

**THE COPPERBELT UNIVERSITY
AFRICA CENTRE OF EXCELLENCE FOR SUSTAINABLE MINING (ACESM)
PROJECT NO. 5803-ZM**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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ORGANISATION INFORMATION

PROJECT PURPOSE	: Strengthening African Centers of Excellence through capacity building, including facilitation, coordination and administration of project implementation
MANAGEMENT BOARD	: Lt Col Professor Naison Ngoma : Mr. Danny Luswili
KEY MANAGEMENT	: Mrs. Ruth Mulenga : Dr. Nelly Chunda
PROJECT PROGRAMME COORDINATOR	: Dr Phenny Mwaanga
IMPLEMENTING PARTNER	: The Copperbelt University (CBU) : Jambo Drive, Riverside : P.O. Box 21692 : KITWE
INDEPENDENT AUDITOR	: PKF Zambia : P.O. Box 70998 : NDOLA
PRINCIPAL BANKERS	: Investrust Bank : KITWE

REPORT OF THE UNIVERSITY CARETAKER COMMITTEE

The members of the University caretaker committee submit their report and the audited Financial Statements for the year ended 31 December 2020, which disclose the state of the project's affairs.

PRINCIPAL ACTIVITY

The principal activities of the project is to support the recipient to strengthen selected Eastern and Southern African higher Education Institutions in the Recipients territory to deliver quality post graduate education and build collaborative research capacity in the regional priority areas.

The project consists of the following components:

Part 1: Strengthening African Centre of Excellence in Regional Priority Areas

Strengthen the capacity of the African Centers of Excellence in Eastern and Southern African Higher Education Institutions, in particular to:

- Build institutional capacity to provide quality post-graduate education with relevance to the labour market.
- Build institutional capacity to conduct high quality applied research, relevant to addressing a key a key development challenge or priority.
- Develop and enhance partnerships with other academic institutions (national, regional and international) to pursue academic excellence.
- Develop and enhance partnerships with industry and the private sector to generate greater impact.
- Improve governance and management of the institution and set up a role model for other higher education institutions, and
- Deliver outreach, and create an impact to society by delivering excellent teaching and producing high quality applied research.

Part 2: Capacity-Building support to Africa Centers of Excellence (ACE) through regional interventions

Enhance capacity-building through the IUCEA for the African Centers of Excellence to enable them to perform better, overcome their challenges and achieve their objectives by providing:

- Capacity building on partnership development with the private sector; and
- Competitive scholarships to under graduate programs in any of the African Centers of Excellence (ACE)

Part 3: Facilitation, Coordination and Administration of project implementation

Support IUCEA in the preparation, coordination and effective and efficient management of the project.

RESULTS FOR THE YEAR

	2020		2019	
	ZMW	USD	ZMW	USD
Total grants received	23,936,523	1,229,646	4,096,842	318,082
Other income	18,265	1,026	16,882	1,199
Total projects costs	<u>(3,716,182)</u>	<u>(471,621)</u>	<u>(4,781,178)</u>	<u>(507,764)</u>
Surplus/(Deficit)	<u>20,238,606</u>	<u>759,051</u>	<u>(667,454)</u>	<u>(188,483)</u>

CONFIRMATION OF USE OF FUNDS

We confirm that the grants received have been spent according to the Agreement.

REPORT OF THE UNIVERSITY CARETAKER COMMITTEE

EVENTS AFTER THE REPORTING PERIOD

The Council members are aware of COVID 19 pandemic which is a material event which occurred after the reporting period. It is a non adjusting event as it took place after the reporting period. The Council members have assessed its effect on the operations of the project and have taken adequate measures to ensure that the project remains a going concern.

COUNCIL MEMBERS

The members who held office during the year and to the date of this report are as follows:

Name	Designation
Mr. Danny Luswili	Chairperson
Mrs. Doreen Musa Nketani	Vice Chairperson
Prof. Naison Ngoma	Member
Mr. Seke Mbulo	Member
Hon. Prof. Geoffery Lungwangwa	Member
Mrs. Kayula Siame	Member
Prof. Mpazi Sinjela	Member
Ms. Chihego Zulu	Member
Mr. Shilambwe Mwaanga	Member
Prof. Felix Kanungwe Kalaba	Member
Mrs. Bawemi Sichinga Mtonga	Member
Mr. Tryford Kaunga	Member
Mrs. Olivia Chisha Mwansa	Member
Ms. Rose Anawana Mufana	Member
Mrs. Helen M. Mukumba	Secretary

MEMBERS OF THE STEERING COMMITTEE

The steering committee is mandated to provide guidance and oversight to its selected ACEs during the project implementation. It oversees the implementation of the ACEs on a regular basis; and receive and review results achievement and expenditure reports,

Name	Designation	Organization represented
Mr. Mabvuto Sakala	Chairperson	Ministry of Higher Education
Mrs. Jane M Chinkusa	Vice-Chairperson	Ministry of Higher Education
Prof. Enala Tembo Mwase	Member	Deputy Vice Chancellor, University of Zambia
Mrs. Mirriam Chiyaba	Member	Zambia Qualifications Authority
Mr. Amos Mumba	Member	Ministry of Commerce, Trade & Industry
Mr. Filipo Zulu	Member	National Science & Technology Council
Dr. Chitundu Kasase	Member	National Technology Business Centre
Prof. Naison Ngoma	Member	Vice Chancellor, Copperbelt University
Mr. Patrick Mfungo	Member	Ministry of Finance
Mrs. Khondwani Mutelekeshu	Member	Ministry of Higher Education

THE COPPERBELT UNIVERSITY
Africa Centre of Excellence for Sustainable Mining (ACESM)
International Development Association (IDA) Project No. 5803-ZM
Annual Report and Financial Statements
For the year ended 31 December 2020

REPORT OF THE UNIVERSITY CARETAKER COMMITTEE

INDEPENDENT AUDITOR

The Project's auditor, PKF Zambia Chartered Accountants, have indicated willingness to continue in office.



PROFESSOR NAISON NGOMA
VICE CHANCELLOR



MR DANNY LUSWILI
CHAIRPERSON OF COUNCIL

KITWE



2021

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF IMPLEMENTING PARTNER

It is the responsibility of council members to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the project as at the end of the financial year and of the surplus or (deficit) for that year. Council members are also required to ensure that the project maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the project. Council members are also responsible for safeguarding the assets of the project.

Council members accepts responsibility for the preparation and fair presentation of Financial Statements that are free from material misstatement whether due to fraud or error. Council members also accept responsibility for:

- i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error;
- ii. Selecting and applying appropriate accounting policies; and
- iii. Making accounting estimates and judgements that are reasonable in the circumstance.

Council members are of the opinion that the Financial Statements give a true and fair view of the financial position of the organisation as at 31 December 2020 and of the Project's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium sized Entities (IFRS for SMEs), as modified by the Memorandum of Agreement with IDA, set out in accounting policies set out on pages 10 to 11.

Nothing has come to the attention of the council members to indicate that the Project will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by Council members on _____ 2021 signed on its behalf by:



LT COL PROFESSOR NAISON NGOMA
VICE CHANCELLOR



MR DANNY LUSWILI
CHAIRPERSON OF COUNCIL

**Report of the independent auditor to the members of the Copperbelt University
African Centre of Excellence for Sustainable Mining (ACESM Project)**

Opinion

We have audited the financial statements of the Copperbelt University African Centre of Excellence for Sustainable Mining (ACESM Project), which comprise the statement of financial position as at 31 December 2020, and the statement of income and expenditure, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Project as at 31 December 2020, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SMEs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Project in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zambia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Council members are responsible for the other information. The other information comprises the Council members' report, the schedule of operating expenditure but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Council members for the Financial Statements

The Council members are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS for SMEs, and for such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council members are responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council members either intend to liquidate the Project or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

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PKF Zambia Chartered Accountants • 4th Floor, Compensation House • Broadway • P.O. Box 70998 • Ndola • Zambia

**Report of the independent auditor to the Council members of the Copperbelt University
African Centre of Excellence for Sustainable Mining (ACESM Project) (continued)****Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain 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 purpose of expressing an opinion on the effectiveness of the project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council members.
- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the project to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report of the independent auditor to the Council members of the Copperbelt University
African Centre of Excellence for Sustainable Mining (ACESM Project) (continued)**

Report on Other Legal and Regulatory Requirements

We report to you, based on our audit, that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the project, so far as appears from our examination of those books; and
- iii) The statement of financial position and statement of income and expenditure are in agreement with the books of account.
- iv) All IDA funds have been used in accordance with the relevant financing agreements.
- v) Goods and services procured during the year were all in accordance with the relevant financing agreement.

The engagement partner responsible for the audit resulting in this independent auditor's report is S. Chibwe, Practising certificate No. AUD/F000370.


Chartered Accountants


Steve Chibwe

Date: 4 May 2021

REF: SC/CBU-ACESM/N0077/2021

STATEMENT OF INCOME AND EXPENDITURE

		2020		2019	
	Notes	ZMW	USD	ZMW	USD
INCOME					
Project grants received	3	23,936,523	1,229,646	4,096,842	318,082
Other income	4	<u>18,265</u>	<u>1,026</u>	<u>16,882</u>	<u>1,199</u>
Total income		<u>23,954,788</u>	<u>1,230,672</u>	<u>4,113,724</u>	<u>319,281</u>
Direct costs	5	(7,352,559)	(399,343)	(5,860,578)	(416,284)
Other expenses	6	(507,869)	(27,598)	(408,761)	(29,035)
Effects of exchange differences	7	<u>4,144,246</u>	<u>(44,680)</u>	<u>1,488,161</u>	<u>(62,444)</u>
Total expenditure		<u>(3,716,182)</u>	<u>(471,621)</u>	<u>(4,781,178)</u>	<u>(507,764)</u>
Surplus/(Deficit) for the year		<u>20,238,606</u>	<u>759,051</u>	<u>(667,454)</u>	<u>(188,483)</u>

The notes on pages 13 to 21 form an integral part of these financial statements

Report of the independent auditor - pages 6 to 8.

STATEMENT OF CHANGES IN FUNDS

	Capital Grants ZMW	Total Funds ZMW	Capital Grants USD	Total Funds USD
Year ended 31 December 2020				
At start of year	10,942,603	10,942,603	795,810	795,810
Total Surplus/(Deficit) for the year	<u>20,238,606</u>	<u>20,238,606</u>	<u>759,051</u>	<u>759,051</u>
At end of year	<u><u>31,181,209</u></u>	<u><u>31,181,209</u></u>	<u><u>1,554,861</u></u>	<u><u>1,554,861</u></u>
Year ended 31 December 2019				
At start of year	11,610,057	11,610,057	984,293	984,293
Total Surplus for the year	<u>(667,454)</u>	<u>(667,454)</u>	<u>(188,483)</u>	<u>(188,483)</u>
At end of year	<u><u>10,942,603</u></u>	<u><u>10,942,603</u></u>	<u><u>795,810</u></u>	<u><u>795,810</u></u>

The notes on pages 12 to 20 form an integral part of these financial statements


Report of the independent auditor - pages 5 and 7.

THE COPPERBELT UNIVERSITY
Africa Centre of Excellence for Sustainable Mining (ACESM)
International Development Association (IDA) Project No. 5803-ZM
Annual Report and Financial Statements
For the year ended 31 December 2020

STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	2020		2019	
		ZMW	USD	ZMW	USD
Non Current assets					
Property, plant and equipment	8	2,329,020	178,950	1,934,754	157,535
Intangible assets	9	822,623	46,392	51,109	4,488
		<u>3,151,643</u>	<u>225,342</u>	<u>1,985,863</u>	<u>162,023</u>
Current assets					
Trade and other receivables	10	3,463,605	164,161	-	-
Cash and cash equivalents	11	24,742,029	1,172,674	9,113,543	644,882
		<u>28,205,634</u>	<u>1,336,835</u>	<u>9,113,543</u>	<u>644,882</u>
Total assets		<u>31,357,277</u>	<u>1,562,177</u>	<u>11,099,406</u>	<u>806,906</u>
Accumulated funds and liabilities					
Accumulated funds		<u>31,181,209</u>	<u>1,553,832</u>	<u>10,942,603</u>	<u>795,810</u>
		<u>31,181,209</u>	<u>1,553,832</u>	<u>10,942,603</u>	<u>795,810</u>
LIABILITIES					
Other liabilities	12	<u>176,068</u>	<u>8,345</u>	<u>156,803</u>	<u>11,096</u>
		<u>176,068</u>	<u>8,345</u>	<u>156,803</u>	<u>11,096</u>
		<u>31,357,277</u>	<u>1,562,177</u>	<u>11,099,406</u>	<u>806,906</u>

The financial statements on pages 8 to 20 were approved and authorised for issue by the Board on _____ 2021 and were signed on its behalf by:


LT COL PROFESSOR NAISON NGOMA
VICE CHANCELLOR


MR DANNY LUSWILI
CHAIRPERSON OF COUNCIL

The notes on pages 13 to 22 form an integral part of these financial statements

Report of the independent auditor - pages 6 to 8

STATEMENT OF CASH FLOWS

	Note	2020		2019	
		ZMW	USD	ZMW	USD
Cash flows from operating activities					
Surplus for the year		20,238,606	759,051	(667,454)	(188,483)
Adjustments for:					
- Depreciation	8	230,812	12,536	215,389	15,299
- Amortization	9	91,770	4,984	16,865	1,198
- Movements in receivables	10	(3,463,605)	(164,161)	37,800	3,163
- Movements in payables	12	19,265	(2,751)	36,832	1,506
Net cash used in operating activities		<u>17,116,848</u>	<u>609,659</u>	<u>(360,568)</u>	<u>(167,317)</u>
Cash flows from investing activities					
Purchase of property, plant & equipment	8	(625,078)	(33,951)	(1,248,591)	(88,351)
Purchase of intangible assets	9	<u>(863,284)</u>	<u>(46,888)</u>	<u>(6,587)</u>	<u>(466)</u>
Net cash used in investing activities		<u>(1,488,362)</u>	<u>(80,839)</u>	<u>(1,255,178)</u>	<u>(88,817)</u>
Cash flows from financing activities					
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash from financing activities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increases/Decreases in cash and cash equivalents		<u>15,628,486</u>	<u>528,820</u>	<u>(1,615,746)</u>	<u>(256,134)</u>
Movements in cash and cash equivalents					
At start of the year		9,113,543	644,883	10,729,289	901,017
Increases/(Decreases)		<u>15,628,486</u>	<u>528,820</u>	<u>(1,615,746)</u>	<u>(256,134)</u>
At end of year	11	<u><u>24,742,029</u></u>	<u><u>1,173,703</u></u>	<u><u>9,113,543</u></u>	<u><u>644,883</u></u>

The notes on pages 12 to 20 form an integral part of these financial statements

Report of the independent auditor - pages 5 to 7

NOTES: SIGNIFICANT ACCOUNTING POLICIES

1 General Information

The Africa Centre of Excellence for sustainable mining (ACE Project) is a joint project which the Zambian Government, with the Copperbelt University as the implementing agent is running in conjunction with the International Development Association (IDA), the donor.

The objective of the project is to support the recipient to strengthen selected eastern and Southern Africa higher education institutions in the recipients territory to deliver quality post graduate education and build collaborative research capacity in the regional priority areas.

The Republic of Zambia and the International Development Association (IDA) signed the project preparation advance (PPA) agreement on 26 May 2016 for a total funding of six million US dollars (\$ 6 million).

The IDA project 5803-ZM was approved by Board of the World Bank. The financing agreement was signed on 11th May 2017 between the republic of Zambia and the international Development Association (IDA) became effective in 2018. The closing date of the credit will be in 2022.

The financial statements have been prepared on the basis of historical cost. Unless stated otherwise. The financial statements are prepared on an accrual basis.

2 Significant accounting policies

The principal accounting policies adopted in the preparation of these Financial Statements are set out below. These policies will be consistently applied in the future, unless otherwise stated.

a) Basis of preparation

The Financial Statements have been prepared in accordance with the IFRS for SMEs and financial guidelines contained in the Project Agreement and as summarised in the accounting policies below. The University recognises that in certain respects, the existing IFRS for SMEs do not cover issues unique to not-for-profit organisations. Therefore, the University has developed accounting and procedures policies which draw on other widely applied standards to provide guidance on these matters.

Going concern

The financial performance of the Project is set out in the University Caretaker Committee's report and in the statement of income and expenditure. The financial position of the project is also set out on the same statement.

Based on the financial performance and position of the Project, its risk management policies and commitment by Donors to provide funds, the Council members are of the opinion that the project is well placed and attached to the University in good standing to continue its operational activities for the foreseeable future and as a result the Financial Statements are prepared on a going concern.

FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

New and amended standards adopted by the project

A number of new and revised Standards and Interpretations have been adopted in the current year. Their adoption has had no material impact on the amounts reported in these financial statements.

NOTES: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Key sources of estimation uncertainty

The University makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Transactions in foreign currencies during the year are converted into Zambian Kwacha at rates ruling at the transaction dates. Assets and liabilities at the reporting date which are expressed in foreign currencies are translated into Zambian Kwacha at rates ruling at that date. The resulting differences from conversion and translation are dealt with in surplus or deficit in the year in which they arise.

c) Income recognition

i) Grants received

Income in the form of grants is recognised when it is probable that future economic benefits will flow to the University and these benefits can be measured reliably when disbursement linked indicators (DLI) have been met.

ii) Other income

Interest income is accrued by reference to time in relation to the principal outstanding and the effective interest rate applicable.

d) Expenditure recognition

Expenditures are recognised when they are incurred on the goods that have been delivered or services rendered and not necessarily when the payment is effected.

e) Property, plant & Equipment

All property, plant and equipment is initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Freehold land, buildings are subsequently shown at market value, based on periodic valuations less subsequent depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Property, plant and equipment are depreciated on the reducing balance basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment. The useful lives of items of property, plant and equipment have been assessed as follows:

NOTES: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3 Significant accounting policies (continued)

e) Property, plant & Equipment (Continued)

	<u>Rate %</u>
Land & Buildings	2
Computer equipment	25
Motor vehicles	25
Furniture and fittings	25

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings in the statement of changes in equity.

f) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Computer software

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which are estimated to be 5 years.

	<u>Rate (%)</u>
Computer software	25

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks.

Restricted cash balances are those balances that the organisation cannot use for working capital purposes as they have been placed as a lien to secure borrowings.

NOTES: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) **Payables**

Accruals and other payables are obligations on the basis of normal credit terms and do not bear interest.

Payables denominated in a foreign currency are translated into the functional currency using the exchange rate at the reporting date. The resulting differences from conversion and translation are dealt with in profit or loss in the year in which they arise.

i) **Employee benefit obligations**

Pension obligations

The Project and its employees contribute to the National Pension Scheme Authority (NAPSA), a statutory defined contribution scheme registered under the NAPSA Act. The organisation's contributions to the defined contribution scheme are charged to statement of income and expenditure in the year to which they relate.

Accrued leave

The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognised as an expense accrual.

NOTES: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3	Grants	2020		2019	
		ZMW	USD	ZMW	USD
	Funds from International development association	<u>23,936,523</u>	<u>1,229,646</u>	<u>4,096,842</u>	<u>318,082</u>
		<u>23,936,523</u>	<u>1,229,646</u>	<u>4,096,842</u>	<u>318,082</u>
4	Other income	2019		2018	
		ZMW	USD	ZMW	USD
	Interest received	<u>18,265</u>	<u>1,026</u>	<u>16,882</u>	<u>1,199</u>
		<u>18,265</u>	<u>1,026</u>	<u>16,882</u>	<u>1,199</u>
5	Direct costs	2020		2019	
		ZMW	USD	ZMW	USD
	Achieve learning excellence	3,955,438	214,833	2,267,147	161,038
	Research Excellence	357,609	19,423	540,473	38,391
	Quality assurance	173,893	9,445	1,186,323	84,266
	Achieving Equity Dimension	24,150	1,312	-	-
	Attract academic staff and students from region	-	-	159,995	11,365
	National and Regional Academic Partners	308,448	16,753	21,560	1,531
	National and Regional Sector Partners	-	-	37,702	2,678
	Collaboration with International Academic Partners	-	-	43,754	3,108
	Management and governance	1,919,126	104,234	1,210,054	85,952
	Sustainable Financing	26,127	1,419	79,542	5,650
	Monitoring and evaluation	<u>587,768</u>	<u>31,924</u>	<u>314,028</u>	<u>22,306</u>
		<u>7,352,559</u>	<u>399,343</u>	<u>5,860,578</u>	<u>416,284</u>
6	Other expenses	2020		2019	
		ZMW	USD	ZMW	USD
	Audit fees	160,387	8,711	156,803	11,138
	Bank charges	24,900	1,367	19,705	1,400
	Amortization	91,770	4,984	16,865	1,198
	Depreciation	<u>230,812</u>	<u>12,536</u>	<u>215,388</u>	<u>15,299</u>
		<u>507,869</u>	<u>27,598</u>	<u>408,761</u>	<u>29,035</u>
7	Exchange difference	2020		2019	
		ZMW	USD	ZMW	USD
	Exchange gains/(Loss) on translations	<u>4,144,246</u>	<u>(44,680)</u>	<u>1,488,161</u>	<u>(62,444)</u>
	Totals	<u><u>4,144,246</u></u>	<u><u>(44,680)</u></u>	<u><u>1,488,161</u></u>	<u><u>(62,444)</u></u>

8 Property, plant and equipment

Year ended 31 December 2020	Land and Buildings ZMW	Motor vehicles ZMW	Office equipment ZMW	Computer equipment ZMW	Total ZMW
Cost or valuation					
At start of year	1,091,487	588,434	326,506	220,374	2,226,801
Additions	386,047	-	153,311	85,720	625,078
At end of year	1,477,534	588,434	479,817	306,094	2,851,879
Comprising					
Cost	1,477,534	588,434	479,817	306,094	2,851,879
Valuation	-	-	-	-	-
At end of year	1,477,534	588,434	479,817	306,094	2,851,879
Depreciation					
At start of year	8,784	164,761	39,066	79,436	292,047
Charge for the year	26,103	84,735	57,600	62,374	230,812
At end of year	34,887	249,496	96,666	141,810	522,859
Net book value	1,442,647	338,938	383,151	164,284	2,329,020
Property, plant & equipment- USD (\$)	Land and Buildings USD	Motor vehicles USD	Office equipment USD	Computer equipment USD	Total USD
Cost or valuation					
At start of year	77,235	59,558	27,060	16,412	180,264
Additions	20,967	-	8,327	4,656.18	33,951
At end of year	98,202	59,558	35,387	21,068	214,215
Comprising					
Cost	98,202	59,558	27,060	21,068	205,888
Valuation	-	-	8,327	-	8,327
At end of year	98,202	59,558	35,387	21,068	214,215
Depreciation					
At start of year	624	13,480	2,950	5,676	22,729
Charge for the year	1,418	4,602	3,128	3,388	12,536
At end of year	2,042	18,082	6,078	9,064	35,265
Net book value	96,160	41,476	29,309	12,004	178,950

8 Property, plant and equipment

Year ended 31 December 2019	Land and Buildings ZMW	Motor vehicles ZMW	Office equipment ZMW	Computer equipment ZMW	Total ZMW
Cost or valuation					
At start of year	-	588,434	326,506	63,270	978,210
Additions	1,091,487	-	-	157,104	1,248,591
At end of year	1,091,487	588,434	326,506	220,374	2,226,801
Comprising					
Cost	1,091,487	588,434	326,506	220,374	2,226,801
Valuation	-	-	-	-	-
At end of year	1,091,487	588,434	326,506	220,374	2,226,801
Depreciation					
At start of year	-	58,843	15,180	2,636	76,659
Charge for the year	8,784	105,918	23,886	76,800	215,388
At end of year	8,784	164,761	39,066	79,436	292,047
Net book value	1,082,703	423,673	287,440	140,938	1,934,754
Property, plant & equipment- USD (\$)	Land and Buildings USD	Motor vehicles USD	Office equipment USD	Computer equipment USD	Total USD
Cost or valuation					
At start of year	-	59,558	27,060	5,295	91,913
Additions	77,235	-	-	11,117	88,351
At end of year	77,235	59,558	27,060	16,412	180,264
Comprising					
Cost	77,235	59,558	27,060	16,412	180,264
Valuation	-	-	-	-	-
At end of year	77,235	59,558	27,060	16,412	180,264
Depreciation					
At start of year	-	5,956	1,253	221	7,430.06
Charge for the year	624	7,523	1,697	5,455	15,299
At end of year	624	13,480	2,950	5,676	22,729
Net book value	76,611	46,078	24,110	10,736	157,535

9 Intangible assets

	ZMW	USD
Year ended 31 December 2020		
Cost or valuation		
At start of year	6,587	5,866
Additions	<u>863,284</u>	<u>46,888</u>
At end of year	<u>933,375</u>	<u>52,754</u>
Amortization		
At start of year	18,982	1,378
Charge for the year	<u>91,770</u>	<u>4,984</u>
At end of year	<u>110,752</u>	<u>6,362</u>
Net book value	<u><u>822,623</u></u>	<u><u>46,392</u></u>
Year ended 31 December 2019		
Cost or valuation		
At start of year	63,504	5,400
Additions	<u>6,587</u>	<u>466</u>
At end of year	<u>70,091</u>	<u>5,866</u>
Amortization		
At start of year	2,117	180
Charge for the year	<u>16,865</u>	<u>1,198</u>
At end of year	<u>18,982</u>	<u>1,378</u>
Net book value	<u><u>51,109</u></u>	<u><u>4,488</u></u>

The intangible asset represents the cost of team work software that is amortised over the useful life of the asset.

10 Trade and other receivables

	2020		2019	
	ZMW	USD	ZMW	USD
Prepayments	<u>3,463,605.00</u>	<u>164,161.00</u>	<u>-</u>	<u>-</u>
	<u><u>3,463,605.00</u></u>	<u><u>164,161.00</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

NOTES: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11 Cash and cash equivalents	2020		2019	
	ZMW	USD	ZMW	USD
Cash on hand	-	-	-	-
Cash at bank	24,742,029	1,172,674	9,113,543	644,882
	<u>24,742,029</u>	<u>1,172,674</u>	<u>9,113,543</u>	<u>644,882</u>
Cash at bank can be analysed as follows				
Bank of Zambia (BOZ)	23,379,144	1,108,079	5,348,061	378,434
Investrust US Dollar (\$) account	78,066	3,700	514,643	36,417
Investrust Kwacha (ZMW) account	1,284,819	60,895	3,250,839	230,032
	<u>24,742,029</u>	<u>1,172,674</u>	<u>9,113,543</u>	<u>644,882</u>

12 Trade and other payables	2020		2019	
	ZMW	USD	ZMW	USD
Accruals- Audit fees	176,068	8,345	156,803	11,096
	<u>176,068</u>	<u>8,345</u>	<u>156,803</u>	<u>11,096</u>

13 Contingent liabilities

There were no contingent liabilities as at the year end.

14 Commitments

During the year, the Copperbelt University african centre of excellence in sustainable mining (ACESM) project had entered into contractua agreements to purchase property, plant & equipment. As at 31 December 2020, the value of these commitments was mounting to ZMW 3,314,870.

15 Comparatives

Where necessary, comparative figures have been restated in order to afford reasonable comparison in the current year.

16 Events after the reporting period

There has not arisen since the year end any items, transactions or events of a material and unusual nature 'likely in the opinion of the council members of the university to affect substantially the operations of the project, 'the results of those operations or the state of affairs of the project in subsequent financial year.

The Council members are aware of COVID 19 pandemic which is a material event which occurred after the reporting period. It is a non adjusting event as it took place after the reporting period. The Council members have assessed its effect on the operations of the project and have taken adequate measures to ensure that the project remains a going concern.

17 Period of reporting

The financial statements have been prepared for a period of 12 months/12 months.

18 Presentation currency

The financial statements are presented in Zambian Kwacha (ZMW) rounded off to the nearest Kwacha (ZMW), and the equivalent US dollars translated as follows

- Average rate of 18.4117 ZMW/USD (2019: 14.0783) for income statement items
- Closing rate of 21.0988 ZMW/USD (2019: 14.1321) for statement of financial position items

ACTUAL VERSUS BUDGET (CONTINUED)

Appendix i- Actual vs Budget

31-Dec-20

Category of expenditure	Budgeted USD \$	Actual USD \$	Variance USD \$	Comments
a. Achieve Learning Excellence	783,926	255,242	528,684	Research grants for post-graduate students have been set aside up to 2022 in order to facilitate completion of research activities embarked on in 2018 and 2019 academic years. Other activities requiring physical movement and contact of staff and students impeded by COVID-19 pandemic.
b. Research Excellence	256,298	19,423	236,875	Most activities impeded by COVID-19 pandemic.
c. Quality Assurance	86,878	9,445	77,433	Most activities impeded by COVID-19 pandemic.
d. Achieving Equity Dimension	10,800	1,312	9,488	Most activities impeded by COVID-19 pandemic.
e. Attract Academic Staff and Students from the Region	12,500	-	12,500	Most activities impeded by COVID-19 pandemic.
f. National and Regional Academic Partners	88,922	16,753	72,169	Most activities impeded by COVID-19 pandemic.
g. national and Regional Sector Partners	57,939	-	57,939	Most activities impeded by COVID-19 pandemic.
h. Collaboration with International Academic Partners	-	-	-	DLR attained
i. Management and Governance	508,142	350,819	157,323	CBU ACESM operational costs ongoing
j. Sustainable Financing	19,000	1,419	17,581	Most activities impeded by COVID-19 pandemic.
k. Monitoring and Evaluation	20,000	32,591	(12,591)	Functioning Internal Audit unit and Audit Committee of Council in place with both internal and external audits conducted successfully. Over expenditure attributed to more activities undertaken than planned i.e. additional Audit meetings
Totals	1,844,405	687,004	1,157,401	

ACTUAL VERSUS BUDGET (CONTINUED)

Appendix i- Actual vs Budget

31-Dec-19

Category of expenditure	Budgeted USD \$	Actual USD \$	Variance USD \$	Comments
a. Achieve Learning Excellence	520,154	214,833	305,321	Research grants for post-graduate students have been set aside up to 2022 in order to facilitate completion of research activities embarked on from 2018
b. Research Excellence	103,730	19,423	84,307	Six (6) MoUs to facilitate collaborative research between CBU and industry partners were finalised in 2019 and will be effected from 2020 onwards
c. Quality Assurance	86,878	9,445	77,433	Accreditation of post-graduate programmes is ongoing; upgrading of teaching and research facilities through renovations is ongoing
d. Achieving Equity Dimension	5,800	-	5,800	Training for out-of-employment youths, mine retrenchees and communities impacted by mining activities will be effected through MoUs from 2020 onwards
e. Attract Academic Staff and Students from the Region	11,451	-	11,451	Marketing of the CBU ACESM ongoing
f. National and Regional Academic Partners	75,000	16,753	58,247	Specialised training for CBU ACESM members of staff in Occupational Health and Safety, and Community Vulnerabilities will be implemented through MoUs from 2020 onwards; running of new programmes in Occupational Health and Hygiene will be implemented in 2020
g. national and Regional Sector Partners	38,000	-	38,000	Guidelines on joint supervision of research students with national and regional partners to be finalised and effected in 2020
h. Collaboration with International Academic Partners	-	-	-	DLR attained, awaiting verification of data submitted
i. Management and Governance	253,870	185,073	68,797	CBU ACESM operational costs ongoing
j. Sustainable Financing	63,135	1,419	61,716	Fundraising activities for sustainable financing ongoing
k. Monitoring and Evaluation	22,206	31,924	(9,718)	committee of Council in place with both internal and external audits conducted successfully
Totals	1,180,224	478,870	701,354	