

**AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT OF  
AFRICAN UNIVERSITY OF SCIENCE AND TECHNOLOGY (AUST) IN  
MATERIAL SCIENCE AND ENGINEERING  
(AUST/PAMI/2015 CREDIT No. 5415-NG)**

*Financial Statements,*  
**2015**

**AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT  
AFRICAN UNIVERSITY OF SCIENCE AND TECHNOLOGY  
(AUST/PAMI/2015 CREDIT NO. 5415-NG)**

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**AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT  
AFRICAN UNIVERSITY OF SCIENCE AND TECHNOLOGY  
(AUST/PAMI/2015 CREDIT NO. 5415-NG)**

**Corporate Information**

- Project Management Team:**
- . Prof. Kingston Nyamapfene . *President*
  - . Dr. Omololu Akin-Ojo . *Centre Leader*
  - . Prof. Charles Chidume . *Deputy Center Leader*
  - . Dr. Shola Odusanya . *Co-Centre Leader*
  - . Mr. Ben Okonkwo, FCA . *Finance Officer*
  - . Mr. Morgan Leo . *Procurement Officer*
  - . Dr. M. G. Zebaze Kana . *Scientific Advisor*
  - . Mr. Osondu Onwuzurigbo . *Financial Officer*
  - . Ms. Victoria Agbo . *Monitoring and Evaluation Officer*
  - . Mr. Adeyemi Adebowale Olusola . *Auditor*
  - . Mrs. Tracey Ofoegbu . *Executive Secretary*
  - . Mrs. Odette Fayen Anye . *Administrative Officer 1*
  - . Mr. Inegbenose Osoba . *Administrative Officer 2*
- Executing Agency:**
- . African University of Science and Technology
- Project Office:**
- . Km 10 Airport Road,  
Galadimawa,  
FCT Abuja.
- Independent Auditors:**
- . Alatta Nzewi Oyeka & Co.  
1, Oyediran Street,  
Off, Bode Thomas Street,  
Surulere,  
Lagos.  
01-2122501
- Bankers:**
- . Guaranty Trust Bank Plc.

**AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT  
AFRICAN UNIVERSITY OF SCIENCE AND TECHNOLOGY  
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**Financial Highlights**

*Period Ended December 31, 2015*

	2015 N
<b>Statement of Receipts and Payments</b>	
Receipts	147,172,327
Payments	59,988,245
Excess of receipts over payments	87,184,082
<b>Statement of Financial Position</b>	
Total assets	147,172,327
Net assets	147,172,327



## Report of the Independent Auditors On the Financial Statements Of

### **Africa Higher Education Centers for Excellence Project of African University Of Science and Technology (AUST) Abuja in Material Science and Engineering (AUST/PAMI/2015) for the Period Ended December 31, 2015 - Credit No 5415-NG**

We have audited the accompanying financial statements of African Higher Education Centers of Excellence Project of African University of Science and Technology (AUST), Abuja for the Period Ended December 31, 2015 set out on pages 5 to 10 and prepared on the basis of accounting policies set out page 5. The project is financed by the World Bank - Credit Number 5415-NG.

#### **Respective Responsibilities of Project Management and Auditors**

African University of Science and Technology coordinates the activities of the project and is as such responsible for the preparation of the financial statements. It is our responsibility as auditors to express an independent opinion, based on our audit, on these financial statements and to report our opinion to you.

#### **Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing and World Bank Guidelines. Those Standards and World Bank Guidelines require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatements.

An audit includes examination on a test basis, of evidence supporting the amounts and disclosures in the financial statements. An audit also includes an assessment of the significant estimates and judgments made by the project officers in the preparation of the financial statements, and whether the accounting policies are appropriate to the project circumstances, consistently applied and adequately disclosed.

We planned and performed such audit procedures and obtained all the information and explanations which we considered necessary for the purpose of our audit. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. We believe that our audit provides us with a reasonable basis for an opinion.

#### **Opinion**

In our opinion:

- (i) **The Project Financial Statements** give a true and fair view of the financial position and of the statement of cash flows for the period ended December 31, 2015, in accordance with generally accepted accounting principles.

  
Nzewi Wilfred Azubueze FCA FRC/2013/ICAN/00000002900  
for: Alatta Nzewi Oyeka & Co.  
Chartered Accountants  
Lagos, Nigeria  
June 22, 2016



**AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT  
AFRICAN UNIVERSITY OF SCIENCE AND TECHNOLOGY  
(AUST/PAMI/2015 CREDIT NO. 5415-NG)**

**Principal Accounting Policies**

*Period Ended December 31, 2015*

The significant accounting policies adopted in arriving at the financial information are set out in these financial statements are as follows:-

**1 Accounting Convention:**

The financial statements have been prepared under the cash basis of accounting.

**2 Operating Cost**

The operating cost is written off as they are incurred but disclosed separately on the statement of financial position as Project Operating Cost.

**3 Revenue Recognition**

This represents grants and subventions received from the International Development Association during the period.

**4 Property, Plant and Equipment**

- i. Property, plant and equipment are stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the assets.
- ii. The cost of the day to day servicing of property, plant and equipment are recognized in the profit or loss account as incurred.

**5 Depreciation**

Depreciation is not provided in this financial statement. Depreciation shall be charged at an appropriate date. Future annual depreciation rates to be used for the principal classes of assets would be as follows:

Plant and Machinery	15%
Motor vehicles	20%
Office Equipment	15%
Furniture and fittings	15%
Computer and laboratory equipment	33.33%

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**Statement of Receipts and Payments**

*Period Ended December 31, 2015*

	Note	2015 N
<b>Receipts:</b>		
World Bank Grant	6	<b>147,172,327</b>
<b>Less: Payments</b>		
Property, Plant and Equipment	2	1,219,800
Applied Research	3.1	28,713,001
Governance and Management	3.2	2,485,550
International Academic Partnership	3.3	19,367,767
Regional Co-operation	3.4	623,500
Other Receivables	4	7,578,627
		<b>59,988,245</b>
<b>Excess of Receipts over Payments</b>		<b>87,184,082</b>
<b>Represented By:</b>		
Cash and cash equivalents	5	<b>87,184,082</b>

*The principal accounting policies on page 5 and notes on pages 9 and 10 form an integral part of these accounts.*


**AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT  
AFRICAN UNIVERSITY OF SCIENCE AND TECHNOLOGY  
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**Statement of Financial Position**

*As at 31st December, 2015*

Assets Employed	Note	2015 N
Property, Plant and Equipment	2	1,219,800
Project Operating Cost	3	51,189,818
		<b>52,409,618</b>
Current Assets:		
Other receivables	4	7,578,627
Cash and cash equivalents	5	87,184,082
		<b>94,762,709</b>
<b>Net Assets</b>		<b>147,172,327</b>
Financed By		
World Bank Grant	6	<b>147,172,327</b>

*The Financial Statements on pages 6 to 10 were approved by the Project Management Team on 21st June, 2016 and signed on its behalf by:*

  
 Dr. Omololu Akin Ojo  
 Centre Leader

  
 Prof. Kingston Nyamaofene  
 President

  
 Mr. Ben Okonkwo, FCA  
 Project Finance Officer

*The principal accounting policies on page 5 and notes on pages 9 and 10 form an integral part of these accounts.*



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**Cash Flows Statement**

*Period Ended December 31, 2015*

	2015 N
<b>Cash Flows for the year</b>	
World Bank Grant	<b>147,172,327</b>
<b>Disbursements</b>	
Property, Plant and Equipment	1,219,800
Project Operating Cost	51,189,818
Other Receivables	7,578,627
	<b>59,988,245</b>
<b>Net Cash Inflows</b>	<b>87,184,082</b>
<b>Represented By:</b>	
Cash and cash equivalents	<b>87,184,082</b>

*The principal accounting policies on page 5 and notes on pages 9 and 10 form an integral part of these accounts.*

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**Notes on the Accounts**

*Period Ended December 31, 2015*

**1 The Project**

The Pan African Materials Institute (PAMI) project of African University of Science and Technology, Abuja became effective from the date of signing the Financing Agreement on the 25th February 2015 between the Nigerian Government and the World Bank. The signing of the Partnership Agreement was concluded in May 2015.

**The Aims and Objectives of the Project**

This project aims specifically to train a critical number of MSc and PhD students from Nigeria and other countries in Western and Central Africa. Specifically, the program aims:

- i. To provide excellence in educational and research capacity building;
- ii. Deliver regional high quality training;
- iii. Enhance the impact of the centers on research development;
- iv. Build and strengthen regional and international academic partnership;
- v. Enhance the governance and management of centers and participatory universities.

Towards achieving the above objectives, African University of Science and Technology (AUST) Abuja has the Pan African Materials Institute (PAMI) driving its center of excellence status.

**The Project Parties:**

- i. World Bank (International Development Association)
- ii. Federal Republic of Nigeria
- iii. Association of African Universities (AAU)
- iv. National University Commission (NUC)
- v. African University of Science and Technology (AUST)
- vi. Net-work Partners (Academic and Non-academic Institutions)

**2 Property, Plant and Equipment**

Microsoft Office Software  
HP Desktop Computer, LaserJet Printer and Photocopier

**3 Project Operating Cost**

**3.1 Applied Research**

Conference and Seminars  
Student scholarship

**3.2 Governance and Management**

Training workshop  
Printing and Stationery  
Telephone expenses  
Bank charges

**3.3 International Academic Partnership**

International Conferences

**3.4 Regional Co-operation**

Benchmarking expenses

2015 N
179,550
1,040,250
<b>1,219,800</b>
11,656,798
17,056,203
<b>28,713,001</b>
2,305,964
50,990
20,000
108,596
<b>2,485,550</b>
19,367,767
623,500
<b>51,189,818</b>

## Notes on the Accounts (Cont'd)

Period Ended December 31, 2015

	2015 N
4 Other Receivables	
Staff cash advance	<u>7,578,627</u>
5 Cash and Cash Equivalents	
Cash Balance	133,345
Guaranty Trust Bank Plc	<u>87,050,737</u>
	<u>87,184,082</u>
6 Funding	
World Bank Grant	<u>147,172,327</u>