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

However, it is worth noting that initial cases of the COVID-19 (Corona Virus) infection were reported in China towards the end of 2019. The virus has since spread to many other countries around the world including Cote d'Ivoire and other countries where the Center is operating. On 12 March 2020 the World Health Organisation (WHO) declared the COVID-19 outbreak a global pandemic. One of the emerging results of this health crisis is the disruption of global economic activities, and this could include the activities of AfricaRice's existing and potential funding/development partners. The AfricaRice Board and Management will be closely monitoring and assessing the impact of COVID-19 on the operations of AfricaRice.

2.5 GOING CONCERN

These Financial Statements are prepared on a going concern basis.

The declining levels and uncertainty of CGIAR funding disbursements experienced over the past several years has occasioned unanticipated overspending, this coupled with the financing cut on some projects in the previous years, contributed to a decline in the reserve level of the Center.

Immediate steps were however taken including most importantly the establishment of a Financial Recovery Plan (FRP) that aims to address the impact of these write-offs and move the Center into a forward looking building up of lost reserves through the following ongoing and closely monitored bold moves:

-Establishment of a solid Project portfolio that ensures the setting of realistic targets, expressions of the determination on how to achieve those targets; and the confirmation of several of the portfolio projects that are already materializing.

-Reduction of staff and thus the staff related costs

-Placing a cap on unrestricted spending to between US$ 4.5 million and US$ 5 million for 2018

-Proactive revenue generation efforts, including the Public Private Partnerships involving important activities to support the Rice Value Chain.

The first two years of the FRP have ended in a surplus result as intended and putting a break on the successive deficit of the previous three years.

3 Cash and Cash Equivalents

	2019 US $ 000	2018 US $ 000
Cash at Bank and in hand	**5,455**	**3,675**
	5,455	**3,675**

[a/] The cash on hand balances include cash imprests both at headquarters and those held by outstations for local cash management in the respective locations

4 ACCOUNTS RECEIVABLE-DONORS

	2019 US$'000	2018 US$'000
Acounts receivables - Donors		
Unrestricted W3	-	-
Unrestricted bilateral	806	353
Restricted W3	172	231
Restricted bilateral	4,421	2,683
W1&2	1,006	981
Gross Accounts Receivables - Donors	**6,405**	**4,248**
Less: Allowance for doubtful acounts	(1,436)	(1,085)
Net Accounts Receivables - Donors	**4,969**	**3,163**

(a) Details of amounts receivable from restricted donors are given in the Schedule of Grant Revenue - Annuxure 3

(b) In addition to general provisions, specific provision has been made for certain doubtful receivables.

NOTES TO THE FINANCIAL STATEMENTS - (Continued)
(in Thousands of US Dollars)

5	Acounts receivables - Employees (Current)	2019 US$'000	2018 US$'000
	Loans	25	34
	Advances	206	209
	Personal Accounts	101	135
	Gross Accounts Receivables - Employees	331	379
	Less: Allowance for doubtful acounts[a]	(2)	(2)
	Net Accounts Receivables - Employees	329	377

a) No general provision is made for doubtful receivables.
The accounts deemed doubtful are identified based on case by case review.

6(a)	Acounts receivables - CGIAR Centers	2019 US$'000	2018 US$'000
	WORLD AGROFORESTRY CENTRE	2	0
	CIP-OCS IMPLEMENTATION	40	40
	CIP AHIPA PROJ BEN ZZ7100	2	2
	IITA RECONCILIATION	23	23
	IITA COTONOU	524	504
	Bioversity International		
	Gross Accounts Receivables - CGIAR Centers	591	568
	Less: Allowance for doubtful acounts	(23)	(23)
	Net Accounts Receivables - CGIAR Centers	568	545

6(b)	Acounts receivables- Others	2019 US$'000	2018 US$'000
	Member States -Cameroun (VAT Rebate)	62	62
	Non CGIAR Partners	3,540	4,686
	Others	723	633
	Gross Accounts Receivables - Others	4,325	5,380
	Less: Allowance for doubtful acounts	(62)	(62)
	Net Accounts Receivables - Others	4,263	5,318

[a/] No general provision is made for doubtful receivables.
The accounts deemed doubtful are identified based on case by case review

7 Prepaid Expenses

	2019 US $ 000	2018 US $ 000
Prepaid to Sulpliers	1,975	1,755
Prepaid Fuel Coupons	48	16
Total Prepaid Expenses	2,023	1,771
	2,023	1,771

8 Inventories

	2019 US $ 000	2018 US $ 000
Stationery and Office Supplies	17	17
Vehicle and Equipment Spare Parts	107	107
Building and Maintenance Supplies	71	71
Fuel and Lubricants		0
Field and Farm Supplies	7	7
Laboratory Supplies	1	1
	202	203
Less: Allowance for obsolescence		
	202	203

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

AFRICA RICE CENTER (AfricaRice)

NOTES TO THE FINANCIAL STATEMENTS - (Continued)
(in Thousands of US Dollars)

NOTE 9(a) Property Plant and Equipment

Annexure 1 details property plant and equipment.

NOTE 9(b) Intangible Assets

Software/Others	2019 US$'000	2018 US$'000
Cost		
At start of the year	489	489
Adjustment	0	0
Additions	0	0
At end of the year	489	489
Amortization		
At start of the year	304	203
Additions	101	101
At end of the year	405	304
Carrying amount at 31 December	**84**	**186**

The Intangible Asset relates to the One Corporate System (OCS) , purchased from Unit4 by 10 CGIAR Research Centers participating in the ERP 'implementation project. The asset relates to the costs paid for supplies and services including consultants travel and fees charged for the setup, and localizing the common OCS build during the development phase of the ERP implementation. Other costs related to the implementation were charged to general expenses.

10 **Accounts payables-Donors**

Deferred Income from donors	2019 US $ 000	2018 US $ 000
Unrestricted W3	0	0
Unrestricted bilateral	0	0
Restricted W3	4,076	2,308
Restricted bilateral	1,963	2,516
W1&2	26	0
Total Deferred Income from Donors	**6,064**	**4,824**

(a) Details of amounts received in advance from restricted donors are given in the Schedule of Restricted Grant Revenue - Annexure 3.

(b) Provision has been made for donor accounts receivable. Based on past experience, a detailed review of restricted spending is also done to ensure that the receivables fall within the amounts pledged by the donors.

11 **Accounts payables-Employees**

Accounts payables - Employees	2019 US$'000	2018 US$'000
Accrued leave-National and local recruited staff	0	0
Home leave International staff	0	0
Severance	0	0
Employee Official and Travel Advances-Credit Balances	83	66
Employee Personal Expenses in Credit	588	375
	0	0
Employeee-Net Pay Account	7	8
Total expenses and others payables	0	0
Total Accounts payables - Employees	**678**	**448**

(in Thousands of US Dollars)

12 (a)

Accounts payables-CGIAR Centers

Accounts payables - CGIAR Centers	2019 US$'000	2018 US$'000
CGIAR FUND COUNCIL (CSP)	42	101
IITA	819	435
IFPRI	1	1
CGIAR-FELLOWSHIP PRG 2013-2014	2	2
CGIAR Consortium		1
ILRI	4	
ICRISAT	0	0
Total Accounts payables - CGIAR Centers	**868**	**540**

12 (b)

Accounts payables-Accruals

	Accounts payables - Accruals	2019 US$'000	2018 US$'000
(a)	Other-Accrued Expenses	2,725	1,723
	Total Accounts payables - Accruals	**2,725**	**1,723**

(a) Other Accrued Expenses are various works, supplies, services and travel relating to the headquarters and all outstations of AfricaRice as of the end of the financial year.

12 (c)

Accounts payables-Others

	Accounts payables - Others	2019 US$'000	2018 US$'000
	Non-CGIAR Partners	919	1,047
a/	Other-GSS Contingency Fund	1,194	1,149
	Other-Trade Suppliers	825	1,044
	Other-GSS Payroll Taxes	94	33
	Others	10	9
	Total Accounts payables - Others	**3,042**	**3,283**

[a/] Staff Contingency Fund is a quasi retirement fund for Nationally Recruited Staff (See also note 2.3)
The Staff Contingency Fund is a quasi retirement fund which operates under an intra-center constitution managed by elected representatives of the staff and ex-officio representatives of Center management (See also Note 2.3).

12 (d)

Accounts payables-Provisions

	Accounts payables - Provisions	2019 US$'000	2018 US$'000
	CGIAR Centers		
	Non-CGIAR Centers		
	Provision for Audit Fees	54	48
(a)	Provision for Audit Fees-(Non-Statutory Assignments)-IFRS Conversion		4
	Others		
	Total Accounts payables - Provisions	**54**	**52**

(a) Provision for Audit Fees and Non-Statutory Audit Assignments that relate to audit engagements for various Restricted Projects or other assignement such as IFRS conversion.

13

Accounts payables-Non-Current

13(a)

Non-Current Accounts payables- Accrued Employees Termination Benefits	2019 US$'000	2018 US$'000
Employee Accruals		
Accrual for Repatriation - IRS	325	397
Accrual for Repatriation - Other staff	270	336
Accrual for Leave-IRS	282	410
Accrual for Leave-GSS	174	162
Total Non-Current Accrued Employee Termination Benefits	**1,052**	**1,305**

13(b)

Non-Current Accounts payables- Deferred Depreciation Revenue	2019 US$'000	2018 US$'000
Accrued Deferred Depreciation Revenue	1,151	1,044
Total Non-Current Deferred Depreciation Revenue	**1,151**	**1,044**

(in Thousands of US Dollars)

14.a Member States Contribution

Funds paid by Member States towards AfricaRice's Operations and Capital Development will be recognised as Revenue when they are received in accordance with the revised Board-approved Policy as mentioned in Note2.(ii).

The following Member States paid in contributions to the activities of AfricaRice for the financial years ended December 31, 2018 and 2019:

Member States Contributions	2019 US$'000	2018 US$'000
Benin	18	18
Cote D'Ivoire	77	
Ethiopia		18
The Gambia		144
Burkina-Faso		
Togo	-	
Egypt	36	18
Uganda	18	18
Madagascar		37
Mali		37
	150	290

14.b Special Contributions

Special Contributions are contributions other than regular membership contributions

Member States Contributions	2019 US$'000	2018 US$'000
Cote D'Ivoire	418	893
	418	893

15 Other Revenue and Gains

Other Revenue and Gains	2019 US$'000	2018 US$'000
Sale of Goods	4	380
Rendering of services	16	216
Doubtful debt recovery	36	230
Miscellaneous income	522	13
Total Other Revenue and Gains	578	839

16 Financial income and Financial expenses

		2019 US$'000	2018 US$'000
16 (a)	Financial Income :		
	Gain on sale of asset(s)	33	4
	Investment income	-	2
	Other Interest Income	-	15
	Total Financial income	33	21

		2019 US$'000	2018 US$'000
16 (b)	Financial expense :		
	Bank charges	14	22
	Foreign exchange gain/loss	58	139
	Total Financial expense	72	160

AFRICA RICE CENTER (AfricaRice)

Expenses by Natural Classification

Note 17

(all figures expressed in thousands of US Dollars)

	2019							2018						
	Unrestricted		Restricted		Total			Unrestricted		Restricted		Total		
	Portfolio	Non-Portfolio	Portfolio	Non-Portfolio	Portfolio	Non-Portfolio	Grand Total	Portfolio	Non-Portfolio	Portfolio	Non-Portfolio	Portfolio	Non-Portfolio	Grand Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Expenses and Losses														
Personnel costs	-	2,197	4,124	740	4,124	2,937	7,060	2,642	-	4,312	1,185	6,954	1,185	8,139
CGIAR Collaborator Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non CGIAR Collaborator Expenses	-	(0)	2,064	954	2,064	954	3,018	(11)	-	1,076	285	1,064	285	1,350
Supplies and services	-	43	4,322	1,141	4,322	1,183	5,505	342	-	4,826	1,435	5,168	1,435	6,603
Travel	-	(5)	657	143	657	138	795	62	-	588	147	650	147	797
Depreciation/Amortization	-	379	-	-	-	379	379	279	-	-	-	279	-	279
Cost sharing percentage	-	10	200	30	200	39	239	28	-	122	25	149	25	175
Total direct costs	**-**	**2,623**	**11,366**	**3,008**	**11,366**	**5,631**	**16,996**	**3,341**	**-**	**10,924**	**3,078**	**14,265**	**3,078**	**17,343**
Indirect cost recovery	-	(1,526)	1,414	71	1,414	(1,455)	(41)	(1,457)	-	1,386	71	(71)	71	0.00
Total-all costs*	**-**	**1,097**	**12,780**	**3,079**	**12,780**	**4,176**	**16,956**	**1,884**	**-**	**12,310**	**3,149**	**14,194**	**3,149**	**17,343**

* This table includes $ 72 thousands of non operating expenses as shown in the Statement of Activities.

AFRICA RICE CENTER (AfricaRice)

Property, Plant and Equipment

For the years ended 31 December, 2019 and 2018

ANNEX 1

(all figures expressed in thousands of US Dollars)

	UNRESTRICTED (Center Assets)										RESTRICTED (Project Assets) (b)										
	Physical facilities	Infrastructure & land	Heavy Duty Equipment	Agricultural Equipment	Vehicles and Tractors	Furnishing & Equipment	Laboratory & Scientific Equipment	Computers	Work in progress	Total	Physical facilities	Infrastructure & land	Heavy Duty Equipment	Agricultural Equipment	Vehicles and Tractors	Furnishing & Equipment	Laboratory & Scientific Equipment	Computers	Work in progress	Total	Grand Total
Year ended 31 December 2019																					
Cost																					
At start of the year	2,196	3	1,057	899	2,955	484	4,212	1,964	1,241	15,011	451	-	12	153	254	2	253	102	(115)	1,110	**16,121**
Prior Period Adjustment ©	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Reclassified Assets in Transit	74	-	-	-	-	-	-	557	(631)	-	285	-	-	9	-	-	-	-	(293)	-	**-**
Additions a	21	-	-	-	-	-	-	-	-	21	24	-	-	27	72	14	40	49	-	227	**248**
Disposals	-	-	-	(33)	(126)	-	-	-	-	(159)	-	-	-	-	-	-	-	-	-	-	**(159)**
At end of year	2,291	3	1,057	866	2,829	484	4,212	2,521	610	14,873	760	-	12	189	326	15	293	151	(408)	1,337	**16,210**
Accumulated Depreciation																					
At start of the year	1,718	-	857	892	2,743	454	4,126	1,852	-	12,642	28	-	3	36	99	0	33	41	-	240	**12,882**
Prior Period Adjustment ©	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Adjustment for Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Charge for the year	11	-	30	2	68	7	12	148	-	278	5	-	-	79	25	1	11	8	-	129	**407**
Disposals	-	-	-	(33)	(126)	-	-	-	-	(159)	-	-	-	-	-	-	-	-	-	-	**(159)**
At end of year	1,729	-	887	861	2,685	461	4,138	2,000	-	12,761	34	-	3	115	124	1	44	49	-	369	**13,130**
Net book value at end of year	**562**	**3**	**170**	**5**	**144**	**23**	**74**	**521**	**610**	**2,112**	**726**	**-**	**8**	**74**	**203**	**14**	**249**	**102**	**(408)**	**968**	**3,080**
Year ended 31 December 2018																					
Cost																					
At start of the year	2,193	3	1,057	905	3,005	484	4,212	2,009	1,167	15,035	431	-	12	145	149	2	172	93	7	1,011	**16,046**
Prior Period Adjustment ©	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10)	-	(21)	(31)	**(31)**
Reclassified Assets in Transit	-	-	-	-	-	-	-	-	-	-	13	-	-	3	-	-	90	4	(109)	-	**-**
Additions (a)	3	-	-	-	-	-	-	1	74	78	6	-	-	4	105	-	1	5	9	130	**208**
Disposals	-	-	-	(6)	(50)	-	-	(46)	-	(102)	-	-	-	-	-	-	-	-	-	-	**(102)**
At end of year	2,196	3	1,057	899	2,955	484	4,212	1,964	1,241	15,011	451	-	12	153	254	2	253	102	(115)	1,110	**16,121**
Accumulated Depreciation																					
At start of the year	1,708	-	827	896	2,722	447	4,114	1,851	-	12,565	21	-	2	22	66	0	11	22	-	143	**12,708**
Prior Period Adjustment (c)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Adjustment for Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Charge for the year	9	-	30	2	71	7	12	46	-	177	7	-	1	14	33	0	22	19	-	97	**274**
Disposals	-	-	-	(6)	(50)	-	-	(45)	-	(101)	-	-	-	-	-	-	-	-	-	-	**(101)**
At end of year	1,717	-	857	892	2,743	454	4,126	1,852	-	12,641	28	-	3	36	99	0	33	41	-	240	**12,881**
Net book value at end of year	**479**	**3**	**200**	**7**	**212**	**30**	**86**	**112**	**1,241**	**2,370**	**422**	**-**	**8**	**117**	**155**	**1**	**220**	**60**	**(115)**	**870**	**3,240**

(a) The Fixed Asset additions financed from restricted funds have been disclosed separately with retropactive effect from 2016.

(b) Assets procured with restricted project funds have been depreciated using the deferred revenue method of accounting effective 2016 in order to comply with IFRS conversion.

(c) The Prior Period Adjustment relates to a depreciation adjustment for Fixed Asset additions in 2016 financed from 2015 accrued expenses as well as adjustment for OCS Software reclassified to intangible assets.