



Financial Report 2010

International Livestock Research Institute

Financial Report 2010

For the Year ended 31 December 2010

International Livestock Research Institute

ILRI works with partners worldwide to help poor people keep their farm animals alive and productive, increase and sustain their livestock and farm productivity, and find profitable markets for their animal products. ILRI's headquarters are in Nairobi, Kenya; we have a principal campus in Addis Ababa, Ethiopia, and 14 offices in other regions of Africa and Asia. ILRI is part of the Consultative Group on International Agricultural Research (www.cgiar.org), which works to reduce hunger, poverty and environmental degradation in developing countries by generating and sharing relevant agricultural knowledge, technologies and policies.

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Front cover: Kemeria Hussein selling milk in village market at Mieso, Ethiopia.

Page 4: Cattle coming in from the fields in the evening in Lhate village, Chokwe, Mozambique.

Page 16: Camels walk by railway in Awash Ethiopia.

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Board of Trustees

Prof Knut Hove	Norway	Chair
Dr Carlos Seré	Uruguay	Ex-officio (Director General)
Dr Romano Kiome	Kenya	Host Country Representative
Dr Aberra Deressa	Ethiopia	Host Country Representative (term ended November 2010)
Prof Nieves Confesor	Philippines	Appointed March 2008
Dr James Dargie	United Kingdom	Appointed August 2005
Ms Emmy Simmons	United States of America	Appointed October 2005
Dr Modibo Traore	Mali	Appointed October 2005
Prof Samir K Barua	India	Appointed March 2007
Dr Dieter Schillinger	Germany	Appointed November 2009
Dr Lindiwe Sibanda	Zimbabwe	Appointed November 2009
Dr Khatija Yusoff	Malaysia	Appointed November 2010
Dr Lorne Babiuk	Canada	Appointed November 2010

Senior Leadership Team

Carlos Seré	Uruguay	Director General
John McDermott	Canada	Deputy Director General
Gabrielle Persley	Australia	Senior Advisor to the Director General
Bruce Scott	Canada	Director, Partnerships and Communications
Joan Sawe	Kenya	Director, Finance and Operations
Margaret Macdonald-Levy	United Kingdom	Director, Human Resources
Steve Staal	United States of America	Director, Improving Market Opportunities Theme
Shirley Tarawali	United Kingdom	Director, People, Livestock and the Environment Theme
Segenet Kelemu	Ethiopia	Director, BeCA–ILRI Hub
Vish Nene	United Kingdom	Director, Biotechnology Theme

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*Knut Hove, Norway, Chair
Norwegian University of Life Sciences*

Knut Hove is Vice Chancellor of the Agricultural University of Norway. He has a PhD in veterinary medicine. He has served as Chairman of the Norwegian Research Committee for research in plants, soils and farm animals and Deputy Chairman of the National Council on Animal Ethics, Ministry of Agriculture. He has been a member of ILRI's Board of Trustees since 2005 and was appointed Chairman of the Board in November 2009.

James Dargie is a British citizen. He recently retired from FAO where he worked from 1978, rising through the ranks to become Head of the Animal Production and Health Section, then Director of the Joint FAO/IAEA Programme of Nuclear Techniques in Food and Agriculture. He has a PhD from the Faculty of Veterinary Medicine, University of Glasgow, and has served as a scientific advisor/reviewer for IFS, Medical Research Council (UK), Wellcome Trust UK, Edna McConnell Clark Foundation (USA), and the CGIAR (ILRAD Scientific Review Team Member). He is a member of the Publications Committee, IAEA, Occasional Member, Committee for Contractual Scientific Services, IAEA. In 1985 he was a recipient of the IAEA Director General's Distinguished Award.



*James Dargie, UK, Trustee
Retired Director, Joint FAO/IAEA Programme of Nuclear
Techniques in Food and Agriculture*

Romano Kiome was appointed the host country representative to the ILRI Board by the Kenya Government in 2004. Born in 1956 on the Eastern Slopes of Mt Kenya, he was educated in Kenya up to the first degree. He obtained a master's degree in soil and water management at the University of Wageningen, in the Netherlands, in 1985, followed by a PhD from the University of East Anglia, in the UK, in 1992. His main research work is in computerised modeling of crop production for decision making in soil and water management regimes and prediction of sustainable land use systems. He has 48 publications as journal articles, book chapters, conference papers and reports. Dr Kiome has been a member/or chair of twelve technical advisory committees at national, regional and international levels. He was recently appointed Permanent Secretary in the Ministry of Agriculture. Apart from ILRI, he is also a Board member of three other CGIAR centres.



*Romano M Kiome, Kenya, Trustee
Permanent Secretary, Ministry of Agriculture*

Aberra Deressa is an Ethiopian with a PhD in agronomy and soil science from Tashkent Agricultural University in Uzbekistan. He began his scientific career in 1974 at Ethiopia's Institute of Agricultural Research, working first as an agronomist, then as coordinator of research extension and finally centre manager. His



*Aberra Deressa, Ethiopia, Trustee
State Minister, Ministry of Agriculture*

areas of research include seed multiplication in maize-, bean- and sorghum-based farming systems and interventions to address problems of soil infertility, drought and natural resource degradation. Throughout his career, he has focused on improving links among farmers, extension agents and agricultural researchers. In 1993, Aberra was appointed Deputy Director General of the Ethiopian Agricultural Research Organization (EARO), where he served until his recent appointment as State Minister in Ethiopia's Ministry of Agriculture and Rural Development. He brings a wealth of experience to ILRI's Board, having served on several other boards and national committees and having worked as a researcher, research and research centre manager, and long-time country coordinator with both the United Nations Development Program and the Netherlands-based International Center for Development-Oriented Research in Agriculture. His Board term ended in November 2010 with the appointment of a new Ethiopian Government.

Nieves R Confesor is a member of the faculty of the Asian Institute of Management, and is presently core faculty at its Center for Development Management and the Executive Education and Lifelong Learning Center. During her term as institute Dean, the institute successfully received its accreditation from the AACSB and the European Foundation for Management Development's EQUIS as a graduate school of management. Confesor serves as independent director and/or trustee of various companies and non-government organizations. She chairs the Government Peace Panel negotiating with the Communist Party of the Philippines/National Democratic Front/New People's Army and is active in other work of the national peace process. Her areas of specialization include: public policy development and analysis; public administration; social protection strategy; women in development; labour-management relations; human resources development and management; leadership and management of change; conflict management/resolution and strategic negotiations. She



*Nieves R Confesor, Philippines, Trustee
Faculty Member, Asian Institute of Management*

holds a Master's degree in Public Policy and Administration from Harvard University (1990) and a Master's degree in Business Administration from the Graduate School of Business of the Ateneo de Manila University.



*Modibo Tiémoko Traore, Mali, Trustee
Assistant Director General, Food and Agriculture Organization
of the United Nations (FAO)*

Modibo Tiémoko Traore was born in Bamako, Mali. He has a PhD in veterinary medicine and sciences from the University of Paris XII. He was recently appointed as Assistant Director-General/FAO Regional Representative for Africa. Dr Traore is the immediate former director of the Africa Union's Interafrican Bureau for Animal Resources (AU/IBAR), Nairobi. From 2000–2004 he was Mali's Ambassador to the People's Republic of China, the Democratic People's Republic of Korea, the Democratic People's Republic of Laos, the Socialist Republic of Vietnam and the Kingdom of Cambodia. From 1997 to 2000 he was Mali's Minister for Rural Development and Water, with responsibilities for formulating and implementing national policy for agricultural research (zootechnical, veterinary, agronomic, forestry and fishing) and animal, agricultural and fisheries production.

Emmy Simmons is an American citizen. She recently retired from the US Agency for International Development (USAID), where she worked from 1977, rising through the ranks to become the Assistant Administrator from 2002–2005. She has an MSc in agricultural economics from Cornell University, and a BA in international relations from the University of Wisconsin-Milwaukee. A committed international development specialist, with emphasis on strategic planning and management for economic growth and change, she is a leader in assessing constraints and opportunities, implementing organizational change and building coalitions.



*Emmy Simmons, USA, Trustee
Retired United States Agency for International Development (USAID) Official*



*Samir K Barua, India, Trustee
Professor and Director, Indian Institute of Management*

Samir Barua is Director of the Indian Institute of Management, Ahmedabad. His academic and professional pursuits cut across several disciplines; specific areas of interest include capital markets, portfolio theory, international finance, operations research and decision sciences, applied statistics, operations

management, and management information and control systems. He has been a visiting professor to academic institutions in the USA, the Netherlands and Singapore. He has authored over 180 papers/articles in national and international academic and business journals/publications and conferences. He has co-authored two books. He has been intimately associated with the Indian financial sector for over a decade and a half, preparing policy papers for the Ministry of Finance, Government of India and the Reserve Bank of India on restructuring of capital markets and the banking sector, respectively. He was also member of the Committee set up by the Federation of Indian Chamber of Commerce and Industries to prepare a Report on Reforms of Stock Exchanges. Currently, he is a member of the Board of Indian Oil Corporation (IOC), the only Indian Fortune-500 company.

Khatijah Yusoff was appointed Deputy Vice Chancellor (Academic and International Affairs) of Universiti Putra Malaysia (UPM) in March 2007, with responsibilities to promote quality in the development and management of academic policies and programmes, quality assurance in teaching and learning at undergraduate and postgraduate levels, and international affairs. Professor Yusoff is also the Deputy Secretary General (Science) at Malaysia's Ministry of Science, Technology and Innovation. She is a graduate of La Trobe University, Australia [BSc (Hons), PhD in microbiology] and was a post-doctoral Research Associate at the University of Newcastle-upon-Tyne, UK from 1985 to 1988. She started her academic career as a lecturer at Universiti Putra Malaysia in 1983. She was promoted to Associate Professor in 1994 and became a full Professor in 2001. She served as the Dean of the Faculty of Biotechnology and Biomolecular Sciences in 2006 until her current appointment. Professor Yusoff was appointed a member of ILRI's Board of Trustees in April 2010.



*Khatijah Yusoff, Trustee
Deputy Secretary General (Science) Ministry of Science,
Technology and Innovation (MOSTI) Malaysia*



*Lindiwe Majele Sibanda, Trustee
Chief Executive Officer and Head of Diplomatic Mission, Food,
Agriculture and Natural Resources Policy Analysis Network
(FANRPAN)*

Lindiwe Majele Sibanda has held the position of Chief Executive Officer of the Southern African Food, Agriculture and Natural Resources Policy Analysis Network since 2004. She is currently coordinating policy research and advocacy programs in 13 southern African countries, all aimed at making southern Africa a food-secure region. Her program portfolio includes policy research and advocacy work on food policies, agricultural productivity, natural resources and environment, and the impact of HIV/AIDS on agriculture and food security in southern Africa. Lindiwe is an animal scientist by training and a practicing commercial beef cattle farmer. Although she resides in Pretoria, South Africa, she is originally from Zimbabwe. She received her BSc at the University of Alexandria, Egypt; her MSc and PhD at the University of Reading, UK.



*Dr Lorne Babiuk, Trustee
Vice-president for research at the University of Alberta, Canada*

Lorne Babiuk, a leader in Canadian vaccine research and vice-president for research at the University of Alberta, Canada, joined the board of trustees in November 2010.

As vice-president of research, Babiuk facilitates the University of Alberta's research, builds research consortia and strengthens the university's international research links and collaborations. Since 2005, Babiuk has also served as principal investigator on a grant from the Bill and Melinda Gates Foundation 'Grand Challenge in Global Health' program, in which he and his team are developing vaccines against whooping cough (pertussis) in infants and young children, to be delivered in a single dose, without use of a needle. Children now need five doses of the vaccine to be fully protected and few children. He has consistently fostered research that crosses traditional disciplinary boundaries by, for example, supporting collaborations between social scientists and medical, agricultural and engineering researchers. And he helped develop the infrastructure needed by researchers in all fields to be more successful in individual and team grants.

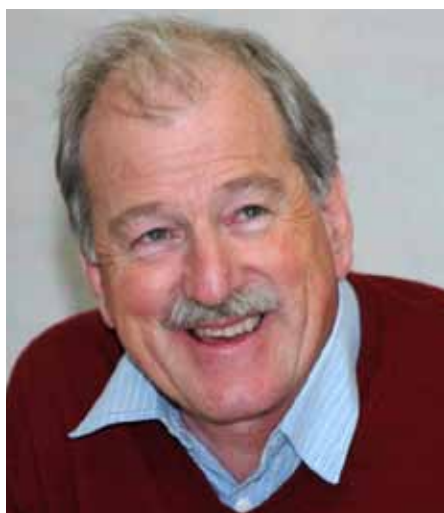
Before moving to the University of Alberta, Babiuk built up a research institute—the Vaccine and Infectious Disease Organization (VIDO), at the University of Saskatchewan—which became internationally recognized as a leader in new vaccine development. In 2005, he completed a US\$ 19.4 million expansion of VIDO, and just before leaving VIDO, he assembled the funding needed to build a \$ 140-million level-three bio-containment facility for work on infectious diseases.

He holds a Master's degree in soil microbiology, PhD in virology from the University of British Columbia and a DSc from the University of Saskatchewan's Department of Veterinary Microbiology. He has mentored over 90 graduate students and postdoctoral fellows and published over 500 peer-reviewed manuscripts and 100 book chapters or reviews. He holds 28 issued patents and has 18 patents pending.

Dieter Schillinger is from Germany but currently resides in Lyon, France, where he has served the pharmaceutical company Merial as Head of Public Affairs for Europe, Middle East and Africa since 2006. He is responsible for government relations and the management of Merial's activities in the political and public policy arenas. Merial is a world-leader in animal health with a proven track record in producing pharmaceutical products and vaccines for livestock, pets and wildlife. In 1972, Dieter took a degree in mechanical engineering at Germany's Regensburg University. By 1978 he had earned a doctorate in veterinary medicine from the University of Munich. He rounded out his formal education with an MBA in 1994 from Brunel University/Henley Management College, UK. He has managerial and leadership experience, particularly in business management and policy setting for veterinary public health, and has had extensive interactions in this area with top business, government and research leaders worldwide.



*Dieter Schillinger, Trustee
Head of Public Affairs for Europe, Middle East and Africa,
Merial SAS*



*Carlos Seré, Uruguay, Ex-Officio
Director General, International Livestock Research Institute*

Carlos Seré, a citizen of Uruguay, has a doctorate in agricultural economics from the University of Hohenheim, Germany. Immediately before joining ILRI, he worked for 7 years for the Latin America and Caribbean office of the International Development Research Centre (Canada), first managing a portfolio of agricultural and natural resource management projects and, from 1996,

serving as regional director. From 1990 to 1994 he was an independent consultant, reviewing research and development activities such as the dairy sector in Ecuadorean Sierra, farmer development in Uruguay, soil conservation in eastern Paraguay and global livestock production systems for a major study of the Food and Agriculture Organization of the United Nations. Dr Seré's expertise is broad, including tropical livestock production systems, foot-and-mouth disease, smallholder dairy farming, tropical pastures and quantification of the costs and benefits of research. He has served the CGIAR as both staff member and reviewer. From 1980 to 1990 he was an economist with the International Center for Tropical Agriculture, in Colombia. In 1992 and 1994, respectively, he reviewed the program and management of the International Laboratory for Research on Animal Diseases (ILRAD), one of ILRI's two predecessors, based in Kenya, and the International Potato Center, in Peru. He served on the team that developed a strategic plan for a new CGIAR global livestock research institution—ILRI—which began operations in January 1995.

Senior Management Team

Led by a Deputy Director General, four research directors guide ILRI's research themes. Together with the Director of Partnerships and Communications, Director of Human Resources, Director of Finance and Operations, and the Director General, these people comprise ILRI's management team.



CARLOS SERÉ (Uruguay) Director General
(see biography on previous page)



GABRIELLE PERSLEY (Australia) is Senior Advisor to ILRI's Director General. She has been closely associated with the development of the concept and planning of Biosciences eastern and central Africa (BeCA). She is the Founder and Chair of the Doyle Foundation, a Scottish-based charity whose purpose is to support and advocate the role of science in international development. She has published extensively on issues associated with the safe and effective use of modern science in agriculture and the environment. She was the biotechnology manager in the World Bank in Washington, DC, from 1991–96, during which time she worked closely with the CGIAR.



JOHN McDERMOTT (Canada) was appointed Deputy Director General of Research in 2003. He had previously worked at ILRI from 1997 as a veterinary epidemiologist. He has broad experience in multidisciplinary livestock research. He has spent 15 years working in developing countries. Many of his former students, most of whom are from developing countries, now hold senior positions in leading universities and research institutes around the world. He has responsibility for planning and coordinating overall research activities within and across ILRI's four research themes. He holds a PhD in veterinary epidemiology from the University of Guelph, in Canada.



JOAN SAWE (Kenya) joined ILRI as Director, Finance and Operations on 1st May 2009. She previously worked with ActionAid International as the International Head of Financial Performance and Standards and as the African Regional Finance Coordinator in Zimbabwe. She has also acted as Country Director for ActionAid International in Uganda. Joan holds a Masters degree in Business Administration with honours from Tel-Aviv International School of Management (TISOM) and a Bachelors degree in Business Administration with honours from Acadia University, Nova Scotia, Canada.



SHIRLEY TARAWALI (UK) is Director of the People, Livestock and the Environment Theme. She previously worked as an agronomist on joint appointment with the International Institute of Tropical Agriculture (IITA) and ILRI, where she was based in Ibadan, Nigeria. She has over 20 years experience, 18 in the CGIAR system, in sub-Saharan Africa, especially farming systems in West Africa. Her Theme focuses on developing new ways for livestock to help improve and sustain agricultural production in complex farming systems of the poor. She holds a PhD in plant science from the University of London, in the United Kingdom.



VISH NENE (UK) joined ILRI as the Director of the Biotechnology Theme on 1st April 2009 and was previously with the institute for Genome Sciences, University of Maryland. He has a broad range of research interests that converge on developing improved or novel methods of disease control and in the use of whole genome sequence data and genomics technologies to underpin laboratory research. Vish has more than 20 years experience in molecular parasitology and 8 years in genomics research. He obtained his graduate and PhD degree and post-doctoral training in the UK. He has published extensively, participated in several training workshops, presented research findings at many conferences and mentored high school, graduate and post-graduate students.



STEVE STAAL (USA) is Director of the Improving Market Opportunities Theme. He has 16 years of experience in agricultural research and extension in Africa and South Asia. Since joining ILRI in 1996, he has conducted research on smallholder competitiveness, transaction costs and policy in indigenous dairy markets, and the spatial evolution and intensification of smallholder crop-livestock production systems. His Theme is working with partners to identify and advocate opportunities for the poor to exploit livestock markets. A significant part of this work is conducted as a Joint Program on Livestock Markets with IFPRI. He holds a PhD in agricultural economics from the University of Florida, in the USA.



SEGENET KELEMU (Ethiopia) Director of the BecA–ILRI Hub. She has experienced the challenges and successes associated with African agriculture first-hand, from field to high-tech laboratory. Under her leadership since 2007, BecA Hub research capacity, staff, facilities, funding, partners and training programs have expanded at an ever accelerating pace. Dr Kelemu is a molecular plant pathologist with extensive experience in molecular determinants of host–pathogen interactions; development of novel plant disease control strategies including transgenics, biopesticides; pathogen population genetics and dynamics; and endophytic microbes and their role in plant development. She was awarded a MSc degree in Plant Pathology/ Genetics from Montana State University, USA, and earned her PhD in Molecular Plant Pathology at Kansas State University, USA.



BRUCE SCOTT (Canada) joined the institute in 1999 and was appointed Director of Partnerships and Communications in 2003. Before joining ILRI, he served as deputy director general of the World Agroforestry Centre (ICRAF), headquartered in Nairobi, where he was responsible for designing and implementing collaborative agroforestry research networks involving 14 countries in sub-Saharan Africa. His expertise is in strategic and corporate planning, international partnerships and resource mobilization. He holds an MA in international affairs from Carleton University, in Canada.



MARGARET MacDONALD-LEVY (UK) was appointed Director of Human Resources in May 2010. She has worked with ILRI since 2004 as a communications consultant. She has worked as a program manager with Doyle Foundation and prior to that as a general manager and group human resources manager in hotels in Scotland. Margaret holds a Masters degree in Business Administration from the University of Strathclyde Business School and a Bachelors degree from The Queens College Glasgow, Scotland.



The International Livestock Research Institute (ILRI) works at the crossroads of livestock and poverty, bringing high-quality science and capacity building to bear on poverty reduction and sustainable development for poor livestock keepers and their communities. Livestock are critical to the poor in several ways: as a source of income and employment, as assets to provide savings in moving out of poverty and to buffer against household emergencies and more general shocks, and as a critical tool in sustainably improving productivity in mixed smallholder farming systems.

Livestock keepers are very important in the world. They represent almost 20% of the world population and steward most of the agricultural land in the tropics, particularly in sub-Saharan Africa and tropical Asia. The expanding demand for livestock products in developing countries provide unique opportunities for improving livelihoods and linked to that, improving stewardship of the environment. ILRI's role is to provide research technologies, knowledge and evidence for sustainable and pro-poor policies and investments.

ILRI focuses on key livestock value chains of importance to the poor. Smallholder dairy systems are one such system in which the availability of family labour and the ability of ruminants to exploit lower quality available roughage allow the poor to be competitive. Along these value chains, bundling of improved breeding, feeding and animal health services together with financial and marketing services are critical. Smallholders are most competitive in local markets and provide an initial focus for improving the market success for the poor in most developing countries. However,

as urbanization increases and incomes grow, smallholders will need to be linked through more sophisticated value chains to capture greater value opportunities.

ILRI also tracks dynamic changes in livestock systems to assess future opportunities for the poor. Major research areas include identifying and assessing options for adaptation to climate change, mitigating risk from emerging and re-emerging diseases and providing a diversity of livelihood strategies for livestock keepers in harsher environments.

Locations and staff

ILRI's headquarters are located in Nairobi, Kenya with a principal campus in Addis Ababa, Ethiopia, and 14 offices in other regions of Africa (Mali, Mozambique, Nigeria), South Asia (in India: Dehradun, Guwahati, Hyderabad, Kohima, New Delhi, Ranchi [soon to open]); Southeast Asia (Laos, Thailand, Vietnam); and China (Beijing). ILRI employs about 660 staff from about 35 nationalities. The majority of our staff are nationally recruited, largely from Kenya and Ethiopia. In 2010 we employed 100 internationally recruited staff representing some 30 scientific and managerial disciplines. Our international staff comprises 57% from developing countries and 33% female with an increasing number of scientists jointly appointed by a partner organization and ILRI.

Governance

The Board of Trustees is composed of 13 outstanding professionals with particular expertise in the field of livestock science, agricultural research, development and corporate management. The key role of the Board is to determine ILRI's mission, to oversee the adequacy of the institute's strategy, strategic planning and program review processes, and to provide appropriate input into it. The Board ensures that plans and programs are appropriate for carrying out ILRI's mandate, that they are in line with CGIAR priorities and that they have high probability for impact on poverty reduction and sustainable natural resource use. The Board has the fiduciary responsibility of ILRI's financial resources.

ILRI is one of the 15 international agricultural research centres supported by the Consultative Group on International Agricultural Research (CGIAR) which is an association of governments and public-and private-sector institutions working to reduce poverty, hunger and environmental degradation in developing countries. The co-sponsors of the CGIAR are the World Bank, the United Nations Development Programme, the Food and Agriculture Organization of the United Nations and the International Fund for Agricultural Development.

Funding

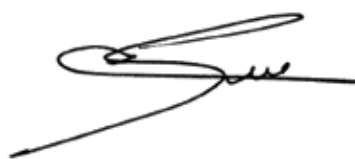
ILRI is funded by more than 90 private, public and government organizations of the North and South. Some donors support ILRI with core and program funds whereas others finance individual research projects. In-kind support from national partners, particularly Kenya and Ethiopia as well as that from international collaborators is substantial and vital. This mix of generic, specific and in-kind resources is essential for the partnership research we conduct.

Partnerships

ILRI's strategy is based on strong partnerships as an essential way of operating and ensuring that the outputs of our research lead to development impacts.

It gives us pleasure to acknowledge the donor countries and organizations that supported ILRI research in 2010 listed in exhibit I through III. We could not have helped reduce world poverty through animal agriculture research without their intellectual as well as financial support. Many thanks.

Signed on behalf of the Board of Trustees by:



Carlos Seré
Director General

13 April 2011

The basic principles and rules concerning the organization and operation of the Board of Trustees of the International Livestock Research Institute (ILRI) are laid down in the institute's Constitution and in the Board's Rules of Governance.

The Board comprises four committees: a) Program Committee; b) Finance Committee; c) Audit Committee; and d) Human Resources Committee.

The Program Committee is responsible for advising the Board on all matters regarding the conception, elaboration, implementation and evaluation of the institute's programs of research, training and information. To this end, the Program Committee advises on:

- Suitability and conformity of the ILRI programs to the mandate and mission of the institute
- Appropriateness of the institute's research, training and information programs to the accomplishment of the ILRI strategy
- The degree to which the institute's research, training and information activities are meeting

the goals of the institute and the goals and needs of its partner national systems and associated agencies, and how these activities might be improved within the limits of available resources

- Formulation of institute's strategy as proposed by ILRI Management or commissioned bodies, and on proposed changes and new research opportunities within planning periods guided by that strategy.

The Finance Committee is responsible for advising the Board on all matters relating to the institute's financial status and outlook. These matters include: the development and approval of budgets for upcoming periods; the monitoring of incomes and expenditures as per approved budgets; oversight of the institute's financial reporting process; and the identification of potential opportunities, issues and risks associated with the institute's finances. The committee carries out its work against the backdrop of the institute's research strategies, its operating procedures, and policies as approved by the Board of Trustees.

Allocation of tasks within the Board of Trustees

	<i>Program Committee</i>	<i>Finance Committee</i>	<i>Audit Committee</i>	<i>Human Resources Committee</i>
Uwe Werblow	•			
Knut Hove	•			• Chair
Aberra Deressa	•	•		
Romano Kiome	•	•		
James Dargie	• Chair		•	
Emmy Simmons	•	• Chair		
Modibo Traore	•			•
Samir Barua	•	•	• Chair	
Nieves Confesor	•			•
Lindiwe Sibanda	•			•
Dieter Shillinger	•		•	
Lorne Babiuk	•	•		
Khatija Yusoff	•	•		

The Audit Committee is responsible for advising the Board of Trustees on all matters relating to ILRI's accounting and financial management practices, risk analysis and management, internal controls and audit results, both external and internal. The Committee recommends to the Board whether it should accept the External Audit reports and suggests courses of remedial action, if any, which should be implemented to follow up on Audit findings. The Committee also recommends appointment and undertakes the evaluation of external auditors to the Board of Trustees. The Chair of the Audit Committee assists the Director General in the annual evaluation of the internal auditors.

The Human Resources Committee is responsible for advising the Board on all human resources management issues pertaining to Board members as well as the institute's staff.

Frequency of board meetings

The Board of Trustees normally meet twice a year—in April and in November. During the year, the April meeting was held in Nairobi and the November meeting in Addis Ababa. The attendance rate at both meetings was 100%.

External Auditing

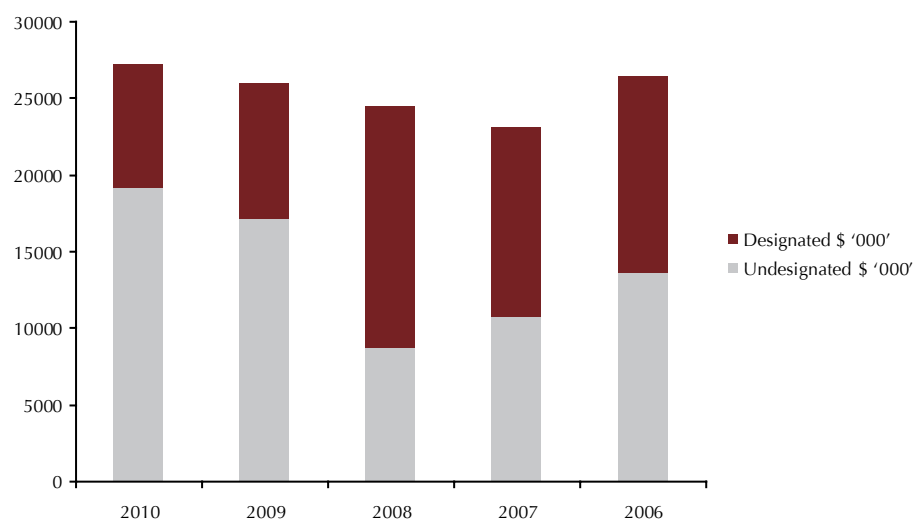
ILRI's auditors are appointed by the Board of Trustees for a period of four years. The current auditor Deloitte & Touche, were appointed in 2007. In line with the policy statement on engagement and management of external auditors, auditors are not eligible for appointment for consequent terms. Auditors may be re-appointed provided that there is a different engagement partner but not immediately after the completion of the first four year term. The Board will appoint new auditors in its April 2011 meeting.

The external auditors present and discuss the annual financial audit reports with the Audit Committee in the November meeting.

Five year financial review

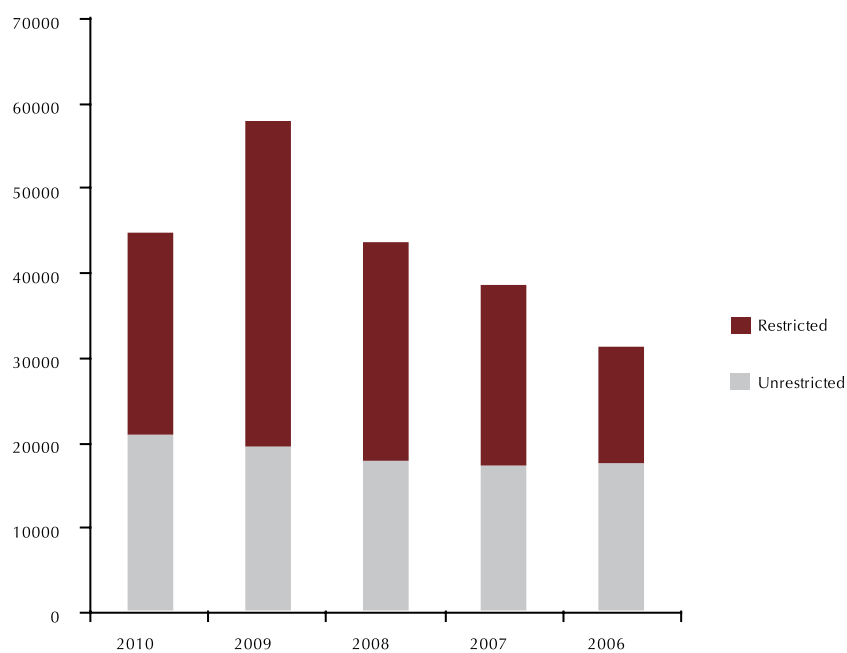
	2010 US\$ '000	2009 US\$ '000	2008 US\$ '000	2007 US\$ '000	2006 US\$ '000
Income	45,426	57,732	43,781	38,544	31,213
Expenses	(46,581)	(58,980)	(44,349)	(41,904)	(36,406)
Overhead recovery	2,142	2,490	2,041	1,760	884
Surplus	<u>987</u>	<u>1,242</u>	<u>1,473</u>	<u>(1,600)</u>	<u>(4,309)</u>
Capital Employed					
Assets					
Non-current	7,213	8,169	15,206	11,887	10,560
Current	<u>47,405</u>	<u>40,639</u>	<u>38,469</u>	<u>35,390</u>	<u>31,094</u>
Total Assets	<u>54,618</u>	<u>48,808</u>	<u>53,675</u>	<u>47,277</u>	<u>41,654</u>
Net assets and Liabilities					
Net Assets	27,560	26,392	24,974	23,604	25,173
Non-current liabilities	3,291	2,911	3,176	3,212	3,167
Current Liabilities	<u>23,767</u>	<u>19,505</u>	<u>25,525</u>	<u>20,461</u>	<u>13,314</u>
Total Net assets and Liabilities	<u>54,618</u>	<u>48,808</u>	<u>53,675</u>	<u>47,277</u>	<u>41,654</u>
Short-term stability indicator	198 days	172 days	117 days	155 days	189 days
Long-term stability indicator	175 days	151 days	90 days	137 days	174 days

a) Net assets analysis

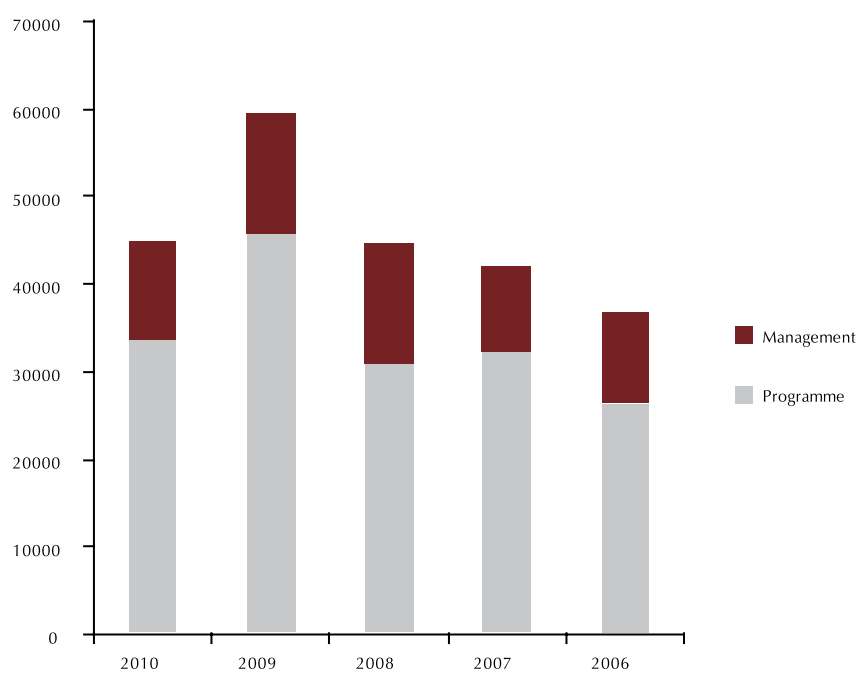


Five year financial review

b) Grant income analysis



c) Program/Management expenses analysis



Statement by the chairman of the board of trustees

FOR THE YEAR ENDED 31 DECEMBER 2010

The year ended 31 December 2010 was another busy and rewarding year for ILRI. Follow up of recommendations of the 2006 External Programme and Management review (EPMR) report are a standing item for board discussion and the board is satisfied with the rate and quality of implementation of the actions of each recommendation. Both Board and Management actively engaged in the CGIAR Reform process. The Board requested for a Centre Commissioned External Review (CCER) report on pastoral systems and the first draft was reviewed in the November 2010 meeting.

The ILRI Board held two face-to-face Board of Trustees (BoT) meetings and retreats in 2010 in Addis Ababa, Ethiopia, and Nairobi, Kenya. A number of Board Members participated in the institute's Annual Planning Meeting (APM) to get acquainted with ILRI's program and research staff, to monitor ongoing work and progress and to reflect jointly with ILRI staff on strategic issues related to the institute and the broader CGIAR agenda.

In 2010 the Board appointed Khatija Yusoff – Malaysia and Lorne Babiuk – Canadian to the ILRI Board.

During the year the President of the Republic of Kenya – His Excellency Mwai Kibaki officially opened the BecA-ILRI hub. During the year the hub was shared by a wide variety of institutions, scientists and post graduate students. The purpose of the hub is to provide affordable access to first class research for African scientists and post graduate fellows to conduct their research in Africa and addressing African progress.

The Board is pleased to note the continued financial health and stability and the sound and prudent management of the institute's financial resources. Revenue in 2010 amounted to US\$ 45.4 million against expenditure of US\$ 44.4 million resulting in a small surplus of US\$ 1 million for the year 2010. The institute's undesignated net assets at the end of 2010 amount to US\$ 19.1 million (total net assets amount to US\$ 27.5 million) with liquidity and operational reserve levels above the CGIAR recommended ranges. This situation allows ILRI to adopt a more forward-looking perspective in terms of financial and budget matters.

As I mentioned at the beginning of this overview, 2010 was an extremely busy year for the ILRI family. But it was at the same time a very successful year. With quite some pride, the Board would like to thank all ILRI staff for their commitment and hard work.

On behalf of the Members of the Board I thank our investors and partners for their confidence and continued support allowing us to fulfil our mission.



Prof Knut Hove

Chairman, Board of Trustees

13 April 2011

ILRI board statement on risk management

FOR THE YEAR ENDED 31 DECEMBER 2010

The ILRI Board of Trustees is responsible for ensuring that the institute has an appropriate risk management system in place to identify, assess, manage and monitor risks faced by the Centre in achieving its objectives. ILRI faces risks as dynamic as the environment in which the institute operates. They include threats to ILRI's reputation, finances, operations, staff, infrastructure and stakeholders.

ILRI has had a risk management policy and strategy in place since 2004. Both policy and practice of the institute risk management conforms to the CGIAR principles and guidelines adopted by the CGIAR. The institute manages risk by ensuring that appropriate means, processes and tools as well as control systems and people are in place throughout the organization. The key practices ILRI has developed to manage risks include appropriate policies and clear accountabilities, regular environmental scans, integrated planning systems, use of transaction approval frameworks, adequate research, financial and management reporting systems as well as monitoring individual performance and business processes across key areas.

The effectiveness of ILRI's risk management policy, strategy and implementation has been assessed by the CGIAR's Internal Audit Unit, which is independent of ILRI business units. The ILRI Board of Trustees reviews both the risk management system as well as major risks at each of its meetings. At its November 2009 meeting, the Board discussed and agreed the basic principles and areas for the 2010 ILRI Internal Audit Plan, which was formally adopted in January 2010.

The Board of Trustees has reviewed ILRI's risk management policy and strategy and is satisfied that it was implemented effectively during 2010.



Prof Knut Hove

Chairman, Board of Trustees

13 April 2011

Statement of management's responsibilities on the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010


Management is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the institute and its subsidiary as at the end of the financial year and of the consolidated results of activities and cash flows of the institute and its subsidiary for that year. Management is also required to ensure that the institute keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the institute and its subsidiary. They are also responsible for safeguarding the assets of the institute and its subsidiary.

The institute's management is responsible for the preparation and fair presentation of these financial statements in accordance with the Financial Guideline Series No. 2 –Accounting Policies & Reporting Practices Manual of the Consultative Group on International Agricultural Research (CGIAR) and International Financial Reporting Standards (IFRS), and for such controls as trustees determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with CGIAR Financial Guideline Series No. 2 –Accounting Policies & Reporting Practices Manual and International Financial Reporting Standards. Management is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the institute and its subsidiary and of its consolidated results of activities and cash flows. Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Board of Trustees exercises its responsibility for these financial statements through its Finance and Audit Committees. The Committees meet regularly with management, internal auditors and external auditors to review matters relating to financial planning, financial reporting, risk management, internal control, and auditing.

Nothing has come to the attention of the management to indicate that the institute and its subsidiary will not remain going concerns for at least the next twelve months from the date of this statement.



Signed on behalf of Management by:

Dr Carlos Sere
Director General



Joan Sawe
Director, Finance and Operations

13 April 2011



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INDEPENDENT AUDITORS' REPORT TO THE BOARD TRUSTEES OF INTERNATIONAL LIVESTOCK RESEARCH INSTITUTE

We have audited the accompanying financial statements of International Livestock Research Institute (ILRI) and its subsidiary, set out on pages 9 to 30 which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated statements of activities, consolidated statement of changes in net assets and the consolidated statement of cash flows for the year then ended, together with the summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The institute's management are responsible for the preparation and fair presentation of these financial statements in accordance with Consultative Group on International Agricultural Research (CGIAR) financial guideline Series No-2 Accounting Policies & Reporting Practices Manual (February 2006) and International Financial Reporting Standards, and for such internal controls as trustees determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from 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 judgement, 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 considered the internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies 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 audit opinion.

Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of financial affairs of International Livestock Research Institute and its subsidiary at 31 December 2010 and of the group's surplus and cash flows for the year then ended in accordance with the Consultative Group on International Agricultural Research (CGIAR) financial guideline Series No-2 Accounting Policies & Reporting Practices Manual (February 2006) and International Financial Reporting Standards.


 Certified Public Accountants (Kenya)

15 April 2011

Nairobi

Consolidated statement of activities

FOR THE YEAR ENDED 31 DECEMBER 2010

REVENUE AND GAINS	Note	Unrestricted US\$ '000	Restricted Temporary US\$ '000	Challenge* Program US\$ '000	2010 Total US\$ '000	2009 Total US\$ '000
Grant Revenue (Exhibit 1 & 2)	5	18,435	23,375	453	42,263	53,932
Other revenue and gains	6	3,070	–	–	3,070	3,801
Sales of livestock	7	119	–	–	119	199
Cost of sale of livestock	7	(111)	–	–	(111)	(134)
Fair value (loss)/ gain on biological assets	7	85	–	–	85	(66)
Total revenue and gains		<u>21,598</u>	<u>23,375</u>	<u>453</u>	<u>45,426</u>	<u>57,732</u>
EXPENSES AND LOSSES						
Program related expenses	8	9,382	23,375	453	33,210	45,348
Management and general expenses	9	13,225	–	–	13,225	13,497
Kapiti Plains expenses	7	146	–	–	146	135
Sub total expenses and losses		<u>22,753</u>	<u>23,375</u>	<u>453</u>	<u>46,581</u>	<u>58,980</u>
Indirect cost recovery	10	(2,142)	–	–	(2,142)	(2,490)
Total expenses and losses		<u>20,611</u>	<u>23,375</u>	<u>453</u>	<u>44,439</u>	<u>56,490</u>
NET SURPLUS		<u>987</u>	<u>–</u>	<u>–</u>	<u>987</u>	<u>1,242</u>
Other comprehensive income						
Exchange translation differences		(19)	–	–	(19)	30
BecA asset replacement		200	–	–	200	146
Total other comprehensive income		<u>181</u>	<u>–</u>	<u>–</u>	<u>181</u>	<u>176</u>
Total comprehensive income for the year		<u>1,168</u>	<u>–</u>	<u>–</u>	<u>1,168</u>	<u>1,418</u>
EXPENSES BY NATURAL CLASSIFICATION						
Personnel costs		11,531	7,432	348	19,311	19,257
Collaborators/Partnership Costs		–	2,694	–	2,694	6,177
Supplies and Services		6,988	9,011	73	16,072	14,322
Operational Travel		806	2,197	32	3,035	3,250
Depreciation	19	<u>1,286</u>	<u>2,041</u>	<u>–</u>	<u>3,327</u>	<u>13,484</u>
Total		<u>20,611</u>	<u>23,375</u>	<u>453</u>	<u>44,439</u>	<u>56,490</u>

* Revenue and expenses shown under Challenge Program relate to funds granted by Challenge Programs to ILRI.

Consolidated statement of financial position

FOR THE YEAR ENDED 31 DECEMBER 2010

ASSETS

Current Assets	Note	2010 US\$ '000	2009 US\$ '000
Cash and cash equivalents	12	26,925	23,411
Accounts receivable and advances			
Donors	13	13,827	10,848
Advances to partners		2,597	2,577
Other CG centres	14	257	454
Employees including project advances		190	156
Others	15	1,256	514
Inventories	16	739	913
Livestock	17	871	839
Prepaid expenses		743	927
Total Current Assets		<u>47,405</u>	<u>40,639</u>
Non Current Assets			
Prepaid operating lease	18	13	14
Property and equipment—net	19	<u>7,200</u>	<u>8,155</u>
Total Non-Current Assets		<u>7,213</u>	<u>8,169</u>
TOTAL ASSETS		<u>54,618</u>	<u>48,808</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable			
Donors	20	17,023	12,175
Other CG centres	21	299	188
Employees	22	1,793	1,844
Others	23	2,106	2,499
Accruals	24	<u>2,546</u>	<u>2,799</u>
Total Current Liabilities		<u>23,767</u>	<u>19,505</u>
Non Current Liabilities			
Accounts payable—Employees	22	<u>3,291</u>	<u>2,911</u>
Total Liabilities		<u>27,058</u>	<u>22,416</u>
Net Assets			
Unrestricted—Undesignated	25	19,146	17,151
—Designated	25	8,073	8,828
Reserves in experimental farm	25	341	413
Total Net Assets		<u>27,560</u>	<u>26,392</u>
TOTAL LIABILITIES AND NET ASSETS		<u>54,618</u>	<u>48,808</u>

The financial statements on pages 20 to 51 were approved by the Board of Trustees on 13th April 2011 and were signed on its behalf by:



Carlos Sere
Director General



Joan Sawe
Director, Finance and Operations

Consolidated statement of changes in net assets

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Un-designated reserve	Designated reserve	Reserves in experimental farm (Kapiti)	Total
		US\$ '000	US\$ '000	US\$ '000	US\$ '000
At 1 January 2009		8,735	15,720	519	24,974
Surplus for the year		1,378	–	(136)	1,242
Exchange translation		–	–	30	30
BecA asset replacement*	25	–	146	–	146
Total comprehensive income for the year		1,378	146	(106)	1,418
Net change in investment in fixed assets	25	7,038	(7,038)	–	–
Balance as at 31 December 2009		17,151	8,828	413	26,392
At 1 January 2010		17,151	8,828	413	26,392
Surplus for the year		1,040	–	(53)	987
Exchange translation		–	–	(19)	(19)
BecA asset replacement*	25	–	200	–	200
Total comprehensive income for the year		1,040	200	(72)	1,168
Net change in investment in fixed assets	25	955	(955)	–	–
Balance as at 31 December 2010		19,146	8,073	341	27,560

i. Exchange translation on opening reserves in subsidiary and opening balance on assets.

* Relates to grants received from Sygenta for the purpose of replacing BecA assets.

Notes to the consolidated financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 US\$ '000	2009 US\$ '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus for the year		987	1,242
Depreciation of property and equipment		3,327	13,484
Gain on disposal of property and equipment		(139)	(69)
Exchange difference on subsidiary's opening reserves		(19)	30
BecA assets replacement		200	146
Other fixed assets movement		81	–
(Increase)/ decrease in current assets:			
Accounts receivable			
Donors		(2,979)	(4,720)
Advances to partners		(20)	1,325
Other CG centres		197	(122)
Employees		(34)	234
Others		(742)	61
Inventories		174	(218)
Livestock		(32)	43
Prepaid expenses		184	450
Increase/(decrease) in current liabilities:			
Accounts payable			
Donors		4,848	(8,007)
Employees		329	(23)
Other CG centres		111	(211)
Others		(393)	1,226
Accruals		(252)	730
Net cash generated from operating activities		<u>5,828</u>	<u>5,601</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(2,471)	(6,676)
Proceeds of disposal of property and equipment		<u>157</u>	<u>298</u>
Net cash used in investing activities		<u>(2,314)</u>	<u>(6,378)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		3,514	(777)
CASH AND CASH EQUIVALENTS			
At the beginning of the year		<u>23,411</u>	<u>24,188</u>
At the end of the year	12	<u>26,925</u>	<u>23,411</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

1. A) CREATION AND STATUS OF THE INSTITUTE

The International Livestock Research Institute (ILRI) was created as an international organization by an agreement dated 21 September 1994 signed in Berne, Switzerland, by the governments of Switzerland, Denmark, Sweden, Kenya and Ethiopia and the United Nations Environmental Programme. On 1 January 1995, all the activities, assets, liabilities and fund balances of the International Laboratory for Research on Animal Diseases (ILRAD) based in Nairobi, Kenya, and the International Livestock Centre for Africa (ILCA) based in Addis Ababa, Ethiopia, were transferred to ILRI.

ILRI operates under agreements entered into with the governments of the respective host countries (Kenya and Ethiopia).

The Government of Kenya (1974) and the Government of Ethiopia (1976) made available to ILRI leasehold land of approximately 70 hectares and 32 hectares respectively.

The financial statements of ILRI have been consolidated with the financial statements of its subsidiary—Kapiti Plains Estate Limited in accordance with International Accounting Standard 27 on consolidated and separate financial statements.

B) SUBSIDIARY—KAPITI PLAINS ESTATE LIMITED

Kapiti Plains Estate Limited is a wholly owned subsidiary of ILRI purchased in 1981 and registered under the Companies Act of Kenya. The company operates a ranch that was acquired primarily to support the research needs of International Livestock Research Institute. The subsidiary sells surplus livestock to third parties.

The financial statements of ILRI reflect the activities of two multi-stakeholder initiatives for which ILRI assumes legal and managerial responsibility:

i. BIOSCIENCES EASTERN AND CENTRAL AFRICA (BECA)

The Biosciences Eastern and Central Africa (BecA) initiative seeks to strengthen the capacity of biosciences research in Africa and improve products that enhance the livelihoods of farmers in the region. The BecA–ILRI hub, a research platform that includes state-of-the-art facilities and research support, is located at ILRI's Nairobi campus. The BecA–ILRI hub is funded through grants from various donors as well as by ILRI's unrestricted funds.

ii. SYSTEM WIDE LIVESTOCK PROGRAMME (SLP)

The SLP is a multi-centre initiative that adds value to the outputs of individual CGIAR centres and their partners by creating and exploiting synergies in crop–livestock research to reduce poverty in areas where small-scale mixed crop-and-livestock production is widely practised. Through these partnerships, the program seeks to contribute to the CGIAR and Millennium Development Goals of reducing poverty by enhancing the productivity and sustainability of crop–livestock agriculture through improving feed. The program activities are mainly funded by Canada, Switzerland and the World Bank.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

ILRI hosts and provides logistic and administrative support to the Program Coordination office, chairs the Livestock Programme Group and ensures that the required expertise in livestock is available for projects led by Centres other than ILRI.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The accounting policies applied in the preparation of these financial statements are consistent with the Consultative Group on International Agricultural Research (CGIAR) financial guideline series No. 2—Accounting Policies & Reporting Practices Manual (Revised February 2006) and complemented by International Financial Reporting Standards (IFRS) as required.

Application of new and revised International Financial Reporting Standards (IFRSs)

IAS 1 (revised) 'Presentation of financial statements'—effective 1 January 2009

A revised version of IAS 1 was issued in September 2007. It prohibits the presentation of items of income and expenses (that is, 'non-owner changes in net assets') in the statement of changes in net assets, requiring 'non-owner changes in net assets to be presented separately from owner changes in net assets in a statement of comprehensive income. As a result, the institute has presented in the statement of changes in assets all owner changes in net assets, whereas all non-owner changes in net assets are presented in the statement of comprehensive income. According to the amendment of IAS 1 in January 2008, each component of net assets, including each item of other comprehensive income, should be reconciled between carrying amount at the beginning and the end of the period. The adoption does not have any impact on the institute's reserves. The institute has adopted these changes in presentation for the first time in the current year.

New standards and amendments to published standards effective for the year ended 31 December 2010

There were a number of new and revised or amended standards and interpretations that became effective during the year. None of this had a significant impact on the institute's accounting policies.

New and revised standards in issue not yet effective

At the date of authorization of these financial statements, the following revised standards were in issue but not yet effective and are relevant to the group.

- IAS 24 (revised in 2009) Related Party Disclosures (Effective for annual periods beginning on or after 1 January 2011).
- Amendments to IFRS 7 Disclosures—Enhanced Derecognition Disclosure Requirements (Effective for annual periods beginning on or after 1 July 2011).

The adoption of these standards and interpretations, when effective, is not expected to have material impact on the financial statements of ILRI and its subsidiary.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting

The significant accounting policies are summarized below.

(a) Accounting convention

The financial statements are prepared under the historical cost convention and on the accruals basis, modified to include the carrying of certain assets belonging to the subsidiary at fair value.

(b) Basis of consolidation

Subsidiary undertakings, being those entities in which the institute either directly or indirectly has an interest of more than 50% of the voting rights or otherwise has power to exercise control over the operations, have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the institute and are no longer consolidated as from the date of disposal. All intercompany balances and unrealized surpluses and deficits on transactions with the subsidiary company have been eliminated.

The consolidated financial statements incorporate the financial statements of the institute and its wholly owned Subsidiary, Kapiti Plains Estate Limited whose financial year ends on 31 December.

(c) Revenue recognition

- i. Grants represent support with donor-imposed conditions and could be restricted or unrestricted. Unrestricted grants are grants received which the institute may freely use for its mandated activities. Restricted grants are received in support of specified projects or activities mutually agreed upon between the centre and the donors.
- ii. Restricted grants are recognized as revenue upon the fulfilment of donor-imposed conditions.
- iii. Unrestricted grants are recognized upon receipt of confirmed commitment.
- iv. Program funds are funds provided by donors that need to be used on a certain research theme, activity or region. They are treated as restricted grants.
- v. Other revenues and gains are recognized as they are earned.

(d) Currency translation

The institute's financial statements are presented in United States Dollars (US\$). Transactions and balances expressed in currencies other than the US dollar are treated as follows:

- i. Non US dollar grants and donations received in the year are converted to US dollars at the rates of exchange being used on the dates of receipt. Non US dollar grants and donations pledged for the year but not received by the year-end are recognized in the financial statements at the rates of exchange prevailing at the year-end.
- ii. Non US dollar denominated expenditures are recorded at the prevailing rates of exchange for the month in which they are incurred and are accumulated in US dollars.
- iii. Assets and liabilities that are denominated in currencies other than the US dollar are restated into US dollars at the rates of exchange prevailing at the year-end.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

- iv. Gains and losses arising from changes in exchange rates are charged or credited to the statement of activities in the year in which they arise.
- v. Exchange translation on opening reserves in the subsidiary is recognized in other comprehensive income and accumulated in the subsidiary's reserve.

(e) Cash and Cash equivalents

Cash equivalents are short term, highly liquid investments that are both readily convertible to known amounts of cash and so near maturity date that they present insignificant risk of changes in value.

(f) Accounts receivable

Accounts receivable from donors, employees and other entities are carried at anticipated realizable value. An allowance is made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified as irrecoverable. The write off of receivables is done after all efforts to collect have been exhausted.

Donor receivables are funds expended on behalf of a donor but not yet reimbursed.

(g) Property and equipment

Property and equipment whose full cost exceed US\$ 1,000 and which ILRI can use in the production or supply of goods or services or for administrative services for more than one year are capitalized and stated at acquisition cost less accumulated depreciation and accumulated impairment losses. Acquisition cost includes the direct purchase price and incidental costs such as freight, insurance, installation and handling charges. Subsequent material expenditure that extends the useful life or enhances the operating efficiency of an item of property and equipment is capitalized. The cost of normal repairs and maintenance of existing property and equipment is treated as operating expenses.

Construction work-in-progress is capitalized as work progresses but depreciation starts only when the work is completed and the facility is put into use.

All immovable assets constructed or carried on leasehold land donated by host countries have been capitalized as assets of the institute. ILRI has the right to negotiate for extension of leases under the host country agreements upon the expiry of the current leases. In accordance with the host country agreements, in the event that the host country agreement is terminated or the host country does not renew a lease upon expiry, all immovable assets will be disposed off by the CGIAR (in consultation with Government of Ethiopia and Government of Kenya).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are accounted for in the Statement of Activities.

(h) Depreciation and Amortization

Depreciation is calculated on the straight-line basis at annual rates estimated to write off the cost of each item of property and equipment over the estimated term of its useful life. The annual rates used are

Farm works	5%
Buildings and land improvements	3% (33 years)
Laboratory and scientific equipment	10% – 15% (7 – 10 years) on an item by item basis
Computers	33.33% (3 years)
Office and household furniture and equipment	20% (5 years)
Farm equipment	10% (10 years)
Motor vehicles	20% (5 years)
Software	33.33% (3 years)

Depreciation of acquired assets start in the month the assets are placed in operation and continue until the assets have been fully depreciated or their use discontinued.

Property and equipment acquired using project-restricted funds are fully depreciated when they are placed in operation under the specific benefiting projects.

Depreciation charge is time-apportioned in the year of disposal of items of property and equipment.

For the subsidiary company, excess depreciation on the revaluation surplus is transferred from the capital reserve to revenue reserve.

Operating lease rentals relating to leased land are amortized over the term of lease.

(i) Intangible assets

Intangible assets of the institute comprise acquired computer software. The cost of acquisition and installation of computer software is capitalized and amortized over the estimated useful life of the software, usually three years.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Asset impairment losses

The carrying values of property and equipment, including intangible assets, are reviewed annually and adjusted for impairment losses where it is considered necessary.

(k) Inventories and livestock

Inventory is carried at the lower of cost and net realizable value. Cost is calculated on the weighted average basis and includes purchase price, freight and other incidental costs.

The determination of obsolescence or expiration is based on the lower of the manufacturer's recommendations and documented experience and knowledge of management. The amount of write-down of inventories to net realizable value and all losses of inventories should be recognized as an expense in the period the write down or loss occurs.

Livestock is stated at fair value less point of sale costs. The fair value of livestock is determined based on market prices for livestock of similar age, breed and genetic merit. Changes in fair value are recognized in the statement of activities.

(l) Staff retirement benefits

The institute's contributions are maintained as a defined contribution plan for all categories of staff. Full provision is made for severance benefits payable to employees at the end of their contracts. Provisions are also made in respect of repatriation costs and outstanding leave days accruing to all staff (See note 22).

(m) Net assets

Net assets represent the residual interest in the institute's assets remaining after liabilities have been deducted. All the institute's net assets are unrestricted.

(n) Accruals

Accruals represent liabilities to pay for goods or services that have been received/supplied but not yet invoiced or formally agreed with suppliers.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Accounts payable

These represent amounts due to donors, employees and others for support, services and /or materials received prior to year-end but not paid for as at balance sheet date.

Donor payables are unexpended funds received in advance for restricted grants.

(p) Provisions

Provisions are recognized when the institute has: (a) a present legal or constructive obligation as a result of past events, (b) it is more likely than not that an outflow of resources will be required to settle the obligation and (c) a reliable estimate of the amount can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the statement of financial position date.

(q) Tax

ILRI—The governments of Kenya and Ethiopia have undertaken to exempt the centre from all local taxes including customs duty on goods and services received by the centre. Consequently, the centre does not account for tax in its financial statements.

Kapiti Plains Estate Limited—Current taxation is provided for on the basis of the results for the year as shown in the financial statements, adjusted in accordance with the tax legislation. Deferred taxation is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and the unused tax credits can be utilized.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Managing financial risk is one aspect of the risk management practice of ILRI which considers all its operations. The institute's activities expose it to a variety of financial risks, including funding risks, variation of foreign exchange risk, interest risk, credit risk, banking risk and inflation.

Risk management is carried out by the management of the institute supported by the internal audit unit under policies approved by the Board of Trustees. A key element of the institute's risk management program is minimizing potential adverse effects on its financial performance. The Finance function identifies, evaluates and hedges financial risks.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) Risk from foreign exchange risk and interest rate variations

The organization is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Kenya shilling, Ethiopian birr, British pound and the Euro. Foreign exchange risk arises from future transactions and recognized assets and liabilities.

Investment decisions are also guided by the foreseeable conditions of foreign exchange markets and a conservative investment policy.

(ii) Funding risk

ILRI manages funding risk through financial planning systems, a conservative investment policy and its resource mobilisation strategy.

(iii) Inflation risk

Inflation risk is managed through conservative budgeting and a conservative investment policy.

(iv) Credit risk

This risk is managed in three ways:

- Avoiding contract with donors on a reimbursable basis
- Minimizing advances to suppliers
- Strict management of employee advances
- Stringent due diligence process for bank selection and regular tenders for local banks.

Financial Assets	Fully performing US\$ '000	Past due US\$ '000	Impaired US\$ '000
2010			
Accounts receivable—donors	13,827	—	453
Accounts receivable—other CG Centres	257	—	—
Accounts receivable—others	1,256	—	18
Bank balances and deposits	26,911	—	—
	<u>42,251</u>	<u>—</u>	<u>471</u>
2009			
Accounts receivable—donors	10,848	—	430
Accounts receivable—other CG Centres	454	—	—
Accounts receivable—others	514	—	18
Bank balances and deposits	23,392	—	—
	<u>35,208</u>	<u>—</u>	<u>448</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(v) Liquidity risk

Effective cash flow and working capital management is carried out to ensure there is a balance between operational and investment requirements.

The table below analyses the institute's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

The bulk of the donor payables amounting to \$ 17,023 represent funds received in advance to be spent within the next year or until project completion.

	Less than 1 month US\$ '000	Between 1–3 months US\$ '000	Over 3 months US\$ '000
At 31 December 2010:			
Accounts payable—other CG Centres	–	299	–
Accounts payable—others	–	2,106	–
Accruals	–	2,546	–
Donors	–	17,023	–
	<u>–</u>	<u>21,974</u>	<u>–</u>
At 31 December 2009:			
Accounts payable—other CG Centres	–	188	–
Accounts payable—others	–	2,499	–
Accruals	–	2,799	–
Donors	–	12,175	–
	<u>–</u>	<u>17,661</u>	<u>–</u>

(vi) Other financial risks are addressed through internal control systems and regular market surveys.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the institute's and its subsidiary's accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities within current and future financial years. Estimates 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 critical areas of accounting estimates and judgements in relation to the preparation of these financial statements are as set out below:

a Critical judgements in applying accounting policies

There are no critical judgements, apart from those involving estimations (see below), that management have made in the process of applying the entity's accounting policies and that have significant effect on the amounts recognized in financial statements.

b Key sources of estimation uncertainty

Impairment of assets

At each statement of financial position date, the institute reviews the carrying amount of its assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment.

Property, plant and equipment

Critical estimates are made in determining the useful lives and residual values to property, plant and equipment based on the intended use of the assets and the economic lives of those assets. Subsequent changes in circumstances or prospective utilization of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.

Although management believes the estimates and assumptions used in preparation of these combined financial statements were appropriate in the circumstances, actual results could differ from those estimates and assumptions.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

5. (a) GRANT REVENUE

	Advance donations 1/1/10 US\$ '000	Donor receivables 1/1/10 US\$ '000	Total receipts 2010 US\$ '000	Donor receivables 31/12/10 US\$ '000	Advance donations 31/12/10 US\$ '000	Revenue for 2010 US\$ '000	Revenue for 2009 US\$ '000
Unrestricted	–	(1,478)	11,006	8,907	–	18,435	15,622
Restricted temporary	12,175	(9,632)	32,482	5,373	(17,023)	23,375	37,797
Challenge program	–	(168)	621	–	–	453	513
	<u>12,175</u>	<u>(11,278)</u>	<u>44,109</u>	<u>14,280</u>	<u>(17,023)</u>	<u>42,263</u>	<u>53,932</u>

5. (b) GRANT REVENUE – BECA, SLP

The above revenue include revenue attributable to BecA (restricted) and SLP as analysed below:

	Advance donations 1/1/10 US\$ '000	Donor receivables 1/1/10 US\$ '000	Total receipts 2010 US\$ '000	Donor receivables 31/12/10 US\$ '000	Adjustments 2010 US\$ '000	Advance donations 31/12/10 US\$ '000	Revenue for 2010 US\$ '000	Revenue for 2009 US\$ '000
BecA	–	(5,473)	4,386	1,204	2,715	–	2,832	15,871
SLP	<u>2,077</u>	–	<u>891</u>	–	<u>22</u>	<u>(2,183)</u>	<u>807</u>	<u>457</u>
	<u>2,077</u>	<u>(5,473)</u>	<u>5,277</u>	<u>1,204</u>	<u>2,737</u>	<u>(2,183)</u>	<u>3,639</u>	<u>16,328</u>

6. OTHER REVENUE AND SUPPORT

	2010 US\$ '000	2009 US\$ '000
Interest income	129	263
Rent income	879	925
Catering income	381	425
Gain on disposal of equipment	183	69
Service income	1,498	1,007
Foreign exchange variations—net:		
Realized	–	6
Unrealized	–	<u>1,106</u>
	<u>3,070</u>	<u>3,801</u>

Service income is from services rendered by the laboratory and administrative units to external entities, other than rental of facilities and catering income.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

7. INVESTMENT IN SUBSIDIARY—EXPERIMENTAL FARM

This represents the cost of investment in Kapiti Plains Estate Limited (Kapiti), a ranch that was acquired for the purposes of securing adequate supplies of disease-free livestock to the institute. Kapiti is a wholly owned subsidiary of ILRI and operates an experimental farm.

The subsidiary's net assets as at 31 December 2010 amounted to US\$ 341,805 (2009: US\$ 419,076). The financial statements of Kapiti Plains Estate Limited are prepared in Kenya shillings. The US dollar appreciated against the Kenya shilling in 2010 by approximately 6.5%. The consolidated statement of activities includes the subsidiary's results for the year as summarized below:

	2010 US\$ '000	2009 US\$ '000
Total revenue from sale of livestock	119	199
Less: Sales to ILRI, eliminated on consolidation	—	—
Sales to third parties	119	199
Cost of sales to third parties	(111)	(134)
Fair value gain/(loss) on biological assets	85	(66)
Gross profit	93	(1)
Expenses and overheads	(146)	(135)
Loss for the year	(53)	(136)

The difference between sales and cost of sales to ILRI has not been taken into account as it is not material

KAPITI PLAINS ESTATE LIMITED EXPENSES AND OVERHEADS

	2010 US\$ '000	2009 US\$ '000
Personnel costs	41	40
Supplies and services	91	70
Depreciation	14	25
	<u>146</u>	<u>135</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

8 (a) PROGRAM RELATED EXPENSES

	2010 US\$ '000	2009 US\$ '000
Personnel costs (note 11)	12,740	13,403
Collaborators/Partnership costs	2,694	6,159
Supplies and services	13,198	11,126
Operational Travel	2,537	2,806
Depreciation and amortization	<u>2,041</u>	<u>11,854</u>
	<u>33,210</u>	<u>45,348</u>

(b) EXPENDITURE –BecA (restricted expenses only), SLP

Included in the above expenses are the following BecA and SLP expenses.

	Personnel US\$ '000	Supplies & services US\$ '000	Collaborators US\$ '000	Operational travel US\$ '000	Depreciation US\$ '000	2010 Total US\$ '000	2009 Total US\$ '000
BecA	658	100	734	54	1,286	2,832	15,871
SLP	<u>231</u>	<u>361</u>	<u>83</u>	<u>132</u>	<u>—</u>	<u>807</u>	<u>457</u>
	<u>889</u>	<u>461</u>	<u>817</u>	<u>186</u>	<u>1,286</u>	<u>3,639</u>	<u>16,328</u>

9 MANAGEMENT AND GENERAL EXPENSES

	2010 US\$ '000	2009 US\$ '000
Personnel costs (note 11)	6,571	5,854
Collaborators/Partnership costs	—	18
Suppliers and services	4,870	5,551
Operational travel	498	444
Depreciation and amortization	<u>1,286</u>	<u>1,630</u>
	<u>13,225</u>	<u>13,497</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

10. INDIRECT COSTS RECOVERY

Indirect costs recovery represents the portion of project restricted income allocated by donors through the grant agreements to support general institutional overhead costs. The recoveries supplement the institute's unrestricted funding.

Overheads	2010 US\$ '000	2009 US\$ '000
BecA	96	643
Others	<u>2,046</u>	<u>1,847</u>
	<u>2,142</u>	<u>2,490</u>

11. PERSONNEL COSTS

	2010 US\$ '000	2009 US\$ '000
Management and general operations		
Salaries and allowances	5,156	4,586
Pension contributions	571	513
Medical and life insurance	476	520
Relocation and leave expenses	63	207
Other personnel costs	<u>305</u>	<u>28</u>
	<u>6,571</u>	<u>5,854</u>
Program related activities		
Salaries and allowances	9,881	10,549
Pension contributions	1,178	1,036
Medical and life insurance	808	803
Relocation and leave expenses	634	900
Other personnel costs	<u>239</u>	<u>115</u>
	<u>12,740</u>	<u>13,403</u>
	<u>19,311</u>	<u>19,257</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

12. CASH AND CASH EQUIVALENTS

	2010 US\$ '000	2009 US\$ '000
Unrestricted cash and cash equivalents	9,874	11,182
Restricted donor advances	17,023	12,175
Interest receivable	28	54
Total cash and cash equivalents	<u>26,925</u>	<u>23,411</u>
Comprising:		
Certificates of deposit	14,140	14,848
Bank balances	12,771	8,545
Cash in hand and cash in transit	14	18
	<u>26,925</u>	<u>23,411</u>

13. ACCOUNTS RECEIVABLE—DONORS

	2010 US\$ '000	2009 US\$ '000
Unrestricted	8,906	1,478
Program restricted	570	627
Project restricted—BecA	1,204	—
Others	<u>3,600</u>	<u>9,173</u>
	14,280	11,278
Less: Allowance for doubtful accounts	<u>(453)</u>	<u>(430)</u>
	<u>13,827</u>	<u>10,848</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

14. ACCOUNTS RECEIVABLE—OTHER CG CENTRES

	2010 US\$ '000	2009 US\$ '000
CIFOR—Center for International Forestry Research	–	18
CIMMYT—International Maize & Wheat Improvement Centre	1	15
ICRAF—World Agroforestry Center	8	6
ICRISAT—International Crop Research institute For The SemiArid Tropics	18	17
IFPRI—International Food Policy Research institute	–	10
IITA—International institute Of Tropical Agriculture	18	14
IWMI—International Water Management institute	–	95
CG Secretariat	13	13
CG Media unit	137	189
ICARDA	–	2
CG Internal Audit	5	11
CIP—International Potato Centre	57	64
	<u>257</u>	<u>454</u>

15. ACCOUNTS RECEIVABLE—OTHERS

	2010 US\$ '000	2009 US\$ '000
AIARC	15	7
Field offices	769	88
Loan to staff association	78	96
Consultants and trainees	312	49
Others	00	292
	<u>1,274</u>	<u>532</u>
Less: Allowance for doubtful accounts	<u>(18)</u>	<u>(18)</u>
	<u>1,256</u>	<u>514</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

16. INVENTORIES

	2010 US\$ '000	2009 US\$ '000
Engineering and maintenance parts	341	528
Laboratory and chemical supplies	277	376
Office and other supplies	<u>429</u>	<u>366</u>
	1,047	1,270
Less: Allowance for obsolescence	<u>(308)</u>	<u>(357)</u>
	<u>739</u>	<u>913</u>

17. LIVESTOCK

Fair value at the beginning of the year	839	882
Exchange (loss)/gain on translation of opening balance	(51)	23
Gain/(loss) arising from changes in fair value attributable to physical changes	22	(195)
Gain arising from changes in fair value attributable to price changes	<u>61</u>	<u>129</u>
Fair value at the end of the year	<u>871</u>	<u>839</u>

18. PREPAID OPERATING LEASE

Cost	<u>13</u>	<u>14</u>
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This represents the cost of leasehold land used as an experimental farm under the ownership of the subsidiary, Kapiti Plains Estate Limited. The annual amortization of the lease rentals is negligible.

The decrease in value of prepaid operating lease arises in part from a translation loss on the cost of Kapiti Plains Estate Limited leasehold land.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

19. PROPERTY & EQUIPMENT

2010

	Balance at 1/1/2010 US\$ '000	Unrestricted additions US\$ '000	Restricted additions US\$ '000	Disposals US\$ '000	Other movements US\$ '000	Balance at 31/12/2010 US\$ '000
COST						
Physical facilities, infrastructure and leasehold improvements	33,514	131	1,143	–	–	34,788
Furnishings and equipment	26,716	750	898	(3,970)	–	24,394
Intangible assets	438	5	–	–	–	443
Construction work in progress	1,040	–	–	–	(456)	584
	<u>61,708</u>	<u>886</u>	<u>2,041</u>	<u>(3,970)</u>	<u>(456)</u>	<u>60,209</u>
ACCUMULATED DEPRECIATION						
Physical facilities, infrastructure and leasehold improvements	(28,123)	(586)	(1,143)	–	–	(29,852)
Furnishings and equipment	(24,973)	(699)	(898)	3,952	(78)	(22,696)
Intangible assets	(438)	(1)	–	–	–	(439)
	<u>(53,534)</u>	<u>(1,286)</u>	<u>(2,041)</u>	<u>3,952</u>	<u>(78)</u>	<u>(52,987)</u>
NET BOOK VALUE						
Physical facilities, infrastructure and leasehold improvements	5,391	(455)	–	–	–	4,936
Furnishings and equipment	1,743	51	–	(18)	(78)	1,698
Intangible assets	–	4	–	–	–	4
Construction work in progress	1,040	–	–	–	(456)	584
Exchange translation on opening balance	(19)	–	–	–	(3)	(22)
	<u>8,155</u>	<u>(400)</u>	<u>–</u>	<u>(18)</u>	<u>(537)</u>	<u>7,200</u>

Fully depreciated assets

At 31 December 2010, equipment with a cost of US\$ 39,833,540 (2009–37,792,002) were fully depreciated.

Assets in custody

In December 2010, property and equipment with a cost of US\$ 2,041,538 (2009 US\$ 11,854,918), which were acquired using project-restricted funds, were fully depreciated upon purchase in conformity with the CGIAR Financial Guidelines. These assets were still in the institute's use as at 31 December 2010.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

19. PROPERTY & EQUIPMENT

2009

	Balance at 1/1/2009 US\$ '000	Unrestricted additions US\$ '000	Restricted additions US\$ '000	Disposals US\$ '000	Other movements US\$ '000	Balance at 31/12/2009 US\$ '000
COST						
Physical facilities, infrastructure and leasehold improvements	25,599	410	7,505	–	–	33,514
Furnishings and equipment	22,904	954	4,349	(1,288)	5	26,924
Intangible assets	438	–	–	–	–	438
Construction work in progress	7,582	201	839	–	(7,582)	1,040
	<u>56,523</u>	<u>1,565</u>	<u>12,693</u>	<u>(1,288)</u>	<u>(7,577)</u>	<u>61,916</u>
ACCUMULATED DEPRECIATION						
Physical facilities, infrastructure and leasehold improvements	(19,827)	(791)	(7,505)	–	–	(28,123)
Furnishings and equipment	(21,053)	(839)	(4,349)	1,222	(163)	(25,182)
Intangible assets	(438)	–	–	–	–	(438)
	<u>(41,318)</u>	<u>(1,630)</u>	<u>(11,854)</u>	<u>1,222</u>	<u>(163)</u>	<u>(53,743)</u>
NET BOOK VALUE						
Physical facilities, infrastructure and leasehold improvements	5,772	(381)	–	–	–	5,391
Furnishings and equipment	1,851	115	–	(66)	(158)	1,742
Intangible assets	–	–	–	–	–	–
Construction work in progress	7,582	201	839	–	(7,582)	1,040
Exchange translation on opening balance	(12)	–	–	–	(6)	(18)
	<u>15,193</u>	<u>(65)</u>	<u>839</u>	<u>(66)</u>	<u>(7,746)</u>	<u>8,155</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

20. ACCOUNTS PAYABLE—DONORS

	2010 US\$ '000	2009 US\$ '000
Programme restricted	–	2,517
Project restricted—Others	17,023	9,658
	<u>17,023</u>	<u>12,175</u>

21. ACCOUNTS PAYABLE—OTHER CG CENTRES

CIP—International Potato Centre	–	14
CIMMYT—International Maize & Wheat Improvement Centre	–	2
CG Media Unit	19	–
ICARDA	88	–
CIFOR	85	–
ICRISAT—International Crop Research institute For The SemiArid Tropics	1	12
IFPRI—International Food Policy Research institute	–	3
IITA—International institute Of Tropical Agriculture	101	132
IWMI—International Water Management institute	–	20
Secretariat	5	5
	<u>299</u>	<u>188</u>

22. ACCOUNTS PAYABLE—EMPLOYEES

Balance at beginning of the year	4,754	4,778
Provision during the year	614	487
Disbursed during the year	(284)	(510)
Balance at end of the year	<u>5,084</u>	<u>4,755</u>
Comprising:		
Staff personal accounts	854	735
Provision for severance benefits	1,777	1,472
Provision for repatriation costs	1,514	1,439
Provision for accrued leave	939	1,109
Balance at end of the year	5,084	4,755
Less: amount payable within one year	(1,793)	(1,844)
Amount payable after one year	<u>3,291</u>	<u>2,911</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

23. ACCOUNTS PAYABLE—OTHERS

	2010 US\$ '000	2009 US\$ '000
Due to suppliers	518	600
BecA-related construction payments	216	585
Field offices	662	431
Consultants and trainees	85	127
Sundry payables	<u>625</u>	<u>756</u>
	<u>2,106</u>	<u>2,499</u>

24. ACCRUALS

BecA-architectural works	–	839
Consultants' costs	565	203
Emergency Programme Management Review (EPMR)	300	300
Staff development	425	356
Project expenses	709	514
General supplies and services	<u>547</u>	<u>587</u>
	<u>2,546</u>	<u>2,799</u>

25. NET ASSETS

	Undesignated US\$ '000	Designated US\$ '000	Kapiti US\$ '000	Total US\$ '000
Balance at 1 January 2010	<u>17,151</u>	<u>8,828</u>	<u>413</u>	<u>26,392</u>
Depreciation charge for the year	3,327	(3,327)	–	–
Acquisition of property equipment	(2,927)	2,927	–	–
Other movements	<u>555</u>	<u>(555)</u>	<u>–</u>	<u>–</u>
Total	<u>955</u>	<u>(955)</u>	<u>–</u>	<u>–</u>
Changes in net asset during the year	1,040	–	(53)	987
BecA asset replacement	–	200	–	200
Exchange translation	<u>–</u>	<u>–</u>	<u>(19)</u>	<u>(19)</u>
Balance at 31 December 2010	<u>19,146</u>	<u>8,073</u>	<u>341</u>	<u>27,560</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

26. CONTINGENT LIABILITY

Following a tax audit by the Kenya Revenue Authority in December 2006, the institute received a notification requiring payment of a total of US\$ 833,916 (KShs 67,297,031) relating to income tax assessed on overseas pension contribution for Nationally Recruited Staff (NRS) and stipends for Research Fellows. The institute's view is that the assessment contradicts the Host Country Agreement (HCA) signed between the institute and the Government of Kenya represented by the Ministry of Foreign Affairs. This agreement explicitly exempts the Nationally Recruited Staff or the institute from paying income tax on overseas pension plans. The institute is working closely with Kenya's Ministry of Foreign Affairs with a view to having the matter resolved and management are of the opinion that this matter will be resolved in accordance with the provisions of the Host Country Agreement and as a result, no provision has been made in the financial statements with regard to the potential liability notified by Kenya Revenue Authority. The case has also been presented to the Kenya Revenue Authority articulating the institute management's position that stipends are not taxable and a positive outcome is expected.

27. COMPARATIVES

Where necessary, the comparative figures have been adjusted to conform to changes in presentation in the current year.

28. CURRENCY

These financial statements are presented in United States Dollar Thousands (US\$ '000).

Exhibit I

Schedule of Unrestricted Grant Revenue for the year ended 31 December 2010—Currency—US dollar

Donor	Total Funds Available	Accounts Receivable 1/1/10	Advance Payment 1/1/10	Adjustment	Accounts Receivable 31/12/10	Advance Payment 31/12/10	Revenue for 2010	Revenue for 2009
Aid of Africa	13,410	—	—	—	—	—	13,410	—
Australia	417,922	—	—	140,864	—	—	417,922	140,864
Belgium	161,139	—	—	—	—	—	161,139	172,616
Canada	2,399,775	—	—	—	1,199,888	—	2,399,775	212,714
China ³	199,510	—	—	—	89,738	—	199,510	(40,210)
Denmark	792,421	—	—	—	—	—	792,421	1,216,600
Finland	2,056,270	1,072,046	—	—	984,225	—	984,225	1,072,046
France	—	—	—	—	—	—	—	—
Germany	671,048	—	—	—	—	—	671,048	842,256
Ireland ¹	1,120,160	—	—	—	—	—	1,120,160	1,451,321
India	0	—	—	—	—	—	—	37,500
Italy	0	—	—	—	—	—	—	366,247
Korea	40,000.00	—	—	—	—	—	40,000	50,000
Netherlands	—	—	—	—	—	—	—	—
Norway	1,794,512	—	—	—	1,794,512	—	1,794,512	1,590,310
Portugal	0	—	—	—	—	—	—	99,825
South Africa	99,913	50,000	—	—	—	—	49,913	50,000
Sweden	1,165,560	—	—	—	1,165,560.12	—	1,165,560	1,062,642
Switzerland	934,691	—	—	—	—	—	934,691	958,139
United Kingdom	1,644,686	—	—	—	—	—	1,644,686	1,362,554
USAID ²	3,881,525	355,600	—	6,213	3,525,925	—	3,525,925	3,266,000
World Bank	2,520,000	—	—	—	—	—	2,520,000	1,710,000
TOTAL	19,912,542	1,477,646	—	147,077	8,759,847	—	18,434,897	15,621,423

Note

1. USD 100,000 of the contribution from India has been allocated to Program shown in Exhibit2.
2. USD 267,007 of the contribution from Italy has been allocated to Program shown in Exhibit2.
3. USD 147,077 to be adjusted against receivable.

Exhibit II

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
A: Restricted—Temporary—Attributed (Program)						
Canada						
Sytemwide Livestock Program	Jan-03	Dec-10	1,713,681	267,625	241,515	509,140
Canada Sub-total			1,713,681	267,625	241,515	509,140
EUROPEAN COMMUNITY/IFAD						
Biotechnology	Jan-08	Dec-10	2,107,566	1,409,170	770,856	2,180,025
Improving Markets Opportunities	Jan-08	Dec-09	702,522	706,241	–	706,241
Regional Plan for Collective Action in Eastern and Southern Africa	Jan-08	Dec-10	677,432	510,361	135,229	645,590
EC/IFAD Sub-total			3,487,520	2,625,772	906,085	3,531,857
INDIA						
Greenhouse	Jan-06	Dec-10	105,000	95,505	2,024	97,529
Genetic Disease	Jan-06	Dec-10	75,000	30,359	99	30,458
Epidemiology	Jan-06	Dec-10	120,000	105,322	1,690	107,011
India Sub-total			300,000	231,186	3,813	234,999
IRELAND						
To support the Biotechnology Theme (Animal Genetic Resources)	Jan-02	Dec-10	1,272,019	1,044,273	76	1,044,349
Ireland Sub-total			1,272,019	1,044,273	76	1,044,349
Italy						
Improving Markets Opportunities	Jan-08	Dec-10	1,015,311	749,374	267,007	1,016,381
Italy Sub-total			1,015,311	749,374	267,007	1,016,381
Norway						
FARA sub-Saharan Africa Programs	Jan-05	Dec-09	921,884	733,110	59	733,169
Norway Sub-total			921,884	733,110	59	733,169
Switzerland						
Sytemwide Livestock Program	Jan-99	Dec-10	3,390,555	3,016,039	136,120	3,152,158
Switzerland Sub-total			3,390,555	3,016,039	136,120	3,152,158

Exhibit II *(continued)*

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
WORLD BANK						
Sytemwide Livestock Program	Jan-02	Dec-10	1,890,000	1,298,163	274,764	1,572,927
World Bank Sub-total			1,890,000	1,298,163	274,764	1,572,927
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)						
USAID linkage activities	Jan-06	Dec-10	634,960	382,409	2,400	384,808
USAID Sub-total			634,960	382,409	2,400	384,808
PORTUGAL						
ILRI/Mozambique/Portugees	Jan-09	Dec-10	200,000	48,400	76,085	124,485
Portugal Sub-total			200,000	48,400	76,085	124,485
Sub-total : A			14,825,930	10,396,350	1,907,922	12,304,272
B: Restricted—Temporary—Projects						
AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH (ACIAR)						
Improving the quality of pearl millet residues for livestock	Apr-04	Dec-08	162,420	104,955	40,012	144,967
Improving the Competitiveness of Pig Producers in an Adjusting Vietnam Market	Apr-07	Mar-10	631,837	185,434	391,653	577,087
Improving Postrainy Sorghum Varieties to Meet the Growing Grain and Fodder Demand in India	Jul-08	Jun-12	81,676	7,127	9,858	16,985
Financial costs of disease burden, morbidity and mortality from priority livestock diseases in Nigeria	Mar-10	May-10	110,398	–	11,980	11,980
ACIAR Sub-total			986,331	297,517	453,502	751,019
ASSOCIATION FOR STRENGTHENING AGRICULTURAL RESEARCH IN EASTERN AND CENTRAL AFRICA (ASARECA)						
Exploiting Markets for Dairy and Meat Products: Quality and Safety	Nov-05	Jan'10	117,844	59,172	33,758	92,930
Napier Grass Stunt and Stunt Resistance	Aug-07	Jul'10	547,992	331,761	242,971	574,732
Support to A-AARNET for CGS Funding Stream	Sep-05	Jan'10	787,663	171,325	53,894	225,219
Integrating Informal Milk Markets into Formal Value Chains in Eastern and Central Africa – 2009	Mar-09	Jan-10	127,372	64,168	15,258	79,426

Exhibit II *(continued)*

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
Diagnostic and Control Tools and Strategies for <i>Taenia solium</i> cysticercosis	Jun-09	Apr-11	83,892	–	20,192	20,192
Natural Resource Management and Biodiversity Conservation in the Drylands of Eastren and Central Africa	Aug-09	Dec-10	125,832	8,263	87,338	95,601
Addressing the Food Price Situation in COMESA	Sep-09	Feb-10	80,021	4,255	55,617	59,873
Characterization of Production Traits, Establishment of Genetic Potential for Improvement of Indigenous Breeds of Sheep and goats in Eastern and Central Africa	Oct-09	Dec-11	24,360	–	10,637	10,637
Testing and Validation of Breed Survey Methodology, Socio-economic Survey and Characterization of Selected Indigenous Cattle of Eastern and Central Africa	Oct-09	Dec-11	22,360	–	10,492	10,492
Rationalization and Harmonization project: Module 1: Integrating informal milk markets into formal value chains in Eastern and central Africa—2010	Oct-09	Sep-10	193,747	18,430	92,670	111,100
ASARECA Sub-total			2,111,083	657,374	622,827	1,280,201
AUSTRIA						
Evaluation of ecological and economic sustainability of breeding strategies in pastoral systems: the case of Ankole cattle	Jan-07	Jan-10	641,541	619,397	22,144	641,541
Designing community based breeding strategies for indigenous sheep breeds of Smallholders in Ethiopia	Mar-07	Jul-11	536,974	268,632	112,669	381,300
Study on genetic differentiation and metabolic adaptation on different cattle genotypes to altitude along the slopes of the Semien Mountains in North Western Ethiopia	Oct-08	Dec-10	31,662	12,838	25	12,863
AUSTRIA Sub-total			1,210,177	900,867	134,838	1,035,704
AFRICAN WILDLIFE FOUNDATION						
The Kitengela Conservation Program	Nov-08	Dec-10	447,981	152,758	72,987	225,745
AWF Sub-total			447,981	152,758	72,987	225,745
ALLIANCE FOR A GREEN REVOLUTION IN AFRICA						
African Agricultural Markets Conference—towards priority actions for market development for African Farmers	Nov-08	Feb-11	449,545	240,643	29,948	270,590
AGRA Sub-total			449,545	240,643	29,948	270,590

Exhibit II *(continued)*

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
ACDI/VOCA						
Kenya Maize Development Program: Annual Household Survey	Apr-10	Jul-10	31,155	–	31,155	31,155
ACD Sub-total			31,155	–	31,155	31,155
AVIAN INFLUENZA CONTROL PROJECT (AICP)						
Financial costs of disease burden, morbidity and mortality from priority livestock diseases in Nigeria	Mar-10	May-10	110,398	–	44,815	44,815
Assesment of Risks to Human Health associated with meat from different value chains in Nigeria	Mar-10	Aug-10	107,041	–	56,523	56,523
AICP Sub-total			217,439	–	101,338	101,338
BILL & MELINDA GATES FOUNDATION						
U.S. – Africa Connections: A Workshop to Explore Basic Science Research Collaborations on Agricultural Development	Apr-09	Jan-10	82,500	40,830	319	41,150
Scientific Technical Writing workshop for SSA Crop Scientist	Aug-09	Jan-10	149,615	34,338	20,281	54,619
ARC Workshop and Scientific Technical Writing Workshop	Mar-10	Dec-10	217,689	–	96,938	96,938
Support Grant for the development of a business plan for the BecA ILRI Hub	Oct-10	Dec-10	75,000	–	152	152
BMG Sub-total			524,804	75,168	117,689	192,857
BIOVERSITY INTERNATIONAL (IPGRI)						
Collective Action for the Rehabilitation of Global Public Goods in the CGIAR Genetic Resources System: Phase 2	Jan-07	Jan-10	390,853	421,241	(31,806)	389,435
Joint appointment of Associate Scientist, Genebank Management	Aug-07	Dec-10	105,000	64,812	47,099	111,911
ILAC Learning Laboratory Meeting, Nairobi, 21–25 September 2009	Jul-09	Jan-10	28,224	19,374	2,547	21,921
ILAC & GFAR sponsored Partnership Forum meeting to be held at the Sarova Panafric Hotel (T.B.C) in Nairobi from 3 to 4 February 2010	Jan-10	May-10	76,479	–	65,603	65,603
CGIAR ICT/KM Program: Coordination of CGIAR CIARD/AAA Activities	Apr-10	Dec-10	90,147	–	71,211	71,211
Africa Agriculture GIS Week 2010	Jun-10	Jun-10	24,583	–	25,027	25,027
ICT–KM Progm–support Biodiversity	Jun-10	Dec-10	27,555	–	26,872	26,872

Exhibit II *(continued)*

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
Part of the World Bank funded project 'Collective Action for Rehabilitation of Global Public Goods in the CGIAR Genetic Resources System: Phase 2'	Jan-07	Jan-10	40,000	37,277	2,750	40,027
Smallholder Dairy Project, Kenya	Sep-08	Dec-10	21,581	–	12,870	
BIOVERSITY Sub-total			804,422	542,704	222,173	752,007
BIOTECHNOLOGY AND BIOLOGICAL SCIENCES RESEARCH COUNCIL (BBSRC)						
Understanding the basis of strain restricted immunity to Theileria parva	Mar-10	Feb-13	647,411	–	78,449	78,449
Reducing the impact of infectious diseases on village poultry production in Ethiopia	Sep-10	Aug-14	291,877	–	979	979
BBS Sub-total			939,288	–	79,428	79,428
COMMERCIAL AGRICULTURAL DEVELOPMENT PROJECT						
Study tour of Kenya & Uganda Dairy hub sites	Oct-10	Nov-10	66,633	–	37,912	37,912
CADP Sub-total			66,633	–	37,912	37,912
CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH (CGIAR)						
Drivers of crop livestock System change	Oct-07	Jan-10	166,000	145,880	20,120	166,000
Optimizing Livelihood and environmental benefits from crop residues in smallholder crop—livestock system in sub-Saharan Africa and South Asia regional case study	Jan-10	Dec-11	245,950	–	80,872	80,872
Acquatic Research Management Programme fund			219,300		111,306	111,306
CGIAR Sub-total			631,250	145,880	212,298	358,178
CHINA						
CAAS-ILRI Joint lab & FGR	Jan-08	Dec-10	130,248	116,482	7,386	123,868
CAAS-ILRI – Young Scientist Training – Weiye Chen	Oct-10	Dec-10	20,000	–	5,029	5,029
CHN Sub-total			150,248	116,482	12,415	128,897

Exhibit II *(continued)*

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
CANADA (CIDA)						
Improvement of Productivity and Market Success of Ethiopian Farmers (IPMS)	Apr-04	Mar-10	15,853,659	12,406,805	2,965,444	15,372,249
Centre for excellence in biosciences for Africa (Beca)	Jan-07	Mar-10	21,675,000	21,480,035	1,681,643	23,161,678
CIDA Sub-total			37,528,659	33,886,840	4,647,087	38,533,927
CIRAD						
Livestock marketing and Export Strategy	Dec-07	Dec-10	35,847	5,267	4,375	9,642
CIR Sub-total			35,847	5,267	4,375	9,642
CIMMYT—International Maize and Wheat Improvement Center						
Optimizing Livelihood and environmental benefits from crop residues in smallholder crop-livestock system in sub-Saharan Africa and South Asia regional case study	Jan-10	Dec-11	50,000	—	16,250	16,250
CIMMYT Sub-total			50,000	—	16,250	16,250
COMMON WEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANIZATION (CSIRO/AusAID))						
African food security initiative pillar one inception phase	Apr-10	Dec-10	232,840	—	122,355	122,355
Improving the Competitiveness of Pig Producers in an Adjusting Vietnam Market	Dec-10	Jun-13	10,018,317	—	—	—
CSI Sub-total			10,251,157	—	122,355	122,355
COMART FOUNDATION (CMF)						
Strengthening capacities for community based livestock health service delivery in the Ghibe Valley	Apr-07	Mar-10	356,122	213,244	60,877	274,121
COMART Sub-total			356,122	213,244	60,877	274,121
CORAF/WE CARD						
Building livelihoods resilience to alleviate poverty in the semi arid areas of West Africa	Jan-10	Jun-13	43,648	40	42,597	42,637
CORAF Sub-total			43,648	40	42,597	42,637
CORNELL UNIVERSITY						
Index-Based Livestock Insurance; Adaptation and Innovations for Ethiopia— Subaward No.62088-9468	Oct-10	Sep-14	477,938	—	7,824	7,824
CORN Sub-total			477,938	—	7,824	7,824
CTA						
Agknowledge Africa Conference 18 – 21 October 2010, Addis Ababa	Sep-10	Dec-10	21,328	—	12,255	12,255
CTA Sub-total			21,328	—	12,255	12,255

Exhibit II *(continued)*

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
GERMAN ACADEMIC EXCHANGE SERVICE (DAAD)						
DAAD In-Region scholarships for the academic years 2008–2011	Sep–08	Sep–11	246,000	1,711	112,530	114,241
DAAD Sub-total			246,000	1,711	112,530	114,241
DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID), UK						
Evaluation of effects of plant diseases on the yield and nutritive value of crop residues dairy production on the Deccan Plateau in India	Apr–04	Jan–10	46,395	32,330	14,076	46,406
Development of a rapid and simple serological test for surveys of human infective trypanosome in the livestock and animal reservoir	Jan–07	Dec–10	2,821,017	2,206,556	267,763	2,474,319
Index based livestock insurance project	Sep–09	Dec–10	436,535	33,458	205,600	239,057
Zoonoses – Wildlife / Livestock Interactions	Aug–10	Feb–11	64,154	–	14,484	14,484
DFID Sub-total			3,368,101	2,272,344	501,923	2,774,267
EUROPEAN DEVELOPMENT FUND (EDF)						
A post disaster assessment study under the Food Facility DCI-FOOD done in Kenya	Feb–10	May–10	153,626	–	153,626	153,626
Quantifying Weather and Climate Impacts on Health in Developing Countries—QWeCI	Feb–10	Jul–13	406,617	–	51,890	51,890
EDF Sub-total			560,243	–	205,516	205,516
EUROPEAN ASSOCIATION OF DEVELOPMENT RESEARCH AND TRAINING INSTITUTE (EADI)						
AgKnowledge Africa: Sharing Knowledge on Agricultural and Rural Development in Africa	Jul–10	Dec–10	69,835	–	69,835	69,835
EADI Sub-total			69,835	–	69,835	69,835
EMPRESA BRASILEIRA DE PESQUISA AGROPECUARIA (EMBRAPA)						
Funding for specialized consultancy services and training for technicians from Brazil Agricultural Research System	Jan–04	Jan–10	39,036	21,937	(750)	21,187
EMBRAPA Sub-total			39,036	21,937	(750)	21,187
GOVERNMENT OF ASSAM						
Comprehensive Study of the Dairy Sector of Assam—ASSAM institute of Management	Dec–05	Feb–10	140,973	148,125	(16,140)	131,984
ARI Sub-total			140,973	148,125	(16,140)	131,984

Exhibit II *(continued)*

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
INIA, SPAIN						
Development of new diagnostic assays and epidemiological surveillance of viral pathogens of livestock in Africa	Jul-07	Jun-10	600,000	513,167	87,928	601,096
Evaluating and controlling the risk of African Swine Fever in the EU (ASFRISK)	Nov-08	Dec-10	141,534	62,420	34,920	97,341
Dynamics, Diversity and Stakeholder Perceptions of ASF in Different Epidemiological Situations in Uganda: The Wild Pig/Tick/Livestock Interface and the Peri-Urban Non-sylvatic Cycle of ASF Virus Transmission	Jun-09	Jun-11	256,558	—	12,786	12,786
ESP Sub-total			998,092	575,587	135,634	711,222
FOOD AND AGRICULTURAL ORGANIZATION OF THE UNITED NATIONS (FAO)						
GEF Medium sized project "Novel form of livestock and wildlife integration adjacent to protected areas in Africa—Tanzania"	Sep-05	Jan-10	110,000	109,556	443	109,998
Developing global, one Kilometer resolution GIS maps of livestock production systems	Nov-06	Jan-10	40,000	39,305	666	39,970
Molecular characterization study of local poultry populations in Cambodia, Egypt, Laos, Uganda and Vietnam	Dec '07	Jan '09	49,500	14,850	34,683	49,533
Strengthening Avian Influenza Detection and Response (SAIDR)—Second Year	May-09	Jun-10	89,375	45,559	43,816	89,375
Support to HPAI PDS in Kenya, United Republic of Tanzania and The Sudan	May-09	Oct-09	283,580	85,072	182,147	267,219
Strengthening Avian Influenza Detection and Response	Apr-10	Sep-10	97,064	—	97,065	97,065
Pastoral Drought Management (PDM) Decision Support Tool	Jul-10	Nov-10	110,000	—	107,656	107,656
FAO Sub-total			779,519	294,341	466,475	760,816
FORD FOUNDATION						
Increasing Benefits to Women from Livestock and Livestock Markets	Dec-09	May-11	61,254	—	38,881	38,881
FFD Sub-total			61,254	—	38,881	38,881
THE FOUNDATION FOR INNOVATIVE NEW DIAGNOSTICS						
Laboratory evaluation of the accuracy of HAT prototype tests from standard diagnostics	Jul-10	Dec-11	12,334	—	3,429	3,429
FIND Sub-total			12,334	—	3,429	3,429
GALVMED						
Lyophilisation of East Coast Fever Infection and Treatment Method	May-10	Aug-10	18,394	—	18,354	18,354
GALV Sub-total			18,394	—	18,354	18,354

Exhibit II *(continued)*

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
GOVERNMENT OF ITALY						
Protein Identification of Mycoplasma Mycoides Subsp Mycoides SC Antigen Spectrum	Jul-09	Jul-11	60,683	40	15,784	15,824
IZS Sub-total			60,683	40	15,784	15,824
GLOBAL ENVIRONMENT FACILITY (GEF)						
Sustainable Management of Globally Significant Endemic Ruminant Livestock of West Africa	Dec '07	Nov '13	3,699,000	1,140,916	501,721	1,642,637
Development and Application of Decision-Support Tools to Conserve and Sustainably Use Genetic Diversity in Indigenous Livestock and Wild Relatives	Mar-09	Mar-14	1,982,770	159,697	314,606	474,303
GEF Sub-total			5,681,770	1,300,613	816,327	2,116,940
GLOBAL CROP DIVERSITY TRUST						
Long term funding of ex situ collections of germplasm	Dec-07	Dec-10	244,832	132,356	98,660	231,016
LTG Sub-total			244,832	132,356	98,660	231,016
GESELLSCHAFT FÜR TECHNISCHE ZUSAMMENARBEIT (GTZ), GERMANY						
Improving the value of maize as a livestock feed and to enhance the livelihoods of maize-livestock farmers in East Africa	Mar-05	Jan-10	1,396,826	1,308,615	3,857	1,312,472
Preventing and Containing Trypanocide Resistance in the Cotton Zone of West Africa	Sep-06	Sep-10	1,347,536	905,818	339,152	1,244,970
Safe food, fair food: Building capacity to improve the safety of animal-source foods and ensure continued markets access for poor farmers in sub-Saharan Africa	Jan-08	Jun-11	1,559,595	687,936	164,879	852,816
Supporting the vulnerable: Increasing the adaptive capacity of Agro pastoralists to Climatic change in West and Southern Africa using a Transdisciplinary research approach	May-08	Apr-11	1,353,033	473,307	276,175	749,481
Enhanced control of CBPP in Sub Saharan Africa through development of better diagnostics and vaccines	May-10	Apr-13	1,635,769	–	161,877	161,877
Generating a framework for strategic improvement and adoption of superior dual-purpose (groundnut) cultivars in mixed crop	Mar-10	Aug-11	81,652	–	21,487	21,487
Mutual Learning of Livestock Keepers and Scientists for Adaptation to Climate Change in Pastoral Areas	Apr-10	Mar-12	26,131	–	27	27
GTZ Sub-total			7,400,542	3,375,676	967,453	4,343,128

Exhibit II *(continued)*

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
UNIVERSITY OF GUELPH						
Improved pig production and Health in western Kenya	May-07	Jan-10	119,237	110,848	8,389	119,237
GUE Sub-total			119,237	110,848	8,389	119,237
HEIFER INTERNATIONAL, USA						
A system to cost effectively create a continous supply of F1 heifers via sexed embryos	Jul-06	Jun-11	249,988	889,497	105,158	994,656
East Africa Dairy Development (EADD)	Dec-07	Dec-11	2,920,774	768,205	485,716	1,253,921
HEI Sb-total			3,170,762	1,657,702	590,874	2,248,577
INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA), AUSTRIA						
Student Training	Dec-04	Jan-10	61,153	78,655	6,648	85,303
Sonia Marciel Fellowship with IAEA	Oct-10	Dec-10	3,175	–	470	470
IAEA Sub-total			64,328	78,655	7,118	85,773
INDIAN COUNCIL OF AGRICULTURAL RESEARCH (ICAR)						
Impact of Trade Policy Reforms and Food Safety Standards on Processed Food Exports from India	Sep-06	Jan-10	46,755	46,218	536	46,755
ICAR Sub-total			46,755	46,218	536	46,755
INTERNATIONAL CENTRE FOR AGRICULTURAL RESEARCH IN DRY AREAS (ICARDA)						
Establishment of Global Crop register for forages	Jun-08	Mar-10	90,000	79,758	8,362	88,120
ICARDA Sub-total			90,000	79,758	8,362	88,120
INTERNATIONAL CENTRE OF INSECT PHYSICAL ECOLOGY (ICIPE)						
An intergrated Response System for Emerging Infectious Diseases in East Africa	Dec-08	Dec-12	2,532,314	162,622	836,039	998,661
ICIPE Sub-total			2,532,314	162,622	836,039	998,661
INTERNATIONAL CROP RESEARCH INSTITUTE FOR SEMI-ARID TROPICS (ICRISAT)						
Improving Market Participation by Small Scale Livestock Producers	Jan-07	Jun-10	574,534	357,685	36,310	393,995
Managing uncertainty: innovation systems for coping with climate variability and change	Aug-07	Jul-10	139,838	126,530	14,834	141,364

Exhibit II *(continued)*

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
Improving Market Participation by Small Scale Livestock Producers DCA Tripartite Agreement	Jul-07	Dec-09	108,902	134,974	37,889	172,863
Genetically enhanced pearl millet with high grain iron density for improved human nutrition in India	Jul-09	Dec-09	30,000	414	12,699	13,113
ICS Sub-total			853,274	619,602	101,733	721,335
INTERNATIONAL DEVELOPMENT RESEARCH CENTRE (IDRC), CANADA						
Ecosystem approaches to the better Management of Zoonotic Emerging Infectious Diseases (EID) in south East Asia	Feb-08	Apr-12	4,991,478	471,026	592,077	1,063,103
AusAid—EcoHealth partnership	Jun-08	Jan-10	9,320	7,924	1,624	9,548
Increasing Benefits to Women from Livestock and Livestock Markets	Mar-10	Mar-11	28,523	–	11,865	11,865
IDRC Sub-total			5,029,321	478,950	605,567	1,084,517
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)						
Enhancing Livelihoods of Poor Livestock Keepers through Increased Use of Fodder	Feb-07	Dec-10	1,600,000	855,461	319,371	1,174,832
Small ruminant value chain as platforms for reducing poverty and increasing food security in dryland areas of India and Mozambique	Aug-10	Dec-12	2,677,443	–	1,727	1,727
Agknowledge Africa Share—IFAD	Jul-10	Dec-10	47,385	–	44,488	44,488
IFAD Sub-total			4,324,828	855,461	365,586	1,221,047
INTERNATIONAL FUND FOR AGRICULTURAL RESEARCH (IFAR)						
IFAR Fellowship for Ms Neena Amatyagorkhali	Jun-09	Jan-10	11,000	–	11,000	11,000
IFAR Sub-total			11,000	–	11,000	11,000
INTERNATIONAL FERTILIZER DEVELOPMENT CENTER (IFDC)						
Multi-stakeholder Approach to Linking Technical Options, policy and Market Access for Improved Land Productivity in the Northern Guinea Savanna Zone	Apr-08	Mar-09	52,000	24,699	8,417	33,116
IFDC Sub-total			52,000	24,699	8,417	33,116
INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE (IFPRI)						
Getting more from livestock: the potential of collective action to improve the quality of animal source foods informally marketed by women	Jun-07	Feb-10	123,000	80,652	37,857	118,509
The Establishment of the Regional Strategic Analysis And Knowledge Support System in Eastern and Central Africa	Jan-07	Jan-10	995,433	726,264	235,481	961,745

Exhibit II *(continued)*

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
Avian Influenza in East and West Africa 'Modeling the Spatial spread, evaluating the cost effectiveness of alternative control strategies and assessing the impact of the poor'	Aug-07	Mar-10	1,840,826	1,083,272	387,895	1,471,167
CAPRI Capacity Strengthening and Regionalization Activities	Jan-09	Jan-10	56,000	32,660	1,190	33,850
Climate Change Adaptation for Smallholder Agriculture in Kenya	Apr-09	Apr-10	80,000	48,811	7,079	55,890
Securing Women's Access to Livestock Assets and Income in Kenya and Mozambique	Jul-09	Dec-11	146,902	7,027	51,987	59,014
Live cattle value chains diagnostic study.	Nov-09	May-10	27,372	662	26,702	27,364
Mario Herrero Consultancy	Dec-09	Jan-10	13,220	–	13,220	13,220
Global Futures Project	Dec-09	Jun-12	375,000	–	63,579	63,579
Sharpen climate change focus in relation to the research being conducted under the Global Futures Project by enhancing the ability of the regional partners/analysts to realistically model the trade-offs and consequences and better inform a wide range of people	Aug-10	Dec-10	20,000	–	1,370	1,370
Inception Wkshp–Evaluating Impact	Nov-10	Nov-10	35,000	–	22,941	22,941
Planning Grant for MP4 (ILRI/IFPRI)	Nov-10		220,483	–	37,336	37,336
IFPRI Sub-total			3,933,236	1,979,347	886,638	2,865,985
INTERNATIONAL INSTITUTE OF TROPICAL AGRICULTURE (IITA)						
FARA–KKM Pilot learning sites	Jul-08	Jan-10	35,800	29,717	9,178	38,894
IITA–ILRI for KMM under CORAF/WACRD: Output 2; Market driven, integrated production practices promoted to enhance cereal/legumes systems productivity	May-10	Nov-10	14,000	–	14,000	14,000
Optimizing livelihood and environmental benefits from crop residues in smallholder crop–livestock system in sub-Saharan Africa and South Asia regional case study	Aug-10	Dec-11	62,670	–	–	–
IITA Sub-total			112,470	29,717	23,178	52,894
INSTITUT NATIONAL DE LA RECHERCHE AGRONOMIQUE DU NIGER (INRAN)						
Sahel Task Force Sub-Saharan Africa Challenge Program	Jun-08	Jan-10	47,850	21,097	11,625	32,723
INRAN Sub-total			47,850	21,097	11,625	32,723

Exhibit II *(continued)*

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
INTERNATIONAL LABOUR ORGANIZATION (ILO)						
Microinsurance Innovation Facility						
Piloting of Index Based Livestock Insurance in Marsabit: Building delivery Infrastructure and Fuelling Knowledge based Adoption	Dec-09	Feb-11	205,000	–	117,701	117,701
ILO Sub-total			205,000	–	117,701	117,701
INTERNATIONAL RICE RESEARCH INSTITUTE						
Better livelihoods through improvement of livestock production and marketing in North East India	Mar-08	Jun-10	110,000	79,011	23,806	102,817
Cereal System Initiative for South Asia (CSISA)	Dec-08	Nov-11	1,287,548	378,138	200,128	578,266
IRRI Sub-total			1,397,548	457,149	223,934	681,083
INTERNATIONAL WATER MANAGEMENT INSTITUTE (IWMI)						
Improving water productivity of crop-livestock systems of the sub-Saharan Africa	Apr-07	Jun-10	378,844	189,493	37,119	226,612
IWMI Sub-total			378,844	189,493	37,119	226,612
KENYA						
Study of Marketing, Processing and value adding of camel milk and meat products in the ASAL region of Kenya	Feb-06	Jan-10	120,000	72,164	9,339	81,504
Consultancy on the Reconstruction of Baseline Information for the Arid Lands Resource Management Project and Execution of the ALRMP II Impact Evaluation—Office of the Prime Minister	Mar-09	May-10	285,240	204,691	94,345	299,036
KENYA Sub-total			405,240	276,855	103,684	380,539
KOREA						
Comparison of genetic characters among indigenous livestock	Jan-02	Jun-10	140,000	136,253	3,747	140,000
RDA Seconded Scientist Dr Kim Chong Dae	Feb-07	Dec-11	160,000	94,269	37,412	131,681
Functional gene diversity for disease resistance in chicken	Jan-07	Dec-10	120,000	11,041	10,103	21,144
RDA Seconded Scientist	Jan-10	Dec-10	97,410	51,438	32,195	83,633
KOREA Sub-total			517,410	293,001	83,457	376,458
MERIDIAN INSTITUTE						
Innovations for Agricultural Value Chains in Africa	May-09	Apr-10	17,600	2,749	13,124	15,873
MEIF Sub-total			17,600	2,749	13,124	15,873

Exhibit II (continued)

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
MCKNIGHT FOUNDATION						
The role of endophytes for the control of bacterial wilt of enset (<i>Enset ventricosum</i>) and related musa species	Oct-10	Sep-13	68,900	–	33	33
MCK Sub-total			68,900	–	33	33
MICHIGAN STATE UNIVERSITY						
Dynamic Interactions Among People, Livestock and Savanna Ecosystems Under Climate Change	Aug-07	Jan-11	215,283	151,553	132,581	284,134
Dynamic ecological simulation model of tsetse transmitted trypanosomosis in Kenya	Sep-07	Aug-11	116,642	67,078	35,845	102,923
MSU Sub-total			331,925	218,630	168,426	387,056
NATIONAL AGRICULTURAL INNOVATION PROJECT						
Livelihood Improvement and Empowerment of Rural Poor through Sustainable Farming systems in North East India	Aug-07	Dec-11	87,942	27,732	8,565	36,297
NAP Sub-total			87,942	27,732	8,565	36,297
NATIONAL SCIENCE FOUNDATION (NEW YORK UNIVERSITY)						
BREAD: Basic mechanisms underlying species specific to Trypanosome Resistance	May-10	Apr-11	202,691	–	14,260	14,260
NYU Sub-total			202,691	–	14,260	14,260
NATURAL RESOURCE INTERNATIONAL LIMITED						
Knowledge to action: enhancing traditional dairy value chains	Jul-08	Jun-11	601,987	127,203	55,570	182,772
NRI Sub-total			601,987	127,203	55,570	182,772
NATIONAL WILDLIFE FEDERATION						
Stovepipes Project Nairobi/Tsavo/Mombasa	Aug-10	Jul-11	119,830	–	38,227	38,227
NWF Sub-total			119,830	–	38,227	38,227
OPEC FUND FOR INTERNATIONAL DEVELOPMENT (OFID), AUSTRIA						
Livestock Intensification: Investigating impacts on Livelihoods in dairy value chains in India and Ethiopia	Jul-09	Jun-10	100,000	16,065	74,270	90,335
OPEC Sub-total			100,000	16,065	74,270	90,335

Exhibit II *(continued)*

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
ROCKEFELLER FOUNDATION						
One medicine approaches to participatory epidemiology: achieving early disease detection by orienting public health goods to stakeholder priorities	Aug-08	Jun-11	297,100	158,402	118,725	277,127
ROC Sub-total			297,100	158,402	118,725	277,127
SOCIAL, TECHNOLOGICAL AND ENVIRONMENTAL PATHWAYS TO SUSTAINABILITY CENTRE						
Dynamic Drivers of Disease; interactions of Livestock/Wildlife populations, Poverty and Environmental change in Africa	Jan-10	Jan-10	9,720	–	5,055	5,055
STEP Sub-total			9,720	–	5,055	5,055
SWISS AGENCY FOR DEVELOPMENT AND COOPERATION						
Reducing the risk to the poor of zoonotic diseases	Feb-06	Jan-10	304,530	229,148	58,567	287,715
SDC Sub-total			304,530	229,148	58,567	287,715
SWISS TROPICAL AND PUBLIC HEALTH INSTITUTE (Swiss TPS)						
Enhancing prevention and control of Rift Valley Fever in East Africa by Intersectoral Assessment of Control Options	Mar-09	Feb-12	64,975	–	12,465	12,465
Swiss TPS Sub-total			64,975	–	12,465	12,465
SWEDEN						
Funds for PhD student Emelie Zonabend	Jan-09	Dec-11	24,525	3,460	21,065	24,525
Genetic Resources and Intellectual Property (GRIP 2010) Phase III Nairobi Kenya—Svalof Consulting institute, Sweden	Oct-10	Dec-10	31,349	–	27,947	27,947
SWEDEN Sub-total			55,874	3,460	49,012	52,472
SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION (SIDA)						
Support to the Bio-Resources Innovation Research Network for Eastern African Development (Bio-Innovate) During 2010–2014	Jan-10	Dec-14	12,000,000	–	266,321	266,321
SIDA Sub-total			12,000,000	–	266,321	266,321

Exhibit II *(continued)*

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
SYNGENTA FOUNDATION						
Syngenta Foundation for Sustainable Agriculture (SFSA) – Biosciences East and Central Africa (BecA Hub) Cooperation	Apr–09	Mar–14	5,000,000	750,157	1,027,430	1,777,587
SYN Sub-total			5,000,000	750,157	1,027,430	1,777,587
SWITZERLAND						
Exploration of the effects of anti-tick vaccines on transmission of Theileria parva, the causative agent of ECF	Oct–08	Sep–11	173,150	79,079	94,071	173,150
ZIL Sub-total			173,150	79,079	94,071	173,150
SIR RATAN TATA TRUST						
New Pathways to Tackle Rural Poverty in India: The Livestock Way	Apr–09	Apr–10	156,551	46,493	3,065	49,558
SRT Sub-total			156,551	46,493	3,065	49,558
TERRA NUOVA						
Improvement and diversification of Somalia Livestock Trade and Marketing	Feb–05	Jan–10	238,543	213,514	25,029	238,543
TEN Sub-total			238,543	213,514	25,029	238,543
TEXAS A & M UNIVERSITY (TAMU)						
Delivering systematic information on the spatial distribution and production environment descriptors of poultry farms in Ethiopia aimed at potential Avian Flu response and pandemic preparedness	Sep–08	Dec–10	52,530	7,274	29,046	36,320
TAMU Sub-total			52,530	7,274	29,046	36,320
TROCAIRE (EU)						
Building resilient pastoralist communities	Apr–09	Mar–10	55,464	–	20,749	20,749
TRO Sub-total			55,464	–	20,749	20,749
TUFF UNIVERSITY						
A Thermostable Measles Vaccine	Sep–08	Dec–10	16,804	–	16,804	16,804
TAMU Sub-total			16,804	–	16,804	16,804

Exhibit II *(continued)*

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
UNIVERSITY OF COOPENHAGEN						
University of Coopenhagen	Aug-09	Aug-12	3,189,538	94,931	685,297	780,228
Phils contract with Coopenhagen	Dec-09	Nov-12	2,770,758	–	313,272	313,272
Service Agreement between University of Coopenhagen and ILRI regarding pass through funds from CIDA Grant	Apr-10	Mar-13	134,880	–	33,678	33,678
Grant Agreement for Regional Facilitators	Feb-10	Jan-13	8,046,000	–	296,205	296,205
CCAF Sub-total			14,141,176	94,931	1,328,451	1,423,382
UNIVERSITY OF CALIFORNIA						
Index Based Livestock Insurance support—Sarah (Focus Group Discussion)	Sep-10	Sep-10	5,312	–	4,280	4,280
UOC Sub-total			5,312	–	4,280	4,280
UNIVERSITY OF CORNELL						
Index-Based Livestock Insurance; Adaptation and Innovations for Ethiopia—Subaward No. 62088-9468			477,938	–	7,824	7,824
CORN Sub-total			477,938	–	7,824	7,824
UNIVERSITY OF EDINBURGH						
Measuring, monitoring and mitigating drivers of the emergence of zoonotic food borne diseases	May-10	Feb-11	24,550	–	6,980	6,980
UOE Sub-total			24,550	–	6,980	6,980
UNIVERSITY OF NEW ENGLAND						
Global development grant no. OPPGD640 germplasm for dairy development in East Africa: Phase 1: Identifying appropriate germplasm and delivery mechanisms	Sep-10	Mar-13	1,184,577	–	91,400	91,400
UNE Sub-total			1,184,577	–	91,400	91,400
UNIVERSITY OF SYRACUSE						
Hunger Safety Net Program	Apr-08	Jan-10	53,296	35,238	11,424	46,662
SYR Sub-total			53,296	35,238	11,424	46,662

Exhibit II (continued)

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
UNIVERSITY OF VERMONT						
BREAD: A modern approach towards developing vaccines for critical bovine diseases impacting smallholder farmers in sub-Saharan Africa	May-10	Apr-11	154,116	—	2,455	2,455
UOV Sub-total			154,116	—	2,455	2,455
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)						
Operational Research in Indonesia for More Effective Control of Highly Pathogenic Avian Influenza	Aug-07	Jan-10	1,092,712	991,773	75,160	1,066,933
Strategic analysis knowledge support systems (SAKSS) node in Eastern and Central Africa (Phase 2)	Jan-07	Dec-10	1,200,00	846,664	28,461	875,125
Participatory approaches to disease surveillance in Africa—(Avian Influenza)	Oct-07	Sep-10	4,934,065	3,731,021	647,584	4,378,606
Participatory approaches to disease surveillance in Africa—(Africa Animal Health Systems (PADSA-AH))	Oct-07	Sep-10	990,000	630,306	170,926	801,233
Scaling up ILRI/Regional Strategic Analysis and Knowledge Support System analysis and Knowledge Management Activities	Oct-09	Dec-10	661,000	26,609	559,075	585,684
Scaling up ILRI/Regional Strategic Analysis and Knowledge Support System analysis and Knowledge Management Activities	Oct-10	Sep-11	1,000,000	—	43,394	43,394
Mozambique Agricultural Research and Innovation Platform—ILRI Component (Mobilization of livestock research and extension for food security and poverty alleviation in Mozambique)	Oct-09	Sep-12	450,916	—	88,235	88,235
USA Sub-total			9,128,693	6,226,374	1,612,836	7,839,210
USRD						
International Livestock Research institute Training Workshop	Sep-09	Nov-10	7,800	1,626	3,599	5,225
USRD Sub-total			7,800	1,626	3,599	5,225
UNITED STATES DEPARTMENT OF AGRICULTURE						
Identify and test additional tick antigens for use in transaction based/and or subunit vaccines	Jan-06	Jan-11	300,000	152,506	118,349	270,855
International Cooperation in Animal Diseases	Sep-08	Sep-11	121,000	16,051	7,869	23,920
ILRI Livestock Risk Assessment Seminar Oct. 26–30, 2009	Sep-09	Dec-12	15,810	10,272	11,891	22,163
USDA Sub-total			436,810	178,829	138,109	316,938

Exhibit II *(continued)*

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
VETERINAIRES SANS FRONTIERES						
Vaccine Stabilate Diluent Preparation for ECF Immunizations in Tanzania	Jan-06	Jan-10	711,053	569,262	141,792	711,053
VSF-B Sub-total			711,053	569,262	141,792	711,053
WORLD AGROFORESTRY CENTRE (ICRAF)						
ICT ILRI/ICRAF	Jan-08	Dec-10	1,310,504	914,106	396,398	1,310,504
Support to Mrs. Patricia Aboe's Research on Baseline and Diagnostic Surveys for Monitoring, Evaluation, and Impact Assessment (M&E&I) for Livestock Research	Jan-10	Aug-10	8,251	–	8,251	8,251
ICRAF Sub-total			1,318,755	914,106	404,648	1,318,754
WORLD BANK						
Information and communication Technology / Global Public Goods (ICT/ GPG)	Nov-04	Jan-10	725,400	469,958	69,975	539,933
Paper on WDR2010—Climate Change and Livestock	Aug-08	Jun-10	15,000	9,550	5,450	15,000
Pro-poor Livestock Marketing: Investment Options for Improved Market Access and Performance	Nov-08	Dec-10	300,000	129,042	86,282	215,324
Index-based Insurance Products for Managing Risks in East Africa	Oct-08	Jun-10	259,835	195,485	73,622	269,106
Livestock In Africa: Improving data for better policies	Jan-10	Dec-12	410,346	–	81,103	81,103
Genesis Reversed: Climate Change Impacts on Agricultural and Livelihood Systems in Mixed Crop Livestock Systems of Africa	Mar-10	Jan-11	134,000	–	137,449	137,449
Index-based Insurance Products for Managing Climate Risks in East Africa	Oct-10	Jun-12	238,446	–	4,254	4,254
WB Sub-total			2,083,027	804,035	458,135	1,262,170
WELLCOME TRUST						
An integrated approach for the development of sustainable methods to control theileriosis	Apr-05	Mar-10	133,840	107,891	22,148	130,038
Bovine Tuberculosis in the developing world	Apr-05	Apr-10	473,102	343,080	716	343,796
A genomics approach to understanding the immunopathology of contagious bovine pleuropneumonia (CBPP)	Jun-05	May-10	1,274,290	954,125	57,939	1,012,064
Infection dynamics and disease burden of East African cattle	Oct-06	Oct-12	1,496,111	486,017	265,654	751,671
Epidemiology of zoonoses amongst livestock and their keepers in East Africa	Jan-09	Dec-12	264,170	7,675	131,892	139,567
WEL Sub-total			3,641,513	1,898,787	478,349	2,377,135

Exhibit II *(continued)*

Schedule of project and program restricted grant revenue for the year ended 31 December 2010—currency—US dollars

Donor and Project	Start date	End date	Grant pledge	Cumulative to 2009	Expenditure 2010	Total
WORLD RESOURCES INSTITUTE						
Development of prototype tools to support resources mapping, land use development and planning in Kenya's arid and semi-arid lands	Jul-10	Feb-11	456,808	–	169,933	169,933
WRI Sub-total			456,808	–	169,933	169,933
Sub-total : B			154,089,618	65,321,778	21,466,031	86,774,938
–						
Restricted – Temporary Total : (A + B)			168,915,548	75,718,127	23,373,952	99,079,209
C: Restricted – Temporary – Challenge Programs (CP)						
INTERNATIONAL WATER MANAGEMENT INSTITUTE (IWMI)						
Nile Basin Focal Project	Feb-08	Jan-10	90,552	67,553	5,000	72,553
Enhancing Livelihoods of Poor Livestock Keepers through Increased Use of Fodder	Mar-08	Apr-10	111,447	87,200	12,120	99,320
CRP55 Regional Stakeholder (RS) meetings	Jul-10	Jul-10	8,000		7,668	7,668
Nile Project: To improve rural livelihoods and their resilience through a landscape approach to rainwater management						
Nile Project 2: On integrated rainwater management strategies—technologies, institutions and policies	Mar-10	Dec-13	423,923	–	45,851	45,851
Nile Project 4: Assessing and anticipating consequences of innovations	Mar-10	Dec-13	148,774	–	2,032	2,032
IWMI Sub-total			782,696	154,753	72,671	227,424
CHALLENGE PROGRAM ON WATER AND FOOD (CPWF)						
A Landscape Approach to rainwater management in Ethiopia; Nile Project 5 On coordination and multi-stakeholder platforms	Mar-10	Dec-13	1,400,000	–	239,039	239,039
A Landscape Approach to rainwater management in Ethiopia; Nile Project 3 On Targeting and Scaling out	Mar-10	Feb-12	1,000,000	–	107,355	107,355
Project VL2: Integrated management of rainwater for crop–livestock agrosystems	Oct-10	Dec-13	1,225,000	–	33,472	33,472
CPW Sub-total			3,625,000	–	379,867	379,867
Sub-total : C			4,407,696	154,753	452,538	607,291

Exhibit III

Schedule of Direct and Indirect cost rates for the year ended 31 December 2010 (currency—US dollars)

STATEMENT OF OPERATING EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 '000	2009 '000
Direct Operating Expenses		
Research	34,679	45,239
Research Support	3,724	3,217
Sub-total	38,403	48,456
less: Overhead recovery ¹	(2,142)	(2,490)
Total	<u>36,261</u>	<u>45,966</u>
Indirect Operating Expenses		
Management	3,039	1,757
Operations	3,391	3,549
Common Sustenance Services	1,748	1,418
Total	<u>8,178</u>	<u>6,724</u>
Total Operating Expenses	<u>44,439</u>	<u>52,690</u>
Cost Ratios		
Direct/Total	82%	87%
Indirect/Total	18%	13%
Indirect/Direct	23%	15%

¹ The deduction of the overhead recovery does not result in a NET amount but rather it results in the correct gross amount of the direct costs. This is because the project costs (normally reported as direct project costs) include an amount of indirect costs that a donor of restricted projects allows a Center to recover. As this is not a real direct cost it should be removed. This is always the amount shown as recovery in the Statement of Activity (SOA).

Exhibit IV

Schedule of furnishings and equipment for the year ended 31 December 2010 (currency – US dollars – ILRI)

	Balance at 01.01.10	Unrestricted additions	Restricted additions	BecA additions	Adjustments	Disposals	Balance at 31-Dec-10
COST							
Laboratory and scientific equipment	9,107	116	361	–	–	(1,839)	7,745
Computers	4,697	353	17	–	–	(756)	4,311
Office, furniture and other equipment	2,376	86	20	–	–	(485)	1,997
Motor Vehicles	2,867	120	81	–	–	(98)	2,970
Operating/Heavy Duty equipment	2,597	75	277	–	–	(792)	2,157
Laboratory and scientific equipment— Beca	2,715	–	–	110	–	–	2,825
Computer Equipment—BecA	58	–	–	4	–	–	62
Office & Furniture Eqpmt—BecA	323	–	–	25	–	–	348
Motor Vehicles	47	–	–	–	–	–	47
Operating/Heavy Duty equipment— BecA	1,929	–	–	3	–	–	1,932
TOTAL COST OF FIXED ASSETS	26,716	750	756	142	–	(3,970)	24,394
ACCUMULATED DEPRECIATION							
Laboratory and scientific equipment	8,814	103	361	–	78	(1,839)	7,517
Computers	4,226	293	17	–	–	(754)	3,782
Office, furniture and other equipment	2,016	128	20	–	–	(485)	1,679
Motor Vehicles	2,325	162	81	–	–	(98)	2,470
Operating/Heavy duty equipment	2,520	13	277	–	–	(776)	2,034
Laboratory and scientific equipment— BecA	2,715	–	–	110	–	–	2,825
Computer Equipment—BecA	58	–	–	4	–	–	62
Office & Furniture Eqpmt—BecA	323	–	–	25	–	–	348
Motor Vehicles	47	–	–	–	–	–	47
Operating/Heavy Duty equipment— BecA	1,929	–	–	3	–	–	1,932
Small value assets—BecA							
Other assets—BecA							
TOTAL ACC. DEPRC	24,973	699	756	142	78	(3,952)	22,696
NET BOOK VALUE							
Laboratory and scientific equipment	293	13	–	–	(78)	–	228
Computers	471	60	–	–	–	(2)	529
Office and housing furniture and equipment	360	(42)	–	–	–	–	318
Motor Vehicles	542	(42)	–	–	–	–	500
Operating/Heavy duty equipment	77	62	–	–	–	(16)	123
Laboratory and scientific equipment— BecA	–	–	–	–	–	–	–
Computer Equipment—BecA	–	–	–	–	–	–	–
Office & Furniture Eqpmt—BecA	–	–	–	–	–	–	–
Motor Vehicles	–	–	–	–	–	–	–
Operating/Heavy Duty equipment—BecA	–	–	–	–	–	–	–
TOTAL NET BOOK VALUE	1,743	51	–	–	(78)	(18)	1,698

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