

#### 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, 2023

(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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#### **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. Ikechukwu Agbagwa

Deputy Centre Leader

Dr. Victor Aimikhe

Procurement Officer

Prof. Ibiseme Etela

Safeguard Officer

Mr. Daniel Okon

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 Audit Chairman

Prof. G.N Ogbonna

BANKERS:

Central Bank of Nigeria (CBN)

**AUDITORS** 

Messrs Okoro, Wilson & Co., (Chartered Accountants) 2, Esezobo Longe Street, Off 1<sup>st</sup> Ugbor Road, G.R.A

P.O. Box 11653 Benin City, Edo State

E-mail: wilsonokoro@yahoo.com



#### OKORO, WILSON & CO.,

(CHARTERED ACCOUNTANTS)

2, Esezobo Longe Street, Off 1st Ugbor Road, GRA, P.O. Box 11653, Benin City, Nigeria. Tel: 08037120532, 08181822292 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 2023, Statement of Financial Performance for the year ended 31<sup>st</sup> December 2023, Statement of Changes in Net Assets/Equity and Statement of Cashflows for the year ended 31<sup>st</sup> December 2023, 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 2023, and its Financial Performance and Cashflows for the year ended 31<sup>st</sup> December 2023 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 L

FRC/2016/JCAN/00000014568

For: Okoro Wilson & Co.

Chartered Accountants

Edo, Nigeria

February, 2024

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023

The following are the significant Accounting Policies adopted by the Project Management 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 31<sup>st</sup> December, 2023 is \$\frac{1}{2}\text{4607:US}\$.

#### AFRICA CENTRE OF EXCELLENCE CENTRE FOR OILFIELD CHEMICALS RESEARCH

#### UNIVERSITY OF PORT HARCOURT

#### STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

	NOTE	203	23	2022	
		N	US\$ Equivalent	N	US\$ Equivalent
ASSETS					
Goods	1	533,903,889	879,578	646,749,371	1,558,432
Project Expenditure	2	1,409,331,335	2,321,798	818,272,337	1,971,741
		1,943,235,224	3,201,376	1,465,021,708	3,530,173
Current Assets					
Bank Balance	3	130,601,452	215,159	1,290,328	3,109
TOTAL ASSET		2,073,836,677	3,416,535	1,466,312,037	3,533,282
FINANCED BY:					
World Bank (IDA) Credit	4	2,195,419,745	3,616,836	1,403,928,462	3,382,960
Accumulated Fund	5	(122,983,069)	(202,608)	60,995,199	146,976
		2,072,436,677	3,414,228.46	1,464,923,661	3,529,937
Current Liabilities					
Payables	6	1,400,000	2,306	1,200,000	2,892
		2,073,836,677	3,416,535	1,466,312,037	3,532,828

CENTRE I FARE

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, 2023

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	N	US\$ Equivalent
CASHFLOW		
World Bank (IDA) Credit	650,000,000	1,070,840.20
Sundry Income/NUC Receipts	155,774,741	256,630.55
	805,774,741	1,327,471
CASH OUTFLOW		
Goods	86,804,619	143,005.96
Project Expenditure		
Consultancy, Conferences & Training	318,200,821	524,218.82
Operating Cost	271,458,177	447,212.81
	676,463,617	971,432
Net Increase/(Decrease) in Cash & Cash		
Equivalent at 31/12/2023	129,311,124	213,033.15
Cash & Cash Equivalent at 1/1/2023	1,290,328	2,125.75
	130,601,452	215,159

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

#### STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023

2023

2022

	N	US\$ Equivalent	N	US\$ Equivalent
RECEIPTS/REVENUE				
World Bank Credit	650,000,000	1,566,265	900,000,000	2,168,674.70
Sundry Income/NUC Direct Payment	155,774,741	375,361	103,928,462	250,430.03
	805,774,741	1,941,626	1,003,928,462	1,026,145
LESS PAYMENTS/EXPENDITURE				
Goods	86,804,619	143,006	518,212,697	1,248,705
Consultancy	12,076,928	19,896	10,931,064	26,340
Training/Conference/Seminar	306,123,893	504,323	192,540,778	463,954
Student Sponsorship	24,750,000	40,774	10,000,000	24,096
Research & Development	3,300,000	5,437	17,808,749	42,913
Internet Subscription/Renewals	134,937,739	222,303	53,371,124	128,605
Fuel & Diesel	5,044,000	8,310	2,817,945	6,790
Salaries & Allowances	9,492,500	15,638	34,570,000	83,301
Telephone & Postage	61,800	102	1,563,740	3,768
Audit Fees	1,128,000	1,858	1,200,000	2,892
Entertainment	7,454,800	12,281	6,964,315	16,781
Repair & Maintenance	4,029,100	6,638	4,532,300	10,921
Printing & Stationeries	2,611,100	4,302	11,280,498	27,182
Bank Charges	160,175	264	217,931	525
Student Cost	8,444,600	13,912	18,437,400	44,427
Transport & Travelling	12,189,365	20,081	10,474,200	25,239
Computer/Media Consumables	723,500	1,192	3,264,973	7,867
Electricity Bill	1,032,837	1,702	1,887,254	4,548
Taxes	38,995,869	64,244	70,907,737	170,862
Subcription to Professional Bodies	5,000,000	8,237	94,510,788	227,737
Accreditation Expenses	-	-	43,894,536	105,770
Motor Vehicle Repairs & Maintenance	1,396,500	2,301	1,549,600	3,734
Hotel & Accomodation	484,426	798	1,347,176	3,246
Publication/Advert	8,957,885	14,758	2,707,686	6,525
Office Consumables	1,263,980	2,082	2,081,110	5,015
Depreciation	199,650,102	328,913	163,228,215	393,321
	876,113,719	1,443,350	1,280,301,815	3,085,065
EXCESS OF REVENUE OVER				
EXPENDITURE FOR THE YEAR	(70,338,978)	498,275	(276,373,353)	(665,960)

#### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023

#### 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, 2023

## 1 GOODS (PROPERTY, PLANT & EQUIPMENT

As at 31st December, 2023 As at 31st December, 2022	Charge for the year As at 31st December, 2023	As at 1st January, 2023	As at 31st December, 2023	As at 1st January, 2023			
160,446,048 170,273,124	48,193,275	37,761,309	208,639,323	208,034,433	z	5%	Building
24,132,048 27,758,159	12,129,061	8,502,950	36,261,109	36,261,109	z	10%	Library Books
33,833,132 38,915,683	19,952,376	14,573,825	53,785,508	53,489,508	z š	100%	Plant & Machinery
118,188,097 194,484,189	452,023,678	337,981,323	570,211,775	532,465,512 37 746 262 98	z	20%	Furniture, Office Equipment &
63,212,796 85,067,846	46,062,454	24,207,404	109,275,250	109,275,250	z	20%	Motor Vehicle
11,882,605 14,384,419	10,346,744	5,900,874	22,229,349	20,285,293	z	20%	Laboratory Equipment
14,681,373 18,956,498	9,594,250		24,275,623	23,695,623	z	20%	Access Road and Electrical Network
107,527,789 96,909,454	67,547,584	32,532,509	175,075,373	129,441,963 45,633,410	z	20%	SoftWare, Inverter and Internet Access
533,903,889 646,749,372	665,849,421	466,199,319	1,199,753,310	1,112,948,691 86,804,619	Z		Total

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

# NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

Cashbook Balance as at 31st December, 2021	3 CURRENT ASSETS		Office Consumables	Publication/Advert	Hotel & Accomodation	Motor Vehicle Repairs & Maintenance	Accreditation Expenses	Subcription to Professional Bodies	Accured Audit Fees	Taxes	Electricity Bill	Computer/Media Consumables	Transport & Travelling	Student Cost	Bank Charges	Printing & Stationeries	Repair & Maintenance	Entertainment	Audit Fees	Telephone & Postage	Salaries & Allowances	Fuel & Diesel	Internet Subscription/Renewals	Research & Development	Student Sponsorship	2.2 Operating Costs		Training/Conference/Seminar	Consultancy	2.1 Consultancy, Conference, Training etc	The second secon	Operating Cost	Consultancy Conferences Training at (2.1)		
130,601,452		857,575,449	3,345,090.00	11,665,571.00	1,831,602.19	2,946,100.00	43,894,536.00	125,910,787.92	3,350,000.00	116,394,574.21	3,346,615.81	4,903,473.00	25,087,872.99	35,898,000.00	430,566.25	14,351,597.57	9,287,805.00	15,762,559.00	2,213,813.96	1,905,540.00	58,915,000.00	8,921,945.00	240,853,650.06	45,858,749.00	80,500,000.00		551,755,886	516,883,438	34,872,448		1,409,331,335	857.575.449	551 755 886	z	Aggregate as at 31/12/2023
215,158.90		1,858,477	7,097	21,282	4,044	6,035	105,770	299,589	7,005	250,747	7,277	11,264	51,162	80,065	915	32,592	19,309	32,300	4,475	4,545	134,729	17,654	477,522	107,988	175,112		1,087,002	1,012,177	74,825		2,945,479	1,858,477	1 087 007	US\$ Equivalent	t 31/12/2023
130,601,452		272,858,177	1,263,980.00	8,957,885.00	484,426.34	1,396,500.00		5,000,000.00	1,400,000.00	38,995,869.40	1,032,836.93	723,500.00	12,189,364.99	8,444,600.00	160,175.00	2,611,100.00	4,029,100.00	7,454,800.00	1,128,000.00	61,800.00	9,492,500.00	5,044,000.00	134,937,739	3,300,000.00	24,750,000.00		318,200,821	306,123,893	12,076,928		591,058,998	272,858,177	318 200 821	Z	2023
215,158.90		657,490	2,082	14,758	798	2,301	•	8,237	2,306	64,244	1,702	1,192	20,081	13,912	264	4,302	6,638	12,281	1,858	102	15,638	8,310	222,303	5,437	40,774		524,218.82	504,323	19,896.09		973,738	449,519	524 219	US\$ Equivalent	ង
1,290,328		584,717,272	2,081,110	2,707,686	1,347,176	1,549,600	43,894,536	120,910,788	1,950,000	77,398,705	2,313,779	4,179,973	12,898,508	27,453,400	270,391	11,740,498	5,258,705	8,307,759	1,085,814	1,843,740	49,422,500	3,877,945	105,915,911	42,558,749	55,750,000		233,555,065	210,759,545	22,795,520		818,272,337	584,717,272	233.555.065	×	Aggregate as at 31/12/2022
3,109		1,390,438	5,014.72	6,524.54	3,246.21	3,733.98	105,769.97	291,351.30	4,698.80	186,502.90	5,575.37	10,072.22	31,080.74	66,152.77	651.55	28,290.36	12,671.58	20,018.70	2,616.42	4,442.75	119,090.36	9,344.45	255,219.06	102,551.20	134,337.35		562,783	507,854.33	54,928.96		1,971,741	1,408,957.28	562.783.29	US\$ Equivalent	ıt 31/12/2022

#### AFRICA CENTRE OF EXCELLENCE CENTRE FOR OILFIELD CHEMICALS RESEARCH

#### UNIVERSITY OF PORT HARCOURT NOTES TO THE ACCOUNTS FOR THE THREE YEARS PERIOD ENDED 51ST DECEMBER, 2023

#### 4 GRANT & SUBVENTION

#### (i) World Bank (IDA) Credit N2,195,419,745

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
Receipts within the year
Receipts (NUC)

1,403,928,462
650,000,000
141,491,283
2,195,419,745

#### 5 ACCUMULATED FUND

This is the brought forward from 31st Dedember, 2022 representing the Assets as at that date and cash introduced in opening of the CBN/Remita Account Made up of:

		2023	2022
		N	N
i	Net Assets/Reserves brought forward	60,995,199	227,269,299
ii	Adjustment for Bank Balance at 31/12/2022	(130,601,452)	(1,290,328)
		(69,606,253)	225,978,971
iii	Excess of Revenue over Expenditure for the year	(70,338,978)	(276,373,353)
iv	Receipts from NUC/Sundry Receipts from IGR	14,283,458	103,928,462
	Sundry Adjustment ( Depreciation)	2,678,704	7,461,119
		(122,983,069)	60,995,199

#### 6 PAYABLES N1,400,000

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

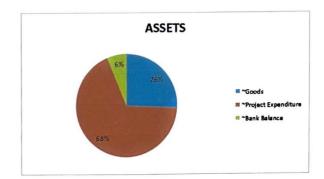
#### AFRICA CENTRE OF EXCELLENCE CENTRE FOR OILFIELD CHEMICALS RESEARCH

#### UNIVERSITY OF PORT HARCOURT

#### **GRAPHICAL REPRESENTATION OF SOME BASIC DATA AS AT 31/12/2023**

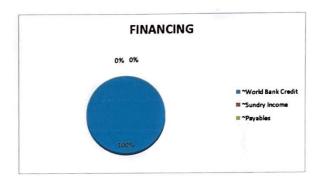
#### STATEMENT OF FINANCIAL POSITION:

Assets
"Goods 533,903,889 "Project Expenditure 1,409,331,335 "Bank Balance 130,601,452



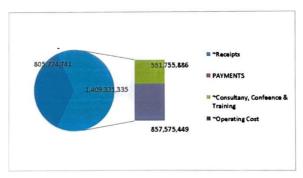
#### FINANCING:

"World Bank Credit 2,195,419,745 "Sundry Income "Payables 1,400,000



#### STATEMENT OF FINANCIAL PERFROMANCE:

805,774,741 "Receipts PAYMENTS "Consultany, Confeence & Training 551,755,886 \*Operating Cost 857,575,449



#### AFRICA CENTRE OF EXCELLENCE UNIVERSITY OF PORT HARCOURT UNIVERSITY OF PORT HARCOURT

#### STATEMENT OF THREE YEARS FINANCIAL SUMMARY/TREND

I	STATEMENT OF FINANCIAL POSITION	2023		2022		2021	
		N	USS	N	USS	N	USS
	ASSETS						
	Goods/Non Current Assets	86,804,619	143,005.96	518,212,697	1,248,705	295,372,399	738,431.00
	Project Expenditure	591,058,998	973,738.05	599,516,716	1,444,619	218,755,620	546,889.05
	CURRENT ASSETS						
	Bank Balance	130,601,452	215,158.90	1,290,328	3,109	113,891,279	284,728.20
		808,465,070	1,331,903	1,119,019,741	2,696,433	628,019,298	1,570,048
п	STATEMENT OF FINANCIAL PERFORMANCE						
	Receipts - World Bank	650,000,000	1,070,840.20	900,000,000	2,168,675	400,000,000	963,855.42
	Sundry Income	155,774,741	256,630.55	103,928,462	250,430	20,000	48
		805,774,741	1,327,471	1,003,928,462	2,419,105	20,000	963,904
	EXPENDITURE (Including Depreciation)	876,113,719	1,443,350.44	1,280,301,815	3,085,065	376,803,133	907,959
	Excess/(Deficit)	(70,338,978)	(115,879.70)	(276,373,353)	(665,960)	23,216,867	55,944