

# S. B. TRADING NIGERIA LIMITED

## ANNUAL REPORT AND AUDITED ACCOUNTS

2022

The logo consists of the letters "UGO" in white, bold, sans-serif font, centered within a green oval shape.

**UGOCHUKWU UKAH & CO**

*Chartered Accountants*

Nigeria

# IMO STATE WATER AND SEWERAGE CORPORATION

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# IMO STATE WATER AND SEWERAGE CORPORATION

## Corporate Information

### DIRECTORS:

Engr. Onyeji Boniface  
Dr. Ezeribe Okonkwo  
Engr. Henry Adiruo  
Mrs. Ogbonna Obiageri  
Mrs. Obinna Charity  
Mrs. Oledinma Lilian  
Engr. Celestine C. Ugoanyanwu

### MANAGING DIRECTOR/CEO

Engr. Celestine C. Ugoanyanwu, FNSE

### AG SECRETARY TO THE BOARD

Mrs. Okorie Assumpta

### REGISTERED OFFICE:

Ugwu Orji, Okigwe Road,  
Owerri, Imo State

### AUDITORS/TAX CONSULTANTS:

Ugochukwu Ukah & Co.  
Chartered Accountants  
28/30 Orlu Road, Owerri,  
Imo State, Nigeria  
Tel. 08101839665  
[unclec4j@yahoo.com](mailto:unclec4j@yahoo.com)

### BANKERS:

Access Bank Plc  
UBA Plc  
First Bank Plc  
Zenith Bank Plc

# IMO STATE WATER AND SEWERAGE CORPORATION

## AUDITOR'S REPORT

We have the financial statement set out on pages 6 to 10. 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 Auditor's**

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statement is free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statement.

### **Opinion**

In our opinion, the Financial Statement give a true and fair view of the Financial Position of IMO STATE WATER AND SEWERAGE CORPORATION as at 31<sup>st</sup> December, 2022, and of the Company's 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

### AUDITOR'S REPORT

We have the financial statement set out on pages 4 to 14. 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 Auditor's

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.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statement is free from materials misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statement.

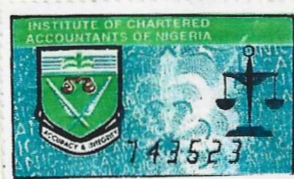
#### Opinion

In our opinion, the Financial Statement give a true and fair view of the Financial Position of **IMO STATE WATER AND SEWERAGE CORPORATION** as at 31<sup>st</sup> December, 2022, and of the Company's 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**

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# IMO STATE WATER AND SEWERAGE CORPORATION

## Statement of Accounting Policies For the year ended 31st December 2022

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%
Plant and Machinery (Pumping Stations, Booster State, Pipes etc	10%
Motor vehicles	15%
Office Furniture and Equipment	10%
Household Furnitures & 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 31<sup>st</sup> December, 2022

	NOTES	2022 N	2021 N
Capital Employed			
Fixed Assets			
Less: Depreciation	(1)	60,309,103	79,529,610
Current Assets			
Water Rate Debtors	(2)	9,755,977	6,425,490
Stock	(3)	11,890,600	13,073,350
Cash and Bank Balances	(4)	13,700,946	4,357,569
Total Assets		<u>35,347,523</u>	<u>23,856,409</u>
Less: Current Liabilities			
Creditors	(5)	117,500	117,500
Other Creditors and Accruals	(6)	1,037,000	345,000
Total Liabilities		<u>1,154,500</u>	<u>462,500</u>
		34,193,023	23,393,909
Net Assets		<u>94,502,126</u>	<u>102,923,519</u>
Capital and Reserves:			
Imo State Government Fund	(7)	120,075,123	120,075,123
Accumulated fund	(8)	(25,572,997)	(17,151,604)
Shareholders Fund		<u>94,502,126</u>	<u>102,923,519</u>

These financial Statements were approved by the Board of Directors  
on \_\_\_\_\_, 2023 and signed on its behalf by:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# IMO STATE WATER AND SEWERAGE CORPORATION

## Statement of Income and Expenditure For The Year Ended 31<sup>st</sup> December, 2022

	Notes	2022 N	2021 N
Water Sales (charges)	(9)	3,746,590	3,628,940
Government Subventions/	(10)	101,853,858	229,793,933
Other Income (Receipts)	(11)	15,705,793	15,406,150
		<u>121,306,241</u>	<u>248,829,023</u>
Direct Operating Expenses	(12)	83,292,967	129,661,082
Personnel Costs	(13)	94,935,253	101,651,175
Administrative and general Expenses	(14)	44,620,082	53,135,256
		<u>222,848,302</u>	<u>284,447,513</u>
Surplus/(Deficit) of income over Expenditure Transferred to Accumulated Fund		<u>(101,542,061)</u>	<u>(35,618,490)</u>

The accompanying notes form part of these financial statements.



# IMO STATE WATER AND SEWERAGE CORPORATION

## Statement of Cash Flow

For The Year Ended 31<sup>st</sup> December, 2022

	2022	2021
	N	N
Cash from Operating Activities	(2,746,731)	(213,302,782)
Returns on Investment and Servicing of Finance	0	0
Taxation	0	0
Net Cash inflow from Operating activities	<u>(2,746,731)</u>	<u>(213,302,782)</u>
Cash flow from Investing Activities		
Purchase of fixed Assets	301,516,387	220,166,500
Net Cash flow before financing Activities	(289,426,279)	(8,436,526)
Financing Activities	<u>0</u>	<u>0</u>
Net Increase in Cash and Cash Equivalent	9,343,377	(1,572,808)
Cash and Cash Equivalent 1/1/2022	4,357,569	5,930,377
Cash and cash Equivalent 31/12/2022	<u>13,700,946</u>	<u>4,357,569</u>

# IMO STATE WATER AND SEWERAGE CORPORATION

## Notes to the Financial Statement For the Year Ended December 31<sup>st</sup>, 2022

### NOTE 1: FIXED ASSETS AND DEPRECIATION SCHEDULE

ASSETS	Boreholes & Accessories N	Plants & Machinery N	Motor Vehicles N	Office Furn. & Equipments N	House-Hold Furn. & Equip. N	Tools & Equipment N	Total N
Cost/Valuation	66,303,720	171,576,450	20,471,350	31,571,849	2,000,000	8,909,023	300,832,392
Additions	0	0	0	683,995	0	0	683,995
As at 31/12/2022	<u>66,303,720</u>	<u>171,576,450</u>	<u>20,471,350</u>	<u>32,255,844</u>	<u>2,000,000</u>	<u>8,909,023</u>	<u>301,516,387</u>
Depreciation							
As at 01/01/2022	47,565,032	130,324,095	18,424,213	11,107,710	2,000,000	3,881,731	213,302,781
Current Charge	<u>6,630,372</u>	<u>17,157,645</u>	<u>0</u>	<u>3,225,584</u>	<u>0</u>	<u>890,902</u>	<u>27,904,503</u>
As at 31/12/202	<u>54,195,404</u>	<u>147,481,740</u>	<u>18,424,213</u>	<u>14,333,294</u>	<u>2,000,000</u>	<u>4,772,633</u>	<u>241,207,284</u>
Net Book Value							
As at 31/12/2022	<u>12,108,316</u>	<u>24,094,710</u>	<u>2,047,137</u>	<u>17,922,550</u>	<u>0</u>	<u>4,136,390</u>	<u>60,309,103</u>
As at 31/12/2021	<u>18,738,688</u>	<u>41,252,355</u>	<u>2,047,137</u>	<u>20,464,139</u>	<u>0</u>	<u>5,027,291</u>	<u>79,529,610</u>

# IMO STATE WATER AND SEWERAGE CORPORATION

## Statement of Income and Expenditure For The Year Ended 31<sup>st</sup> December, 2022

	2022 N	2021 N
2. Water Debtors		
Owerri Urban & Others	13,007,970	8,567,320
25% Provision for Doubtful Collection	3,251,993	2,141,830
	<u>9,755,977</u>	<u>6,425,490</u>
3. Stocks		
Mechanical/Electrical/Chemicals Stores	11,821,700	13,073,350
Loose tools (Mowers)	68,900	0
	<u>11,890,600</u>	<u>13,073,350</u>
4. Cash and Bank Balances		
Cash in hand	488,369	0
FBN Plc A/C 100xxxxx136	283,006	267,843
Access bank Plc	983,112	1,080,251
UBA plc A/C 100xxxxx85	0	2,583
Zenith Bank Plc	1,721,717	0
UBA plc A/C 102xxx19	10,224,742	3,006,892
	<u>13,700,946</u>	<u>4,357,569</u>

# IMO STATE WATER AND SEWERAGE CORPORATION

## Notes to Financial Statement (Cont'd)

	2022	2021
	N	N
<u>5. Sundry Creditors:</u>		
Balance at 01/01/2022	117,500	117,500
Addition during the year	0	0
	<u>117,500</u>	<u>117,500</u>
 6. Other Creditors and Accrued Charges		
Ugochukwu Ukah & Co	800,000	300,000
Salaries Advance	237,000	0
SWS	0	45,000
	<u>1,037,000</u>	<u>345,000</u>
 7. Imo State Government Fund		
Balance as at 1 <sup>st</sup> January	<u>120,075,123</u>	<u>120,075,123</u>

# IMO STATE WATER AND SEWERAGE CORPORATION

## Notes to Financial Statement (Cont'd)

	2022 N	2021 N
<u>8. Accumulated fund:</u>		
Balance at 1 <sup>st</sup> January	(17,151,604)	(66,039,740)
Surplus(Deficit) Transferred from Revenue Account	(101,473,663)	(35,618,490)
Prior year adjustment	75,900,665	84,506,626
Balance at 31 <sup>st</sup> December	<u>(25,572,997)</u>	<u>(17,151,604)</u>
<u>9. Water Sales (Charges) Owerri Urban:</u>		
Head Office	<u>199,200</u>	<u>68,000</u>
Balance at 31 <sup>st</sup> December	<u>199,200</u>	<u>68,000</u>
 Zones		
Orlu	1,330,500	453,100
Orji	921,390	1,304,320
Eke Nguru	564,000	160,000
Egebada	681,500	1,643,520
Umuoba Water Scheme	<u>50,000</u>	<u>0</u>
Total Water Sales from Zones	<u>3,547,390</u>	<u>3,560,940</u>
 Grand Total	<u>3,746,590</u>	<u>3,628,940</u>

# IMO STATE WATER AND SEWERAGE CORPORATION

## Notes to Financial Statement (Cont'd)

	2022 N	2021 N
<u>10. Government Subvention/Grants:</u>		
Special Grants	96,853,858	165,251,681
Other world bank grants	5,000,000	64,542,252
	<u>101,853,858</u>	<u>229,793,933</u>
 11. Other Income (Receipts)		
Hire of Equipment	55,000	345,000
Contract registration and tender Fees	45,000	0
Rent (Orji)	253,000	0
Private Borehole Permit/Analysis	5,410,000	9,360,000
Service Charge relaying Damaged Pipes	6,497,000	3,367,150
Tenement rate	3,000,000	0
Miscellaneous	445,793	2,334,000
	<u>15,705,793</u>	<u>15,406,150</u>

# IMO STATE WATER AND SEWERAGE CORPORATION

## Notes to Financial Statement (Cont'd)

	2022 N	2021 N
12. Direct Operating Expenses		
Depreciation Plant & Machinery	17,157,645	17,157,645
Depreciation of Boreholes/Accessories	6,630,372	0
Water Treatment Chemicals Consumed	8,883,000	6,203,746
Maintenance Expenses Pipelines	29,381,000	43,157,900
Maintenance Expenses Water Scheme	15,747,750	57,349,513
Maintenance Expenses Plant & Equipment	603,200	848,100
Maintenance Expenses Motor Vehicles	1,621,500	1,200,800
Rehabilitation of Otamiri H/Works	575,000	0
Maintenance Expenses Laboratory	40,000	1,968,378
Maintenance expenses generator	2,653,500	1,775,000
	<u>83,292,967</u>	<u>129,661,082</u>
13. Personnel Costs		
Staff Salaries	92,695,253	88,155,132
Wages of Casual and project Staff	2,240,000	1,550,000
Bonuses	0	65,000
	<u>94,935,253</u>	<u>89,795,132</u>

IMO STATE WATER AND SEWERAGE CORPORATION  
Notes to Financial Statement (Cont'd)

	2022 N	2021 N
14. Administration and general Expenses		
Depreciation Other Assets	4,116,486	10,678,459
Transport and Travelling	3,267,450	2,622,200
Telephone and Postages/Communication	766,325	651,150
Security Services	2,445,000	2,012,000
Printing and Stationery	1,312,796	1,556,900
Entertainment and Hospitality	1,960,930	1,139,400
Audit fees	600,000	600,000
Professional Fees	900,000	0
Maintenance of Office Building	1,864,250	7,065,136
Office and General	5,716,315	1,103,500
Water Analysis Costs	455,000	397,000
Bank charges	26,091	128,599
Employee Pensions and Death benefits	635,500	249,500
Power and Light	4,420,644	9,294,500
Oil and Gas Expenses	1,279,000	7,372,550
Miscellaneous Expenses (surwash projects)	8,308,000	3,274,750
SWS (Deductions)	103,800	0
Vehicle Running Costs	894,140	1,320,566
IIRS (PAYE)	415,769	0
VAT	1,147,875	2,065,486
Union Dues	302,516	0
TSA	2,825,925	500,822
Stamp duty	131,020	0
WHT	<u>725,250</u>	<u>1,102,738</u>
	<u>44,620,082</u>	<u>53,135,256</u>



# IMO STATE WATER AND SEWERAGE CORPORATION

## Notes to Financial Statement (Cont'd)

	2022 N	2021 N
15. Prior year Adjustments		
This is made of the difference in the books		
As a result of prior period transactions	<u>(75,900,665)</u>	<u>(84,506,626)</u>
16. Statement of Operating Activities		
For the year ended 31 <sup>st</sup> December 2022		
Surplus(Deficit) of Income year over		
Expenditure for the year	(101,346,662)	(35,618,490)
Depreciation	27,904,503	27,836,104
Prior year Adjustment	75,900,665	84,506,626
(Increase)/Decrease in Debtors	(3,330,487)	(2,599,163)
(Increase)/Decrease in Stock	(1,182,750)	162,900
(Increase)/Decrease in Prepayments	0	0
Increase/(Decrease) in Creditors	0	0
Increase/(Decrease) in other	0	0
Creditors and Accruals	<u>(692,000)</u>	<u>3,671,831</u>
	<u>(2,746,731)</u>	<u>(213,302,782)</u>