

IMO STATE WATER AND SEWERAGE CORPORATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

2024



IMO STATE WATER AND SEWERAGE CORPORATION

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IMO STATE WATER AND SEWERAGE CORPORATION

Corporate Information

MANAGING DIRECTOR/CEO

Engr. Peter Chukwuma

MANAGEMENT TEAM

| | | |
|---------------------------------|---|--|
| <i>Engr. Boniface Onyeji</i> | - | <i>Head, Engineering Services Department</i> |
| <i>Engr. Henry Adiruo</i> | - | <i>Head, Water Services Department</i> |
| <i>Miss Elizabeth Egbulichi</i> | - | <i>Head, Commercial Services Department</i> |
| <i>TPL Mary-Teddy Ononogbo</i> | - | <i>Head, Planning Services Department</i> |
| <i>Mrs. Obiageri Ogbonna</i> | - | <i>Head, Accounts Department</i> |
| <i>Mr. Bright Uzoukwu</i> | - | <i>Head, Administration Department</i> |
| <i>Miss Lilian Oledinma</i> | - | <i>Head, Sanitation Department</i> |

OPERATION TEAM

| | | |
|------------------------------|---|-----------------------------------|
| <i>Miss Euphemia Azuoma</i> | - | <i>Head, Communication Unit</i> |
| <i>Mrs. Okwuchi Adiaha</i> | - | <i>Internal Auditor</i> |
| <i>Mrs. Okpom Uloma</i> | - | <i>Head, Procurement Unit</i> |
| <i>Mr. Chris Anyanwu</i> | - | <i>Head, ICT Unit</i> |
| <i>Engr. Nwabueze Dennis</i> | - | <i>Resident Engineer, Otamiri</i> |
| <i>Emenike Obiukwu</i> | - | <i>Geologist, RRER Unit</i> |
| <i>Mrs. Blessing Stephen</i> | - | <i>Head, Quality Control Unit</i> |
| <i>Mr. Eustace Onyealisi</i> | - | <i>Head, M&E Unit</i> |

AG SECRETARY TO THE BOARD

Mr. Bright Uzoukwu

REGISTERED OFFICE:

*Ugwu Orji, Okigwe Road,
Owerri, Imo State.*

AUDITORS/TAX CONSULTANTS:

*Ugochukwu Ukah & Co.
Chartered Accountant
28/30 Orlu Road, Owerri,
Imo State, Nigeria
Tel 08101839665
Uncle4ji@yahoo.com*

BANKERS:

*Access Bank Plc
UBA Plc
First Bank Plc
Zenith Bank Plc*



UGOCHUKWU UKAH & CO.

[Chartered Accountants]

ABUJA OFFICE:
Suite B3, Abuja Shopping Mall
Wuse Zone 3, P.O. Box 7080
Wuse, Abuja-Nigeria.
0809-513-5272

OWERRI OFFICE:
No. 28/30 Orlu Road
Owerri, Imo State.
0803-275-6642, 0809-513-5272
Email: unclec4j@yahoo.com

IMO STATE WATER AND SEWERAGE CORPORATION

AUDITOR'S REPORT

We have the financial statement set out on page 4 to 12. The financial statement is in agreement with the books which in our opinion have been properly kept. We obtained all the necessary information and explanation we required during the course of our audit.

Respective Responsibilities of Directors and Auditors

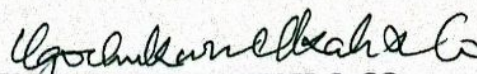
The Directors are responsible for the preparation of the financial statement. It is our responsibility to form an independent opinion base on our audit.

Basis of Opinion

We conducted our audit in accordance with auditing standards. An audit includes examination on a test basis of evidence relevant to the amounts and disclosures in financial statement. It also includes, assessment of the significant estimates and judgment, made by the Directors in the preparation of the financial statement, whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Opinion

In our opinion, the Financial Statement give a true and fair view of the Financial Position of IMO STATE WATER AND SEWARAGE CORPORATION as at 31st December, 2024, and of the Corporation financial performance and Cash Flows for the period under review in accordance with the Company and Allied Matters Act. 2004, and all relevant statement of International Financial Reporting Standards.


UGOCHUKWU UKAH & CO
Chartered Accountants
FRC/2013/ICAN/00000004755



OWERRI, NIGERIA

IMO STATE WATER AND SEWERAGE CORPORATION

Statement of Accounting Policies

for The Year Ended 31st December, 2024

The following are the significant accounting policies adopted in the preparation of its financial statement.

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS;

The financial statements are prepared under the Historical Cost Convention.

2. FIXED ASSETS;

Fixed assets are stated at cost less accumulated depreciation.

3. DEPRECIATION;

Depreciation is calculated to write off the cost of fixed assets on a straight line basis over the estimated useful lives of the assets concerned. The principal annual rates for this purpose which are consistent with those of the previous years are;

| | |
|--|-----|
| Boreholes & Accessories | 10% |
| Plants and Machinery (Pumping Stations, booster State, Pipe etc) | 10% |
| Motor vehicles | 15% |
| Office Furniture and Equipment | 10% |
| Household Furniture & Equipment | 10% |
| Tools & Equipment | 10% |

4. STOCKS;

The stocks are valued at lower of the cost and net realizable value.

5. DEBTORS;

Debtors are stated after making specific provision for debts considered doubtful of collection. A provision of 25% has been made.

6. TURNOVER;

This represents receipt from water sales, subventions and grants from Imo State Government and other Agencies. Any payments to creditors or third parties made on behalf of the corporation by Government or other agencies are considered as receipt in the year of payments.

IMO STATE WATER AND SEWERAGE CORPORATION

Statement of Financial Position

For The Year Ended 31st December, 2024

| | NOTES | 2024 N | 2023 N |
|-------------------------------------|-------|-------------------|-------------------|
| Capital Employed | | | |
| <i>Fixed Assets</i> | | | |
| <i>Less: Depreciation</i> | (1) | 29,976,427 | 32,404,600 |
| Current Assets | | | |
| <i>Water Rate Debtors</i> | (2) | 4,130,700 | 3,509,475 |
| <i>Stock</i> | (3) | 6,350,910 | 4,515,132 |
| <i>Cash and Bank Balances</i> | (4) | 16,666,472 | 12,303,896 |
| Total Assets | | <u>27,148,082</u> | <u>20,328,503</u> |
| Less: Current Liabilities | | | |
| <i>Creditors</i> | (5) | 352,500 | 232,500 |
| <i>Other Creditors and Accruals</i> | (6) | 1,850,000 | 800,000 |
| Total liabilities | | <u>2,202,500</u> | <u>1,032,500</u> |
| Net current assets | | <u>24,945,582</u> | <u>19,296,003</u> |
| Net Assets | | <u>54,922,009</u> | <u>51,700,603</u> |
| Capital and Reserves: | | | |
| <i>Imo State Government Fund</i> | (7) | 120,075,123 | 120,075,123 |
| <i>Accumulated Fund</i> | (8) | (65,153,114) | (68,374,520) |
| Shareholders Fund | | <u>54,922,009</u> | <u>51,700,603</u> |

These Financial Statement were approved by the Board of Directors
on _____, 2025 and signed on its behalf by:

Director

Director

IMO STATE WATER AND SEWERAGE CORPORATION

Statement of Income and Expenditure For the Year Ended 31st December, 2024

| | NOTES | 2024 N | 2023 N |
|---|-------|--------------------|----------------------|
| Water Sales Charges | (9) | 3,897,700 | 2,968,997 |
| Government Subventions | (10) | 421,528,500 | 136,500,000 |
| Other Income (Receipts) | (11) | 6,738,697 | 8,072,000 |
| | | <u>432,164,897</u> | <u>147,540,997</u> |
| Direct Operating Expenses | (12) | 33,262,200 | 98,776,515 |
| Personal Costs | (13) | 9,476,322 | 101,101,587 |
| Administrative/General Exp. | (14) | 101,339,782 | 77,203,060 |
| Project Transfers | (15) | 286,839,830 | 0 |
| | | <u>430,918,134</u> | <u>277,081,162</u> |
| Surplus (Deficit) of Income over Expenditures Transferred to Accumulated Fund | | <u>1, 246,763</u> | <u>(129,540,165)</u> |

IMO STATE WATER AND SEWERAGE CORPORATION

Statement of Cash Flow

For The Year Ended 31st December, 2024

| | 2024 N | 2023 N |
|---|-------------------|-------------------|
| Cash from Operating Activities: | 4,172,189 | (923,053) |
| Returns on Investment and Servicing Of Finance | 0 | 0 |
| Taxation | 0 | 0 |
| Net Cash inflow from Operating activities: | <u>4,172,189</u> | <u>(923,053)</u> |
| Cash Flow from Investing Activities: | | |
| Purchase of fixed Assets | 303,426,000 | 301,516,387 |
| Net Cash flow before financing Activities | (303,235,613) | (299,196,484) |
| Financing Activities | <u>0</u> | <u>0</u> |
| Net Increase in Cash and cash Equivalent | 4,362,576 | (1,396,850) |
| Cash and Cash Equivalent 1/1/2022 | 12,303,896 | 13,700,946 |
| Cash and Cash Equivalent 31/12/2022 | <u>16,666,472</u> | <u>12,303,896</u> |

IMO STATE WATER AND SEWERAGE CORPORATION

Notes to the Financial Statement

For the year ended December 31st, 2024

NOTE 1: FIXED ASSETS AND DEPRECIATION SCHEDULE

| ASSETS | Boreholes & Accessories ₦ | Plants & Machinery ₦ | Motor Vehicle ₦ | Office Furn. & Equipments ₦ | House-Hold Furn. & Equip. ₦ | Tools & Equipment ₦ | Total ₦ |
|------------------|------------------------------|-------------------------|--------------------|--------------------------------|--------------------------------|------------------------|--------------------|
| Cost/Valuation | 66,303,720 | 171,576,450 | 20,471,350 | 32,255,844 | 2,000,000 | 8,909,023 | 301,516,387 |
| Additions | 0 | 0 | 0 | 2,213,000 | 0 | 0 | 2,213,000 |
| As at 31/12/2024 | <u>66,303,720</u> | <u>171,576,450</u> | <u>20,471,350</u> | <u>34,468,844</u> | <u>2,000,000</u> | <u>8,909,023</u> | <u>303,729,387</u> |
| Depreciation | | | | | | | |
| As at 01/01/2024 | 60,825,776 | 164,639,385 | 18,424,213 | 17,558,878 | 2,000,000 | 5,663,535 | 269,111,787 |
| Current Charge | <u>0</u> | <u>0</u> | <u>0</u> | <u>3,446,884</u> | <u>0</u> | <u>890,902</u> | <u>4,337,786</u> |
| As at 31/12/2024 | <u>60,825,776</u> | <u>164,639,385</u> | <u>18,424,213</u> | <u>21,005,762</u> | <u>2,000,000</u> | <u>6,554,437</u> | <u>273,449,573</u> |
| Net Book Value | | | | | | | |
| As at 31/12/2024 | <u>5,477,944</u> | <u>6,937,065</u> | <u>2,047,137</u> | <u>13,463,082</u> | <u>0</u> | <u>2,354,586</u> | <u>29,976,427</u> |
| As at 31/12/2023 | <u>5,477,944</u> | <u>6,937,065</u> | <u>2,047,137</u> | <u>14,696,966</u> | <u>0</u> | <u>3,245,488</u> | <u>32,404,600</u> |

IMO STATE WATER AND SEWERAGE CORPORATION

Statement of Income and Expenditure For The Year Ended 31st December, 2024

| | 2024 N | 2023 N |
|---|-------------------|-------------------|
| 2. Water Debtors | | |
| <i>Owerri Urban & Others</i> | 5,507,600 | 4,679,300 |
| <i>25% Provision for Doubtful Collection</i> | 1,376,900 | 1,169,825 |
| | <u>4,130,700</u> | <u>3,509,475</u> |
| 3. Stocks | | |
| <i>Mechanical/Electrical/Chemicals Stores</i> | 6,129,200 | 4,399,522 |
| <i>Loose tools (Mowers)</i> | 221,710 | 115,610 |
| | <u>6,350,910</u> | <u>4,515,132</u> |
| 4. Cash and bank Balances | | |
| <i>Cash in hand</i> | 71,563 | 12,063 |
| <i>FBN Plc A/C 100xxxx136</i> | 5,286 | 287,312 |
| <i>Access Bank</i> | 183,102 | 1,692,002 |
| <i>Zenith Bank Plc</i> | 6,290,951 | 50,003 |
| <i>UBA Plc A/C 102xxxx919</i> | 10,115,569 | 10,262,516 |
| | <u>16,666,472</u> | <u>12,303,896</u> |
| 5. Sundry Creditors: | | |
| <i>Balance at 01/01/2023</i> | 232,500 | 117,500 |
| <i>Addition during the year</i> | 120,000 | 115,000 |
| | <u>352,500</u> | <u>232,500</u> |

IMO STATE WATER AND SEWERAGE CORPORATION

Notes to Financial Statement (Cont'd)

| | 2024 N | 2023 N |
|---|---------------------|--------------------|
| 6. Other Creditors and Accrued Charges | | |
| <i>Ugochukwu Ukah & Co</i> | 1,850,000 | 800,000 |
| | <u>1,850,000</u> | <u>800,000</u> |
| 7. Imo State Government Fund | | |
| <i>Balance as at 1st January</i> | <u>120,075,123</u> | <u>120,075,123</u> |
| 8. Accumulated Fund | | |
| <i>Balances at 1st January</i> | (68,374,520) | (25,572,997) |
| <i>Surplus (Deficit) Transferred from Revenue Account</i> | 1,246,763 | (129,540,165) |
| <i>Prior year adjustment</i> | 1,974,643 | 86,738,642 |
| <i>Balance as at 31st December</i> | <u>(65,153,114)</u> | <u>68,374,529</u> |
| 9. Water Sales (Charges) Owerri Urban: | | |
| <i>Head Office</i> | 25,000 | 95,997 |
| <i>Balance as at 31st December</i> | <u>25,000</u> | <u>95,997</u> |
| Zones | | |
| <i>Orlu</i> | 2,594,700 | 1,593,000 |
| <i>Orji</i> | 637,500 | 201,400 |
| <i>Eke Nguru</i> | 183,000 | 388,500 |
| <i>Egbeada</i> | 457,500 | 690,100 |
| Total Water Sales from Zones | <u>3,872,700</u> | <u>2,873,000</u> |
| Grand Total | <u>3,897,700</u> | <u>2,968,997</u> |

IMO STATE WATER AND SEWERAGE CORPORATION

Notes to Financial Statement (Cont'd)

| | 2024 N | 2023 N |
|---|---------------------------|---------------------------|
| <u>10. Government Subvention/Grants:</u> | | |
| Special Grants | 421,528,500 | 136,500,000 |
| | <u>421,528,500</u> | <u>136,500,000</u> |

11. Other Income (Receipts)

| | | |
|---------------------------------------|-------------------------|-------------------------|
| Hire of Equipment | 100,000 | 600,000 |
| Contract registration and tender Fees | 725,000 | 1,965,000 |
| Rent (Orji) | 104,000 | 36,000 |
| Private Borehole Permit/Analysis | 3,790,000 | 3,624,000 |
| Over payment refunds | 1,042,960 | 0 |
| Tenement rate | 0 | 1,200,000 |
| Miscellaneous | 976,736 | 647,000 |
| | <u>6,738,696</u> | <u>8,072,000</u> |

12. Direct Operating Expenses

| | | |
|--|--------------------------|--------------------------|
| Depreciation Plant & Machinery | 0 | 17,157,645 |
| Depreciation of Boreholes/Accessories | 0 | 6,630,372 |
| Redevelopment of Boreholes | 0 | 14,210,656 |
| Maintenance Expenses Pipelines | 8,691,000 | 15,393,665 |
| Maintenance Expenses Water Scheme | 4,998,900 | 5,605,100 |
| Maintenance Expenses Plant & Equipment | 2,878,500 | 404,625 |
| Maintenance Expenses Motor Vehicles | 4,170,500 | 1,334,100 |
| Rehabilitation of Otamiri H/Works | 11,376,300 | 20,179,152 |
| Maintenances Expenses Laboratory/Water Treatment | 170,000 | 15,928,000 |
| Maintenance Expenses Generator | 977,000 | 1,928,000 |
| | <u>33,262,200</u> | <u>98,776,515</u> |

13. Personal Costs

| | | |
|-----------------------------------|-------------------------|---------------------------|
| Staff Salaries | 6,043,822 | 99,056,587 |
| Wages of Casual and Project Staff | 3,432,500 | 2,045,000 |
| | <u>9,476,322</u> | <u>101,101,587</u> |

IMO STATE WATER AND SEWERAGE CORPORATION

Notes to Financial Statement (Cont'd)

| | 2024 N | 2023 N |
|---|---------------------------|--------------------------|
| <u>14. Administration and General Expenses</u> | | |
| Depreciation Other Assets | 4,337,786 | 4,116,486 |
| Transport and Travelling | 4,002,700 | 4,967,945 |
| Telephone and Postages/Communication | 813,462 | 2,198,878 |
| Security Allowances | 3,552,500 | 2,973,000 |
| Printing and Stationery | 2,992,000 | 1,737,309 |
| Entertainment and Hospitality | 1,667,000 | 1,024,400 |
| Audit Fees | 1,850,000 | 800,000 |
| Professional Fees | 976,350 | 1,040,000 |
| Maintenance of Office Building | 2,166,000 | 2,447,150 |
| Water Treatment Expenses | 10,226,000 | 0 |
| Office and General | 18,419,720 | 15,157,945 |
| Water Analysis Costs | 490,000 | 616,000 |
| Bank Charges | 64,311 | 30,714 |
| Employee Pensions and Death Benefits | 484,000 | 182,100 |
| Power and Light | 5,067,000 | 5,346,533 |
| Headquarters Maintenance | 8,866,000 | 0 |
| Oil and Gas Expenses | 13,277,000 | 10,104,200 |
| Miscellaneous Expenses (Surwash Projects) | 0 | 5,719,677 |
| SWS (Deductions) | 0 | 182,100 |
| Vehicle Running Costs | 3,818,000 | 1,956,532 |
| World Water/Rivers Day | 660,000 | 0 |
| IIRS (PAYE) | 0 | 3,995,220 |
| VAT | 4,691,363 | 2,460,948 |
| Union Dues | 0 | 786,267 |
| IMF (1%) | 0 | 189,962 |
| TSA | 9,165,500 | 7,008,600 |
| Stamp Duty | 625,515 | 195,886 |
| WHT | 3,127,575 | 1,965,208 |
| | <u>101,339,782</u> | <u>77,203,060</u> |

IMO STATE WATER AND SEWERAGE CORPORATION

Notes to Financial Statement (Cont'd)

| | 2024 N | 2023 N |
|-----------------------------|--------------------|-----------|
| 15. Project Transfer | | |
| Surwash Program/Training | 154,848,900 | 0 |
| ISSTOWA | 131,990,920 | 0 |
| | <u>286,839,830</u> | <u>0</u> |

16. Prior Year Adjustment

This is made of the difference in the books

| | | |
|---|------------------|-------------------|
| <i>As a result of prior period transactions</i> | <u>1,974,643</u> | <u>86,738,642</u> |
|---|------------------|-------------------|

17. Statement of Operating Activities For the Year Ended 31st December, 2024

Surplus (Deficit) of Income Year over

| | | |
|---|------------------|------------------|
| <i>Expenditure for the Year</i> | 1,246,763 | (129,540,156) |
| <i>Depreciation</i> | 4,337,786 | 27,904,503 |
| <i>Prior Year Adjustment</i> | 1,974,643 | 86,738,642 |
| <i>(Increase)/Decrease in Debtors</i> | (621,225) | 6,246,502 |
| <i>(Increase)/Decrease in Stock</i> | (1,835,778) | 7,375,468 |
| <i>Increase/(Decrease) in Creditors</i> | 120,000 | 115,000 |
| <i>Creditors and Accruals</i> | (1,050,000) | 237,000 |
| | <u>4,172,189</u> | <u>(923,053)</u> |