

FEDERAL COLLEGE OF EDUCATION – OKENE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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FEDERAL COLLEGE OF EDUCATION – OKENE
FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	₦	₦
Income	2,264,631,021	2,108,726,021
Expenditure	(2,475,923,373)	(2,675,489,618)
Deficit for the year	(211,292,352)	(566,763,597)
Capital grants	4,922,903,862	4,483,123,924
Statement of deficit	(2,023,588,204)	(1,812,295,852)

FEDERAL COLLEGE OF EDUCATION- OKENE
CORPORATE INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2019

GOVERNING COUNCIL MEMBERS

1. ENGR. SA'AD. A. ABDULLAHI	CHAIRMAN
2. DR. UMAR HASSAN (PROVOST)	MEMBER
3. MRS. AISHAT. M. GARBA	MEMBER
4. DR. SANI UGWUOTI	MEMBER
5. ALH. IBRAHIM ABBA GANA	MEMBER
6. CHIEF (MRS.) MOJISOLA FAFURE, JP	MEMBER
7. BARRISTER YAKUBU. A. ABBAS	MEMBER
8. HON. IBRAHIM OPOTU JIMOH	MEMBER
9. DR. ABDULRAHAMAN. D. SULEIMAN	MEMBER
10. MALL. MUSA JIBRIL	MEMBER
11. MR. OVANSA OTOHORMORIHI. P. (REGISTRAR)	MEMBER/SECRETARY

MANAGEMENT MEMBERS

1. DR. UMAR HASSAN (PROVOST)	CHAIRMAN
2. MR. OLAWE JACOB OLUSEGUN (BURSAR)	MEMBER
3. MR USMAN MAHMUD NEFENE (LIBRARIAN)	MEMBER
4. ENGR. I.A. YUSUF (DIRECTOR OF WORKS AND SERVICES)	MEMBER
5. MR. OVANSA OTOHORMORIHI. P. (REGISTRAR)	MEMBER/SECRETARY

AUDITORS:

Standard Auditors & Co.

(Certified National Accountant)

Floor 1 Flat 2, Gambo

Isari Shopping Complex

Jekadafari Gombe

Gombe State.

standardauditors412@gmail.com

FEDERAL COLLEGE OF EDUCATION – OKENE
REPORT OF THE MEMBERS OF THE GOVERNING COUNCIL
FOR THE YEAR ENDED 31ST DECEMBER 2019

The Governing Council members have the pleasure in submitting their report with the financial statement for the year ended 31 December 2019 to the government.

1. THE ACCOUNTS

The Federal College of Education - Okene had a deficit of (211,292,352) for the year ended 31 December 2019

2. PRINCIPAL ACTIVITIES

The main activities of the college are follows:

- a. Provide course of study, training and research in all sphere of learning
- b. Promote course of in-service instruction for members of the public
- c. Promote through teaching, research and other means, the advancement of knowledge and its application to the need of the community

3. MANAGEMENT AND MANAGERIALS' TEAM INTERESTS

The names of governing council members and the management team are listed on page 3.

4. RESULT AT A GLANCE

Surplus/ (deficit) for the year before charging depreciation	(124,968,933)
Depreciation charged	<u>(86,323,419)</u>
Deficit for the year	<u>(211,292,352)</u>

5. LEGAL FORM

The college was established by the Federal Government of Nigeria through the Federal College of Education Decree No. 4 of 1974

6. EVENT AFTER THE REPORTING DATE

There was no event after the reporting date, which could have material effects on the state of affairs of the Federal College of Education – Okene as at 31st December 2019.

7. EMPLOYMENT AND EMPLOYEE'S INVOLVEMENT AND TRAINING

Employment opportunities are open to all suitable qualified Nigerians in accordance with guidelines of the federal character commission. In the period under review, a large number of academic and non-academic staff were allowed to go on further studies. The governing council members and management team hold regular meetings for the purpose of consultation on matters affecting staff and the college.

**FEDERAL COLLEGE OF EDUCATION – OKENE
REPORT OF THE MEMBER OF THE GOVERNING COUNCIL
FOR THE YEAR ENDED 31ST DECEMBER 2019**

8. HEALTH AND SAFETY

The college working environment is relatively safe. The college provides medical services to the students and the college communities within available facilities in the college's clinic.

9. SOCIAL RESPONSIBILITIES

Honorarium, allowances and donations are practiced in the college to motivate staff, especially the hard-working ones and to outsiders that are very much in need and deserve it.

10. AUDITORS

In accordance with section 357(2) of The Company and Allied Matter Act 1990, Messrs Standard Auditors & Co will continue in office as Auditors to Federal College of Education - Okene.

A resolution will be proposed authorizing the management to determine their remuneration.

ORDER OF THE COUNCIL

SECRETARY

**OKENE,
NIGERIA**

**REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS OF
FEDERAL COLLEGE OF EDUCATION - OKENE**

We have audited the accompanying financial statement of **Federal College of Education - Okene** for the year ended 31 December 2019 set out on pages 8 to 11 which have been prepared on the basis of the significant accounting policies on pages 12-14 and other explanatory notes on page 15 to 19.

Governing Council Responsibility for the Financial Statement

The governing council is responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters act, CAP C20LFN 2004. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error: selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 standard on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, 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 auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the governing council, as well as evaluating the overall presentation of the financial statement.

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

**REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS OF
FEDERAL COLLEGE OF EDUCATION - OKENE**

Opinion

In our opinion, the college has kept proper accounting records and the financial statements are in agreement with the records in all material aspects and give in the prescribed manner. Information required by the companies and allied matter act, CAP C20, LFN 2004. The financial statement gives a true and fair view of the financial position of **Federal College of Education – Okene** for the year ended 31 December 2019, and of its financial performance and its cash flows for the year ended in accordance with the Financial Reporting Council of Nigeria (FRCN) Act No. 6, 2011 and International Financial Reporting Standards (IFRS).

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of schedule 6 of the Companies and Allied Matter Act of Nigeria.

In our opinion, proper books of accounts have been kept by the college, so far as appears from our examination of these books and the statement of Financial Position and the Statement of Comprehensive income is in agreement with the book of accounts.

Certified National Accountant

Gombe, Nigeria

August, 2020

FEDERAL COLLEGE OF EDUCATION – OKENE
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED 31ST DECEMBER 2019

General Information

1. General information

The principal activity of Federal College of Education – Okene is to provide academic excellence.

2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. The accounting policies are consistently applied to all the years presented.

a. Basis of Preparation

The financial statements have been prepared in compliance with the approved international public sector accounting standard (IPSAS). The financial statements are presented in the currency of Nigeria Naira which is the college functional currency, and prepared under the historical cost basis. The preparation of financial statement in conformity with IPSAS requires the use of certain critical accounting estimates. It also requires council to exercise judgments and assumptions in the process of applying the accounting policies and reporting the amount of assets, liabilities, income and expenses. The actual results are likely to be different from the estimates.

The estimates and the underlying assumptions are subjected to review on an ongoing basis. Any revision to the accounting estimates is recognized in the year in which the estimates are revised and any further years affected.

b. Income Recognition

Income is the grants received from Federal Government and internally generated revenue. The college recognizes revenue when the amount of income can be reliably measured and it is probable that future economic benefits will flow to the college.

- Grants

Capital and recurrent grants are recorded only when they are received. Capital grant are capitalized while recurrent grants are credited to income and expenditure accounts to meet operating expenses.

- Internally Generated Revenue

Internally generated revenues are recorded when received.

c. Property, Plant & Equipment

Property, plant & equipment are initially stated at cost and subsequently carried at cost less accumulated depreciation.

FEDERAL COLLEGE OF EDUCATION – OKENE
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED 31ST DECEMBER 2019

Capital work in progress represent property under construction or plant and equipment undergoing installation and is not depreciated; upon completion of the construction or installation, the associated costs of each asset is transferred to the relevant asset category and begin depreciation immediately the item property, plant and equipment are available for use.

The cost of self constructed assets includes:

- The cost of material and direct labour;
- Any other directly attributable cost of bringing the asset to a working condition for their intended use;
- In situation where the college has obligation to remove the asset or restore the site in which the asset is situated, an estimate of the present value of the cost of dismantling and removing the asset and restoring the site are recognized.

When part of items of property, plant and equipment has different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequently expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the college.

Depreciation of property, plant and equipment is calculated on a straight line method to write off the depreciation costs over the estimated useful lives of the assets. Property, plant and equipment are depreciated from the month the asset is available for use. The useful life and residual value of item of property, plant and equipment are reviewed and adjusted at the end of each reporting period. The annual depreciation rates adopted for various asset categories are as follows:

- Land & building	2
- Library books and equipment	10
- Furniture, fitting & equipment	10
- Plant and Generator	15
- Motor Vehicle	20
- Borehole	2
- Computer/office equipment	20
- Internet	10

FEDERAL COLLEGE OF EDUCATION – OKENE
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED 31ST DECEMBER 2019

Item of property, plant and equipment are derecognized on disposal or when it is no economic benefits are expected from its use. Gain and losses on disposal or recognition of plant, property and equipment are calculated with reference to the sales proceed and carrying amounts and are included in the income statement.

d. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the first in first out (FIFO) method. Cost comprises suppliers' invoice price and where appropriate, freight and other charges incurred to bring the materials to their location and condition net of any trade discount or rebate. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

e. Receivables

Receivables are recognized initially at fair values and subsequently measured at amortized cost using the effective interest method less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the college will not be able to collect the entire amount due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that debtor will enter bankruptcy and default or delinquency in payment (more than 30 days overdue), are the indicators that trade receivable is impaired. The carrying amount of the loss is recognized in the income statement within operating costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recovery of amounts previously written off is credited against administrative costs in the income statement.

f. Payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payments are due within one year or less. If not, they are presented as non-current liabilities.

g. Cash And Cash Equivalents

Cash and cash equivalents include cash in hand, and monies in the various bank accounts.

h. Pension

The college operates a defined contribution plan which is funded by contributions from both the college and the employees. The deductions were made at the college at source while the Accountant General Office liaises with funds Administrator.

i. Expenditures.

Expenditures include salaries and wages, repairs and maintenance costs, etc. they are accounted for on accrual basis.

