



**ACE-CEFOR**

**AFRICA CENTRE OF EXCELLENCE  
CENTRE FOR OILFIELD CHEMICALS RESEARCH  
UNIVERSITY OF PORT HARCOURT,  
PORT HARCOURT, RIVERS STATE**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2021**

***(WORLD BANK PROJECT)***



**OKORO WILSON & CO.**  
**(CHARTERED ACCOUNTANTS)**  
**2, ESEZOBO LONGE STREET,  
OFF 1<sup>ST</sup> UGBOR ROAD, G.R.A  
BENIN CITY, NIGERIA.  
08037120532**

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**AFRICA CENTRE OF EXCELLENCE**  
**CENTRE FOR OILFIELD CHEMICALS**  
**RESEARCH (ACE - CEFOR)**

**TABLE OF CONTENTS**

<b><u>CONTENT</u></b>	<b><u>PAGES</u></b>
CORPORATE INFORMATION	2
REPORT OF THE INDEPENDENT AUDITORS	3 – 4
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF CASHFLOW	7
RECEIPT AND PAYMENTS ACCOUNTS	8
NOTES TO THE ACCOUNTS	9 – 12
GRAPHICAL REPRESENTATION	13

**AFRICA CENTRE OF EXCELLENCE**  
**CENTRE FOR OILFIELD CHEMICALS**  
**RESEARCH (ACE - CEFOR)**

**CORPORATE INFORMATION**

**THE INSTITUTION:**

**Africa Centre of Excellence  
Centre for Oilfield Chemicals Research  
(ACE – CEFOR)**

**PROJECT OBJECTIVE:**

To develop the Nigerian Oil and Gas industry (in particular) and those of other African countries (in general) where Oil and Gas have been discovered. The Centre promotes home grown and regional research networks that will help to develop the human capital.

**MEMBERS OF STEERING COMMITTEE:**

- |   |                             |
|---|-----------------------------|
| - Vice Chancellor/Chairman                                | Prof. Georgewill A. Owunari |
| - Coordinator, UNIPORT<br>World Bank Centre Excellence    | Onyewuchi Akaranta          |
| - Project/Centre Leader                                   | Prof. Joel Ogbonna          |
| - Deputy Centre Leader                                    | Prof. Ikechukwu Agbagwa     |
| - Procurement Officer                                     | Prof. Ibiseme Etela         |
| - Safeguard Officer                                       | Dr. Victor Aimikhe          |
| - Project Accountant                                      | Dr. Benson P. Timah         |
| - Project Auditor   | Mr. Noble Maclin            |
| - Academic Coordinator/Monitoring<br>& Evaluation Officer | Engr. Ikpa Uduma            |
| - Communication Officer                                   | Mrs. Benedicta Omeni        |

**BANKERS:**

Central Bank of Nigeria (CBN)

**AUDITORS**

Messrs Okoro, Wilson & Co.,  
(Chartered Accountants)  
2, Esezobo Longe Street,  
Off 1<sup>st</sup> Ughor Road, G.R.A  
P.O. Box 11653  
Benin City, Edo State  
E-mail: wilsonokoro@yahoo.com



*Our Ref:*.....

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACE – CEFOR, UNIVERSITY OF PORT HARCOURT STEERING COMMITTEE**

We have audited the Financial Statements of the Africa Centre of Excellence, Centre for Oilfield Chemicals Research (ACE-CEFOR), University of Port Harcourt, Rivers State, which comprise the Statement of Financial Position as at 31<sup>st</sup> December 2021, Statement of Financial Performance for the year ended 31<sup>st</sup> December 2021, Statement of Changes in Net Assets/Equity and Statement of Cashflows for the year ended 31<sup>st</sup> December 2021, and a Summary of Significant Accounting Policies and other explanatory information.

**Project Steering Committee Responsibility for the Financial Statements**

The Centre Steering Committee is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Public Sector Accounting Standards and the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, and for such internal controls as Centre determines is 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 about 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 the auditors' 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, the auditor considers internal controls relevant to the Centre's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Centre's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Centre, 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.

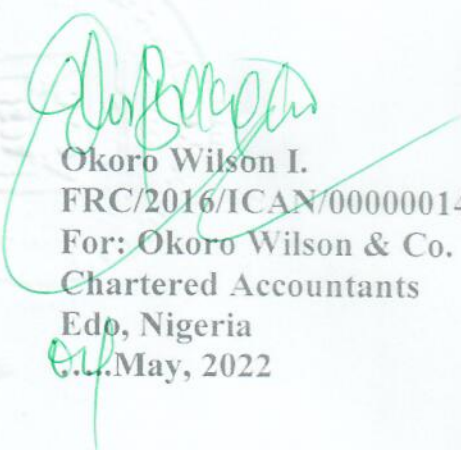
### **Opinion**

In our opinion, the Financial Statements give a true and fair view in all material respects, the Financial Position of Africa Centre of Excellence, Centre for Oilfield Chemicals Research, (World Bank Project) University of Port Harcourt, Rivers State, as at 31<sup>st</sup> December 2021, and its Financial Performance and Cashflows for the year ended 31<sup>st</sup> December 2021 in accordance with International Public Sector Accounting Standards and the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, we confirm that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. in our opinion, proper books of accounts have been kept by the Centre, so far as appears from our examination of those books;
- iii. the Centre's Statement of Financial Position and performance are in agreement with the books of accounts.

  
Okoro Wilson I.  
FRC/2016/ICAN/00000014568  
For: Okoro Wilson & Co.  
Chartered Accountants  
Edo, Nigeria  
5<sup>th</sup> May, 2022



**AFRICA CENTRE OF EXCELLENCE**  
**CENTRE FOR OILFIELD CHEMICALS**  
**RESEARCH (ACE - CEFOR)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2021**

The following are the significant Accounting Policies adopted by the Project Manager in the preparation of this Financial Statement.

**1.1 ACCOUNTING CONVENTION**

These accounts have been prepared under the historical cost convention.

**1.2 BASIS OF ACCOUNTING**

The accrual is the basis under the International Public Sector Accounting Standards (IPSAS)

**2. ASSETS (GOODS)**

Assets/Goods are those intended for use over a period exceeding one accounting period. They include intangibles and project expenditure for the development of the Centre. The rates of depreciation used are as follows:

Building	5%
Library Books	10%
Plant & Machinery	10%
Furniture & Fittings	20%
Office Equipment	20%
Motor Vehicle	20%

**3. STOCK**

There were no stock items at the end of the year.

**4. GRANTS**

Receipts of the Centre are Grants received from the World Bank in US Dollars and converted to the Nigeria Naira through the Central Bank of Nigeria.

**5. EXCHANGE RATE**

The exchange rate used for the Accounts as at 31<sup>st</sup> December, 2021 is ₦400:US\$.

**AFRICA CENTRE OF EXCELLENCE  
CENTRE FOR OILFIELD CHEMICALS RESEARCH  
UNIVERSITY OF PORT HARCOURT**

**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021**


	NOTE	2021	USS Equivalent
		N	
<b>ASSETS</b>			
Goods	1	295,372,399	738,431
Project Expenditure	2	<u>218,755,620</u>	<u>546,889</u>
		<b>514,128,020</b>	<b>1,285,320</b>
<b><u>Current Assets</u></b>			
Bank Balance	3	<u>113,891,279</u>	<u>284,728</u>
<b>TOTAL ASSET</b>		<b><u>628,019,299</u></b>	<b><u>1,570,048</u></b>
<b>FINANCED BY:</b>			
World Bank (IDA) Credit	4	400,000,000	1,000,000
Accumulated Fund	5	<u>227,269,299</u>	<u>568,173.25</u>
		<b>627,269,299</b>	<b>1,568,173</b>
<b><u>Current Liabilities</u></b>			
Payables	6	<u>750,000</u>	<u>1,875</u>
		<b><u>628,019,299</u></b>	<b><u>1,570,048</u></b>



**CENTRE LEADER**



**PROJECT ACCOUNTANT**



**VICE CHANCELLOR/CHAIRMAN (PROJECT COMMITTEE)**

**AFRICA CENTRE OF EXCELLENCE  
CENTRE FOR OILFIELD CHEMICALS RESEARCH  
UNIVERSITY OF PORT HARCOURT  
STATEMENT OF CASHFLOW AS AT 31ST DECEMBER, 2021**

	2021	
	₦	US\$ Equivalent
<b><u>CASHFLOW</u></b>		
World Bank (IDA) Credit	400,000,000	1,000,000
Sundry Income	<u>20,000</u>	<u>50.00</u>
	<b><u>400,020,000</u></b>	<b><u>1,026,145</u></b>
<b><u>CASH OUTFLOW</u></b>		
Goods	68,123,101	170,307.75
<b>Project Expenditure</b>		
Consultancy, Conferences & Training	30,083,224	75,208.06
Operating Cost	<u>187,922,395</u>	<u>469,805.99</u>
	<b><u>286,128,721</u></b>	<b><u>545,014</u></b>
Net Increase/(Decrease) in Cash & Cash Equivalent at 31/12/2021	113,891,279	284,728.20
Cash & Cash Equivalent at 1/1/2021	<u>-</u>	<u>-</u>
	<b><u>113,891,279</u></b>	<b><u>284,728</u></b>



**AFRICA CENTRE OF EXCELLENCE  
CENTRE FOR OILFIELD CHEMICALS RESEARCH  
UNIVERSITY OF PORT HARCOURT  
RECEIPTS AND PAYMENTS ACCOUNTS AS AT 31ST DECEMBER, 2021**

2021

	N	US\$ Equivalent
<b><u>RECEIPTS</u></b>		
World Bank Credit	400,000,000	1,000,000
Sundry Income	20,000	50
	<u>400,020,000</u>	<u>1,026,145</u>
<b><u>PAYMENTS</u></b>		
Goods	68,123,101	170,308
Consultancy	11,864,456	29,661
Training/Conference/Seminar	18,218,767	45,547
Student Sponsorship	45,750,000	114,375
Research & Development	24,750,000	61,875
Internet Subscription/Renewals	52,544,787	131,362
Fuel & Diesel	1,060,000	2,650
Salaries & Allowances	14,852,500	37,131
Telephone & Postage	280,000	700
Audit Fees	430,000	1,075
Entertainment	1,343,444	3,359
Repair & Maintenance	726,405	1,816
Printing & Stationeries	460,000	1,150
Bank Charges	52,460	131
Student Cost	9,016,000	22,540
Transport & Travelling	2,424,308	6,061
Computer/Media Consumables	915,000	2,288
Electricity Bill	426,525	1,066
Taxes	6,490,968	16,227
Subscription to Professional Bodies	26,400,000	66,000
	<u>286,128,721</u>	<u>715,322</u>
Balance at the Beginning of the Year	-	-
<b>CASH BALANCES AS AT 31ST DECEMBER</b>	<u><b>113,891,279</b></u>	<u><b>310,824</b></u>

**AFRICA CENTRE OF EXCELLENCE**  
**CENTRE FOR OILFIELD CHEMICALS**  
**RESEARCH (ACE - CEFOR)**

**NOTES TO THE ACCOUNTS FOR THE YEAR**  
**ENDED 31<sup>ST</sup> DECEMBER, 2021**

**i. Statement of Compliance and Basis of Preparation – IPSAS 1:**

The entity's Financial Statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The Financial Statements are presented in Nigeria Naira (NGN), which is the functional and reporting currency of the entity and all values are rounded to the nearest Naira. The accounting policies have been consistently applied to the year of presentation.

The Financial Statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The Financial Statements are prepared on accrual basis. The Steering Committee has a reasonable expectation that CEFOR has adequate resources to continue in operational existence for the lifespan of the project. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The preparation of Financial Statements in conformity with IPSAS requires the use of certain critical accounting estimates. It also requires Steering Committee to exercise its judgment in the process of applying CEFOR accounting policies. Changes in assumptions may have a significant impact on the Financial Statements in the year the assumptions changed.

The Steering Committee believes that the underlying assumptions are appropriate and that ACE-CEFOR's Financial Statements, and therefore present fairly the financial position and of its performance.

**ii. Foreign Currency Transactions –IPSAS 4**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade payables or receivable denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**iii. Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investment with an original maturity of three months or less, 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 Central Bank of Nigeria at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term fund.

AFRICA CENTRE OF EXCELLENCE  
CENTRE FOR OILFIELD CHEMICALS RESEARCH  
UNIVERSITY OF PORT HARCOURT  
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

**1 GOODS (PROPERTY, PLANT & EQUIPMENT)**

	Building	Library Books	Plant & Machinery	Furniture, Office Equipment & Computers	Motor Vehicle	Laboratory Equipment	Software	Total
As at 1st January, 2021	N 123,893,894	N 12,357,836	N 15,795,390	N 341,894,991	N 21,533,750	3,899,683	7,237,348	N 526,612,892
Additions	-	-	16,328,740,00	40,994,160,57	-	-	10,800,201	68,123,101
As at 31st December, 2021	123,893,894	12,357,836	32,124,130	382,889,152	21,533,750	3,899,683	18,037,549	594,735,993
As at 1st January, 2021	21,164,893	3,641,056	6,012,461	154,910,390	18,859,896	1,063,879	3,036,607	208,689,182
Charge for the year	6,194,695	1,235,784	3,212,413	76,577,830	2,673,754	779,937	3,607,510	90,674,412
As at 31st December, 2021	27,359,588	4,876,840	9,224,874	231,488,220	21,533,650	1,843,816	6,644,117	299,363,594
<b>Net Book Value</b>								
As at 31st December, 2021	96,534,306	7,480,996	22,899,256	151,400,931	100	2,055,867	11,393,432	295,372,399
As at 31st December, 2020	102,729,001	8,716,780	9,782,929	186,984,601	2,673,854	2,835,804	4,200,741	317,923,710

**AFRICA CENTRE OF EXCELLENCE  
CENTRE FOR OILFIELD CHEMICALS RESEARCH  
UNIVERSITY OF PORT HARCOURT  
NOTES TO THE ACCOUNTS FOR THE THREE YEARS PERIOD ENDED  
31ST DECEMBER, 2021**

2021

	N	US\$ Equivalent
<b>2 PROJECT EXPENDITURE</b>		
Consultancy, Conferences, Training etc (2.1)	30,083,224	75,208.06
Operating Cost	188,672,396	471,680.99
	<u>218,755,620</u>	<u>546,889</u>
<b>2.1 Consultancy, Conference, Training etc</b>		
Consultancy	11,864,456	29,661
Training/Conference/Seminar	18,218,767	45,547
	<u>30,083,224</u>	<u>75,208</u>
<b>2.2 Operating Costs</b>		
Student Sponsorship	45,750,000	114,375
Research & Development	24,750,000	61,875
Internet Subscription/Renewals	52,544,787	131,362
Fuel & Diesel	1,060,000	2,650
Salaries & Allowances	14,852,500	37,131
Telephone & Postage	280,000	700
Audit Fees	430,000	1,075
Entertainment	1,343,444	3,359
Repair & Maintenance	726,405	1,816
Printing & Stationeries	460,000	1,150
Bank Charges	52,460	131
Student Cost	9,016,000	22,540
Transport & Travelling	2,424,308	6,061
Computer/Media Consumables	915,000	2,288
Electricity Bill	426,525	1,066
Taxes	6,490,967	16,227
Accured Audit Fees	750,000	1,875
Subscription to Professional Bodies	26,400,000	66,000
	<u>188,672,396</u>	<u>471,681</u>
<b>3 CURRENT ASSETS</b>		
Cashbook Balance as at 31st December, 2021	<u>113,891,279</u>	<u>284,728</u>

**AFRICA CENTRE OF EXCELLENCE  
CENTRE FOR OILFIELD CHEMICALS RESEARCH  
UNIVERSITY OF PORT HARCOURT**

**NOTES TO THE ACCOUNTS FOR THE THREE YEARS PERIOD ENDED 31ST DECEMBER, 2021**

**4 GRANT & SUBVENTION**

**(i) World Bank (IDA) Credit N400,000,000**

This represents the drawn down from the World Bank through the Central Bank of Nigeria (CBN) received by the Centre in November 2021.

**5 ACCUMULATED FUND**

This is the brought forward from 31st July 2020 representing the Assets as at that date and cash introduced in opening of the CBN/Remita Account Made up of :

<b>i</b>	Net Assets/Capital and Reserves	317,923,711
<b>ii</b>	Cash Introduced in opening CBN/Remita Account	20,000
<b>iii</b>	Adjustment for depreciation for the year	<u>90,674,412</u>
		<u><b>227,269,299</b></u>

**6 PAYABLES N750,000**

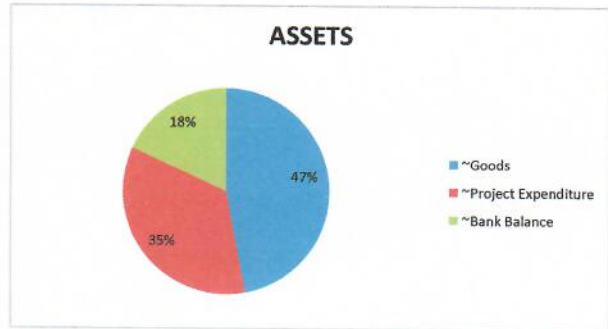
~Accrued Audit Fee (Okoro Wilson & Co., Chartered Accountants).

**AFRICA CENTRE OF EXCELLENCE  
CENTRE FOR OILFIELD CHEMICALS RESEARCH  
UNIVERSITY OF PORT HARCOURT**

**GRAPHICAL REPRESENTATION OF SOME BASIC DATA**

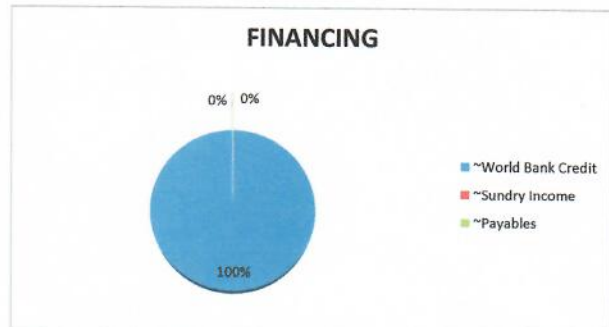
**STATEMENT OF FINANCIAL POSITION:**

<b>Assets</b>	
~Goods	295,372,399
~Project Expenditure	218,755,620
~Bank Balance	113,891,279



**FINANCING:**

~World Bank Credit	400,000,000
~Sundry Income	20,000
~Payables	750,000



**STATEMENT OF FINANCIAL PERFORMANCE:**

~Receipts	400,020,000
<b>PAYMENTS</b>	
~Consultany, Confeence & Training	30,083,224
~Operating Cost	188,672,396

