

**DELTA STATE URBAN WATER
CORPORATION
(DESUWACO)**

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023**

MISSION STATEMENT

To provide sustainable quality water supply and sewage services in urban areas of Delta State, ensuring service reliability stewardship and protection of the environment

CORPORATE STATEMENT

To become the trusted premier urban water and sewage utility in Africa

OUR CORE VALUES

- Customer satisfaction
- Accountability
- Team work
- Innovation
- Sustainability
- Professionalism

DELTA STATE URBAN WATER CORPORATION
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

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Corporate Information

Governing Board:

Hon. Talib Tebitie	-	Chairman
Chief Lucky Temo	-	Member
Mr. Mike Okoh	-	Member
Hon. Immaculate Bridode	-	Member
Hon. Vosa Okotie	-	Member
Hon. Mary Agafere Egeurthiie	-	Member
Mrs. Tina Okolo	-	Member

Management:

Okoh, N. Idenodo	-	General Manager
Akporhonor, Columbus	-	Director, Administration
Onwuka, Lawretta	-	Director, Finance and Accounts
Mairiga, Rufina	-	Director, Hydrology/Hydrogeology
Ayiofor, Pius	-	Director, Corporate Affairs
David, Ihiechukwu	-	Director, Commercial Services
Osiatuma, James	-	Director, Water Resource Planning/TSS
Ayigbe, S. Esemé	-	Director, PPP/ICT
Enonuya, Bemigho	-	Director, Technical Services
Engr. Uche Maduka	-	Director, Sanitation & Quality Control

Date of establishment

Delta State Urban Water Corporation was established by the defunct Bendel State Government of Nigeria Edict No. 6 of 1988 as applicable to Delta State of Nigeria now Delta State Urban Water Board Law of 2000.

Registered office:

Core Area, Okpanam Road
Oshimilli-south, Asaba,
Delta State

Auditors:

Patrick Uzoka & Co.
(Chartered Accountants)
73, Ibusa Road, Asaba
Delta State

Bankers:

Ecobank Plc, Fidelity Bank Plc, Guaranty Trust
Bank Plc, First City Monument Bank Plc and
United Bank for Africa Plc

Development Partners

WORLD BANK

Governing Board's Report

Accounts

The management have pleasure in presenting their report on the affairs of Delta State Urban Water Corporation (DESUWACO) (referred to as Water Corporation) together with the audited financial statements and auditor's report for the period ended 31st December, 2023.

State of Affairs

In the opinion of the Management, the state of affairs of DESUWACO is satisfactory and no events have occurred since the reporting date which would affect the financial statements as presented.

Legal Form

The Delta State Urban Water Corporation (DESUWACO) was established by the Delta State of Nigeria Urban Water Board Law of 2000.

Principal Activities

The Water Board is established to carry-out the following objectives.

- To control and manage all water works vested under the provision of the Edict.
- To extend and develop such existing ones as the Board consider necessary
- To establish, control, extend and develop such new water works.
- To ensure water is supplied to consumers in Delta State at reasonable charges and in portable quality and adequate quantity.

Results of operation for the year

Highlights of the Board's operating results are as follows:

	year ended 31st December 2023 (=N=)
Revenue, Grant & Subvention	1,050,925,652
Deduct:	
- Operating expense	1,035,277,357
- Depreciation expense	239,688,229
Operating deficit	(224,039,934)

Property, Plant and Equipment

Movements in property, plant and equipment are shown in note 2 of the financial statements. In the opinion of the Directors, the value of Delta State Urban Water Corporation properties is not less than the value shown in the accounts.

The Board and Management

The responsibility for the day-to-day management of the Board is delegated to the General Manager (GM). The GM executes the power delegated to him in accordance with guidelines approved by the Government. Executive management is accountable for the development and implementation of strategies and policies. The Board's performance is regularly reviewed for

Governing Board's Report - *continued*

The Board and Management - *continued*

matters of strategic concern and any other matter it regards as material.

Employment of Disabled Persons

The Board keeps open employment opportunity to disabled persons as part of its social responsibility. The Corporation's policy prohibits discrimination against disabled persons in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, efforts will be made to ensure that their employment continues and appropriate training arranged to ensure that they fit into the Board's working environment.

Health, Safety and Welfare of Employees

Arrangements are made for adequate security protection of staff in the Corporation's premises while necessary safety regulations are complied with in order to facilitate the safety of employees of the Board at all times.

Employee Involvement and Training

The Corporation provides facilities for regular on the job training of staff. Regular consultative meetings are held by management to keep members of staff abreast with developments within the Board as well as its plans and achievements.

Auditors

The auditors, Messrs Patrick Uzoka & Co. have indicated their willingness to continue in office as auditors in accordance with section 357(2) of the Companies and Allied Matters Act 2004. A resolution would be proposed at the Annual General Meeting to authorise the Director to fix their remuneration.

.BY ORDER OF THE BOARD


General Manager
8th July 2024

Statement of Governing Board's Responsibility for the Financial Statements

The Companies and Allied Matters Act, CAP C20, Laws of the Federal Republic of Nigeria 2004, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the entity at the end of the year.

In preparing the financial statements, the Governing Board is responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IPSAS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Board's financial position and financial performance; and
- making an assessment of the Board's ability to continue as a going concern.

The Governing Board is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Board;
- maintaining adequate accounting records that are sufficient to show and explain the Board's transactions and disclose with reasonable accuracy at any time the financial position of the Board, and which enable them to ensure that the financial statements comply with IPSAS;
- maintaining statutory accounting records in compliance with Delta State Financial Regulations and IPSAS;
- taking such steps as are reasonably available to them to safeguard the assets of the Board; and
- preventing and detecting fraud and other irregularities.

Going Concern:

Nothing has come to the attention of the Directors to indicate that the Board will not remain a going concern for at least twelve months from the date of this statement.

The financial statements of the Corporation for the period ended 31st December 2023 were approved by Board of Directors on 21st July 2024.

SIGNED ON BEHALF OF THE
BOARD OF DIRECTORS BY:



Signed

July 2024



Independent Auditor's Report

To the Governing Board of Delta State Urban Water Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of Delta State Urban Water Corporation which comprise the statement of financial position as at 31st December 2023, the statement of performance, changes in net assets, statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

Managements' Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards, provisions of Companies and Allied Matters Act CAP C20 Laws of the Federal Republic of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

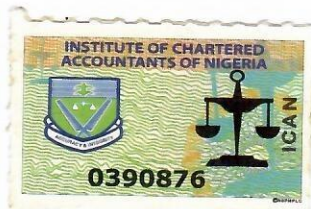
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Delta State Urban Water Corporation as at 31st December 2023, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, provisions of Companies and Allied Matters Act CAP C20 Laws of the Federal Republic of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011.

Report on other legal and regulatory requirements

In accordance with the Schedule 6 of Companies and Allied Matters Act CAP C20 Laws of the Federal Republic of Nigeria 2004, we confirm that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Delta State Urban Water Corporation has kept proper books of account, so far as appears from our examination of those books.
- iii) The Delta State Urban Water Corporation's financial position and its statement of performance are in agreement with the books of account and returns.



Dr. Patrick Uzoka, FCA
For: Patrick Uzoka & Co.
Asaba, Nigeria
July 2024



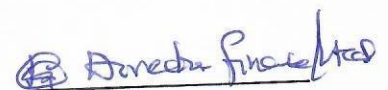
DELTA STATE URBAN WATER CORPORATION
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

Statement of Financial Position

	Notes	2023 (=N=)	2022 (=N=)
Assets			
Property, plant and equipment	2	1,163,586,148	1,033,322,107
Total non-current assets		<u>1,163,586,148</u>	<u>1,033,322,107</u>
Cash and cash equivalents	3	30,101,832	2,318,160
Receivables	4	22,447,415	6,873,773
Inventories		4,366,142	4,366,142
Total current assets		<u>56,915,389</u>	<u>13,558,075</u>
Total assets		<u>1,220,501,537</u>	<u>1,046,880,182</u>
Liabilities			
Payables	5	57,893,864	30,184,845
Total current liabilities		<u>57,893,864</u>	<u>30,184,845</u>
Public funds		1,047,000	1,047,000
Total non-current liabilities		<u>1,047,000</u>	<u>1,047,000</u>
Total liabilities		<u>58,940,864</u>	<u>31,231,845</u>
Net assets		<u>1,161,560,673</u>	<u>1,015,648,337</u>
Financed by			
Capital grant	6	5,053,010,829	4,683,058,559
Accumulated fund	7	(3,891,450,156)	(3,667,410,222)
Capital grant & accumulated fund		<u>1,161,560,673</u>	<u>1,015,648,337</u>

The financial statements were approved and authorized for issue on 21st July 2024 and signed on its behalf by:


Signed


Signed

The section on significant accounting policies and the accompanying notes form part of the financial statements.

DELTA STATE URBAN WATER CORPORATION
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

Statement of Financial Performance

	Notes	2023 (=N=)	2022 (=N=)
Revenue	8	500,166,948	28,591,500
Grant & subvention	9	550,758,704	450,146,951
		1,050,925,652	478,738,451
Personnel expense	10	467,981,357	419,362,904
Administrative expense	11	289,748,398	55,571,520
Maintenance expense	12	276,957,224	4,688,100
Depreciation expense	13	239,688,229	217,834,016
Finance expense	14	590,378	282,842
		1,274,965,586	697,739,382
Operating surplus/(deficit)		(224,039,934)	(219,000,931)

The section on significant accounting policies and the accompanying notes form part of the financial statements.

DELTA STATE URBAN WATER CORPORATION
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

Statement of Changes in Net Assets

2023		Accumulated	Total
	Capital grant (=N=)	funds (=N=)	(=N=)
Balance, beginning of year	4,683,058,559	(3,667,410,222)	1,015,648,337
Changes	369,952,270	(224,039,934)	145,912,336
Balance, end of year	5,053,010,829	(3,891,450,156)	1,161,560,673

2022		Accumulated	Total
	Capital grant (=N=)	funds (=N=)	(=N=)
Balance, beginning of year	4,046,921,423	(3,445,599,319)	601,322,104
Changes	636,137,136	(219,000,931)	417,136,205
Prior year adjustments	-	(2,809,972)	(2,809,972)
Balance, end of year	4,683,058,559	(3,664,600,250)	1,018,458,309

The section on significant accounting policies and the accompanying notes form part of the financial statements.

Statement of Cash Flows

	Notes	2023 (=N=)	2022 (=N=)
Operating activities			
Annual operating surplus/(deficit)		(224,039,934)	(219,000,931)
Non-cash items:			
- Adjustments for provisions no longer required	13	-	(2,809,972)
- Depreciation expense		239,688,229	217,834,016
- Short-term provisions		-	-
Decrease/(Increase) in:			
- Receivables	4	(15,573,642)	(3,211,968)
- Prepayment		-	-
- Inventories		-	61,758
Increase/(Decrease) in:			
- Payables	5	27,709,019	7,527,629
Net cash flow used in operating activities		<u>27,783,672</u>	<u>400,532</u>
Cash flows from investing activities			
Receipts of property, plant and equipment	2	(369,952,270)	(636,137,136)
Net cash flow used in investing activities		<u>(369,952,270)</u>	<u>(636,137,136)</u>
Cash flows from financing activities			
WORLD BANK, USAID, DTSG & FMWRD	6	369,952,270	636,137,136
Net cash flow generated from financing activities		<u>369,952,270</u>	<u>636,137,136</u>
Decrease in cash and cash equivalents		27,783,672	400,532
Cash and cash equivalents at beginning of year		<u>2,318,160</u>	<u>1,917,628</u>
Cash and cash equivalents at end of year		<u><u>30,101,832</u></u>	<u><u>2,318,160</u></u>

The section on significant accounting policies and the accompanying notes form part of the financial statements.

Notes to the Financial Statements

1 Significant accounting policies

1.1 Reporting entity

Delta State Urban Water Corporation (DESUWACO) was established by the defunct Bendel State Government of Nigeria Edict No. 6 of 1988 as applicable to Delta State of Nigeria now Delta State Urban Water Board Law of 2000. DESUWACO is responsible in Delta State to:

- a). control and manage all water works vested under the provision of the Edict;
- b). extend and develop such existing ones as the Board consider necessary;
- c). establish, control, extend and develop such new water works; and
- d). ensure water is supplied to consumers in Delta State at reasonable charges and in portable quality and adequate quantity.

1.2 Basis of preparation and presentation

1.2.1 Statement of compliance

The financial statements of the Delta State Urban Water Corporation (DESUWACO) have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS).

These financial statements have been prepared under the assumption that DESUWACO is a going concern, and will meet its mandate for the foreseeable future (IPSAS 1- Presentation of Financial Statements). Where a specific matter is not covered by IPSAS, the appropriate International Financial Reporting Standards (IFRS) have been applied.

1.2.2 Basis of measurement

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention.

1.2.3 Functional and presentation currency

These financial statements are presented in Nigerian Naira (=N=) which is the Board's functional currency.

1.2.4 Materiality and the use of judgements and estimates

Materiality is central to DESUWACO's financial statements. The entity's process for reviewing accounting materiality provides a systematic approach to the identification, analysis, evaluation, endorsement and periodic review of decisions taken involving the materiality of information, spanning a number of accounting areas. The financial statements include amounts based on judgments, estimates and assumptions by management. Changes in estimates are reflected in the period in which they become

Materiality exists where omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements.

Notes to the Financial Statements

1.3 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with commercial banks and highly liquid financial assets with original maturities of less than three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Board in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

1.4 Inventories

DESUWACO recognizes office supplies, humanitarian supplies, and publications as part of its inventory. Inventories are valued taking the lower amount of (i) cost or (ii) net realizable value, using a weighted average basis. A physical stock count is conducted once every year. Freight and insurance charges are allocated based on the total value of inventory purchases and added to the inventory value. Where inventories have been acquired through a non-exchange transaction (i.e. inventories were donated as an in-kind contribution), the value of inventory is determined by reference to the donated goods' fair value at the date of acquisition. When inventories are sold, exchanged or distributed, their carrying amount is recognized as an expense.

1.5 Accounts receivable

Accounts receivable are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. Current receivables are for amounts due within 12 months of the reporting date, while non-current receivables are those that are due more than 12 months from the reporting date of the financial statements.

Accounts receivable are recorded at their estimated net realizable value and not discounted as the effect of discounting is considered immaterial. An allowance for doubtful accounts receivable is recognized when there is a risk that the receivable may be impaired. Changes in the allowance for doubtful accounts receivable are recognized in the Statement of Financial Performance.

1.6 Prepayments

Prepayments relate to amounts paid to suppliers for goods or services not yet received, and amounts paid in advance for office space. Prepayments are recorded at cost.

1.9 Property, plant and equipment

Property, plant and equipment with a value greater than ₦25,000 are recognized as non-current assets in the Statement of Financial Position. Property, plant and equipment are stated at historical cost, less accumulated depreciation and any impairment losses. Property, plant and equipment acquired through a non-exchange transaction are recognized at fair value at the date of acquisition. All assets of this type are considered to be non-cash generating. Depreciation is calculated on a straight-line basis over the asset's useful life except for land, which is not subject to depreciation. Property, plant and equipment are reviewed annually for impairment to ensure that the carrying amount is still considered to be recoverable.

Notes to the Financial Statements

1.9 Property, plant and equipment - *continued*

The estimated useful lives of the asset classes that make up property, plant and equipment are provided in the table below.

Asset class Estimated useful life (in years)		
Freehold land	-	Not applicable
Leasehold land	-	over the unexplored portion of the lease
Building	-	2%
Capital rehabilitation of water works	-	10%
Caravans	-	10%
Office partition	-	10%
Plant & machinery	-	10%
Equipment & tools	-	10%
Transportation equipment	-	20%
Complete water scheme	-	5%
Office furniture	-	10%
Fixtures & fittings	-	10%
Water laboratory equipment	-	10%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use.

Increases in the carrying amount arising on revaluation of buildings are credited to other financial performance and shown as revaluation surplus in the changes in net assets. Decreases that offset previous increases of the same asset are charged in other financial performance and debited against revaluation surplus directly in changes in net assets; all other decreases are charged to the statement of financial performance.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset calculated as the difference between the net disposal proceeds and the carrying amount of the asset is recognized in "Other financial performance" in the statement of financial performance in the year the asset is derecognized.

Improvements are capitalized over the remaining life of the asset when the improvement results in an increase in the useful life of the asset or adds usable space. The residual value of the asset and the cost of the improvement will be amortized over the adjusted useful life (remaining life).

Notes to the Financial Statements

1.10 Leases

A lease is an agreement whereby the lessor conveys to the lessee (the Corporation), in return for a payment or series of payments, the right to use an asset for an agreed period of time. Every lease is reviewed to determine whether it constitutes a financial or operating lease. Necessary accounting entries and disclosures are made accordingly. Where DESUWACO is the lessor, lease revenue from operating leases is recognized as revenue on a straight-line basis over the lease term. All costs associated with the asset incurred in earning the lease revenue, including depreciation, are recognized as an expense.

1.11 Accounts payable and accrued liabilities

Accounts payable are financial liabilities for goods or services that have been received by DESUWACO and invoiced but not yet paid for. Accrued liabilities are financial liabilities for goods or services that have been received by DESUWACO and which have neither been paid for nor invoiced to DESUWACO.

Accounts payable and accrued liabilities are recognized at cost, as the effect of discounting is considered immaterial.

1.12 Borrowings

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

Interest-bearing borrowings are stated at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

1.13 Provisions and contingent liabilities

Provisions are recognized for future liabilities and charges where DESUWACO has a present legal or constructive obligation as a result of past events and it is probable that the Board will be required to settle the obligation. Other commitments, which do not meet the recognition criteria for liabilities, are disclosed in the notes to the financial statements as contingent liabilities when their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of DESUWACO.

1.14 Contingent assets

Contingent assets will be disclosed when an event gives rise to a probable inflow of economic benefits or service potential and there is sufficient information to assess the probability of the inflow of economic benefits or service potential.

Notes to the Financial Statements

1.15 Deferred revenue of expense

Deferred revenue or deferred expense derives from legally binding agreements between DESUWACO and contributors, including governments, international organizations and private and public institutions. Deferred revenue or expense is recognized when:

- a contractual agreement is confirmed in writing by both the Organization and the contributor; and
- the funds are earmarked and due in a future period.

Deferred revenue or expense is presented as non-current assets if the revenue or expense is due one year or more after the reporting date.

1.16 Funds

Fund accounting is a method of segregating resources into categories (i.e. funds) to identify both the source and the use of the funds. Establishing such funds helps to ensure better reporting of revenue and expenses. The fund serve to ensure the proper segregation of revenue and expenses. Any transfers between funds that would result in duplication of revenue and/or expenses are eliminated during consolidation. Intra-fund transfers such as programme support costs are also eliminated.

Relevant funds are categorised as either permanently restricted funds, temporarily restricted funds or unrestricted funds.

1.17 Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by DESUWACO during the year, and represents an increase in net assets.

1.18 Expenses

Expenses are defined as decreases in economic benefits or service potential during the reporting period in the form of outflows, consumption of assets, or incurrences of liabilities that result in decreases in net assets/equity. DESUWACO recognizes expenses at the point where goods have been received or services rendered (delivery principle) and not when cash or its equivalent is paid.

1.19 Event after the reporting period

Events after the end of the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue.

The Board shall adjust the amounts recognised in its financial statements, or recognise items that were not previously recognised, including related disclosures, to reflect adjusting events after the end of the reporting period. Adjusting events after the end of the reporting period are those events that provide evidence of conditions that existed at the end of the period.

Notes to the Financial Statements - continued

2 Property, plant & equipment

	Freehold (=N=)	Capital rehabilitation (=N=)	Caravan (=N=)	Office civil structure (=N=)	Transport equipment (=N=)	Water scheme (=N=)	Office furniture & equipment (=N=)	Plant, machinery & tools (=N=)	Water lab equipment (=N=)	Total (=N=)
Cost										
Balance, beginning of year	9,431,422	2,415,544,669	250,000	14,757,116	63,353,462	1,353,609,205	82,797,494	607,022,172	1,534,958	4,548,300,498
Additions	-	369,952,270	-	-	-	-	-	-	-	369,952,270
Reclassifications / transfers	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Balance, end of year	9,431,422	2,785,496,939	250,000	14,757,116	63,353,462	1,353,609,205	82,797,494	607,022,172	1,534,958	4,918,252,768
Accumulated depreciation										
Balance, beginning of year	4,338,344	1,416,913,980	249,990	10,707,106	62,164,040	1,353,609,195	67,667,518	597,793,270	1,534,948	3,514,978,391
Charge for the year	188,628	229,423,355	-	450,000	365,973	-	8,279,748	980,525	-	239,688,229
Write back over provision	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Balance, end of year	4,526,972	1,646,337,335	249,990	11,157,106	62,530,013	1,353,609,195	75,947,266	598,773,795	1,534,948	3,754,666,620
Carrying amount										
31 December 2023	4,904,450	1,139,159,604	10	3,600,010	823,449	10	6,850,228	8,248,377	10	1,163,586,148
31 December 2022	5,093,078	998,630,689	10	4,050,010	1,189,422	10	15,129,976	9,228,902	10	1,033,322,107

The section on significant accounting policies and the accompanying notes form part of the financial statements.

Notes to the Financial Statements - continued

	2023 (=N=)	2022 (=N=)
3 Cash and cash equivalents		
Current account balances with banks	30,101,832	2,318,160
	<u>30,101,832</u>	<u>2,318,160</u>
4 Receivables		
Customer debtors	3,515,000	3,515,000
Staff debtors	18,932,415	3,358,773
	<u>22,447,415</u>	<u>6,873,773</u>
5 Payables		
Suppliers/service creditor	-	119,135
Staff claims	21,393,060	23,083,737
Accrued electricity	707,128	767,128
Accrued professional charges	8,058,174	746,500
Taxes payable	27,098,766	2,373,698
Audit fee payable	636,736	3,094,647
	<u>57,893,864</u>	<u>30,184,845</u>
6 Capital grant		
Balance, beginning of year	4,683,058,559	4,046,921,423
Property, plant & equipment transferred		
- from WORLD BANK, USAID, DTSG & FMWRD	369,952,270	636,137,136
Balance, end of year	<u>5,053,010,829</u>	<u>4,683,058,559</u>
7 Accumulated fund		
Balance, beginning of year	(3,667,410,222)	(3,445,599,319)
Changes	(224,039,934)	(219,000,931)
7(a) Adjustments for provisions no longer required	-	(2,809,972)
Balance, end of year	<u>(3,891,450,156)</u>	<u>(3,667,410,222)</u>
7(a) Adjustments for provisions no longer required		
- Inventories	-	61,758
- Staff claims	-	(3,710,000)
- Taxes payable	-	(2,373,698)
- Staff debtors	-	3,211,968
	<u>-</u>	<u>(2,809,972)</u>
8 Revenue		
Advertisements	-	2,000,000
Borehole	3,600,000	3,600,000
Contractors registration	2,450,000	400,000
Equipment hire	2,000,000	1,650,000
Balance c/f	<u>8,050,000</u>	<u>7,650,000</u>

Notes to the Financial Statements - *continued*

	2023 (=N=)	2022 (=N=)
8 Revenue - <i>cont'd</i>		
Balance b/f	8,050,000	7,650,000
Sale of scrap	-	40,000
Supervisor income	-	13,626,000
SURWASH	491,419,548	4,000,000
Water charges	697,400	3,265,500
Water test	-	10,000
	<u>500,166,948</u>	<u>28,591,500</u>
9 Grant & subvention		
E-WASH counterpart fund	49,994,347	-
Government grant	-	26,800,000
National council meeting	1,583,000	
Overheads	31,200,000	3,984,047
Payroll	467,981,357	419,362,904
	<u>550,758,704</u>	<u>450,146,951</u>
10 Personnel expense		
Salaries	467,981,357	419,362,904
	<u>467,981,357</u>	<u>419,362,904</u>
11 Administrative expense		
Advert & publicity	-	307,200
Annual budget preparation	-	21,000
Audit consultancy (fee)	5,729,087	1,250,000
Audit services (Auditor-General)	393,368	-
Cleaning & fumigation services	191,650	201,000
Electricity charges	60,000	609,500
Engineering services	86,220,554	-
Entertainment & public relations	-	585,000
Fuel - pump stations	-	11,555,100
Hired wages	100,000	170,000
Honorarium & sitting allowance	1,415,000	2,555,000
Internet access charges	2,522,272	-
Local travel & transport	15,155,300	-
Medical	100,000	-
Motor vehicle fuel cost	153,000	-
Newspapers, magazines & books	120,000	100,000
Office stationeries & computer consumables	7,559,200	-
Other maintenance services	926,000	-
Other miscellaneous expense	3,591,500	-
Balance c/f	<u>124,236,931</u>	<u>17,353,800</u>

Notes to the Financial Statements - *continued*

	2023 (=N=)	2022 (=N=)
11 Administrative expense - <i>cont'd</i>		
Balance b/f	124,236,931	17,353,800
Plant/generator fuel cost	4,982,450	-
Printing & stationery	-	5,669,100
Publicit & advertisement	4,728,800	-
Refreshment & meals	829,000	-
Rent-residential	-	30,000
Research & documentation	11,360,000	-
Staff promotion/conversion exam	185,000	290,000
Staff welfare - (Parking home & death benefits)	-	150,000
Statelite broadcast & internet access charges	235,400	181,920
Sundries - (BEDC reconnection fee)	-	20,000
Supervision & management fee	10,751,100	-
Survey services	50,055,480	-
Taxes	62,248,021	-
Training & development	20,136,216	4,045,000
Transport & travelling	-	27,281,700
Transport equip. running expense	-	550,000
	289,748,398	55,571,520
12 Maintenance expense		
Maintenance - office building	25,000	110,000
Maintenance - office furniture	381,000	111,000
Maintenance - plants & generator	1,096,000	2,512,500
Maintenance - rehab. repair water facilities	273,313,224	110,000
Maintenance - transport & office equipment	2,142,000	1,844,600
	276,957,224	4,688,100
13 Depreciation expense		
Freehold	188,628	188,628
Capital rehabilitation	229,423,355	208,289,515
Office civil structure	450,000	450,000
Transport equipment	365,973	365,973
Office furniture & equipment	8,279,748	7,963,542
Plant, machinery & tools	980,525	576,358
	239,688,229	217,834,016
14 Finance expense		
Bank charges	590,378	282,842
	590,378	282,842