

CGIAR CHALLENGE PROGRAM
ON
CLIMATE CHANGE, AGRICULTURE AND FOOD SECURITY

Financial Statements for 2010

Prepared by University of Copenhagen

Information about the program

Name:	CGIAR Challenge Program on Climate Change, Agriculture and Food Security (CCAFS), from January 1 st 2011 CGIAR Research Program on Climate Change, Agriculture and Food Security (CCAFS)
Host institution:	University of Copenhagen, Department of Agriculture and Ecology
Address:	Rolighedsvej 21, 1958 Frederiksberg C, Denmark
Director:	Bruce Campbell
Steering Committee:	Thomas Rosswall (Chair) Takeshi Horie, National Agricultural and Food Research Organization (NARO), Tsukuba, Japan Pramod K. Joshi, National Academy of Agricultural Research Management, Hyderabad, India Thierry Lebel, Laboratoire d'étude des Transferts en Hydrologie et Environnement (LTHE), Grenoble, France Holger Meinke, Department of Plant Sciences, Wageningen University and Research Centre (WUR), the Netherlands Mary Scholes, School of Animal Plant & Environmental Sciences, University of the Witwatersrand, Johannesburg, South Africa Ex Officio: Rik Leemans (Ex Officio, representing ESSP), Wageningen University, the Netherlands Stephen J. Hall (Ex Officio, representing the Alliance), WorldFish Center, Penang, Malaysia
Auditor:	PricewaterhouseCoopers Statsautoriseret Revisionsaktieselskab

Management's Statement

The Head of Department, Department of Agriculture and Ecology, the University of Copenhagen, has today considered and adopted the Financial Statements of the CGIAR Challenge Program on Climate Change, Agriculture and Food Security (CCAFS) for the financial year 1 January – 31 December 2010.

The Financial Statements are prepared in accordance with the accounting principles described in Note 1 which in all material respects comply with principles for recognition and measurement in International Financial Reporting Standards and the guidelines set forth by CGIAR.

In my opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2010 of CCAFS and of the results of operations and cash flows for 2010.

Copenhagen, 4 May 2011

Head of Department



Svend Christensen

Report of Independent Accountants

To the Steering Committee of the CGIAR Challenge Program on Climate Change, Agriculture and Food Security (CCAFS)

We have audited the accompanying statements of financial position of the CGIAR Challenge Program on Climate Change, Agriculture and Food Security (CCAFS) managed by CCAFS' Coordinating Unit hosted by the University of Copenhagen (a nonstock, nonprofit organization) as at December 31, 2010 and the related statements of activities and of cash flows for the year then ended.

These financial statements are the responsibility of the Program's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in conformity with international audit guidelines as issued by the International Federation of Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Accounting principles are explained in Note 1. Recognition and measurement are in accordance with the accounting practices prescribed for international agricultural research centers seeking assistance from the Consultative Group on International Agricultural Research (CGIAR). We concur that such practices conform with generally accepted accounting principles.

In our opinion, the financial statements present fairly the financial position of CCAFS as at December 31, 2010 and its activities and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

Copenhagen, 4 May 2011

PricewaterhouseCoopers

Statsautoriseret Revisionsaktieselskab



Poul Madsen

State Authorised Public Accountant



Uffe Fink Jensen

State Authorised Public Accountant

Statement of Financial Position

USD	Note	31 December 2009	31 December 2010
Assets			
Current assets			
Cash and cash equivalents			1.691.250
Prepayments to themes and regions			1.535.699
Accounts receivable (funds)	1	1.700.000	5.565.824
Total assets		1.700.000	8.792.773
Liabilities			
Other Payables to partners			407.000
Overdraft/Short term borrowings		533.718	2.451.653
Net assets		1.166.282	5.934.120
Designated			1.535.699
Exchange rate adjustments			-73.752
Undesignated		1.166.282	4.472.173
Total liabilities and net assets		1.166.282	5.934.120

Statement of Activities

USD	Note	2009 (5 months)	2010
Revenue and Gains			
Grant Revenue			
EU-IFAD			6.619.092
CIDA (Canada)			5.425.271
World Bank		1.700.000	
USAID (US)			1.000.000
Danida (Denmark)			497.718
MFAT (New Zealand)			493.125
Other revenue and gains			
GTZ (Germany)		11.338	26.490
Meridien Institute			53.208
Total revenue and gains	1	1.711.338	14.114.905
Expenses and losses			
Themes			3.914.910
Regions			2.593.840
Scenarios			108.384
Outreach			686.871
Capacity enhancement			139.384
Administration and governance		545.056	1.422.926
Total expenses and losses	2,3	545.056	8.866.314
Net surplus / (deficit)		1.166.282	5.248.590
Expenses by Natural Classification			
Personnel costs		367.382	1.994.159
Supplies and services		45.299	1.911.958
Collaborators/Partnership costs		121.979	4.154.381
Operational travel, accommodation and representation		10.397	805.815
Total expenses		545.056	8.866.314

Change in net assets

USD	Undesignated	Designated	Total
Opening balance	1.166.282	0	1.166.282
Net surplus	5.248.590	0	5.248.590
Grants not expensed	-407.000		-407.000
Transferred prepayments to project partners	-1.535.699	1.535.699	
Exchange rate adjustments	-73.752		-73.752
Balance 31 December 2010	4.398.421	1.535.699	5.934.120

Statement of Cash Flows

USD	2010
Cash flows from operating activities	
Surplus for the year	5.248.590
Distributions not expensed	-407.000
Exchange rate adjustments	-73.752
Decrease/increase in working capital	-4.994.523
Cash flow from investing activities	0
Cash flow from financing activities	
Borrowings	1.917.935
Net increase/decrease in cash	1.691.250
Cash beginning of the year	0
Increase in cash	1.691.250
Cash end of the year	1.691.250

Note 1 - Accounting Policies

Basis of preparation

The Financial Statements have been prepared in accordance with the instructions given by the CGIAR organisation and accounting principles described below.

Recognition and measurement

The Financial Statements have been prepared on the basis of the historic cost convention.

Revenues are recognized in the income statement as earned. All expenses incurred to achieve the earnings for the year are recognized in the income statement.

Assets and liabilities are recognized in the balance sheet when it is probable that future economic benefits attributable to the asset and the liability will flow to and out of CCAFS, and the value of the asset and liability, respectively, can be measured reliably.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

The primary currency of the University of Copenhagen and the CCAFS Center is DKK. Payments in foreign currencies are translated at the average exchange rates for the year. Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

Exchange rate gains or losses from the average exchange rate to the exchange rate at the balance sheet date are recognised under equity.

Taxation

The University of Copenhagen is not subject to taxation.

Income statement

Revenue

External grants and contributions are recognised as income when they are unconditionally committed by the grantor. Grants which are not distributed are recognised as net assets in designated or undesignated contributions.

Financial income and expenses are recognised on the basis of the date on which banks add interest as regards demand deposits, while interest on fixed-term deposits is cut off over the term of the deposit.

Expenses

Expenses include the expenses for the current activities of the year.

Balance sheet

Current assets

Receivables

Trade receivables etc are measured at nominal value in the balance sheet less any provision for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Receivables from grant activities in progress

The University of Copenhagen enters into agreements on a current basis with enterprises, public institutions and private organisations concerning research activity etc. The activities covered by the grants appear from the agreements. To the extent the University of Copenhagen incurs expenses for activities covered by the grants in the agreements, but where the grants have not yet been received, the grants to which the University of Copenhagen is entitled are recognised as receivables from grant activities in progress.

Prepayments and deferred income

Prepayments include expenses incurred in respect of subsequent financial years. Prepaid expenses include prepaid salaries, prepayments to partner institutions etc.

Deferred income includes payments received in respect of income in subsequent years.

Debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Prepaid restricted contributions

Contributions received concerning grant activities covering expenses not yet incurred are recognised as prepaid restricted contributions.

Moreover, prepaid restricted contributions include unused donations given for special earmarked purposes and activities that are not paid for and carried out until the following financial year.

note 2 Summary of Income

USD	Grant pledge 2009	Grant pledge 2010	Funds received	Accounts receivable
Restricted				
EU-IFAD		6.619.092	2.515.255	4.103.837
Non-restricted				
CIDA (Canada)		5.425.271	5.425.271	0
World Bank	1.700.000		1.700.000	0
USAID (US)		1.000.000		1.000.000
Danida (Denmark)		497.718	99.544	398.175
MFAT (New Zealand)		493.125	493.125	0
Other income				
GTZ (Germany)	11.338	26.490	27.224	10.604
Meridien Institute		53.208		53.208
Sundry income	11.338		11.338	
Total income	1.722.676	14.114.905	10.271.757	5.565.824

note 3 Summary of donations spent

Donor (USD)	Total Grant	Expenditure 2009	Expenditure 2010	Unspent
EU-IFAD	6.619.092	77.560	6.541.532	0
CIDA (Canada)	5.425.271	0	445.783	4.979.488
World Bank	1.700.000	456.158	1.243.842	0
USAID (US)	1.000.000	0		1.000.000
Danida (Denmark)	497.718	0	115.542	382.177
MFAT (New Zealand)	493.125	0	493.125	0
GTZ (Germany)	37.828	11.338	26.490	0
Meridien Institute	53.208	0	0	53.208
Total	15.826.243	545.056	8.866.314	6.414.873

note 4 Break down of costs

Expenses (USD)	2009	2010
Themes		
Project 1 Theme 1		820.986
Project 2 Theme 2		563.991
Project 3 Theme 3		733.749
Project 4 Theme 4		320.864
Project 5 Theme 5a+b		752.473
Project 6 Theme 6a+b		722.846
Themes total		3.914.910
Regions		
West Africa		1.057.627
East Africa		880.031
IGP		656.182
Regions total		2.593.840
Scenarios		108.384
Outreach		
Hosting major events	-3.965	339.576
consultants: Integration and Syntesis		126.277
Communications		161.018
Commission on sustainable development and climate change		60.000
Outreach total	-3.965	686.871
Capacity enhancement		139.384
Administration and governance		
Service agreement ILRI	456.158	0
Management team	0	25.372
Steering committee	838	106.235
Personnel	33.810	729.365
Travel	0	111.864
Supplies	37.832	41.478
Consultants for services	9.045	167.020
Pass through change	0	241.591
Administration and governance total	537.683	1.422.926
Total expenses	533.718	8.866.314