

**AFRICAN CENTER OF EXCELLENCE
IN ENERGY FOR SUSTAINABLE
DEVELOPMENT (ACEESD)**

FINANCIAL AUDIT REPORT

For the year ended 30 June 2020

OAG Core Values

Integrity Independence Accountability
Objectivity Confidentiality
In public Interest

**AFRICAN CENTER OF EXCELLENCE IN ENERGY FOR SUSTAINABLE
DEVELOPMENT (ACEESD)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2020**

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1. INTRODUCTION

1.1 Statement of purpose

The African Centers of Excellence (ACEs) financed under the ACE II Project supports the Governments of **eight (8)** participating countries (namely Ethiopia, Kenya, Malawi, Mozambique, Rwanda, Tanzania, Uganda and Zambia) to collectively address key development challenges facing the Eastern and Southern Africa region through interventions in developing critically-needed science and technology capacity. Accordingly, the International Development Association availed to Rwanda a credit amounting to **SDR 14,500,000** (Special Drawing Right) equivalent to **USD 20,000,000** to strengthen selected Higher Education Institutions.

1.2 Project information

Project start date:	The project approval date is 26 May 2016
	The project signature of agreement date is 17 June 2016
	The project effectiveness date is 17th October 2016
Project end date:	The project last disbursement date is 30 June 2022
	The project expected completion date is 31 December 2022
Project Manager	Dr. Charles KABIRI
Project budget by Lender	World Bank: USD 5.5 Million
Total cost of the project	USD 5.5 million
Implementing Budget Agency	University of Rwanda

1.3 Project overview

Line Agency of the project	University of Rwanda
Strategic goals/objectives of the project	The objective of this project is to result in building capacity of the East and Southern African region through the University of Rwanda, College of Science and Technology to undertake interdisciplinary research and training in smart and micro-grid energy technologies tailored to serve remote and/or rural areas using renewable sources, power systems and energy management and trade policy, train 40 PhD and 120 MSc energy experts and improve research and teaching environment.

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Main components of the project	The main component of the project is to create a world-class energy centre that will be a regional hub for research and training of African engineers, policy makers and energy utility managers (in micro-grid energy systems using renewable energy sources and interstate energy trading, management and policy); contribute to rural development through technology transfer; and nurture and promote entrepreneurship development in the energy sector towards sustainable development.																																																												
Ooutputs of the projects	<ol style="list-style-type: none"> 1. To provide national and regional capacity-building (MSc & PhD) for the establishment and implementation of energy systems using local energy sources and appropriate technologies to cover energy needs for sustainable development. 2. To develop and transfer appropriate energy technologies for sustainable development at the national and regional levels; 3. To contribute and strengthen cooperation between industry and academia in the field of clean energy. 4. To provide energy research, consultancy and advisory services to both public and private organizations at national, regional and international levels; 5. To provide policy development skills training for students, policy-makers and utility managers aimed at building policy and monitoring capacity in the region which is critical for effective interconnection of energy systems. 																																																												
Programs offered by the African Center of Excellence in Energy for Sustainable Development	<p>The table below shows the number, category of students and their intakes:</p> <table border="1" data-bbox="459 1240 1307 1659"> <thead> <tr> <th>Qualification name</th> <th>Total</th> <th>2017-2018</th> <th>2018-2019</th> <th>2019-2020</th> </tr> <tr> <td></td> <td>A=B+C+D</td> <td>B</td> <td>C</td> <td>D</td> </tr> </thead> <tbody> <tr> <td colspan="5">PHD</td> </tr> <tr> <td>Electrical Power Systems</td> <td>14</td> <td>12</td> <td>1</td> <td>1</td> </tr> <tr> <td>Energy Economics</td> <td>7</td> <td>7</td> <td>-</td> <td>-</td> </tr> <tr> <td>Renewable Energy</td> <td>19</td> <td>14</td> <td>3</td> <td>2</td> </tr> <tr> <td>Total</td> <td>40</td> <td>33</td> <td>4</td> <td>3</td> </tr> <tr> <td colspan="5">MSC</td> </tr> <tr> <td>Electrical Power Systems</td> <td>17</td> <td>-</td> <td>17</td> <td>-</td> </tr> <tr> <td>Energy Economics</td> <td>13</td> <td>-</td> <td>13</td> <td>-</td> </tr> <tr> <td>Renewable Energy</td> <td>15</td> <td>-</td> <td>15</td> <td>-</td> </tr> <tr> <td>Total</td> <td>45</td> <td>-</td> <td>45</td> <td>-</td> </tr> </tbody> </table>	Qualification name	Total	2017-2018	2018-2019	2019-2020		A=B+C+D	B	C	D	PHD					Electrical Power Systems	14	12	1	1	Energy Economics	7	7	-	-	Renewable Energy	19	14	3	2	Total	40	33	4	3	MSC					Electrical Power Systems	17	-	17	-	Energy Economics	13	-	13	-	Renewable Energy	15	-	15	-	Total	45	-	45	-
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Total	45	-	45	-																																																									

1.4 Registered office

The entity is domiciled in Kigali, Rwanda. The address of its registered office is:
University of Rwanda, College of Sciences and Technology.
Kigali, Rwanda

1.5 Bankers

The following are the bankers for the current year:

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National Bank of Rwanda.
Bank of Kigali

1.6 Auditors

The Project is audited by the Office of the Auditor General.

1.7 Center Management Team

The management team that held office during the year ended 30 June 2020 are included in the table below:

s/n	Name	Position
1	Françoise KAYITARE TENGERA	Deputy Vice Chancellor For Finance
2	Dr Ignace GATARE	Principal-College of Science and Technology/University of Rwanda
3	Prof. Etienne NTAGWIRUMUGARA	Centre Director up to 25 June 2020
4	Dr. Charles KABIRI	Deputy Centre Director from 25 th June 2020 up to date
5	Immaculate BUGINGO	UR SPIU Coordinator
6	Maurice Phabian Kanamugire	Ag. UR SPIU Director of Administration and Finance
7	Landuard KIRIKIRI	Centre Administrator
8	JMV HARINDINTWALI	Accountant

1.8 Funding Summary

The Project is for duration of 5 years from 2016 to December 2022 with an approved budget of USD 5,500,000 as highlighted in the table below:

Source of funds	Total commitment	Cumulative amount received to 30 June 2020	Cumulative amount received to 30 June 2020	Undrawn balance to	*Undrawn balance
	(A)	(B)	(C)	D=(A)-(B)	E=(D*937.07761)
	(in USD)	(in USD)	(in Frw)	(in USD)	(Frw)
Loan					
World Bank	5,500,000	2,758,601	2,390,298,963	2,741,399	2,568,903,623
Total	5,500,000	2,758,601	2,390,298,963	2,741,399	2,568,903,623

**Undrawn balance of USD as at 30 June 2020 was translated into Frw using BNR quoted average rate on 30 June 2020 which is 1USD=Frw 937.07761*

Below are details of amount received from World Bank up to 30 June 2020:

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Date received	Amount received	Exchange rate	Total amount in local currency
	USD		Frw
20/04/2017	1,100,000	826.192	908,811,200
13/5/2019	370,101	883.972	327,158,921
13/5/2019	511,000	883.972	451,709,692
14-Aug-19	507,500	894.653603	454,036,704
17-Mar-20	270,000	920.675726	248,582,446
TOTAL	2,758,601		2,390,298,963

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2. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Article 66 of the Organic Law No. 12/2013 of 12/09/2013 on State Finances and Property requires budget agencies to prepare and submit to the Ministry annual financial statements in a period of one month from the end of the fiscal year and submit their annual financial statements to the Auditor General of State Finances not later than 30th September of the following fiscal year.

Article 19 of the Organic Law N° 12/2013 further stipulates that the Chief Budget Manager is responsible for maintaining accounts and records of the budget agency, preparing reports on budget execution, managing revenues and expenditures, preparing, maintaining and coordinating the use of financial plans, managing the financial resources for the budget agency effectively, efficiently and transparently, ensuring sound internal control systems in the budget agency and safeguarding the public property held by the budget agency.

As Chief Budget Manager, I accept responsibility for the annual financial statements, which have been prepared using appropriate accounting standards applicable to Public Entities as defined by Article 99 of the Ministerial Order No 001/16/10/TC of 26/01/2016 relating to financial regulations.

These financial statements have been extracted from the accounting records of **African Center of Excellence in Energy for Sustainable Development (ACEESD)** and the information provided is accurate and complete in all material respects. The financial statements also form part of the consolidated financial statements of the Government of Rwanda.

In my opinion, the financial statements give a true and fair view of the state of the financial affairs of **ACEESD**. I further confirm that **ACEESD** maintained proper accounting records that may be relied upon in the preparation of financial statements. I also confirm that adequate systems of internal control were maintained and operated effectively during the financial year to safeguard the assets of the project.

Nothing has come to the attention of management to indicate that **ACEESD** will not continue operating as a going concern for the foreseeable future.

Signature: _____



Françoise KAYITARE TENGERA
Deputy Vice Chancellor for Finance
University of Rwanda

Date: December 23rd 2020

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3. REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS

REPORT ON THE FINANCIAL STATEMENTS

Françoise KAYITARE TENGERA
Deputy Vice Chancellor for Finance
University of Rwanda

3.1 Opinion

As required by Article 165 of the Constitution of the Republic of Rwanda of 2003 revised in 2015, and Articles 6 and 14 of Law n° 79/2013 of 11/09/2013 determining the mission, organization and functioning of the Office of the Auditor General of State Finances (OAG), I have audited the financial statements of **African Center of Excellence in Energy for Sustainable Development (ACEESD)** for the year ended 30 June 2020. These financial statements comprise the statement of financial position as at 30 June 2020, statement of revenue and expenditure, statement of cash flows, statement of changes in net assets and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory notes. These financial statements are set out on pages **10 to 26**.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of **African Center of Excellence in Energy for Sustainable Development (ACEESD)** as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with the guidelines provided by Ministerial Order n° 001/16/10/TC of 26/01/2016 relating to financial regulations and Organic Law N° 12/2013/OL of 12/09/2013 on State Finances and Property.

3.2 Basis for opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under ISSAIs are described in section 3.4 of this report.

I am independent of **African Center of Excellence in Energy for Sustainable Development (ACEESD)** and have fulfilled my ethical responsibilities in accordance with the ethical requirements that are relevant to my audit of financial statements of public entities as determined by the Code of ethics for International Organization of Supreme Audit Institutions (INTOSAI). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

3.3 Responsibilities of management and those charged with governance for the financial statements

According to Organic Law N° 12/2013/OL of 12/09/2013 on State Finances and Property, management of **African Center of Excellence in Energy for Sustainable Development (ACEESD)** is responsible for keeping accounting records and books of account, and preparation of financial statements in accordance with the financial regulations prescribed by the Minister in Ministerial order n° 001/16/10/TC of 26/01/2016 relating to financial regulations.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the **ACEESD** ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Government either intends to discontinue operations of the **ACEESD**.

Those charged with Governance of this **ACEESD** are the project Steering Committee as per establishing funding agreement. They are responsible for overseeing **ACEESD**'s financial reporting process.

3.4 Auditor General's responsibilities for the audit of the financial statements

My objective when conducting an audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Misstatements can arise from fraud or error and are considered material if individually or in aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these financial statements.

An audit conducted in accordance with ISSAIs requires an auditor to exercise professional judgment and maintain professional skepticism throughout the audit and involves:

- The identification and assessment of the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform procedures responsive to those risks and to obtain sufficient and appropriate audit evidence to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of internal control.
- Evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management.

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- Concluding on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the **African Center of Excellence in Energy for Sustainable Development (ACEESD)** ability to continue as a going concern as well as evaluating the presentation of the financial statements.
- Evaluation of the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieved fair presentation.


BIRARO R. Obadih
AUDITOR GENERAL
KIGALI
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4. FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

4.1 STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED
30 JUNE 2020

Description	Notes	12 months ended 30 June 2020	12 months ended 30 June 2019
		Frw	Frw
Revenues			
Transfers from public entities	2	207,486,000	69,897,000
Other revenue	3	31,292,820	21,424,383
External borrowings	4	702,619,150	778,868,613
Total revenues (A)		941,397,970	870,189,996
Expenses			
Goods and Services	5	232,978,181	175,529,000
Other expenses	6	413,607,583	179,427,971
Total operating expenses		646,585,764	354,956,971
Acquisition of fixed assets	7	278,453,014	453,547,126
Total expense (B)		925,038,778	808,504,097
Surplus for the period (C=A-B)		16,359,192	61,685,899

The notes on pages 16 to 26 form an integral part of these financial statements.

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4.2 STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30 JUNE
2020

Description	Notes	30 June 2020	30 June 2019
		Frw	Frw
Financial assets			
Cash and cash equivalents	8	754,823,635	833,664,845
Advance payments	9	-	1,425,000
Total financial assets (A)		754,823,635	835,089,845
Less financial liabilities			
Payables	10	-	101,103,874
Total liabilities (B)		-	101,103,874
Net assets (C = A-B)		754,823,635	733,985,971
Accumulated surplus	11	733,985,971	672,300,072
Prior year adjustments	12	4,478,472	-
Surplus for the period		16,359,192	61,685,899
Total net assets		754,823,635	733,985,971

The notes on pages 16 to 26 form an integral part of these financial statements.

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4.3 STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2020

Description	Notes	12 months ended 30 June 2020	12 months ended 30 June 2019
		Frw	Frw
Cash flow from operating activities			
Transfers from public entities	2	207,486,000	69,897,000
Other revenue	3	31,292,820	21,424,383
Payments for operating expenses			
Goods and Services	5	(232,978,181)	(175,529,000)
Other expenses	6	(413,607,583)	(179,427,971)
Adjusted for:			
Changes in receivables	9	1,425,000	-
Changes in payables	10	(101,103,874)	92,540,922
Adjustments during the period		4,478,472	-
Net cash flows from operating activities (A)		(503,007,346)	(171,094,666)
Cash flows from Investing Activities		-	
Purchase of capital Items	7	(278,453,014)	(453,547,126)
Proceeds from sale of capital items		-	-
Net cash flows from Investing Activities (B)		(278,453,014)	(453,547,126)
Cash flow from Financing Activities			
Proceeds from borrowings	4	702,619,150	778,868,613
Net cash flow from financing activities (C)		702,619,150	778,868,613
Net increase/ Decrease in cash and cash equivalents (D=A+B+C)		(78,841,210)	154,226,821
Cash and cash equivalents at beginning	8	833,664,845	679,438,024
Cash and cash equivalents at end		754,823,635	833,664,845

The notes on pages 16 to 26 form an integral part of the financial statements.

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4.4 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020

Description	Accumulated surplus/loss	Adjustments	Total
	Frw	Frw	Frw
Balances as at 30 th June 2018	672,300,072	-	672,300,072
Net Surplus/(Deficit) for the financial year	61,685,899	-	61,685,899
Balance as at 30 th June 2019	733,985,971	-	733,985,971
Prior year adjustments:		4,478,472	4,478,472
Net Surplus for the financial year	16,359,192		16,359,192
Balances as at 30th June 2020	754,823,635	-	754,823,635

The notes on pages 16 to 26 form an integral part of the financial statements.

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4.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Description	Revised budget	Actual	Variances	Performance
	2019-2020	2019-2020		%
	Frw	Frw	Frw	N/A
	A	B	C=A-B	(B/A)*100
RECEIPTS				
Grants and transfers	211,135,000	207,486,000	3,649,000	98.27
Other Revenues	31,292,820.00	31,292,820.00	-	100.00
Total receipts (A)	242,427,820	238,778,820	3,649,000	98.49
EXPENDITURE				
Goods And Services	277,746,479	232,978,181	44,768,298	83.88
Other Expenses	455,129,420	413,607,583	41,521,837	90.88
Total payments (B)	732,875,899	646,585,764	86,042,362	88.22
Operating balance C= (A-B)	(490,448,079)	(407,806,944)	(82,393,362)	
Transactions in non-financial assets				
Capital expenditure	329,201,929	278,453,014	50,748,915	84.58
Total non-financial assets (D)	329,201,929	278,453,014	50,748,915	84.58
Net lending/(Borrowings)				
Financing				
Borrowings- External (E)	702,619,150	702,619,150	-	100.00
Total net incurrence of liabilities F=(C-D+E)	(117,030,858)	16,359,192	(133,142,277)	(13.77)

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Explanation on variances:

- (i) On grant and transfer was not achieved as planned due to the student's drop out
- (ii) Goods and services was not achieved as planned due to budget line of external teachers and exchange program not done because of Covid-19.
- (iii) Other expenses were not achieved due to the expected students who did not register.

Prepared by: JMV HARINDINTWALI  23/12/2020
Project Accountant – ACE ESD Signature Date

Reviewed by: KANAMUGIRE P. Maurice  23/12/2020
Ag. UR SPIU DAF Signature Date

Checked by: BUGINGO Immaculate  23/12/2020
UR SPIU Coordinator Signature Date

Approved by: Françoise Kayitare Tengera  23/12/2020
Chief Budget Manager Signature Date



4.6 NOTES TO THE FINANCIAL STATEMENTS

1. Significant accounting policies

Public entities maintain their books of account on a modified accrual basis of accounting as prescribed in basis for preparation.

2. Statement of compliance

The financial statements have been prepared in accordance with the Organic Law n° 12/2013 of 12/09/2013 on State Finances and Property and related legal framework. These financial statements have been authorized for issue by The Chief Budget Manager on 30 June 2020

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period. The presentation and classification of items in the financial statements are consistent from one period to the next and takes into consideration progressive improvements as contained in the Government of Rwanda roadmap to migrate to accrual IPSAS.

3. Basis of preparation

The financial statements have been prepared on the basis of historical costs unless otherwise stated. The cash flow statement is prepared using the direct method. The specific accounting basis for major items in the financial statements are provided below. Except for the subsidiary entities affiliated to the decentralized entities, public entities shall maintain their books of account on a modified accrual basis of accounting. The subsidiary entities affiliated to the decentralized entities shall maintain their books of account on a modified cash basis of accounting and progressively move to the same accounting basis as that of the rest of the public entities. In this context modified accrual basis of accounting means that financial transactions and events shall generally be recognized in the books of account when they occur and not only when cash or its equivalent is received or paid, except in the following circumstances when transactions will be treated on a cash basis;

- (i) Public debt (principal and interest) – involving Treasury bills, treasury bonds, corporate bonds, sovereign bonds and external loans acquired by the Ministry or any other debt the State may take on will be treated on cash basis and recognized as revenue during the year of receipt and as expenditure in the year of repayment. However, loans acquired directly by a public entity and any associated interest shall be treated on an accrual basis and recognized as liabilities.
- (ii) Inventories – these are assets:
 - a. in the form of materials and supplies to be consumed in the production process,
 - b. in the form of materials to be consumed in the rendering of services,
 - c. held for sale or distribution in the ordinary course of operations,
 - d. in the process of production for sale or distribution.

Inventories include assets such as consumable stores, maintenance materials, ammunition, land and other properties held for sale, strategic stock piles e.g. fuel reserves.

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These will be treated on cash basis and recorded as expenditure during the year of acquisition and treated as revenue in the year of disposal.

- (iii) Non-exchange transactions: - These arise where an entity receives value from another entity without giving approximately equal value in exchange. These include taxes, fines and penalties, transfers, gifts and donations and shall be recognised when cash is received.
- (iv) Non-current assets (tangible and intangible assets): - such as vehicles, furniture, equipment, finance leases, Plant and tools and investment property will be treated on cash basis and recorded as capital expenditure during the year of acquisition and revenue in the year of disposal.
- (v) Investments excluding those directly made by public entities: - shareholding in public corporations, investments in associates, equity interest in joint ventures, lending and on-lending by government entities will be treated on cash basis and recorded as capital expenditure during the year of acquisition and revenue in the year of disposal.
- (vi) Student loans: - Student loans shall be treated on a cash basis at the time of disbursements and recognized as expenses. Similarly, they will be recognized as revenue when loan repayments are received from the students.

The financial statements are presented in Rwanda Francs (Frw), being the currency of legal tender in Rwanda which is the functional and reporting currency of the Government of Rwanda.

4. Reporting project

The Financial Statements have been prepared by **The African Centre of Excellence in Energy for Sustainable Development (ACEESD)** pursuant to Articles 19 and 66 of the Organic Law on State Finances and Property No 12/2013 of 12/09/2013 that empowers the Chief Budget Manager to prepare the financial statements.

5. Reporting periods

The Government of Rwanda Fiscal Year runs from 1st July to 30th June. These financial statements cover the period from 1st July 2019 to 30th June 2020. The comparative figures reflect the 12 months ended 30th June 2019.

6. Key assumptions and judgements

These financial statements, as a component of the Government consolidated financial statements, reflect the Government's financial position as at 30 June 2020, and the financial results of operations and cash flows for the year ended on that date. Included in these financial statements are a number of judgements, estimations and assumptions.

The assumptions are based on information available at the time of the preparation of the financial statements. It should therefore be noted that actual results may differ from the assumptions stated and thus have a material impact on the financial statements. The key assumptions are discussed below:

7. Presentation Currency

The functional currency of the Government of Rwanda is the Rwandan Franc. For reporting purposes, the financial statements are translated into Rwandan Francs.

The rates used to translate foreign currency balances is the average rate applicable by National Bank of Rwanda as at 30 June 2020.

8. Adoption of new and revised standards

The government is in the process of transitioning to IPSAS through a phased approach that involves a six-year implementation plan. The current year is year 2 of the transition process. By the end of the six-year implementation period, the government plans to have fully transitioned to IPSAS and adopted all relevant standards.

9. Recognition

I. Revenue recognition

a) Revenue from non-exchange transactions

b) Borrowings

The Ministry of Finance and Economic Planning is the principal borrowing agent for Central Government. Public debt and associated interest is recognized on cash basis. Proceed from loan borrowing is recognized as revenue during the year of receipt at cost and repayment as expenditure in the year of repayment. Cash is considered as received when recipient entity received a transfer advice from the partner rather than when cash is received in the bank account of the receiving entity.

Other loans (principal and any associated interest) acquired directly by a public entity (e.g. those acquired by Decentralized Entities) are treated on an accrual basis and recognized as liabilities.

II. Expenditure

All expenditure is recognised on accrual basis however the point of recognition may be different according to their categories.

a) Goods and services

Goods and services consists of the value of goods and services used for the production of market and nonmarket goods and services.

The value of goods or services is recorded when the goods or services are actually used rather than when they were acquired or paid for. In practice, these events often coincide for inputs of services but not for goods, which may be acquired some time in advance of their use. The value of goods purchased and held for resale is recorded as goods and services when they are sold.

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b) Acquisition of fixed assets

The expenditure on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as expenditure and income items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as revenue and as Acquisition of Fixed Assets otherwise it not recorded rather a fixed asset register which contains details of assets is maintained by each public entity.

c) Other expenses

Any other expenses not part of the ones above will fall into this category and shall be for on cash basis of accounting and recognised in books of accounts when cash and cash equivalent is paid.

III. Assets and Liabilities

a) Cash and cash equivalents

Cash comprises cash on hand, demand deposits and cash equivalents. Demand deposits and cash equivalents comprise balances with banks and investments in short-term money market instruments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the National Bank of Rwanda, foreign bank for the case of embassies and high commissions and at various commercial banks at the end of the reporting period.

b) Inventories

Inventories are expensed in the period in which they are acquired by the Government and its entities.

c) Receivables

These receivables include the receivables from the exchange transactions, prepayments and other receivables. Receivables from non-exchange transactions and these relating to on lending transactions are recorded when cash and cash equivalent is received.

d) Payables

These mainly relate to invoices for goods and services which were outstanding on the date of the closure of the fiscal year. These are recognized as liabilities for that specific fiscal year. All goods received notes are recognised as liabilities if not yet paid as at the end of the period.

It also includes short term borrowings received by budget agencies from Local Commercial Banks as these are not regarded as public debt.

2. Transfers from reporting public entities

During the 12 months to 30 June 2020, the Project received transfers from Government reporting agencies as detailed below:

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ID Account	Description	12 months ended 30 June 2020	12 months ended 30 June 2019
		Frw	Frw
139112	Intra Transfers From Subsidiaries Entities –Current		
139112	(UNIVERSITY OF RWANDA)	207,486,000	69,897,000
Total		207,486,000	69,897,000

3. Other revenue

These comprise of other revenues including voluntary transfers other than grants, miscellaneous income and unidentified revenues.

ID Account	Description	12 months ended 30 June 2020	12 months ended 30 June 2019
		Frw	Frw
145111	Gain of Currency Exchange &	31,292,820	21,081,482
1452	Unidentified revenue	-	342,901
	Total	31,292,820	21,424,383

4. External borrowings

These comprise of proceeds from loan borrowing from external development partners received by entity in form of cash transfers; direct payments and in form of technical assistance.

Name of Partner	Date received	Amount in USD	Exchange rate	Period ended June 2020
				Frw
162102 Cap borr: Int organisations	14-08-19	507,500	894.653603	454,036,704
162102 Cap borr: Int organisations	17-03-20	270,000	920.675726	248,582,446
Total		777,500		702,619,150

5. Use of goods and services

During the 12 months to 30 June 2020, the Project consumed goods and services as detailed in the table below:

ID Account	Description	12 months ended 30 June 2020	12 months ended 30 June 2019
		Frw	Frw
2211	Office Supplies and Consumables	5,446,277.19	1,215,801.14

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2214	Communication Costs	16,423,298.08	4,569,642.43
2216	Bank charges and commissions and other financial costs	660,123.48	4,441,860.43
2217	Public Relations and Awareness	3,125,991.39	-
2221	Professional and contractual Services	120,735,208.09	73,397,464.01
2231	Transport and Travel	59,194,997.53	84,468,821.58
2261	Training Costs	27,392,284.86	7,435,410.14
	Total	232,978,180.62	175,528,999.73

6. Other expenses

These include all expenses transactions not elsewhere classified. This includes membership and subscriptions, scholarships and education benefits as well as miscellaneous expenses.

ID account	Description	12 months ended 30 June 2020	12 months ended 30 June 2019
		Frw	Frw
288102	Education Non Reimbursable Scholarships	179,170,887.37	68,606,007.14
288104	Students Living Allowances	234,414,838.93	110,821,964.02
289107	Other Insurance Costs	21,857.17	-
Total		413,607,583.47	179,427,971.16

7. Acquisition of fixed assets

During the 12 months to 30 June 2020, the Project incurred capital expenditure as detailed in the table below:

ID account	Description	12 months ended 30 June 2020	12 months ended 30 June 2019
		Frw	Frw
231	Acquisition of fixed assets		
231401	Acquisition Desk top Computer	10,500,003	-
231402	Acquisition of Laptops	1,242,981	-
231499	Acquisition of ICT Equipment	4,465,688	-
231502	Acquisition of Lab & medical Equipment	262,244,342	453,547,126
	Total	278,453,014	453,547,126

8. Cash and Cash equivalents

The bank amounts shown in the table below have been reconciled to the bank statements as at 30 June 2020.

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ID account	Bank name	Account No.	Currency	Amount in foreign currency	Exchange rate	30 June 2020	30 June 2019
						Frw	Frw
311391	BNR	1000038055	USD	507234.1	937.077161	475,317,462	763,018,509
311421	BK	07744799-76	USD	123.97	937.077	116,169	138,273
311520	BK	07744798-75	RWF			279,390,003	70,508,063
Grand Total						754,823,635	833,664,845

9. Receivable from exchange transactions

This refers to the amount receivable from the fees, sales of Goods and Services and property income as at 30 June 2020:

Debtor's Account Code	Debtor's name	30 June 2020	30 June 2019
		Frw	Frw
	Sales of Goods	0	-
312199	Other accounts receivables	0	1,425,000
	Total	-	1,425,000

10. Accounts payable

This refers to the payables from the normal course of the operations as below:

ID account	Description	30 June 2020	30 June 2019
		Frw	Frw
4121	Accounts Payables - Third parties		
4121	FYDES	-	(8,908)
	MAGASIN KAJAL	-	596,855
	RWANDAIR	-	551,244
	MTN	-	80,000
	OAMA EMILY	-	1,684,009
	COMPUTER POINT	-	1,957,950
	COMPUTER POINT	-	460,991
	VIRUNGA HOTEL	-	711,306
	KATUNDU	-	1,388,930
	UR	-	501,085
	BAHORANIMANA BERNABE	-	450,565
	SORAS	-	49,725

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ID account	Description	30 June 2020	30 June 2019
		Frw	Frw
	NDUWAMUNDUNAF ROSID	-	139,200
	RTTA	-	137,000
	RTTA	-	548,000
	UBUZIMA Restaurant	-	173,900
	RTTA	-	548,000
	TPGL	-	285,200
	UBUZIMA Restaurant	-	319,200
	Happy day restaurant	-	86,400
	WTH Payable	-	68,464,291
	Payable of UR-SPIU Basket	-	21,731,158
412105	Returned Payment	-	247,773.10
	Total	-	101,103,874

11. Accumulated surplus from previous years

These include cash book reconciled bank balances, petty cash balances, accounts payables balances as well as accounts receivables balances existing at the beginning of the year along with the closing balance of the Prior year adjustments and the accumulated balance as of the last year.

ID ACCOUNT	Description	Closing balances submitted for consolidation	Adjustments	Restated closing balances
		Frw	Frw	Frw
511101	Bank balances	833,664,845.31	-	833,664,845.31
511101	Cash balances	-	-	-
511102	Accounts receivable	1,425,000	-	1,425,000
511103	Accounts payable	(101,103,874)	-	(101,103,874)
	Total	733,985,971	-	733,985,971

12. Prior year adjustments

The following is the prior year adjustments to opening balances

ID Account	Description	Period ended 30 June 2020	Movements (+/-)	Period ended June 2019	Period ended June 2018
				Movements (+/-)	
		Frw	Frw	Frw	Frw
512103	Payables and other liabilities	4,478,472	4,478,472	-	1,140,575.00
	Total	4,478,472	4,478,472	-	1,140,575

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Note 1: Adjustments on accounts payable

Adjustments made on accounts payable are explained below:

Description	As at 30 June 2020	As at 30 June 2019
	Frw	Frw
Payables and other liabilities	4,478,472	-
Total	4,478,472	-

13. Changes in Accounts Receivables and Accounts Payables

These comprise of changes in account receivables and accounts payables from previous year to this year. Once the change in accounts receivable is positive, it represents the cash outflow while the negative change in accounts receivables implies cash inflows. As far as accounts payable are concerned, the positive change implies more cash inflows whereas the negative trend of accounts payable implies the cash flowing outside the entity. Below is the movement within accounts receivable and accounts payable.

Description	Balance as at June 2019	Movement during the current year	Balance as at 30 th June 2020	Movement during the previous year
	Frw	Frw	Frw	Frw
Movement in accounts receivables	1,425,000	1,425,000	-	-
Movement in accounts payable	101,103,874	(101,103,874)	-	92,540,922

14. Important Disclosures

14.1. Summary of source of external revenue generation

African Center Of Excellence in Energy for Sustainable Development (ACEESD) won grants amounting **Frw 2,029,910,845** for proposals presented to different projects as detailed below:

Project Name	Disbursement date	Amount	Currency	Exchange rate as 30 June 2020	Amount Frw
RENGA Project	16-Mar-18	11,809	POUND	1,152.661133	13,611,775.32
SIDA PROJECT	10-Sep-19	17,745,600	Swedish Kronor	100.420937	1,782,029,779.63
INCUBATION CENTER	24-Sep-19	250,000	USD	937.077161	234,269,290.25
Total					2,029,910,845

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14.2. Breakdown of the inventory of supplies and consumables

Description	Balance as at 30 June 2019	Additions	Consumed/ Disposed off	Balance as at 30 June 2020
	Frw	Frw	Frw	Frw
Consumable stores	-	8,703,469	6,024,469	2,679,000
Educational/training course materials; and	-	-	-	-
Drugs	-	-	-	-
Total	-	8,703,469	6,024,469	2,679,000

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14.3. Summary of physical assets and reconciled to the fixed asset register

Categories	Opening balance 1 July 2019	Acquisition of assets	Disposed of	Revaluation surplus/(loss) amount	Transfers	Total gross carrying amount	Depreciation for the period	Net carrying amount as at 30 June 2020
	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw
Office Equipment	20,505,000	0	0	0	0	20,505,000	0	20,505,000
ICT Equipment	48,531,860	16,208,672	0	0	0	64,740,532	0	64,740,532
Lap equipment	453,547,126	262,244,342	0	0	0	715,791,468	0	715,791,468
Other equipment	2,230,000	0	0	0	0	2,230,000	0	2,230,000
Total	524,813,986	278,453,014	0	0	0	803,267,000	0	803,267,000