



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 31ST DECEMBER, 2022**

(WORLD BANK PROJECT)



OKORO WILSON & CO.
(CHARTERED ACCOUNTANTS)
2, ESEZOBO LONGE STREET,
OFF 1ST UGBOR ROAD, G.R.A
BENIN CITY, NIGERIA.
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AFRICA CENTRE OF EXCELLENCE
CENTRE FOR OILFIELD CHEMICALS
RESEARCH (ACE - CEFOR)

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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
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
& Evaluation Officer Engr. Ikpa Uduma
- Communication Officer Mrs. Benedicta Omeni
- Chairman Audi Chairman Prof. G.N Ogbonna

BANKERS: Central Bank of Nigeria (CBN)

AUDITORS Messrs Okoro, Wilson & Co.,
(Chartered Accountants)
2, Esezobo Longe Street,
Off 1st Ugbor 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 31st December 2022, Statement of Financial Performance for the year ended 31st December 2022, Statement of Changes in Net Assets/Equity and Statement of Cashflows for the year ended 31st December 2022, 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.

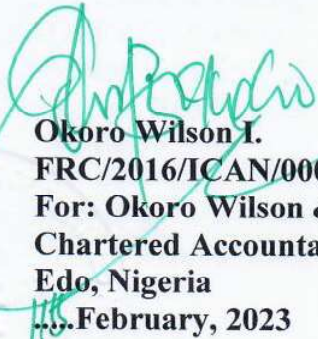
Opinion

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 31st December 2022, and its Financial Performance and Cashflows for the year ended 31st December 2022 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
11th February, 2023



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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED 31ST DECEMBER, 2022

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%
Access Road	20%
Software	20%

3. STOCK

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

4. GRANTS

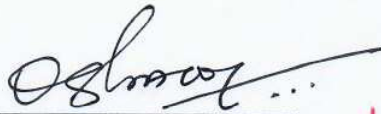
Receipts of the Centre are Grants received from the World Bank in US Dollars and converted to the Nigeria Naira through the Central Bank of Nigeria and the receipt from National Universities Commission (NUC).

5. EXCHANGE RATE

The exchange rate used for the Accounts as at 31st December, 2022 is ₦415:US\$.

AFRICA CENTRE OF EXCELLENCE
CENTRE FOR OILFIELD CHEMICALS RESEARCH
UNIVERSITY OF PORT HARCOURT
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2022

	NOTE	2022		2021	
		N	US\$ Equivalent	N	US\$ Equivalent
ASSETS					
Goods	1	646,749,371	1,558,432	295,372,399	738,431
Project Expenditure	2	<u>818,272,337</u>	<u>1,971,741</u>	<u>218,755,620</u>	<u>546,889</u>
		1,465,021,708	3,530,173	514,128,019	1,285,320
<u>Current Assets</u>					
Bank Balance	3	<u>1,290,328</u>	<u>3,109</u>	<u>113,891,279</u>	<u>284,728</u>
TOTAL ASSET		<u>1,466,312,037</u>	<u>3,533,282</u>	<u>628,019,298</u>	<u>1,570,048</u>
FINANCED BY:					
World Bank (IDA) Credit	4	1,403,928,462	3,382,960	400,000,000	1,000,000
Accumulated Fund	5	<u>60,995,199</u>	<u>146,976</u>	<u>227,269,299</u>	<u>568,173.25</u>
		1,464,923,661	3,529,937	627,269,299	1,568,173
<u>Current Liabilities</u>					
Payables	6	<u>1,200,000</u>	<u>2,892</u>	<u>750,000</u>	<u>1,875</u>
		<u>1,466,123,661</u>	<u>3,532,828</u>	<u>628,019,299</u>	<u>1,570,048</u>



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, 2022

	2022	
	₦	US\$ Equivalent
<u>CASHFLOW</u>		
World Bank (IDA) Credit	900,000,000	2,250,000
Sundry Income/NUC Receipts	<u>103,928,462</u>	<u>259,821.16</u>
	<u>1,003,928,462</u>	<u>1,026,145</u>
<u>CASH OUTFLOW</u>		
Goods	518,212,697	1,295,531.74
Project Expenditure		
Consultancy, Conferences & Training	203,471,841	508,679.60
Operating Cost	<u>394,844,875</u>	<u>987,112.19</u>
	<u>1,116,529,414</u>	<u>1,495,792</u>
Net Increase/(Decrease) in Cash & Cash Equivalent at 31/12/2022	(112,600,951)	(281,502.38)
Cash & Cash Equivalent at 1/1/2022	<u>113,891,279</u>	<u>284,728.20</u>
	<u>1,290,328</u>	<u>3,226</u>

**AFRICA CENTRE OF EXCELLENCE
CENTRE FOR OILFIELD CHEMICALS RESEARCH
UNIVERSITY OF PORT HARCOURT
STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2022**

	2022		2021	
	N	US\$ Equivalent	N	US\$ Equivalent
<u>RECEIPTS/REVENUE</u>				
World Bank Credit	900,000,000	2,168,675	400,000,000	1,000,000
Sundry Income/NUC	103,928,462	250,430	20,000	50
	<u>1,003,928,462</u>	<u>2,419,105</u>	<u>400,020,000</u>	<u>1,026,145</u>
<u>LESS PAYMENTS/EXPENDITURE</u>				
Goods	518,212,697	1,248,705	68,123,101	170,308
Consultancy	10,931,064	26,340	11,864,456	29,661
Training/Conference/Seminar	192,540,778	463,954	18,218,767	45,547
Student Sponsorship	10,000,000	24,096	45,750,000	114,375
Research & Development	17,808,749	42,913	24,750,000	61,875
Internet Subscription/Renewals	53,371,124	128,605	52,544,787	131,362
Fuel & Diesel	2,817,945	6,790	1,060,000	2,650
Salaries & Allowances	34,570,000	83,301	14,852,500	37,131
Telephone & Postage	1,563,740	3,768	280,000	700
Audit Fees	1,200,000	2,892	750,000	1,875
Entertainment	6,964,315	16,781	1,343,444	3,359
Repair & Maintenance	4,532,300	10,921	726,405	1,816
Printing & Stationeries	11,280,498	27,182	460,000	1,150
Bank Charges	217,931	525	52,460	131
Student Cost	18,437,400	44,427	9,016,000	22,540
Transport & Travelling	10,474,200	25,239	2,424,308	6,061
Computer/Media Consumables	3,264,973	7,867	915,000	2,288
Electricity Bill	1,887,254	4,548	426,525	1,066
Taxes	70,907,737	170,862	6,170,968	15,427
Subscription to Professional Bodies	94,510,788	227,737	26,400,000	66,000
Accreditation Expenses	43,894,536	105,770	-	-
Motor Vehicle Repairs & Maintenance	1,549,600	3,734	-	-
Hotel & Accomodation	1,347,176	3,246	-	-
Publication/Advert	2,707,686	6,525	-	-
Office Consumables	2,081,110	5,015	-	-
Depreciation	163,228,215	393,321	90,674,412	226,686
	<u>1,280,301,815</u>	<u>3,085,065</u>	<u>376,803,133</u>	<u>715,322</u>
<u>EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR</u>				
	<u>(276,373,353)</u>	<u>(665,960)</u>	<u>23,216,867</u>	<u>310,824</u>

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

NOTES TO THE ACCOUNTS FOR THE YEAR
ENDED 31ST DECEMBER, 2022

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, 2022

1 GOODS (PROPERTY, PLANT & EQUIPMENT)

	Building	Library Books	Plant & Machinery	Furniture, Office Equipment & Computers	Motor Vehicle	Laboratory Equipment	Access Road and Electrical Network	Software and Internet Access	Total
As at 1st January, 2022	N 123,893,894.00	N 12,357,836.00	N 32,124,130.00	N 382,889,151.57	N 21,533,750.00	N 3,899,683.00	N 23,695,623.06	N 18,037,548.85	N 594,735,993
Additions	84,140,539.40	23,903,272.93	21,365,577.91	149,576,360.14	87,741,500.00	16,385,610.00	-	111,404,414	518,212,697
As at 31st December, 2022	208,034,433	36,261,109	53,489,508	532,465,512	109,275,250	20,285,293	23,695,623	129,441,963	1,112,948,691
As at 1st January, 2022	27,359,587.70	4,876,839.60	9,224,874.00	231,488,220.31	21,533,650.00	1,843,815.60	-	6,644,116.62	302,971,104
Charge for the year	10,401,722	3,626,111	5,348,951	106,493,102	2,673,754	4,057,059	4,739,125	25,888,392.53	163,228,215
As at 31st December, 2022	37,761,309	8,502,950	14,573,825	337,981,323	24,207,404	5,900,874	4,739,125	32,532,509	466,199,319
Net Book Value									
As at 31st December, 2022	170,273,124	27,758,158	38,915,683	194,484,189	85,067,846	14,384,419	18,956,498	96,909,453	646,749,371
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

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2022

	Aggregate as at 31/12/2022		2022		2021	
	N	US\$ Equivalent	N	US\$ Equivalent	N	US\$ Equivalent
2 PROJECT EXPENDITURE						
2.1 Consultancy, Conference, Training etc						
Consultancy	22,795,520	56,001	10,931,064	26,340	11,864,456	29,661
Training/Conference/Seminar	210,759,545	509,501	192,540,778	463,954	18,218,767	45,547
	233,555,065	565,502	203,471,841	490,294	30,083,224	75,208
2.2 Operating Costs						
Student Sponsorship	55,750,000.00	138,471	10,000,000.00	24,096	45,750,000	114,375
Research & Development	42,558,749.00	104,788	17,808,749.00	42,913	24,750,000	61,875
Internet Subscription/Renewals	105,915,910.58	259,967	53,371,123.58	128,605	52,544,787	131,362
Fuel & Diesel	3,877,945.00	9,440	2,817,945.00	6,790	1,060,000	2,650
Salaries & Allowances	49,422,500.00	120,432	34,570,000.00	83,301	14,852,500	37,131
Telephone & Postage	1,843,740.00	4,468	1,563,740.00	3,768	280,000	700
Audit Fees	1,085,813.96	2,655	655,813.96	1,580	430,000	1,075
Entertainment	8,307,759.00	20,140	6,964,315.00	16,781	1,343,444	3,359
Repair & Maintenance	5,258,705.00	12,737	4,532,300.00	10,921	726,405	1,816
Printing & Stationeries	11,740,497.57	28,332	11,280,497.57	27,182	460,000	1,150
Bank Charges	270,391.25	656	217,931.25	525	52,460	131
Student Cost	27,453,400.00	66,967	18,437,400.00	44,427	9,016,000	22,540
Transport & Travelling	12,898,508.00	31,300	10,474,200.00	25,239	2,424,308	6,061
Computer/Media Consumables	4,179,973.00	10,155	3,264,973.00	7,867	915,000	2,288
Electricity Bill	2,313,778.88	5,614	1,887,253.88	4,548	426,525	1,066
Taxes	77,398,704.81	187,089	70,907,737.36	170,862	6,490,967	16,227
Accured Audit Fees	1,950,000.00	4,767	1,200,000.00	2,892	750,000	1,875
Subscription to Professional Bodies	120,910,787.92	293,737	94,510,787.92	227,737	26,400,000	66,000
Accreditation Expenses	43,894,536.00	105,770	43,894,536.00	105,770	-	-
Motor Vehicle Repairs & Maintenance	1,549,600.00	3,734	1,549,600.00	3,734	-	-
Hotel & Accomodation	1,347,175.85	3,246	1,347,175.85	3,246	-	-
Publication/Advert	2,707,686.00	6,525	2,707,686.00	6,525	-	-
Office Consumables	2,081,110.00	5,015	2,081,110.00	5,015	-	-
	584,717,272	1,426,006	396,044,875	954,325	188,672,396	471,681
3 CURRENT ASSETS						
Cashbook Balance as at 31st December, 2021	1,290,328	3,109.23	1,290,328	3,109.23	113,891,279	284,728

**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, 2022

4 GRANT & SUBVENTION

(i) World Bank (IDA) Credit ₦1,003,928,462

This represents the drawn down from the World Bank through the Central Bank of Nigeria (CBN) received by the Centre during the year under review.

World Bank (IDA) Credit B/f	400,000,000
Receipts within the year	900,000,000
Receipts (NUC)	<u>103,928,462</u>
	<u>1,403,928,462</u>

5 ACCUMULATED FUND

This is the brought forward from 31st December, 2021 representing the Assets as at that date and cash introduced in opening of the CBN/Remita Account Made up of :

	2022	2021
i Net Assets/Reserves brought forward	₦ 227,269,299	₦ 317,923,711
ii Adjustment for Bank Balance at 31/12/2022	<u>(1,290,328)</u>	<u>(113,891,279)</u>
	225,978,971	204,032,432
iii Excess of Revenue over Expenditure for the year	(276,373,353)	23,216,867
Receipts from NUC/Cash introduced to open		
iv CBN/Remita Account	103,928,462	20,000
Prior Year Adjustment (Depreciation)	7,461,119	-
	<u>60,995,199</u>	<u>227,269,299</u>

6 PAYABLES ₦1,200,000

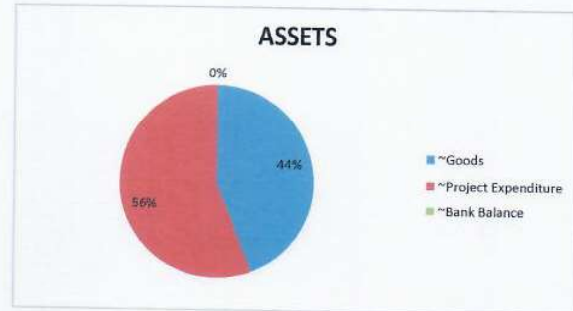
~Accrued Audit Fee (Okoro Wilson & Co., Chartered Accountants).

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

GRAPHICAL REPRESENTATION OF SOME BASIC DATA

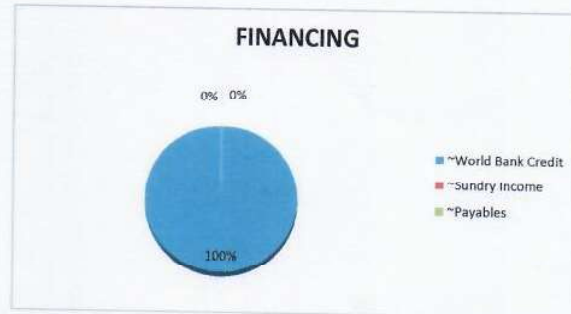
STATEMENT OF FINANCIAL POSITION:

Assets	
~Goods	646,749,371
~Project Expenditure	818,272,337
~Bank Balance	1,290,328



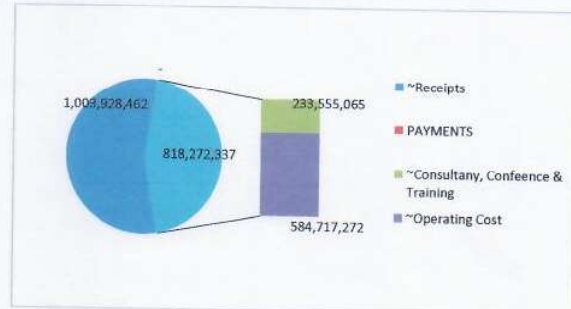
FINANCING:

~World Bank Credit	1,403,928,462
~Sundry Income	-
~Payables	1,200,000



STATEMENT OF FINANCIAL PERFORMANCE:

~Receipts	1,003,928,462
PAYMENTS	
~Consultancy, Confence & Training	233,555,065
~Operating Cost	584,717,272



**AFRICA CENTRE OF EXCELLENCE
UNIVERSITY OF PORT HARCOURT
UNIVERSITY OF PORT HARCOURT
STATEMENT OF TWO YEARS FINANCIAL SUMMARY/TREND**

**STATEMENT OF
I FINANCIAL POSITION**

	2021		2022	
	N	US\$	N	US\$
<u>ASSETS</u>				
Goods/Non Current Assets	295,372,399	738,431	518,212,697	1,248,705
Project Expenditure	218,755,620	546,889	599,516,716	1,444,619
CURRENT ASSETS				
Bank Balance	113,891,279	284,728	1,290,328	3,109
	<u>628,019,298</u>	<u>1,570,048</u>	<u>1,119,019,742</u>	<u>2,696,433</u>

**STATEMENT OF
FINANCIAL
II PERFORMANCE**

Receipts - World Bank	400,000,000	1,000,000	900,000,000	2,168,675
Sundry Income	20,000	50	103,928,462	250,430
	<u>400,020,000</u>	<u>1,000,050</u>	<u>1,003,928,462</u>	<u>2,419,105</u>
EXPENDITURE (Including Depreciation)	376,803,133	942,008	1,280,301,815	3,085,065
Excess/(Deficit)	23,216,867	58,042	(276,373,353)	(665,960)