



AfriLabs

**ABRIDGED AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> JULY, 2023**

**Audited Statement of Financial Position**

	NOTES	As at 31st July 2023		As at 31st July 2022	
		NGN	USD	NGN	USD
<b>NON CURRENT ASSET</b>					
Property, Plant & Equipment	16	51,267,231	107,927	8,618,081	21,908
<b>CURRENT ASSET</b>					
Cash and Bank Balances	10	583,171,653	767,420	138,400,784	407,953
Account Receivables	11	199,927,324	430,706	120,781,924	277,133
Prepayments & Other Receivables	12	18,074,145	38,293	6,206,666	15,528
		<u>801,173,122</u>	<u>1,236,419</u>	<u>265,389,374</u>	<u>700,614</u>
<b>Total Assets</b>		<u><b>852,440,353</b></u>	<u><b>1,344,345</b></u>	<u><b>274,007,455</b></u>	<u><b>722,522</b></u>
<b>REPRESENTED BY:</b>					
<b>CAPITAL AND RESERVES</b>					
Restricted Fund C/F	4.21	706,544,537	1,653,707	101,267,102	252,320
Accumulated Fund	15	114,680,109	(382,976)	150,294,849	416,646
		<u>821,224,646</u>	<u>1,270,731</u>	<u>251,561,952</u>	<u>668,966</u>
<b>CURRENT LIABILITIES</b>					
Accounts payable	13	26,779,640	64,252	9,717,290	23,024
Other short term liabilities	14	4,436,067	9,444	12,728,213	30,496
		<u>31,215,707</u>	<u>73,696</u>	<u>22,445,503</u>	<u>53,520</u>
		<u><b>852,440,353</b></u>	<u><b>1,344,427</b></u>	<u><b>274,007,455</b></u>	<u><b>722,486</b></u>

**Audited Statement of Financial Performance**

	NOTES	Year Ended 31st July, 2023		Year Ended 31st July, 2022	
		NGN	USD	NGN	USD
<b>INCOME</b>					
Restricted Grants	4.0	1,074,416,886	2,567,528	830,893,156	1,948,427
Unrestricted Grants (Donations)	5.0	-	-	-	-
Annual Gathering Income	5.0	141,867,481	338,376	45,623,157	92,508
AfriLabs Hubs Membership Fees		33,367,408	70,694	27,679,984	66,852
		<u>1,249,651,775</u>	<u>2,976,597</u>	<u>904,196,297</u>	<u>2,107,787</u>
<b>LESS EXPENDITURE</b>					
Programme Expenses	7.0	1,293,047,448	2,859,307	589,104,866	1,423,697
Administration/Operating Expenses	8.0	343,305,821	727,347	235,832,085	569,574
Finance Charges	9.0	6,423,100	13,608	7,453,851	18,002
		<u>1,642,776,370</u>	<u>3,600,262</u>	<u>832,390,803</u>	<u>2,011,273</u>
Operating Surplu/(Deficit)*		<u><b>(393,124,594)</b></u>	<u><b>(623,665)</b></u>	<u><b>71,805,494</b></u>	<u><b>96,514</b></u>
Exchange Gain/(Loss)		357,509,854	(175,957)	2,374,207	133,044
Net Operating Surplu/(Deficit)		<u><b>(35,614,741)</b></u>	<u><b>(799,622)</b></u>	<u><b>74,179,701</b></u>	<u><b>229,558</b></u>

*Engage*

Anna Ekeledo  
Executive Director

*Abimbola*

Abimbola Olajide (ACA)  
Ag. Finance Manager

**REPORT OF THE AUDITORS TO THE TRUSTEES AND MEMBERS OF AFRICAN TECHNOLOGY INNOVATION HUBS INITIATIVE (AFRILABS)**

**Report on the Abridge Financial Statements  
Opinion**

These abridged financial statements which comprise the statement of financial position of AfriLabs as at 31 July, 2023, and the statement of financial performance for the year ended 31 July, 2023 are derived from the audited financial statements of African Technology Innovation Hubs Initiative (AfriLabs) for the year ended 31 July 2023.

In our opinion, the abridged financial statements are consistent, in all material respects with the audited financial statements of the Foundation, in accordance with the International Financial Reporting Standards (IFRS), and the Companies and Allied Matters Act (CAMA), CAP C20 LFN 2004.

**The Audited Financial Statements and Our Report Thereon**

We expressed an unmodified audit opinion on the financial statements of the Foundation in our report which was issued in October, 2023

**Trustees' Responsibility for the Abridged Audited Financial Statements**

The Board of Trustees is responsible for the preparation of the appropriate summary of the audited financial statements in accordance with Section 355 of the Companies and Allied Matters Act, Cap C20, LFN 2004, the Financial Reporting Council of Nigeria Act, 2011, and the International Financial Reporting Standards.

**Auditor's Responsibility**

Our responsibility is to express an independent opinion on whether the abridged financial statements are consistent in all material respects with the audited financial statements, based on our audit which is conducted in accordance with International Standards on Auditing (ISA 810 revised), "Engagement to report on Summary Financial Statements".

Alioha Jerin Chinatu (ACA)  
FRC/2022/FRS/ICAN/004/478030  
For: Ali Jerin & Co  
(chartered accountants)  
Abuja, Nigeria  
18/10/2023





AfriLabs

## ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> JULY, 2023

**\*Note:** the reported negative/deficit operating income for the year was mainly as a result of a change in the organisation's financial reporting.

Prior to this financial year, all project income (apart from ACBP and GIZ) were reported fully in the year in which they were received or became receivable while only the proportions of the projects' costs incurred in that year were taken into account and reported. This therefore implies that for every project that was not fully executed in the year in which funding was received for it, surplus fund will be reported for the project at the end of that year. This surplus fund can be traced to bank balances at the end of the year where it is available for the continuation of the project's implementation in the following year.

Now, coming to the following year when the project's implementation continues, at the end of that year, it will be found that the costs incurred for the project will have no income (barring new receipts of funds on the project) to match them given that all the project's income were hitherto captured and reported in the prior year. Hence the project will show deficit/negative balance in this year which (depending on the size) may or may not cause the entire Statement of Financial Performance to show deficit operating income.

So, in the light of the above, it could be seen that there is really no issue if one understands that any surplus fund reported on an ongoing project in a given period will naturally compensate for any deficit that will arise on the same project in the following period owing to the nature of financial reporting; that any surplus fund on any ongoing project in a given year will naturally serve as cash backing (money in the bank) for the

continuous implementation of the project in the subsequent years(s) when no further income (as it were) will be reported for the project (apart from new funding); and lastly, that the deficit/negative operating income reported in this financial year does not necessarily mean absence of fund or borrowing of funds to implement projects in the year but rather an absence of income (as it were) to match costs incurred on ongoing projects whose funds were mostly received and reported in the prior period(s).

It must be appreciated that this whole deficit reporting came to light in this financial year owing to a change in AfriLabs' approach to financial reporting. Prior to this year, the organisation has been reporting its financial operations basically on an accrual basis approach (wherein all income and expenditures are accounted for and reported in the year in which they occurred, while the resultant surplus or deficit is transferred to Accumulated Fund Account and represented in the banks (In the case of surplus)),

Now that the Board has sanctioned a restriction fund approach for the reporting of all projects' funds, it, therefore, follows that henceforth **only the aspect of projects' funds used in a year will be reported as income in the financial statements in that year while every unused project fund will be carried forward and warehoused in an account known as "Restricted Fund Account"** such that **at the beginning of the following year, the unused fund will be brought forward and treated as income in that year to the extent of the amount used.** This is the approach used in this year's financial reporting

Therefore, with this approach going forward, there won't be any cases of deficit (or even surplus) reporting on any project, all things being equal.