LAGOS STATE UNIVERSITY

AFRICAN CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFORMATIVE STEM EDUCATION (ACEITSE)

IDA CREDIT NUMBER: 6510-NG

AUDITED PROJECT FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2023

ABDULMALIK AHMED & CO.
(Chartered Accountants)
Suite 214 & 224, Anbeez Plaza,
Opposite Old Corporate Affairs Commission,
Ndola Square, Wuse Zone 5,
Abuja, FCT.

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Corporate Information

Project Management Team:

Prof.RasheedSanni	Centre Leader / Director
Dr. Hakeem Akintoye	Deputy Centre Leader
Dr AdedojaDorcasWusu	Monitoring and Evaluation Officer
Dr Michael Ahove	Research Coordinator
Mr Olabisi Yusuf	Project Accountant
Mrs.BosedeAgoro	Procurement Officer
Mr LasisiFatai A	Project Auditor
Ms TemitopeOgunmokun	Communication Officer

Project Address:

Africa Centre of Excellence for Innovative and Transformative STEM Education
Lagos State University, Ojo

Bankers:

Zenith Bank.
Alaba International,
Ojo Lagos.

Financiers:

The World Bank
International Development Association
1818H Street, N.W.
Washington, D.C. 20433
United State of America

Agence Francaise de Developpement (AFD)
5 rue Roland Barthes
75 598 Paris Cedex 12
France

Independent Auditors:

Abdulmalik Ahmed & Co.
(Chartered Accountants)
Suite 224, Anbeez Plaza,
Ndola Crescent,
Wuse Zone 5, Abuja.

Corporate Information

Project Overview

The Africa Centre of Excellence for Innovative and transformation STEM (ACITSE) is a World Bank Assisted Project set up to promote regional specialisation amongst participating universities in the West and Central Africa sub region with disciplines that address common regional challenges. The objectives included training of teachers using the home-grown teaching techniques known as Culturo – Techno – Contextual - Approach (CTCA) to build a world-class STEM teacher that will bring about a paradigm shift in the world of teaching, learning, and research.
The overarching objectives are to meet the demands of the labour market for skill teachers and researchers in education sectors, where there are shortage affecting development outcomes and economic growth.

Result for the Year

The highlight of the project's financial performance for the year ended 31st December 2023 is as follows.

	2023		2022	
	$	N	$	N
Total receipts	1,906,367	1,371,574,142	1,004,184	419,011,050
Total Payments	1,248,617	779,780,858	561,629	220,034,266
Cash and cash equivalent	**92,563**	**83,250,239**	**178,065**	**79,782,039**
Current Account with NUC	**916,947**	**824,692,522**	**264,490**	**118,504,745**

STATEMENT OF MANAGEMENT RESPONSIBILITIES ON PROJECT FINANCIAL STATEMENT

The Management of ACEITSE Project (the 'Project') accept responsibilities for the preparation and fair presentation of the Project Financial Statement set out on pages 11 to 14 which present in all material respects the Financial Position of the Project as at 31st December 2023 and Statement of Receipts and Payments in compliance with International Public Sector Accounting Standards "Financial Reporting under the Cash Basis of Accounting" (IPSAS-Cash Basis); in the manner prescribed by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

In Preparing the Project Financial Statement, the Management is also responsible for:

a) Selecting suitable accounting policies and applying them consistently.
b) Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable, and understandable information.
c) Providing additional disclosures when compliance with the specific requirements in IPSAS-Cash Basis to enable users to understand the impact of particular transactions, other events, and conditions on the Project Financial Statements; and
d) Making an assessment of the Project's ability to continue as a going concern.

The Management is also responsible for:

i) Designing, implementing, and maintaining an effective and sound system of internal controls, throughout the Project.
ii) Maintaining adequate accounting records that are sufficient to show and explain the Project's transactions and disclosures with reasonable accuracy at any time, which enable them to ensure that the Project Financial Statements comply with the specific requirement in IPSAS-Cash Basis of accounting.
iii) Maintaining Statutory accounting records in compliance with relevant legislation of the Federal Republic of Nigeria.
iv) Taking such steps as are reasonably available and necessary to them to safeguard the Assets of the Project; and
v) Preventing and detecting fraud and other irregularities.

The Project Financial Statement for the year ended 31st December 2023 was authorized for issue by the Project Management on the _____ of _____ 2024.

On Behalf of the Project Management Unit

Centre Leader **Project Accountant**

ABDULMALIK AHMED & CO
(CHARTERED ACCOUNTANTS) RC 2007332

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Suites 224 & 214, Anbeez Plaza,
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INDEPENDENT AUDITORS' REPORT

To Lagos State University (LASU) - African Centre of Excellence for Innovative and Transformative STEM Education (ACEITSE) Project (World Bank Assisted-Project)

Report on the Audit of the Project Financial Statements.

Opinion

We have audited the accompanying Financial Statements of African Centre of Excellence for Innovative and Transformative STEM Education (ACEITSE) Project for the year ended 31st December 2023.

In our opinion, the Project Financial Statements give a true and fair view of the Financial Position and of the Cash Flow Statement of ACEITSE Project for the period ended 31st December 2023 in accordance with International Standards on Auditing (ISA), relevant World Bank guidelines, and International Public Sector Accounting Standards (IPSAS Cash Basis) issued by the Financial Reporting Council of Nigeria.

The Statement of Expenditures (SOEs)

In our opinion, the SOEs are in agreement with the books of accounts; necessary procurement procedures have been made in line with the Credit Agreement, and adequate supporting documentation to support reimbursement claims to the World Bank have been made. The expenditures reported were all eligible for financing under the Credit Agreement.

The Statement of Designated Accounts (SDA)

In our opinion, the SDA has been maintained in accordance with the provisions of the relevant financing agreement and funds disbursed out of the accounts were used only for the purpose intended in the financing agreement.

In our opinion, funds have been received and associated disbursements made by the PIU, proper books of accounts have been kept and adequate internal control and supporting documentation have been put in place to process transactions, goods and services have been procured in accordance with the Credit Agreement.

Basis of Opinion

We conducted our audit in accordance with International Standards of Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of this report. We are independent of the Unit in accordance with the Institute of Chartered Accountants of Nigeria (ICAN) Professional Code of Conduct and Guide for Accountants, which is consistent with the International Ethics Standards Board for Accountants, Code of Ethics for Professional Accountants (Parts A and B), together with other ethical

requirements that are relevant to our audit of the Project Financial Statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management and those charged with Governance on the Project Financial Statement

The PIU is responsible for the preparation and fair presentation of Project Financial Statement in accordance with the conditions in the credit agreement. They are also responsible for such internal control as it deems necessary to enable the preparation of Project Financial Statement that is free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Project Financial Statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Project Financial Statement is free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA 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 this Project Financial Statement.

Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Project Financial Statement. Our audit also includes assessing the accounting principles used and significant estimates made by PIU and evaluating the overall Project Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Project Financial Statement has been prepared on Accrual Basis, which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles. Consequently, revenues and expenditures are recognized when received or paid rather than when earned or incurred. Accordingly, the accompanying Project Financial Statement is not intended to present results in accordance with Generally Accepted Accounting Principles.



Abdulmalik Ahmed, FCA
FRC/2012/ICAN/00000000240
The Engagement Partner

For: Abdulmalik Ahmed & Co. (Chartered Accountants)
Abuja, Nigeria.

Date: 27/06/2024

LAGOS STATE UNIVERSITY

AFRICAN CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFORMATIVE STEM EDUCATION (ACEITSE) PROJECT

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2023

	NOTES	2023	2022
NON CURRENT ASSETS		N	N
Development Capital Expenditure	2	700,407,409	142,288,089
Development Operating Expenditure	3	181,635,023	77,746,177
Total Non Current Assets		**882,042,433**	**220,034,266**
CURRENT ASSETS			
Account Receivables	4	825,292,522	119,194,745
Cash and Cash Equivalents	5	83,250,239	79,782,039
Total Current Assets		**908,542,761**	**198,976,784**
TOTAL ASSETS		**1,790,585,193**	**419,011,050**
FINANCED BY:			
IDA Credit	6	609,008,190	293,463,827
AFD Funding	7	1,181,577,003	125,547,223
TOTAL FINANCED BY		**1,790,585,193**	**419,011,050**

The Statement of Accounting Policies on Pages 11 to 12 and Notes on Pages 13 to 16 Form an integral part of these Project Financial Statements.

Prof. Rasheed Sanni
Centre Leader
26 June 2024
Signature & Date

Mr. Olabisi Yusuf
Project Accountant
26/6/24
Signature & Date

LAGOS STATE UNIVERSITY

AFRICAN CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFORMATIVE STEM EDUCATION (ACEITSE) PROJECT

STATEMENT OF RECEIPTS & PAYMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2023

	NOTES	2023	2022
Project Receipts		N	N
IDA Credit	6	315,544,363	293,463,827
AFD Funding	7	1,056,029,779	125,547,223
		1,371,574,142	**419,011,050**
Project Payments			
Development Capital Expenditure	8	558,119,320	142,288,089
Development Operating Expenditure	9	221,661,537	77,746,177
Total Payments		**779,780,858**	**220,034,266**
Execess of receipt over payment		591,793,284	198,976,784
Non-cash items	10	(588,325,085)	(119,194,745)
At 1 January		79,782,039	-
At 31 December		**83,250,238**	**79,782,039**
Represented by:			
ACE Operation (Naira) Account		83,250,239	79,782,039
		83,250,239	**79,782,039**

The Statement of Accounting Policies on Pages 11 to 12 and Notes on Pages 13 to 16 Form an integral part of these Project Financial Statements.

LAGOS STATE UNIVERSITY

AFRICAN CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFORMATIVE STEM EDUCATION (ACEITSE) PROJECT

STATEMENT OF CASHFLOW AS AT 31ST DECEMBER 2023

	NOTES	2023 N	2022 N
Cash Flow from Operating Activities			
IDA Credit	6	315,544,363	293,463,827
AFD Funding	7	1,056,029,779	125,547,223
Development Operating Expenditure	9	(221,661,537)	(142,288,089)
Exchange gain	3.1	117,772,691	-
		1,267,685,296	276,722,961
Changes in Working Capital			
Account Receivables	4	(706,097,777)	(119,194,745)
Net cash flow used in operating activities		**561,587,519**	**157,528,216**
Cash Flow from Investing Activities			
Development Capital Expenditure	8	(558,119,320)	(77,746,177)
Net Cash Used in Investing Activities		**(558,119,320)**	**(77,746,177)**
Cash & Cash Equivalent at the beginning of the year		79,782,039	-
Cash & Cash Equivalent for the year		3,468,199	79,782,039
Cash & Cash Equivalent at the end of the Year	5	**83,250,238**	**79,782,039**

The Statement of Accounting Policies on Pages 11 to 12 and Notes on Pages 13 to 16 Form an integral part of these Project Financial Statements.

LAGOS STATE UNIVERSITY
AFRICAN CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFORMATIVE STEM EDUCATION (ACEITSE) PROJECT

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST DECEMBER 2023

1 Significant Accounting Policies

The accounting policies, set out below have been applied consistently throughout the period covered by these financial statements.

1.1 Reporting Entity

Lagos State University - African Centre of Excellence for Innovative and Transformative Stem Education (ACEITSE) Project is a project co-funded IDA World Bank and French Development Agency (AFD) to improve the quality, quantity and development impact of post-graduate education in selected universities through regional specialization and collaboration.

1.2 Statement of Compliance

The Project financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Public-Sector Accounting Standards Boards (IPSASB).

1.3 Basis of Preparation

The Project Financial Statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) "Financial Reporting under the Accrual-Basis of Accounting" promulgated by IFAC as required by the relevant Programme Documents. These Standards require that Incomes are recognised when earned and expenditure recognised when incurred. The Project Financial Statements prepared under Accrual-Basis provide users with information about sources of Cash earned during the reporting period, the purpose for which cash was used and the Cash balance at the reporting date. The measurement focuses on the Financial Statement's Cash Balance and Changes therein.

1.4 Functional and Presentation Currency

Items included in these Financial Statements are measured using the currency of the primary economic environment in which the project operates ('the functional currency'), the financial statements are presented in the Nigerian Naira (N), which is the project's functional currency.

1.5 Use of Estimates and Judgments

The preparation of the financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of transactions at the date of the project financial statements. The estimates and assumptions are based on implementation unit' best knowledge of current events, actions; historical experience and various other factors that are believed to be reasonable under the circumstance, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual 'results may differ from these estimates. Estimates and underlying- assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED 31ST DECEMBER 2023

1.6 Going Concern

The Project management has a reasonable expectation that ACEITSE has adequate resources to continue in operational existence for a foreseeable future. The project continues to adopt the going concern basis in preparing its financial statements.

1.7 Foreign Currency Transactions

Foreign currency transactions are translated into Naira using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign currency balances as at the reporting date are converted into Naira at the exchange rate ruling at the reporting date. Foreign exchange gains and losses 'resulting from the settlement of such transactions and from the translation at year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Financial Position.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at that date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognized in the Statement of Financial Position.

The closing exchange rate used in the conversion of dollar balances as at 31 December, 2023 is N899.39 to $1.

1.8 Cash & Cash Equivalent

Cash and bank balance include current balance with central bank of Nigeria and commercial bank which are used by the Project in the management of its short-term commitments.

1.9 Property, Plant and Equipment

Items of property, plant and equipment are stated at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset. Depreciation is not charged on items of property, plant and equipment, PPE are written off in the year of purchase.

1.10 Funds

Funds are amounts received from IDA World Bank and AFD in accordance with the Loan Agreement.

1.11 Developmental Expenditure

These are expenses on civil works, goods and services directly related and necessary for the execution of the project.

LAGOS STATE UNIVERSITY
AFRICAN CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFORMATIVE STEM EDUCATION (ACEITSE) PROJECT
NOTES TO THE FINANCIAL STATEMENTS

NOTES		2023	2022
2	**Development Capital Expenditure (Cummulative)**	**N**	N
	Construction of Building	296,481,266	-
	Motor Vehicle Cost (New ACE)	79,410,250	25,230,250
	Power Generating Set (New ACE)	16,820,100	16,820,100
	Office Equipment (New ACE)	25,801,975	17,818,095
	Furniture & Fittings	57,500	-
	Maintenance of Office Building/Residential Qtrs	9,528,794	8,218,844
	Accreditation Expenses	47,741,962	5,985,323
	Research And Publication	2,437,369	-
	Internet Access Charges	82,202,659	1,744,987
	Interactive Learning Network	36,831,207	36,831,207
	Engineering Consulting Services	4,985,561	3,724,017
	Software Charges/Licence Renewal	4,500,000	4,500,000
	Books	1,174,950	1,174,950
	Student Cost	92,433,817	20,240,316
		700,407,409	**142,288,089**
3	**Net Development Operating Expenditure(Cummulative)**		
	Maintenance of Plant/Generator	93,200	93,200
	Cleaning/Fumigation Services	294,500	294,500
	Local Training	18,509,577	17,684,577
	International Training	68,537,858	36,779,452
	Auditing of Accounts	4,211,125	1,988,750
	Bank Charges	34,565	14,589
	Local Travel & Transport Expenses	12,563,790	2,130,450
	International Travel	99,911,120	8,736,876
	Maintenance of Office & IT Equipment	1,439,775	31,100
	Electricity Charges	20,000	20,000
	Telephone Charges	272,519	53,000
	Office Stationeries/Computer Consumables	5,646,110	2,481,320
	Motor Vehicle Maintenance /Fuel Cost	987,400	276,400
	Plant/Generator Fuel cost	615,863	17,500
	Publicity & Advertisement	1,872,434	910,558
	Postages/Courier Services	47,225	33,725
	Balance C/F	**215,057,060**	**71,545,997**

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AFRICAN CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFORMATIVE STEM EDUCATION (ACEITSE) PROJECT
NOTES TO THE FINANCIAL STATEMENTS

	2023 N	2022 N
3 Net Development Operating Expenditure (Commulative) (Cont'd)		
Balance B/F	215,057,060	71,545,997
Wages/Allowances	1,170,000	600,000
Team Building	6,277,050	3,823,430
Laboratory Consumables/Reagents	1,390,000	1,190,000
Insurance Expenses	586,750	586,750
Workshop/Seminar	74,861,854	-
Operations Costs	65,000	-
Other income (3.1)	(117,772,691)	-
	181,635,023	**77,746,177**
3.1 Other Income		
Exchange gain on balance with NUC	**117,772,691**	**-**
4 Accounts Receivables		
Staff Advances	600,000	690,000
Current Account with NUC (4.1)	824,692,522	118,504,745
	825,292,522	**119,194,745**
4.1 Current Account with NUC		
The World Bank (IDA) disbursed funds to LASU through NUC. Therefore, LASU does not have a designated bank account but a draw down account. NUC only releases funds to LASU on the centre's request. The balances shown above represent the balances of funds disbursed to NUC by IDA but yet to be released to LASU.		
5 Cash & Cash Equivalent		
ACE Operational (Naira) Account	83,250,239	79,782,039
	83,250,239	**79,782,039**
6 IDA Credit		
At 1 January	293,463,827	-
Disbursement in the year	315,544,363	293,463,827
At 31 December	**609,008,190**	**293,463,827**

LAGOS STATE UNIVERSITY
AFRICAN CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFORMATIVE STEM EDUCATION (ACEITSE) PROJECT

NOTES TO THE FINANCIAL STATEMENTS

	2023 N	2022 N
7 AFD Funding		
At 1 January,	125,547,223	-
Reimbursement in the year	1,056,029,779	125,547,223
At 31 December	**1,181,577,002**	**125,547,223**
8 Development Capital Expenditure (Annually)		
Construction of Building	296,481,266	-
Motor Vehicle Cost (New ACE)	54,180,000	25,230,250
Power Generating Set (New ACE)	-	16,820,100
Office Equipment (New ACE)	7,983,880	17,818,095
Furniture & Fittings	57,500	-
Maintenance of Office Building/Residential Qtrs	1,309,950	8,218,844
Accreditation Expenses	41,756,639	5,985,323
Research And Publication	2,437,369	-
Internet Access Charges	80,457,672	1,744,987
Interactive Learning Network	-	36,831,207
Engineering Consulting Services	1,261,544	3,724,017
Software Charges/Licence Renewal	-	4,500,000
Books	-	1,174,950
Student Cost	72,193,501	20,240,316
	558,119,320	**142,288,089**
9 Development Operating Expenditure(Annually)		
Maintenance of Plant/Generator	-	93,200
Cleaning/Fumigation Services	-	294,500
Local Training	825,000	17,684,577
International Training	31,758,406	36,779,452
Auditing of Accounts	2,222,375	1,988,750
Bank Charges	19,976	14,589
Local Travel & Transport Expenses	10,433,340	2,130,450
Balance C/F	**45,259,097**	**58,985,518**

LAGOS STATE UNIVERSITY
AFRICAN CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFORMATIVE STEM EDUCATION (ACEITSE) PROJECT

NOTES TO THE FINANCIAL STATEMENTS

	2023	2022
	N	N
Development Operating Expenditure(Annually) (Cont'd)		
Balance B/F	45,259,097	58,985,518
International Travel	91,174,244	8,736,876
Maintenance of Office & IT Equipment	1,408,675	31,100
Electricity Charges	-	20,000
Telephone Charges	219,519	53,000
Office Stationeries/Computer Consumables	3,164,790	2,481,320
Motor Vehicle Maintenance /Fuel Cost	711,000	276,400
Plant/Generator Fuel cost	598,363	17,500
Publicity & Advertisement	961,876	910,558
Postages/Courier Services	13,500	33,725
Wages/Allowances	570,000	600,000
Team Building	2,453,620	3,823,430
Laboratory Consumables/Reagents	200,000	1,190,000
Insurance Expenses	-	586,750
Workshop/Seminar	74,861,854	-
Operations Costs	65,000	-
	221,661,537	**77,746,177**

10 **Non Cash items**

Account receivables	706,097,777	119,194,745
Exchange gain	(117,772,691)	-
	588,325,085	**119,194,745**

11 **Comparative Figures**

Where appropriate, the prior year figures were restated to correct account balances misstatements in order to ensure conformity with the current year treatment.