

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2021

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EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2021

CORPORATION INFORMATION

BOARD MEMBERS

NOT YET CONSTITUTED

MANAGEMENT TEAM

Wole Afolabi	-	Managing Director
Engr Oluwatobe Opeyemi	-	Director (Operation & Maintenance)
Mr R.S Fasusu	-	Director (Admin & Supplies)
Mr. Ajayi M.I	-	Director (Commercial Service)
Mr. Saya Adebayo	-	Director (Finance & Accounts)
Mrs. Bolanle Taiwo	-	Director (Quality Control)
Engr Alabi Abiodun M.	-	Director (Design & Construction)
Mr B.J Ajayi	-	Director (Planning, Research and Statistics)
Engr. Olatiilu Olajide John	-	State Coordinator (E.U Sponsor).
Mrs. Bolatito Abimbola	-	Chief Internal Auditor

BANKERS

United Bank of Africa Plc	(Account Number 1003372017)
United Bank for Africa Plc	(Account Number 1003378466)
Sterling Bank Plc	(Account Number 0029679509)
Wema Bank	(Account Number 0123254623)

AUDITORS

FEMI OLATHILU & CO

Certified National Accountants

7, Temidire Avenue, Olokemeji, Odo Ado,

P O Box 2324,

Ado Ekiti,

Ekiti State

Email oluolatiilu @ gmail.com

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2021

MANAGEMENT REPORT

The Management is pleased to submit their report together with the Audited Financial Statements of the Corporation for the Year Ended 31st December, 2021

1. Principal Activities

The principal activities of the Corporation are the production of affordable, drinkable and portable water to the people of Ekiti State.

2. Legal Form

Ekiti State Water Corporation is one of the social service/ welfare oriented /revenue generating parastatals in the State. It was established to provide portable water to citizens of the state. It has supervisory board with members drawn from different disciplines and representation from relevant ministries of the government of Ekiti State

3. Non-Current Assets

Movements in Non-Current Assets during the year are shown in Note I to the Financial Statements. In the opinion of the management, the market value of the Corporation's properties is not less than the value shown in the Audited Financial Statements

4. Post Statement of Financial Position Events

There was no significant development since the date of Statement of Financial Position which could have had a material effect on the state of affairs of the Corporation as at 31 December, 2021

5. Auditors

Messrs Femi Olatilu & Co. (Certified National Accountants) has been appointed as the auditor to the Corporation

By Order of the Management



FEMI OLATILU & CO

7, Temidire Avenue,
Off Federal Poly Road, Olokemeji,
P.O.Box 2324, Ado-Ekiti, Ekiti State.
08035066289, 08055620907, 07062130865
E-mail: oluolatilu@gmail.com.

Aja-laye International Hotels,
Plot 210, Afe Babalola University Road,
Opposite Ado Grammar School,
Ado Ekiti,
Ekiti State.

Date: 30/08/2024

Our Ref:.....Your Ref:.....

REPORT OF THE INDEPENDENT AUDITORS TO THE BOAD MEMBERS AND MANAGEMENT OF EKITI STATE WATER CORPORATION

REPORT ON FINANCIAL STATEMENTS

We have examined the Financial Statements of Ekiti State Water Corporation, Ado Ekiti, Ekiti State for the Year Ended 31st December, 2021 as set out on pages 6 to 13.

PROFESSIONAL OPINION

In our opinion and to the best of the information and explanations given to us by the Board Members and Management, the Financial Statements are in agreement in all material respects with the available records and how a true and fair view of the Financial Position of Ekiti State Water Corporation, Ado Ekiti, Ekiti State as at 31st December, 2021 and of its Surplus/(Loss) and cash flow for the year then Ended

BASIS OF OPINION

We conducted the audit examination in accordance with Internationally Accepted Standards of Auditing and the guidelines issued by the Financial Reporting Council of Nigeria. These standards required that we plan and perform the audit to obtain reasonable assurance that the Financial Statements are free from material misstatements. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates and judgments made by the Management, as well as an evaluation of all the overall presentation of the Financial Statements.

We have obtained all the information and explanations that to the best of our knowledge and belief were necessary for the purpose of our audit and we believe this provides us with a reasonable basis for our opinion.

RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

The Board Members and Management are responsible for the preparation and fair presentation of the Financial Statements in accordance with the provisions of 2004 Companies and Allied Matters Act as amended and statements issued by the Financial Reporting Council of Nigeria. Our responsibility is to express an independent opinion on the Financial Statements on the audit.

For:

FEMI OLATILU & Co.
Certified National Accountants

E.O. OLATILU B.Sc. FCMA, ACTI
Managing Partner

PRC/2014/ANAN/0000010279



Accounting/Audit, Tax Consulting, Human Resources Management

EKITI STATE WATER COPORATION
ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2021

STATEMENT OF ACCOUNTING POLICIES

The following are the Significant Accounting Policies adopted in the preparation of the Financial Statements

(a) Basis of Accounting

The Financial Statements have been prepared under the historical cost convention and modified by Accrual basis to reflect the prevailing economic realities

(b) Government Recurrent Subventions

(c) Internally Generated Revenue

This represents income realized from Tender fees, Industrial & Commercial water supply services, Connection fees, public water Tapes, Institutional/Domestic and Tanker services and other incomes

(g) Financial Operation

The Corporation is not self – Accounting. Its operations are being funded by Water Rates Subventions from the Consolidated Revenue Fund of Ekiti State and the staff emolument is paid directly by the Office of the State Accountant- General.

(h) Capital Grant

This represents grant received from Ekiti State Government for Capital Expenditure, the European Union World Bank but none was received during the year under review from the European Union and World Bank

(i) Depreciation

Non-Current Assets are stated at their historical costs and Depreciation is provided for on a straight line Written off over the expected useful life of the Assets so as to write off their cost/valuation

The annual rates employed are as follows: %

Buildings	2
Water Supply Schemes	2
Plant & Machineries	10
Furniture, Fittings & Office Equipment	20
Motor Vehicles	25

(j) Cash and Bank

Cash and Bank lodgments include water rates, fines and approved release warrantees from Ekiti State Government in the Corporation's Cash books which are certain to be received and are processed at State Treasury Office (STO).

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2021

STATEMENTS OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021

ASSETS		2021		2020	
		N	N	N	N
NON-CURRENT ASSETS					
PROPERTY, PLANT & EQUIPMENTS	1	<u>11,479,500,105</u>		<u>11,990,462,910</u>	
TOTAL NON-CURRENT ASSETS (A)			11,479,500,105		11,999,462,091
CURRENT ASSETS					
INVENTORY	2A	38,832,038		279,664,076	
DEBTORS & REPAYMENTS	2B	247,577,671		119,837,804	
CASH AND BANK BALANCE	3	<u>1,030,474</u>		<u>2,218,540,230</u>	
			287,440,183		2,618,042,110
TOTAL CURRENT ASSETS (B)			11,766,940,288		14,617,504,201
TOTAL ASSETS (C=A+B)					
CURRENT LIABILITIES					
CREDITORS AND ACCRUALS	4	<u>(85,383,441)</u>		<u>(351,874,941)</u>	
TOTAL CURRENT LIABILITY (D)			(85,383,441)		(351,874,941)
NET ASSETS (C-D)			11,681,556,847		14,265,629,260
FINANCIAL BY:					
ACCUMULATED FUNDS	5		1,982,160,661		3,941,196,845
INCOME & EXPENDITURE ACCOUNTS	6		9,699,396,186		10,324,432,415
			11,681,556,847		14,265,629,260

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2021

STATEMENTS OF SURPLUS/DEFICIT AND OTHER COMPREHENSIVE INCOMES FOR THE YEAR ENDED 31ST DECEMBER, 2021

INCOME		ACTUAL 2021	ACTUAL 2020
		₦	₦
GOVERNEMENT GRANTS	7	429,070,317	339,848,372
WOLRD BANK	7	0	15,629,138,855
EUROPEAN UNION	7	0	1,151,245,235
INTERNALLY GENERATED FUND	9	25,360,968	10,046,212
		454,431,285	17,130,278,674
EXPENDITURE			
ADMINISTRATIVE EXPENSES	11	(559,505,528)	(4,566,787,157)
TRANSFER TO CRF	9	(0)	(10,046,212)
DEPRECIATION	1	(519,961,986)	(985,668,838)
OPERATING SUPLUS/DEFICIT		(625,036,229)	11,567,776,467

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2021

STATEMENTS OF CHANGES IN NET ASSET/EQUITY

	NOTE	CAPITAL GRANT N		ACCUMULATED FUND N	TOTAL N
BALANCE AS AT 1ST JANUARY 2021		14,039,181,727		10,324,432,415	24,363,614,142
CAPITAL INJECTION DURING THE YEAR		0		(625,036,229)	(625,036,229)
SUPPLUS/DEFICIT FOR THE YEAR		0.00	-		-
ADJUSTMENT		0.00			
BALANCE AS AT 31ST DECEMBER, 2021		<u>14,039,181,727</u>		<u>9,699,396,186</u>	<u>23,738,577,913</u>

	NOTE	CAPITAL GRANT N		ACCUMULATED FUND N	TOTAL N
BALANCE AS AT 1ST JANUARY 2020		3,652,965,121		(1,243,344,052)	2,409,621,069
CAPITAL INJECTION DURING THE YEAR		10,386,216,606		11,567,776,467	21,953,993,073
SUPPLUS/DEFICIT FOR THE YEAR		0			
ADJUSTMENT		<u>14,039,181,727</u>		<u>10,324,432,415</u>	<u>24,363,614,142</u>
BALANCE AS AT 31ST DECEMBER, 2020					

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2021

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DEC, 2021

	=N=	=N=
Operating Surplus/(Loss)		(625,036,229)
Adjustments for item not involving flow of cash		
Depreciation		<u>519,961,986</u>
Net Cash inflow before changes in		
Working Capital		(105,074,243)
Changing in working capital:		
Purchase of Stock		<u>453,400,811</u>
Net Cash out flow from operations		348,326,568
Professional fees paid	(33,000,000)	
Receipt from Government/IGR	<u>(454,431,285)</u>	(487,431,285)
Net inflow from operating activities		
Investing activities		
Payment for investment in others		
Inflow of loan from Government		0
Net decrease/increase in cash and cash equivalents:		(2,191,497,210)
Cash & cash equivalent as at 01/01/21		<u>2,618,042,110</u>
Cash & cash equivalent as at 31/12/21		<u>287,440,183</u>
Represented BY:		₦
Cash		0
Bank		1,030,474
Debtors		247,577,671
Inventory		<u>38,832,038</u>
		<u>287,440,183</u>

EKITI STATE WATER COPORATION
ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2021
NOTES TO THE FINANCIAL STATEMENTS

Note 1

NON-CURRENT ASSETS	WATER SUPPLY SCHEME 2% ₦	LAND & BUILDING 2% ₦	FURNITURE AND FITTINGS 20% ₦	MOTOR VEHICLES 25% ₦	EQUIPMENT PLANT & MACHINERY 10% ₦	TOTAL ₦
BAL, BEGINNING OF YEAR	14,031,089,572.00	2,254,611,452.00	228,641,799.00	248,169,379.00	864,772,612.00	17,627,284,814.00
ADDITIONS DURING THE YEAR	0.00	0.00	0.00	0.00	0.00	0.00
DISPOSAL						
BAL. END OF YEAR	14,031,089,572.00	2,254,611,452.00	228,641,799.00	248,169,379.00	864,772,612.00	17,627,284,814.00
ACCUMULATED DEPRECIATION						
BAL. BEGINNING OF YEAR	(5,090,881,591.00)	(224,971,666.00)	(114,364,107.00)	(111,128,098.00)	86,477,261.00	(5,627,822,723.00)
DEPRECIATION FOR THE YEAR	(280,621,791.00)	(45,092,229.00)	(45,728,360.00)	(62,042,345.00)	86,477,261.00	(519,961,986.00)
DISPOSALS						
BAL. END OF YEAR	(5,371,503,382.00)	(270,063,895.00)	(160,092,467.00)	(173,170,443.00)	172,954,522.00	(6,147,784,709.00)
NET BOOK VALUE						
AS AT 31/12/2021	8,659,586,190.00	1,984,547,557.00	68,549,332.00	74,998,936.00	691,818,090.00	11,479,500,105.00
AS AT 31/12/2020	8,940,207,981.00	2,029,639,786.00	114,277,693.00	137,041,281.00	778,295,351.00	11,999,462,091.00

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NOTES TO THE ACCOUNTS CONTD

2A	INVENTORY		2021		2020
			₦		₦
	WATER TREATMENT CHEMICALS		4,340,500		142,681,000
	DIESEL AND LUBRICANTS		3,752,799		75,505,598
	WATER PIPES & FITTINGS		2 3,470,320		46,940,640
	ELECTRO MECHANICAL TOOLS		7,268,419		14,536,838
			38,832,038		279,664,076
2B	DEBTORS		₦		₦
	RECEIVABLES FROM WATER CONSUMERS		247,577,671		119,837,804
	STAFF DEBTORS		-		
			247,577,671		119,837,804
3	CASH AND BANK BALANCES	ACCOUNT NOS	₦		₦
	WEMA BANK	0123254623	553,716,11		
	UNITED BANK OF AFRICA PLC	1003372017	475,380,65		451,858.75
	UNITED BANK OF AFRICA PLC	1003378466	0.00		0.00
	STERLING BANK PLC	0029679509	1,377.12		193.75
	WEMA BANK WOLRD BANK (Special Account)		0.00		2,025,362,643.00
	WEMA BANK WOLRD BANK (Counterpart Fund)		0,00		161,752,593.00
	WEMA BANK WOLRD BANK (Drawdown Account)		0.00		30,941,541.00
	WORLD BANK (Cash At Hand)		0.00		31,400.00
			1,030,473.88		2,218,540,229.50
	CREDITORS AND ACCRUALS				
	PAYABLES TO SUPPLIERS		0		17,368,410
	PROVISION /OUTSTANDING AUDIT FEES		7,000,000		15,500.000
	WITHHOLDING TAXES, VAT & EET PAYABLE		0		-
	OUTSTANDING GRATUITIES		78,383,441		319,006,531
			85,383,441		351,874,941

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NOTES TO THE ACCOUNTS CONTD

	2021		2020
5 ACCUMULATED FUND	₦		₦
AT 1 JANUARY	3,941,196,845		3,897,463,273
ADDITION DURING THE YEAR	0		10,386,216,606
ADJUSTMENT AT 31 DECEMBER	(1,959,036,184)		(10,342,483,034)
	1,982,160,661		3,941,196,845
6 INCOME & EXPENDITURE ACCOUNTS	₦		₦
AT 1 JANUARY	10,324,432,415		(1,243,344,052)
SURPLUS (DEFICIT) DURING THE YEAR	(625,036,229)		11,567,776,467
*ADJUSTMENT AT DECEMBER			-
	9,699,396,186		10,324,432,415
7 SUBVENTIONS	ACTUAL 2021		ACTUAL 2020
	N		N
GOVERNMENT GRANTS	429,070,318		339,848,372
PENSIONS & GRATUITIES	-		-
WORLD BANK PROJECT	0		15,629,138,855
EUROPEAN UNION	0		1,151,245,235
	429,070,318		17,120,232,462
8 CAPITAL PROJECT FUNDING	₦		₦
LAND & BUILDING	0		2,136,154,591
WATER SUPPLY SCHEMES & DAM REHAB	0		7,104,822,245
MOTOR VEHICLE	0		51,826,369
PLANT & MACHINERY	0		864,772,602
FURNITURE & FITTING	0		238,640,799
	0		10,386,216,606
9 INTERNALLY GENERATED REVENUE	₦		₦
MISCELLANEOUS	=		0
TENDER FEES			93,000
INDUSTRIAL & COMMERCIAL CONSUMERS			150,000
SERVICE CONNECTION			543,150
INSTITUTION, DOMESTIC AND TANKER SERVICES			9,053,762
SALES OF FISH 1000 LITRES OF WATER BELOW	25,360,968		206,300
ALL INTERNALLY GENERATED REVENUE FOR THE YEAR			
	25,360,968		10,046,212
10 INCOME	₦		₦
GOVERNMENT SUBVENTION	429,070,318		339,848,372
INTERNALLY GENERATED REVENUE	25,360,968		10,046,212
	454,431,286		349,894,584

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NOTES TO THE ACCOUNTS CONTD.		2021	2020
11	ADMINISTRATIVE EXPENSES	₦	₦
	Salaries, Wages & Allowances	323,624,130	438,158,808
	Purchase of Working Tools	253,000	0
	Printing and Stationery	304,000	68,675,674
	Local Transport / Travelling and Others	60,000	9,718,381
	Office Stationeries/ Computer Consumables	733,400	403,500
	Maintenance of Office Vehicle &Transport Equipment.	5,712,800	813,578
	Maint. of Office Furniture/Equipment/General Expenses	0	114,803,368
	Local Training Cost	0	35,000
	Entertainment /News/Telephone/Internet Services	334,000	2,140,450
	Consultancy &Training/Capacity Building	0	3,333,8210,560
	Accounting & Audit fees	33,000,000	20,515,000
	Utility & Insurance	0	17,106,693
	Advertising & Publicity	0	34,577,439
	Construction and Provision of Water Facilities	4,661,775	
	Contingency	7,420,650	11,171,810
	Temporary Staff	0	1,183,000
	Rehabilitation/Repair of Water Facilities	2,089,050	
	Other Maintenance Services	16,459,491	4,288,500
	Diesel, Water Treatment Chemicals, Consumables	58,109,571	340,147,816
	Bank Charges	44,945	91,498,855
	Fuel and Lubricants	594,000	-
	Provision for Bad and Doubtful Debt	106,104,716	51,359,059
		559,505,528	4,566,787,157