EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31^{ST} DECEMBER, 2024

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EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2024

CORPORATION INFORMATION

BOARD MEMBERS

Hon. Kola Amire Kolade (Chairman)
Hon. Apostle Jegede
Hon.Akinyemi Oladapo
Hon. Adedeji Adetunji S
Mr. Wole Afolabi (Managing Director)
Bar. Gbemiga Adaramola (Board Secretary

MANAGEMENT TEAM

Wole Afolabi	-	Managing Director
Engr Oluwatoba Opeyemi	-	Director (Operation & Maintenance)
Mr R.S Fasusi	-	Director (Admin & Supplies)
Engr,Ayedun Oladipupo	-	Director (Commercial Service)
Mr. Dada Vicent Oluwabusuyi	-	Director (Finance & Accounts)
Mrs. Bolanle Taiwo	-	Director (Quality Control)
Engr Alabi Abiodun A. M.	-	Director (Design & Construction)
Mr Salami Kasali	-	Director (Planning, Research and Statistics)
Mr. Olomu Olasebikan John	-	Chief Internal Auditor
Engr. Obafemi Albert	-	Director Surveillance and Infrastructure

BANKERS

Wema Bank	(Account Number 0123254623)
United Bank for Africa PLC	(Account Number 1003378466)
Sterling Bank PLC (Current/Fixed Deposit)	(Account Number 0029679509)
Zenith Bank Overhead Current/Fixed Deposit	(Account Number 1228272824)
Zenith Surwash (Fixed Deposit)	(Account Number 1229056977)

AUDITORS
FEMI OLATIILU & 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 COPPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2024

MANAGEMENT REPORT (MANAGEMENT DISCUSSION & ANALYSIS)

The Management is pleased to submit their report together with the Audited Financial Statements of the Corporation for the Year Ended 31st December, 2024
Strategic Review

Ekiti Water & Sewerage Company Limited (EKWSC) remains committed to achieving sustainable water supply and sanitation services across Ekiti State in alignment with the State's WASH Policy and Nigeria's SDG 6 targets.

At Ekiti Water & Sewerage Company Ltd, sustainability remains at the core of our operations. This year, we reduced our carbon footprint significantly by depending more on power source and use less of generators and the attendant carbon that damages the eco system. At the Headquarters that has not been energized, we introduced the use of solar power in some offices to power vending equipment, computer and other accessories. These efforts reflect our commitment to creating long-term value for the environment and society. Moreover, we also continued our commitment to the communities we serve by investing in smart metering solution for ease of payments and drastic reduction in non-revenue water; that has been the bane of our challenges. We created a stakeholder engagement forum, which provided a platform for our stakeholders to engage with us.

Vision

To be a leading, customer oriented, self-sustaining and financially viable water utility in Nigeria.

Mission

To provide potable water and safe sewerage services to the residents of urban areas and small towns in Ekiti State at sustainable price.

Core Values

Quality, efficient, effective service delivery, commitment to customers' satisfaction, integrity, teamwork and discipline as the cornerstone of our belief system.

During the year under review, the Company focused on:

- Expanding water supply coverage through network rehabilitation in Ado Ekiti and Ikere schemes.
- Strengthening revenue collection systems and customer database management.
- Improving energy efficiency and pump reliability at major treatment plants.
- Implementing digital billing systems to enhance transparency and accountability.
- Complied with all relevant regulations and laws, including the Nigerian Water Resources Act.
- Maintained a strong governance structure to ensure transparency and accountability.
- Conducted regular audits to ensure financial integrity.
- Implemented a risk management framework to identify and mitigate risks.

- Developed a Risk. Resilience and Emergency Response Plan (RERRP)
- Established a Non-Revenue unit to develop non-Revenue water (NRW) reduction strategies and implementation

The strategy continues to emphasize sustainability, community engagement, and public-private partnership development to reduce dependence on state subventions.

Operational Review

Over the past year, we have achieved several key milestones. Our staff, both core and non-core are ever loyal, committed and vibrant to meeting organizational goals. Although our revenue greatly increased from ₦33,752,000 (Thirty-Three Million, Seven Hundred and Fifty-Two Thousand Naira) only in the year 2023 to ₦64,472,546.60 **(Sixty-four Million, four Hundred and seventy-Two Thousand, five hundred and forty-six naira and sixty kobo)** only in 2024 by 47.65% during the reporting year. A lot of strategies have been put in place to improve performance in the fiscal year 2025. Our reduction in water production from 4,195,914m^3 in 2023 to 3,042,441m^3 in 2024 by 27.49% was due to a some damages Ero Water Scheme (damaged transformer), frequent outages from our power plant and high cost of diesel which resulted into generator a non-option in the marketplace.

Additionally, we implemented metering system and POS payment system as a digital transformation program, supply chain optimizations, or cost efficiency measures, which have streamlined our operations and enhanced overall productivity. Payment of cash for our water services is gradually fading away and becoming increasingly unpopular.

Milestone achievements: Notable progress across the year; core and non-core staff remain loyal, committed, and vibrant toward organizational goals.

- **Revenue growth:**
  2023: ₦33,752,000
  2024: ₦64,472,546.60
  Increase: 47.65%

- **Strategic outlook:** Clear plans set to drive further performance in fiscal 2025.
- **Water production decline:** Causes: damaged transformer at Ero Water Scheme, frequent power outages, high diesel cost making generator use impractical.
  2023: 4,195,914 m^3
  2024: 3,042,441 m^3
  Reduction: 27.49%

- Digital transformation: Metering system, POS payment system rolled out as cash payments are fading and discouraged.
- Operational improvements: Supply-chain optimizations and cost-efficiency measures streamlined operations and boosted productivity.

Review of Risks and Future Outlook

The Company operates in an environment with multiple internal and external risks. Major risks identified include:

a. Financial Risks – Delayed government subventions and inconsistent revenue inflows.

Mitigation: Strengthen revenue automation and diversify funding sources.

b. Operational Risks – Aging infrastructure and equipment failure.

   Mitigation: Implement phased asset replacement and maintenance schedules.

c. Environmental and Climate Risks – Seasonal droughts and flooding.

   Mitigation: Adopt climate-resilient designs and watershed management.

d. Human Capital Risks – Skill gaps due to staff attrition.

   Mitigation: Institutionalize capacity building and performance-based incentives.

Challenges and Opportunities

While we faced headwinds and gusts such as power outages, frequent break down of electrical spares, damages to our pipelines due to infrastructure development, limited funding for network expansion, thefts on our meters, and other equipment, we have adapted swiftly by leveraging our strengths and remaining agile. Looking ahead, we see significant opportunities in water production as blue gold. partners to address these constraints.

Future Outlook

Management will continue to prioritize sustainability by strengthening operational efficiency, reducing non-revenue water, and enhancing collaboration with private investors to expand service coverage. The 2025–2027 Strategic Plan will emphasize resilience, automation, and financial viability.

By Order of the Management

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Ado Ekiti,
Ekiti State.

Our Ref...your Ref...date. 15/09/2025

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, 2024 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, 2024 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 OLATIILU & CO.
Certified National Accountants

Olatiilu

E.O. OLATIILU B.Sc. FCNA.ACTI FRC/2014/ANAN/00000010279
Managing Partner

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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 and Capital Subventions
(c) Internally Generated Revenue
(d) Others
This represents income realized from Tender fees, Industrial & Commercial water supply services, Connection fees, public water Tapes, Institutional/Domestic and Tanker services and financial compensations on damaged water Corporation's facilities
.
(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/Recurrent Grants
These represents grant received from Ekiti State Government, the European Union World Bank for both Capital and Recurrent Expenditure but no Capital Grants were received during the year under review from Ekiti State Government, 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 Governments 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, 2024

STATEMENTS OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2024

ASSETS		**2024**		2023	
NON-CURRENT ASSETS		**N**	**N**	N	N
PROPERTY, PLANT & EQUIPMENTS	1	9,304,508,752		9,557,258,183	
TOTAL NON-CURRENT ASSETS (A)			**9,304,508,752**		**9,557,258,183**
CURRENT ASSETS					
INVENTORY	**2A**	115,862,404		37,758,647	
DEBTORS & REPAYMENTS	**2B**	137,650,000		148.,820,666	
CASH AND BANK BALANCE	**3**	81,001,324		5,743,029	
			334,513,728		**192,322,342**
TOTAL CURRENT ASSETS (B)			**9,639,022,480**		**9,749,580,525**
TOTAL ASSETS (C=A+B)					
CURRENT LIABILITIES					
CREDITORS AND ACCRUALS	4	(5,000,000)		(187,924,037)	
TOTAL CURRENT LIABILITY (D)			(5,000,000)		**(187,924,037)**
NET ASSETS (C-D)			**9,634,022,480**		**9,561,656,488**
FINANCIAL BY:					
ACCUMULATED FUNDS	**5**		2,182,235,432		1,934,217,938
INCOME & EXPENDITURE ACCOUNTS	**6**		7,451,787,048		7,627,438,550
			9,634,022,480		9**,561,656,488**

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2024

STATEMENTS OF SURPLUS/DEFICIT AND OTHER COMPREHENSIVE INCOMES FOR THE YEAR ENDED 31ST DECEMBER, 2024

INCOME		**ACTUAL 2024**	**ACTUAL 2023**
		₦	₦
GOVERNEMENT GRANTS	10	369,909,490	274,648,863
WOLRD BANK	7	0	0
OTHERS	10	453,189,627	109,789,865
INTERNALLY GENERATED FUND	10	64,472,547	21,468,000
		887,571,664	**405,916,728**
EXPENDITURE			
ADMINISTRATIVE EXPENSES	11	**(621,108,651)**	**(460,303,284)**
TRANSFER TO CRF	**9**	***(0)***	***(0)***
DEPRECIATION	**1**	***(442,114,515)***	***(470,866,232)***
OPERATING SUPLUS/DEFICIT		***(175,651,502)***	***(525,252,788)***

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2024

STATEMENTS OF CHANGES IN NET ASSET/EQUITY

	NOTE	CAPITAL GRANT N	ACCUMULATED FUND N	TOTAL Ns
BALANCE AS AT IST JANUARY 2024		14,039,181,727	8,714,181,631	22,753,363,358
CAPITAL INJECTION DURING THE YEAR		189,365,084	(175,651,502)	13,713,582
SUPLUS/DEFICIT FOR THE YEAR		0	-	-
ADJUSTMENT		0		
BALANCE AS AT 31ST DECEMBER, 2024		**14,228,546,811**	**8,538,530,129**	**22,767,076,940**

	NOTE	CAPITAL GRANT N	ACCUMULATED FUND N	TOTAL N
BALANCE AS AT IST JANUARY 2023		14,039,181,727	9,243,434,419	23,282,616,146
CAPITAL INJECTION DURING THE YEAR		0	(,525,252,788)	(525,252,788
SUPLUS/DEFICIT FOR THE YEAR		0		
ADJUSTMENT			**(4,000,000)**	**(4,000,000)**
BALANCE AS AT 31ST DECEMBER, 2023		**14,039,181,727**	**8,714,181,631**	**22,753,363,358**

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DEC, 2024

	=₦=	=₦=
Operating Surplus/(Loss)		**(175,651,502)**
Adjustments for item not involving flow of cash		
Depreciation		**442,114,515**
Net Cash inflow before changes in		
Working Capital		**266,463,013**
Changing in working capital:		
Purchase of Stock		**266,454,133**
Net Cash out flow from operations		**532,917,146**
Professional fees paid	**(0)**	
Receipt from Government, Others, World Bank	**(887,571,664)**	**(887,571,664)**
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:		**496,845,904**
Cash & cash equivalent as at 01/01/24		**192,322,342**
Cash & cash equivalent as at 31/12/24		334,513,728
Represented BY:		**₦**
Cash		**0**
Bank		**81,001,324**
Debtors		**137,650,000**
Inventory		**115,862,404**
		334,513,728

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	147,803,084.00	0.00	0.00	0.00	41,562,000.00	189,365,084.00
DISPOSAL						
BAL. END OF YEAR	**14,178,892,656.00**	**2,254,611,452.00**	**228,641,799.00**	**248,169,379.00**	**906,334,612.00**	**17,816,649,898.00**
ACCUMULATED DEPRECIATION						
BAL. BEGINNING OF YEAR	(6,774,612,340..00)	(495,525,041.00)	(205,820,827.00)	(248,159,379.00)	345.909,044.00	(8,070,026,631.00)
DEPRECIATION FOR THE YEAR	(283,577,853.00)	(45,092,229.00)	(22,810,972.00)	(0.00)	90,633,461.00	(442,114,515.00)
DISPOSALS						
BAL. END OF YEAR	**(7,058,190,193.00)**	**(540,617,270.00)**	**(228,631,799.00)**	**(248,159,379.00**	**436,542,505.00**	**(8,512,141,146.00)**
NET BOOK VALUE						
AS AT 31/12/2024	**7,120,702,463.00**	**1,713,994,182.00**	**10,000.00**	**10,000.00**	**469,792,107.00**	**9,304,508,752.00**
AS AT 31/12/2023	**7,256,477,232.00**	**1,759,086,411.00**	**22,820,972.00**	**10,000.00**	**518,863,568.00**	**9,557,258,183.00**

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2024

NOTES TO THE ACCOUNTS CONTD.

		2024	2023
2A	***INVENTORY***	**₦**	**₦**
	ICTACCEESSORIES/STATIONERIES	7,396,800	10,,543,511
	WATER TREATMENT CHEMICALS	55,412,106	5,006,397
	DIESEL AND LUBRICANTS	23,403,838	16,957,306
	WATER PIPES & FITTINGS	26,498,800	5,251,433
	ELECTRO MECHANICAL TOOLS	3,150,860	
		115,862,404	**37,758,647**

2B	***DEBTORS***	₦	₦
	RECEIVABLES FROM WATER CONSUMERS	137,650,000	148,820,666
	STAFF DEBTORS	-	
		137,650,000	**148,820,666**

3	***CASH AND BANK BALANCES***	**ACCOUNT NOS**	₦	₦
	WEMA BANK	**0123254623**	614,214.13	575,781.21
	UNITED BANK OF AFRICA PLC	**1003372017**	0,00	0.00
	UNITED BANK OF AFRICA PLC	**1003378466**	15,095.90	15,095.90
	STERLING BANK PLC	**0029679509**	8,791.15	103,688.78
	Zenith Overhead	**1228272824**	256,403..40	238,133.07
	Zenith Surwash	**1229056977**	16,819,39	4,810,330.27
	Sterling Bank *Fixed Deposit)	**0029679509**	7,260,000.00	0.00
	Zenith Overhead(Fixed Deposit)	**1228272824**	52,830,000.00	0.00
	Zenith Surwash (Fixed Deposit)	**1229056977**	20,000,000.00	
			81,001,324.00	**5,743,029.23**

CREDITORS AND ACCRUALS		
PAYABLES TO SUPPLIERS	0	
PROVISION /OUTSTANDING AUDIT FEES	5,000,000	15,000,000
WITHHOLDING TAXES, VAT & EET PAYABLE	-	-
OUTSTANDING GRATUITIES	0	172,924,037
	5,000,000	187,924,037

NOTES TO THE ACCOUNTS CONTD

		2024	2023
5	**ACCUMULATED FUND**	**₦**	**₦**
	AT 1 JANUARY	1,934,217,938	8,152,691,338
	ADDITION DURING THE YEAR	189,365,084	0
	ADJUSTMENT AT 31 DECEMBER	58,652,410	(6,218,473,400)
		2,182,235,432	**1,934,217,938**

6	**INCOME & EXPENDIRURE ACCOUNSTS**	**N**	**N**
	AT 1 JANUARY	7,627,438,550	8,152,691,338
	SURPLUS (DEFICIT) DURING THE YEAR	(175,651,502)	(525,252,788)
	*ADJUSTMENT AT DECEMBER	-	-
		7,451,787,048	7,627,438,550

7	***SUBVENTIONS***	**ACTUAL 2023 N**	**ACTUAL 2023 N**
	GOVERNMENT GRANTS	369,909,490	274,658,863
	PENSIONS & GRATUTIES	-	-
	WORLD BANK PROJECT	0	0
	OTHERS	260,685,930	109,789,865
		630,595,420	**384,448, 728**

8	***CAPITAL PROJECT FUNDING***	**₦**	**₦**
	LAND & BUILDING	0	0
	WATER SUPPLY SCHEMES & DAM REHAB	147,803,084	0
	MOTOR VEHICLE	0	0
	EQUIPMENT PLANT & MACHINERY	41,562,000	0
	FURNITURE & FITTING	0	0
		189,365,084	**0**

9	***INTERNALLY GENERATED REVENUE***	₦	₦
	INTEREST INCOME		
	TENDER FEES	3,138,613	
	INDUSTRIAL & COMMERCIAL CONSUMERS		
	SERVICE CONNECTION		
	INSTITUTION, DOMESTIC AND TANKER SERVICES		
	SALES OF FISH 1000 LITRES OFWATER BELLOW		
	ALL INTERNALLY GENERATED REVENUE FOR THE YEAR	64,472,547	21,468,000
		67,611,160	21,468,000

	INCOME	₦	₦
10	OTHERS	453,189,627	109,789,865
	GOVERNMENT SUBVENTION	369,909,490	374,658,863
	INTERNALLY GENERATED REVENUE	64,472,547	21,468,000
		887,571,664	405,916,728

NOTES TO THE ACCOUNTS CONTD.

		2024	2023
11	***ADMINISTRATIVE EXPENSES***	₦	₦
	Salaries, Wages & Allowances	313,359,518	269,798,862
	Maintenance of Office/IT Equipment/ Working Tools	242,000	3,260,200
	Plant/Generator Fuel Cost	20,462,159	0
	Local Transport / Travelling and Others	4,124,000	4,523,400
	Office Stationeries/ Computer Consumables	7,287,700	2,198,880
	Maintenance of Office Vehicle &Transport Equipment.	9,999,500	5,317,800
	Welfare	22,809,728	12,735,568
	Local Training Cost	3,002,000	0
	Refreshment/Meal	789,050	1,245,100
	Consultancy &Training/Capacity Building	77,017,328	557,000
	Accounting & Audit fees	15,000,000	0
	Engineering Services	3,228,601	0
	Maintenance of Borehole, Pipes and Fittings	23,963,666	79,552,424
	News Paper	174,300	0
	Maintenance of Office Building	782,000	0
	Motor Vehicle Fuel Cost	4,748,650	3,027,700
	Internet Access Charges	4,817,716	0
	Maintenance of Boreholes	65,566,577	18,683,216
	Cleaning and Fumigation	149,,500	0
	Bank Charges	319,240	117,584
	Maintenance of Plant, Generators and Fuel Cost	750,000	1,245,490
	Publicity and Advertisement	123,000	0
	H onararium and Sitting Allowances	1,097,418	0
	Provision for Bad and Doubtful Debts	41,295,000	58,040,060
		621,108,651	460,303,284