

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2022

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EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2022

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. Lukas Ogundele	-	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
Engr. Adewumi Stephen	-	Director Surveillance and Infrastructure

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, Ekiti

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, 2022

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, 2022

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 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 31st December, 2022

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: 31/08/2024

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, 2022 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, 2022 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

R. Olatilu
E.O. OLATILU B.Sc. FCPA, ACTI
Managing Partner

FRC/2014/ANAN/00000010279

02140208



Accounting/Audit, Tax Consulting, Human Resources Management

EKITI STATE WATER COPORATION
ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2022

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 the 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/Equipment	10
Furniture & Fittings	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 book 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, 2022

STATEMENTS OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2022

ASSETS		2022		2021	
		N	N	N	N
NON-CURRENT ASSETS					
PROPERTY, PLANT & EQUIPMENTS	1	10,959,538,119		11,479,500,105	
TOTAL NON-CURRENT ASSETS (A)			10,959,538,119		11,479,500,105
CURRENT ASSETS					
INVENTORY	2A	57,857,232		38,832,038	
DEBTORS & REPAYMENTS	2B	244,957,108		247,577,671	
CASH AND BANK BALANCE	3	1,081,031		1,030,474	
			303,895,371		287,440,183
TOTAL CURRENT ASSETS (B)			10,263,433,496		11,766,940,288
TOTAL ASSETS (C=A+B)					
CURRENT LIABILITIES					
CREDITORS AND ACCRUALS	4	(97,999,901)		(85,383,441)	
TOTAL CURRENT LIABILITY (D)			(97,999,901)		(85,383,441)
NET ASSETS (C-D)			11,165,433,589		11,681,556,847
FINANCIAL BY:					
ACCUMULATED FUNDS	5		2,081,328,547		1,982,160,661
INCOME & EXPENDITURE ACCOUNTS	6		9,084,105,042		9,699,396,186
			11,165,433,589		11,681,556,847

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2022

STATEMENTS OF SURPLUS/DEFICIT AND OTHER COMPREHENSIVE INCOMES FOR THE YEAR ENDED 31ST DECEMBER, 2022

INCOME		ACTUAL 2022	ACTUAL 2021
		₦	₦
GOVERNEMENT GRANTS	7	364,202,073	429,070,317
WOLRD BANK	7	0	0
EUROPEAN UNION	7	0	0
INTERNALLY GENERATED FUND	9	37,917,457	25,360,968
		402,119,529	454,431,285
EXPENDITURE			
ADMINISTRATIVE EXPENSES	11	(497,448,687)	(559,505,528)
TRANSFER TO CRF	9	(0)	(0)
DEPRECIATION	1	(519,961,986)	(519,961,986)
OPERATING SUPLUS/DEFICIT		(615,291,144)	(625,036,229)

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2022

STATEMENTS OF CHANGES IN NET ASSET/EQUITY

	NOTE	CAPITAL GRANT N	ACCUMULATED FUND N	TOTAL N
BALANCE AS AT IST JANUARY 2022		14,039,181,727	9,699,396,186	23,738,577,913
CAPITAL INJECTION DURING THE YEAR		0.00	(625,036,229)	(625,036,229)
SUPLUS/DEFICIT FOR THE YEAR		0.00	-	-
ADJUSTMENT		0.00	-	-
BALANCE AS AT 31ST DECEMBER, 2022		<u>14,039,181,727</u>	<u>9,074,359,957</u>	<u>23,113,541,684</u>

	NOTE	CAPITAL GRANT N	ACCUMULATED FUND N	TOTAL N
BALANCE AS AT IST 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)
SUPLUS/DEFICIT FOR THE YEAR		0	-	-
ADJUSTMENT		<u>14,039,181,727</u>	<u>9,699,396,186</u>	<u>23,738,577,913</u>
BALANCE AS AT 31ST DECEMBER, 2021				

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2022

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DEC, 2022

	=N=	=N=
Operating Surplus/(Loss)		(615,291,144)
Adjustments for item not involving flow of cash		
Depreciation		<u>519,961,986</u>
Net Cash inflow before changes in		
Working Capital		(95,329,158)
Changing in working capital:		
Purchase of Stock		<u>734,428,877</u>
Net Cash out flow from operations		639,099,719
Professional fees paid	(0)	
Receipt from Government, European Union, World Bank	<u>(402,119,529)</u>	(402,119,529)
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:		2,093,676,482
Cash & cash equivalent as at 01/01/22		<u>287,385,438</u>
Cash & cash equivalent as at 31/12/22		<u>2,618,042,110</u>
Represented BY:		₦
Cash		0
Bank		1,080,031
Debtors		353,682,387
Inventory		<u>279,664,076</u>
		<u>2,618,042,110</u>

EKITI STATE WATER COPORATION
ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2022
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	(5,371,503,382.00)	(270,063,895.00)	(160,092,467.00)	(173,170,443.00)	172,954,522.00	(6,147,784,709.00)
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	(5,652,125,173.00)	(315,156,124.00)	(205,820,827.00)	(235,212,788.00)	259,431,783.00	(6,667,746,695.00)
NET BOOK VALUE						
AS AT 31/12/2022	8,378,964,399.00	1,939,455,328.00	22,820,972.00	74,998,936.00	691,818,080.00	10,959,538,119.00
AS AT 31/12/2021	8,659,586,190.00	1,984,547,557.00	68,549,332.00	74,998,936.00	691,818,080.00	11,479,500,105.00

EKITI STATE WATER CORPORATION

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NOTES TO THE ACCOUNTS CONTD.

2A	INVENTORY		2022		2021
			₦		₦
	WATER TREATMENT CHEMICALS		30,639,425		4,340,500
	DIESEL AND LUBRICANTS		1,089,879		3,,752,799
	WATER PIPES & FITTINGS		19,949,772		23,470,320
	ELECTRO MECHANICAL TOOLS		6,178,156		7,268,419
			57,857,232		38,832,038
2B	DEBTORS		₦		₦
	RECEIVABLES FROM WATER CONSUMERS		244,857,108		247,577,671`
	STAFF DEBTORS		-		
			244,857,108		247,577,671
3	CASH AND BANK BALANCES	ACCOUNT NOS	₦		₦
	WEMA BANK	0123254623	579,243.03		553,716.11
	UNITED BANK OF AFRICA PLC	1003372017	480,956,40		475,380.65
	UNITED BANK OF AFRICA PLC	1003378466	9,900		0.00
	STERLING BANK PLC	0029679509	10,931.59		1,377.12
	WEMA BANK WOLRD BANK (Special Account)		0.00		0.00
	WEMA BANK WOLRD BANK (Counterpart Fund)		0,00		0.00
	WEMA BANK WOLRD BANK (Drawdown Account)		0.00		0.00
	WORLD BANK (Cash At Hand)		0.00		0.00
			1,081,031.02		1,030,473.88
	CREDITORS AND ACCRUALS				
	PAYABLES TO SUPPLIERS		0		
	PROVISION /OUTSTANDING AUDIT FEES		11,000,000		7,000,000
	WITHHOLDING TAXES, VAT & EET PAYABLE		-		-
	OUTSTANDING GRATUITIES		86,999,901		78,383,441
			97,999,901		85,383,441

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2022

NOTES TO THE ACCOUNTS CONTD

	2022		2021
5 ACCUMULATED FUND	₦		₦
AT 1 JANUARY	1,982,160,661		3,941,196,845
ADDITION DURING THE YEAR	0		0
ADJUSTMENT AT 31 DECEMBER	99,167,886		(1,959,036,184)
	2,081,328,547		1,982,160,661
6 INCOME & EXPENDITURE ACCOUNTS	N		N
AT 1 JANUARY	9,699,396,186		10,324,432,415
SURPLUS (DEFICIT) DURING THE YEAR	(615,291,144)		(625,036,229)
*ADJUSTMENT AT DECEMBER	-		-
	9,084,105,042		9,699,396,186
7 SUBVENTIONS	BUDGET 2020	ACTUAL 2022	ACTUAL 2021
	N	N	N
GOVERNMENT GRANTS		364,202,073	429,070,318
PENSIONS & GRATUITIES		-	-
WORLD BANK PROJECT		0	0
EUROPEAN UNION		0	0
		364,202,073	429,070,318
8 CAPITAL PROJECT FUNDING	₦		₦
LAND & BUILDING	0		0
WATER SUPPLY SCHEMES & DAM REHAB	0		0
MOTOR VEHICLE	0		0
PLANT & MACHINERY	0		0
FURNITURE & FITTING	0		0
	0		0
9 INTERNALLY GENERATED REVENUE	₦		₦
MISCELLANEOUS	=		
TENDER FEES			
INDUSTRIAL & COMMERCIAL CONSUMERS			
SERVICE CONNECTION			
INSTITUTION, DOMESTIC AND TANKER SERVICES			
SALES OF FISH 1000 LITRES OF WATER BELLOW			
ALL INTERNALLY GENERATED REVENUE FOR THE YEAR	37,917,456		25,360,968
	37,917,456		25,360,968
10 INCOME	₦		₦
GOVERNMENT SUBVENTION	364,202,073		429,070,318
INTERNALLY GENERATED REVENUE	37,917,456		25,360,968
	402,119,529		454,431,286

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2022

	NOTES TO THE ACCOUNTS CONTD.	2022	2021
11	ADMINISTRATIVE EXPENSES	₦	₦
	Salaries, Wages & Allowances	285,361,942	323,624,130
	Purchase of Working Tools	359,000	253,000
	Printing and Stationery	1,050,410	304,000
	Local Transport / Travelling and Others	0	60,000
	Office Stationeries/ Computer Consumables	3,453,525	733,400
	Maintenance of Office Vehicle &Transport Equipment.	5,545,750	5,712,800
	Maint. of Office Furniture/Equipment/General Expenses	0	0
	Local Training Cost	2,258,950	0
	Entertainment /News/Telephone/Internet Services	1,350,450	334,000
	Consultancy &Training/Capacity Building	0	0
	Accounting & Audit fees	0	33,000,000
	Utility Services	156,000	0
	Advertising & Publicity	0	0
	Construction and Provision of Water Facilities	2,704,690	4,661,775
	Contingency	7,144,000	7,420,650
	Transport Equipment	72,000	
	Rehabilitation/Repair of Water Facilities	3,144,320	2,089,050
	Other Maintenance Services	17,253,476	16,459,490
	Diesel, Water Treatment Chemicals, Consumables	70,751,250	58,109,571
	Bank Charges	61,835	44,945
	Fuel and Lubricants	370,900	594,000
	Provision for Bad and Doubtful Debt	96,410,189	106,104,716
		497,448,687	559,505,,157