

# KW-IRS 2024 KWARA STATE INTERNAL REVENUE SERVICE

# ANNUAL REPORT



**FINANCIAL STATEMENTS AND REPORTS FOR  
THE YEAR ENDED 31ST DECEMBER, 2024**

 [www.kw-irs.com](http://www.kw-irs.com)

 07006959477

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**KW-iRS**  
KWARA STATE INTERNAL REVENUE SERVICE

## Mission

*To serve the residents of Kwara State using the most convenient strategies that will add value and integrity to the revenue mobilization process and actualize the developmental objectives of the Government*

## Vision

*To Mobilize Revenue for the Strategic Development of Kwara State*

## Core Values

**S**ervice

**H**onesty

**I**ntegrity

**R**esponsibility

**T**rust

**Financial Statements for the Year ended 31 December 2024**  
*Statutory information*

**Legal Existence**

Kwara State Board of Internal Revenue (BIR) was restructured to be known as Kwara State Internal Revenue Service ("here in referred to as the Service") on 22nd June 2015 through Kwara State Revenue Administration Law No 6 of 2015 (as amended).

This law may be cited as the Kwara State Revenue Administration (Amendment) Law 2017. The Service commenced on 1st October, 2015.

The board shall be responsible for;

- (a) Providing general policy guidelines regarding the functions of the Internal Revenue Service and supervising the implementation of such policies;
- (b) ensuring assessment, the effective and optimum collection of all revenue, including taxes, levies and penalties due to the State Government under the relevant federal and state laws;
- (c) doing all such things that may deemed necessary and expedient for the assessment and collection of revenue.;

(d) accounting for all amounts so collected;

(e) making recommendations, where appropriate to the Joint Tax Board on tax policy, tax reform and tax legislation;

(f) tax treaties and exemptions as may be required from time to time

(g) appointing, promoting, transferring and imposing discipline on employees of Internal Revenue Service;

(h) making recommendations to the Governor regarding the terms and conditions of employment and the remuneration of staff of the Internal Revenue Service;

(i) controlling the management of Internal Revenue Service on matters of policy, subject to provisions of any regulations setting up the Internal Revenue Service; and

(j) doing such other things as are in the opinion of the Board necessary to ensure the efficient performance of the functions of the Internal Revenue Service under this law.

# KWARA STATE

## Brief History

Kwara State is one of the 36 states that make up the Federal Republic of Nigeria, Africa's most populous country. Kwara shares boundaries with the Republic of Benin to the West and the River Niger to the North, Ekiti and Kogi States to the East, and Oyo and Osun States to the South.

The capital city, Ilorin, is situated 306km inland from the coastal city of Lagos and 500km from the federal capital, Abuja. Major towns include Offa, Ajase-Ipo and Jebba. Other towns include Patigi, Erin-Ile, Ilofa, Osi, Lafagi, Afon, Kaiama, Isanlu-Isin, Omu-Aran, Share, Shonga, Ilesha Baruba and Igbaja.

Kwara was created in May 1967, as one of the first 12 States to replace the nation's four regions. Originally, the State was known as West Central State, but the name was later changed to Kwara, a local name for the Niger River. The size of the State has been reduced over the years, as new States have been created within the Federation. The total landmass of Kwara State today is 32,500 square kilometers.

Kwara State is known as the State of Harmony on account of the peaceful relations that exist among its multicultural and diverse population of its estimates 3.5m million people. Followers of the three great religious faiths to be found in Nigeria, Islam, Christianity and traditional, coexist within the State.

States in Nigeria enjoy a high degree of autonomy. Each State, for example, can set industrial policy, and independently seeks to attract investment. This is normally located within a broader national policy and must naturally comply with federal rules (with regard to import duties, for example). Foreign, Defense and Energy Policies are the sole pressure of the Federal Government, although the latter is changing, as the option of using Independent Power Producers (IPP) becomes more attractive.

Each State is divided into Local Government Areas (LGAs) and in the case of Kwara, there are 16 such LGAs, namely: Asa, Baruten, Edu, Ekiti, Ifelodun, Irepodun, Isin, Ilorin East, Ilorin South, Ilorin West, Kaiama, Moro, Patigi, Offa, OkeEro and Oyun.

## Geography

Kwara State comprises rainforest in the southern parts with wooded savannah covering the larger part of the State.

The soil is fertile and the State is well watered by the various tributaries of the Niger River which run through hills and valleys, none of which rise to any great height. The western section of the State is at a slightly higher altitude than the eastern.

Kwara is a summer rainfall area, with an annual rainfall range of 1,000mm to 1,500mm. The month of December and January coincide with the cold and dry harmattan period. Average maximum temperatures vary between 30°C and 35°C.

## Unique Selling Point

Kwara State is known for its peaceful character, its tourist sites such as the great Owu Water Fall, its innovation, its rich farmlands, and its strong educational sector which has been reinforced with recent heavy investments in the basic education sector. New investments in technology, hospitality and tourism projects like the Dolby Studio-enabled Visual Arts Centre, Film Factory, Ilorin International Conference Centre, Garment Factory, Ilorin Aviation College, and the proposed multimillion dollar Agro-processing zone are projecting Kwara for a new future shaped by these new initiatives. Added to the above, Kwara's modest commitments to small scale businesses and support for smallholder farmers is fast changing its public perception from a mere 'civil service' State to a new hub of tourism, agribusiness, entertainment, innovation and enterprise - amid renewed efforts to retool the civil service to meet new expectations in a digital age.

# CORPORATE INFORMATION

Management Staff	Designation	No of months served
Shade Omoniyi, HCIB, ACTI, MNSE	Executive Chairman	12
Omolara Ojulari, ACA, FCTI	Director, Accounts & Finance	9
Olatunji Balogun, FCA, ACTI	Director, Admin & Operations	8
Shehu Mogaji Abdullahi Esq. ACTI	Director, Legal & Compliance	12
Mohammed Shehu Usman, ACTI	Director, Income Tax	12
Omotayo Saliu Ayinla, FCNA, FCTI	Director, MDAs	11
Yusuf La Kadri, ACA, FCTI	Director, Admin & Operations	2
Olayinka Usman, ACIB	Head, Internal Audit	7

## Registered Office

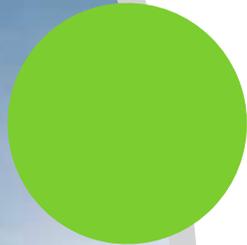
*27, Ahmadu Bello Way, GRA, Ilorin, Kwara State.*

## Auditors

*Waheed Afolabi & Co.  
(Chartered Accountants)  
40 Adegbola Street, Anifowoshe,  
Ikeja, Lagos*

## Principal Bankers

*Guaranty Trust Bank Plc  
First Bank Plc  
First City Monument Bank Plc*



## Corporate Head Office

*27, Ahmadu Bello Way, GRA, Ilorin, Kwara State*



07006959477



helpdesk@kw-irs.com



www.kw-irs.com



## ADDRESS OF AREA OFFICES

### EKITI AREA OFFICE

Local Government Secretariat, Araromi-Opin,  
Ekiri L.G.A, Kwara State

### KAIAMA AREA OFFICE

Kisi Road, Opposite Al-barka Filling Station,  
Dansiya Area, Kaiama, Kwara State

### IREPODUN AREA OFFICE

Sub Treasury Office, Palace way, behind Local  
Government Secretariat, Omu-Aran, Kwara State

### EDU AREA OFFICE

Opposite Sauki Clinic, Lafiagi, Kwara State

### OFFA AREA OFFICE

Opposite Offa Local Government Secretariat, Beside  
High Court Along Igbonna, Offa, Kwara State

### IFELODUN AREA OFFICE

Sub Treasury Office, Palace way, behind Local  
Government Secretariat, Omu-Aran, Kwara State

### OKE-ERO AREA OFFICE

Beside Nigeria Police Area Command, Illofa,  
Kwara State

### OYUN AREA OFFICE

FRSC Office Olowoye Junction, Along Osogbo  
Erin-Ile road, Erin-Ile, Kwara State

### ASA AREA OFFICE

Eiyenkorin Round-about, Eiyenkorin, Kwara State

### MORO AREA OFFICE

Beside Moro L.G.A Secretariat, Bode Saadu,  
Kwara State

### BARUTEN AREA OFFICE

Baruten Local Government Secretariat Premises,  
Kosubosu, Kwara State

### ISIN AREA OFFICE

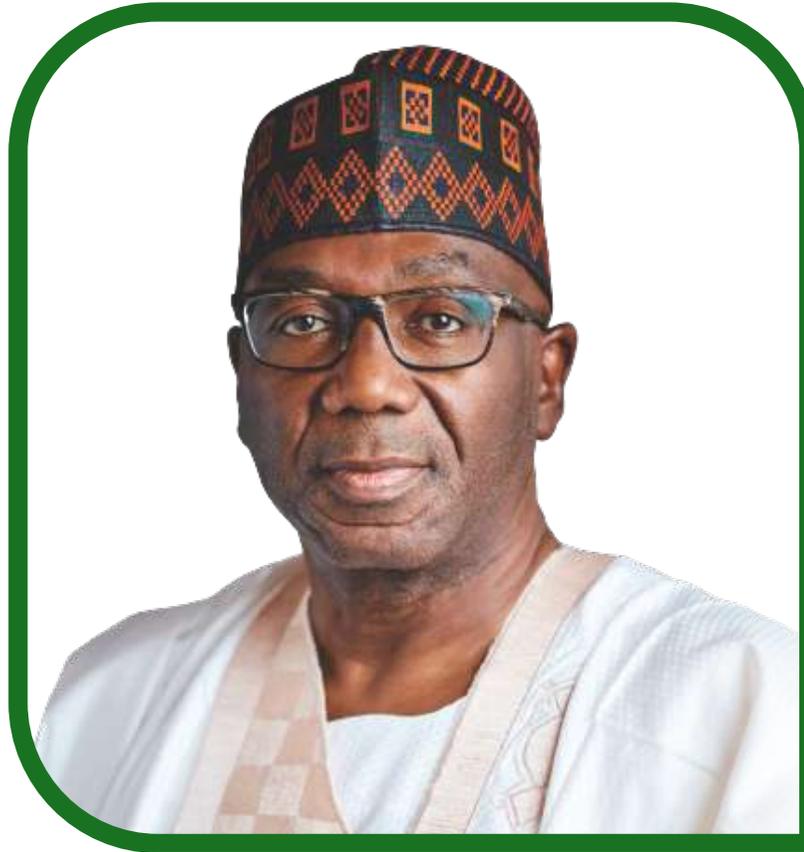
All Saint Anglican Church Shopping Complex,  
Oke-Onigbin, Isin Local Government, Kwara  
State

### PATIGI AREA OFFICE

Beside Area Court, Patigi, Kwara State

## ABUJA LIAISON OFFICE

**Kwara State Government Liaison Office,  
79 Kwame Nkrumah Crescent,  
Asokoro, Abuja**



His Excellency

**MALLAM ABDULRAHMAN ABDULRAZAQ<sup>CON</sup>**

*Governor, Kwara State/Chairman, Nigeria Governors' Forum*



His Excellency  
**KAYODE ALABI**  
*Deputy Governor, Kwara State*





**SHADE OMONIYI** HCIB, ACTI, MNSE  
*Executive Chairman, KW-IRS*



**OMOLARA OJULARI**  
*Director, Accounts & Finance*



**SHADE OMONIYE**  
*Executive Chairman, KW-IRS*



**SHEHU MOGAJI ABDULLAHI**  
*Director, Legal & Compliance*



**OLATUNJI BALOGUN**  
*Fmr. Director, Admin & Operations*



**OMOTAYO SALIU AYINLA**  
*Director, MDAs*



**YUSUF LA-KADRI**  
*Director, Admin & Operations*



**OLAYINKA USMAN**  
*Head, Internal Audit*



**MOHAMMED SHEHU USMAN**  
*Director, Income Tax*

## MANAGEMENT REPORT

### Management Report

The Management are pleased to submit their report together with the audited financial statements for the year ended 31st December, 2024.

### Events after the reporting date

In the opinion of the Directors, the state of the Service's affairs continues to be satisfactory and no event have occurred to date which would affect the financial statements presented.

### Principal Activities

The Service`s principal activities are collection of tax revenue, levies and penalties due to Kwara State Government.

### Result for the year (Income & Expenditure)

	<b>N (000)</b>
Revenue	10,857,877
Expenses	<u>(4,788,715)</u>
Surplus for the Year	<u>6,069,162</u>

### Internally Generated Revenue Performance

The Service generated a total sum of **N69,185,447 billion** during the year ended 31st December, 2024. Details of the statement of Internally Generated Revenue and disbursement for the year ended 31st December, 2024 are shown on page 29 of this Financial Statements .

### Independent Auditors

In accordance with section 357(2) of the Companies and Allied Matters Act, Cap, C20, Laws of the Federation of Nigeria, 2004, Messrs Waheed Afolabi & Co. have indicated their willingness to continue as Independent Auditor to the Service. A resolution will be proposed at the meeting authorizing the Directors to fix their remuneration.

### By Order of the Management



Shehu Mogaji Abdullahi Esq.  
Company Secretary/Legal Adviser  
Ilorin. Nigeria.  
NBA/SCN/028154  
17th March, 2025

## Statement of Responsibility of the Management

The Companies and Allied Matters Act (CAP C20), Sections 334 and 335 of the Laws of the Federation of Nigeria, 2004 requires the Management to prepare financial statements for each financial year that gives a true and fair view of the financial affairs of the organization at the end of the year and of its surplus or deficit. The responsibilities include ensuring that the organization:

- (a) Keeps proper accounting records that disclose, with reasonable accuracy, the Financial position of the organization with the requirements of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria 2004.
- (b) Establish adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- (c) Prepare financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IPSAS and other Standards issued by the Financial Reporting Council of Nigeria and the requirement of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004.

The Management is of the opinion that the financial statements give a true and fair view of the state of financial affairs of the organization and its Surplus or Deficits. The Management further accepts responsibility for the maintenance of the accounting records that may be relied upon in the preparation of the statements, as well as adequate systems of internal financial control.

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



**Mrs. Shade Omoniyi**  
Executive Chairman  
FRC/2016/IMN/00000014515



**Mrs. Omolara Ojulati**  
Director (Accounts and Finance)  
FRC/2022/PRO/ICAN/001/528955

## ***Statutory information***

### **INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF KWARA STATE INTERNAL REVENUE SERVICE**

#### **Report on the financial Statements to the Management of Kwara State Internal Revenue Service**

##### **Opinion**

We have audited the accompanying financial statements of Kwara State Internal Revenue Service (KW-IRS), which comprises the statement of financial position as at 31st December 2024, and the statement of financial performance, changes in net assets, statement of cash flows and comparison between budget and actual amounts for the year ended, and a summary of significant accounting policies and other explanatory information.

##### **Basis of Opinion**

We conducted our audit in accordance with International Standards of Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are independent of the management in accordance with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

##### **Independence**

We are independent of the Management in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code).

We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

#### **Responsibilities of Management and those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of financial statements in accordance with International Public Sector Accounting Standards and for each 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. In preparing the financial statements, Management is responsible for assessing the Service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Service or to cease operations, or has no realistic alternative but to do so. Those charged with the governance are responsible for overseeing the financial reporting process.

#### **Auditors Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that include our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decision of users taken on the basis of these financial statements.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentative, or the override of internal control.

We also obtain an understanding of internal control relevant to the audit in order to design procedure that are appropriate in the circumstance, but not the purpose of expressing an opinion on the effectiveness of the service internal control, and evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

We conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Service's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such

disclosure is inadequate, to modify our opinion, our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Service to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieve fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the Service financial statements. We are responsible for the direction, supervision and performance of the Service's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirement regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most

significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters, we describe these matters in our auditor's report unless law of regulation precludes public disclosure about the matter of when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequence of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on the other legal and regulatory requirements**

The Companies and Allied Matter Act requires that in carrying out our audit we consider and report to you on the following matter. We confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. The Service has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;
- iii. The Service statement of financial position and statement of financial performance are in agreement with the books of account.

  
**For: Waheed Afolabi & CO**

Chartered Accountants

Lagos, Nigeria

15th March, 2025

Engagement Partner: Waheed Afolabi, FCA

FRC/2013/ICAN/00000005063

# STATEMENT OF EXECUTIVE CHAIRMAN



## SHADE OMONIYI

*Executive Chairman, KW-IRS*

We appreciate God's divine wisdom and the opportunity to achieve numerous laudable feats since assuming office. Our sincere appreciation also goes to the Governor of Kwara State, Mallam AbdulRahman AbdulRazaq, CON, for his trust in our team and for creating an enabling work environment that fosters revenue administration with modern-day technology.

The year 2024 is yet another successful moment for us at KW-IRS. We have recorded a series of notable growth trends in our service delivery, and we have also achieved

tremendous improvements in the State's IGR. Our outstanding accomplishments over the years would not have been possible without His Excellency's visionary leadership and unwavering support.

At the beginning of the year, we set an achievable financial budget for 2024. I am delighted to announce that we have achieved a remarkable collection of **N71,197,075,565.91 (Seventy-One Billion, One Hundred and Ninety-Seven Million, Seventy-Five Thousand, Five Hundred and Sixty-Five Naira, Ninety-One Kobo)** as internally generated revenue of the State.

Our success stories in the past years are also incomplete without referencing major instituted strategies hinged on full adoption of automated revenue collection processes implemented to eliminate all instances of revenue diversion, leakages, enforcement, collaborative initiatives with MDAs, in the State, and other critical stakeholders involved in the drive of internally generated revenue of the State.

In the year 2024, to achieve our financial goals and eliminate the information gap recurring between KW-IRS and taxpayers in the State, we also improved our advocacy programs through tax-related sensitizations and campaign programs via all our communications platforms.

We also ensured structured and periodic performance evaluation at all levels; strategy reassessment, merger of departmental roles and responsibilities to improve job efficiency, and full implementation of needed realignments to increase the preparedness level of the impending tax reforms committee's propositions. As a performance-driven agency, these initiatives contributed effectively to our better-quality revenue administration for the year.

## EMPLOYEE BENEFITS AND SUPPORTS

Our various achievements, as highlighted by the visibly improved internally generated revenue over the years, are impossible without the unwavering efforts of our dedicated team of staff. I use this avenue to profoundly commend your doggedness, open-mindedness, and determination towards achieving set goals. Let me once again reassure you of management's continuous commitment to improved welfare.

In the year 2024, one hundred and forty-three (143) staff were promoted and three hundred and seven (307) were upgraded across board to ensure operational effectiveness. We delivered on our policy of commitment to re-investment in human capital development, which paid off and is reflected in the IGR figures soaring significantly.

We implemented the new minimum wage as directed by the State Government. Staff annual performance benefits, staff membership subscription fees for taxation professional bodies & examinations, alongside financial incentives, were instituted to boost morale. A total of six hundred and eighty-eight (688) staff were also trained and retrained on specialized courses, contemporary tax-related and non-tax-related courses, JTB, and CITN training inclusive.

The periodic training and re-training exercise is to prepare staff ahead of the developing trend in taxation. We assured our staff that more capacity building and developmental initiatives to boost performance would be sustained in the subsequent years.

### **COMMUNITY IMPACT PROJECTS**

In line with KW-IRS policy, Community Impact Projects are special and strategic intervention programs instituted to foster voluntary compliance, and support economic vibrancy.

The Community Impact Projects are executed in line with the 5Es Policy of the Service, i.e., Education, Empowerment, Energy, Enterprise, and Environment. These policies were recently reviewed to motivate intended purposes and maintain compliance.

Some notable Community Impact Projects executed by the Service in 2024 include repairs, drilling and installation of solar-powered boreholes and streetlights at selected Local Government Areas in the State, renovation of Kwara State Marriage Registry Hall, partitioning of Kwara State Revenue Court, annual sponsorship of Artisans on training at IVTEC, Ajase-Ipo, Kwara State, payment of all winners of the 2024 KW-IRS Tax Club Quiz Competition in the schools and teachers categories, among others.

### **CHALLENGES**

KW-IRS is resolute in delivering on its primary assignment despite various challenges. Some of the problems have existed since the agency's inception. Some of the challenges are highlighted below:

Poor level of tax compliance by HNIs - The increasing non-compliance issues among High Net-Worth Individuals in the State remain a major challenge affecting the internally generated revenue of the State. This class of taxpayers sees itself as above the law and employs any means to evade taxes at all levels. This remains injurious to economic growth.

Unhealthy rivalry and lack of cooperation - There are growing concerns and repeated issues of a lack of cooperation with KW-IRS by other agencies in the State. This has continued to negatively affect strategies and collaborative efforts initiated towards improved IGR of the State from all ends. The automated revenue collection process introduced by the Service has met stern resistance. MDAs are expected to embrace innovation and collectively pursue economic growth.

The issue of deliberate non-data sharing remains a hindrance to improved revenue collection. Agencies would thrive only if they provide needed assistance to one another and see each other as partners in progress and not competitors.

Misconception of Responsibilities of KW-IRS - This is arguably one of the most disturbing issues that has lingered for a while. Some groups of people in the State do not understand the statutory responsibility of the Service as simply to mobilize revenue for the strategic development of the State. Revenue generated is paid directly to the Kwara State IGR Accounts. No KW-IRS official has access to the money generated.

### **ASPIRATIONS FOR YEAR 2025**

We have recounted our strategies and successes achieved in 2024. We are not resting on our laurels. There is always an opportunity for improvement in the subsequent years. We are still the only ISO certified revenue agency in the country, a clear indication of our commitment to standards. We have proven ourselves worthy as a team and are ready to compete amongst the leading IRS in the country.

Our systems and platforms are user-friendly. They are effectively created with modern-day technology and proven to be efficient for revenue administration. However, the highlighted initiatives are strategies to meet our set revenue goals for the year 2025.

### **Strengthening Revenue Base**

Our focus going into the year 2025 would be to increase the tax net. Bringing as many businesses and individuals as possible into the tax net remains pertinent to improved internally generated revenue. We would prioritize continuous reclassification; review existing businesses, ensure equity, and appropriate placement of taxpayers without having to increase any of the current taxes as it were.

### **Nigeria Tax Reforms Bill**

The Nigeria Tax Reform Committee's propositions are under ratification at the National Assembly. The Bill, as proposed by the Taiwo Oyedele-led committee under a single-year work duration, posited the consolidation and repeal of several outdated tax statutes and policies. When the Bill passes ratification, it would unify guidelines for taxes and levies, such as the Personal

Income Tax, Value Added Tax, Capital Gains, Corporate Tax, Development Levy, Automated Tax Reportage, etc.

With the full implementation of the Tax Reforms Bill, a slight adverse effect on our internally generated revenue is anticipated due to new elements infused into the revenue collection and administration procedures across board. Our obligation as a responsive agency is to ensure that we tailor our various strategies to drive revenue flexibly and early enough in the year, such that the expected changes only serve as a stepping stone to quality service delivery, and improved internally generated revenue of the State. The new Nigeria Tax Reforms Bill is expected to be signed into law in the year 2025.

### **Synergy with MDAs & Stakeholders**

Our administration operates an open door policy, and collaborative initiatives are always embraced with MDAs and stakeholders in the State. Our goal remains the mobilization of revenue for the development of the State. However, we cannot achieve this set goal alone without the support of other agencies of the government in the State.

All initiatives are welcome as long as they would positively impact the IGR of the State. Our stakeholders are also critical to our mission. We would continue to engage with them at all levels and ensure that operations take place on mutually agreed-upon ground.

### **Integration of Technology**

In the year 2025, we will ensure full maximization of technology through our platforms to drive revenue and eliminate all forms of leakages and diversions. Deployment of POS to all revenue collection points across the State would also be prioritized. These would enhance the reception of our cashless policy agenda and growth in the IGR. There will be no more manual filing of annual tax returns; only annual tax returns filed for both corporate organizations and individual entities via the KW-IRS Self Service Portal would be accepted.

The Service will introduce an IT and Admin support desk for the integration of online platforms, where issues will be logged and resolved via the platform. Modalities will also be put in place to improve data security and operational efficiency.

### **Human Capital Development**

Our staff are the bedrock of our successes. We would continue to prioritize their welfare to improve job satisfaction. We will also continue to provide necessary training and retraining to prepare them for new challenges related to taxes and revenue collection. Also, periodic reward and recognition of exceptional performance would remain part of our strategies to continue to motivate staff to deliver their best at all times.

### **Improved Advocacy Program**

The Service would create more enlightening and educational programs to inform taxpayers of their rights and responsibilities. It would also improve on bridging the information gap on the KW-IRS core mandate and responsibilities. The Service communication platforms and other conventional media in the State would be adopted to drive this course.

### **Iconic Revenue House**

The new multi-purpose Revenue House is 70% completed, and all things being equal, we would move in before the end of the year. The building will provide befitting working

conditions and accommodation for all staff in a single building. We extend special appreciation to the Governor of Kwara State, Mallam AbdulRahman AbdulRazaq, CON, for his support of the milestone project.

### **CONCLUSION**

On this note, I would like to once again commend our collective efforts over the years. We have been able to develop proactive systems and platforms that would withstand our refined revenue administration processes across different categories. We have demonstrated teamwork, shown the spirit of sportsmanship in our discharge of duties, developed resilience, embraced technological inclusion, and approached all tax-related issues strategically.

We would continue to maintain our good position as an economically viable State. We would surmount all challenges as they come and ensure that we achieve our N100bn financial target by 2027.

We must not relent in our efforts. All hands must be on deck, and we must continue to push to the end to ensure that we close out all

loose ends where there is a likelihood of revenue leakages going into the New Year. Our doors are open to everyone with productive initiatives; together, we would all achieve even more greatness in the area of internally generated revenue of the State.

Our appreciation is incomplete without acknowledging the continuous and unwavering support of His Excellency, Governor of Kwara State, and Chairman, Nigerian Governors' Forum, Mallam AbdulRahman AbdulRazaq, CON. A visionary leader whose commitment to equal development in critical sectors of the State's economy remains unmatched. We are appreciative of all his various developmental initiatives for us as an agency in the past six (6) years.

We are sincerely grateful to His Excellency for his trust in our team and for providing the needed tools to drive our revenue generation mandate.

We appreciate our compliant taxpayers for their cooperation and support in the revenue mobilization course in the State. Without them, we would not be where we are.

We also acknowledge the passion and dedication of our Management Team and members of staff for their devotion to their duties over the years. The challenges could be overwhelming, but we can win more if we unite and harmonize our strategy.

Let us continue to team up, collaborate, and explore more positivity and we will achieve more prominence together. Let's keep the winning spirit alive and flying higher as we journey into another new year and beyond. The sky is not the limit, it is our starting point.

Thank you.



**Shade Omoniyi**  
**Executive Chairman**

## Statement of Financial Position

	Notes	2024 ₦'000	2023 ₦'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3	3,014,166	5,258,521
IGR Collection Account Balances			1,548,605
Receivables and Prepayments	7	3,007,140	860,219
Inventories	4	149,736	128,184
<b>Total Current Assets</b>		<b>6,171,042</b>	<b>7,795,529</b>
<b>Non-Current Assets</b>			
Investments	5	1,500,000	1,500,000
Property, Plant and Equipment	21	10,084,814	3,288,189
<b>Total Non-Current Assets</b>		<b>11,584,814</b>	<b>4,788,189</b>
<b>Total Assets</b>		<b>17,755,856</b>	<b>12,583,718</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables & Other Accrued	8	2,778,299	2,553,066
Employee Benefits	9	69,186	87,980
		<b>2,847,485</b>	<b>2,641,046</b>
<b>Non-Current Liabilities</b>			
Borrowings		-	-
<b>FUNDS</b>			
State Government Fund	10	4,928,455	4,581,616
Accumulated Fund	11	9,979,916	3,812,451
IGR Fund			1,548,605
		<b>14,908,371</b>	<b>9,942,672</b>
<b>Total Funds and Liabilities</b>		<b>17,755,856</b>	<b>12,583,718</b>

The reporting format has changed to recognize assets that are wholly for KW-IRS hence the removal of the IGR fund (2,952,491) as at 31st December, 2024 from the Assets and Liabilities of KW-IRS.

The financial statements on pages 27 to 44 were approved by the Management on 17th March, 2025 and signed on its behalf by:

Mrs. Shade Omoniyi  
Executive Chairman

Mrs. Omolara Ojulari  
Director, Accounts and Finance

**Statement of Financial Performance**

	Notes	2024 ₦'000	2023 ₦'000
Total IGR Generated for the year	19	<b>69,185,447</b>	<b>56,423,965</b>
Subvention	12	<u>10,857,877</u>	<u>8,849,999</u>
		<b>10,857,877</b>	<b>8,849,999</b>
<b>Expenses</b>			
Consultants' Commission	14	1,594,150	1,888,483
Salaries wages and employee benefits	13	2,106,715	1,962,025
Depreciation and Amortization	15	196,623	237,387
Supplies and Consumables used	16	259,634	187,322
Other Operating Expenses	17	631,592	536,920
Transfer to Ministry of Finance		-	808,174
		<u><b>4,788,715</b></u>	<u><b>5,620,311</b></u>
<b>Surplus/(deficit) for the period</b>		<u><b>6,069,162</b></u>	<u><b>3,229,688</b></u>
<b>Surplus/(deficit) for the period</b>		<u><b>6,069,162</b></u>	<u><b>3,229,688</b></u>
Total Disbursement to the State Min of Finance	19	<u>67,781,561</u>	<u>56,326,892</u>
Net IGR Payables/(Receivables) for the year		<u>1,403,886</u>	<u>97,073</u>

The transfer to Ministry of finance is a distribution of the surplus, not an expense hence the removal from the expenses.

*The accompanying notes on pages 27 - 44 are integral part of these financial statements*

Statement of Changes in Net Assets

	Notes	State Govt. Funds ₦	Accumulated Fund ₦	IGR Fund ₦	Total ₦
<b>Balance as at 01 Jan. 2023</b>		3,567,195	254,635	1,451,532	5,273,362
<b>Additional Capital Fund from Min. of Finance</b>	10	1,014,421			1,014,421
<b>Prior Year Adjustment</b>	10		328,128		328,128
<b>Surplus/(deficit) for the period</b>	11		3,229,688		3,229,688
<b>IGR Fund</b>	19			97,073	97,073
<b>Balance as at 31 Dec. 2023</b>		<b>4,581,616</b>	<b>3,812,451</b>	<b>1,548,605</b>	<b>9,942,672</b>
<b>Balance as at 01 Jan. 2024</b>		4,581,616	3,812,451		8,394,067
<b>Additional Capital Fund from Min. of Finance</b>	10	346,839			346,839
<b>Prior Year Adjustment</b>	17.9		98,303		98,303
<b>Surplus/(deficit) for the period</b>	11		6,069,162		6,069,162
			-		
<b>Balance as at 31 Dec. 2024</b>		<b>4,928,455</b>	<b>9,979,916</b>		<b>14,908,371</b>

The accounting policies and notes on pages 27 - 44 are integral part of these financial statements

**Statement of Cash Flows**

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>Cash Flow From Operating Activities</b>		
Surplus/(deficit) for the period	6,069,162	3,229,688
<b>Adjustment for Items not Involving Movement of Fund</b>		
Depreciation and Amortizations	196,623	237,387
Accumulated Depreciation	(99,123)	
Prior Year Adjustment	98,303	328,128
<b>Changes in Working Capital</b>		
(Increase)/decrease in Inventories	(21,552)	(30,210)
(Increase)/decrease in Receivables & Prepayments	(2,146,921)	363
Increase/(decrease) in Payables and Accrued Expenses	225,233	(133,115)
Increase/(decrease) in Employee Benefits	(18,794)	87,980
<b>Net Cash flow From Operating Activities</b>	<b><u>4,302,933</u></b>	<b><u>3,720,221</u></b>
<b>Cash Flow From Investing Activities</b>		
Acquisition of Property, Plant and Equipment	6,894,127	864,290
<b>Net Cash Flow from Investing Activities</b>	<b><u>(6,894,127)</u></b>	<b><u>(864,290)</u></b>
<b>Cash Flow From Financing Activities</b>		
Capital Fund from Ministry of Finance	346,839	1,014,421
IGR Fund		1,548,605
<b>Net Cash Flow from Financing Activities</b>	<b><u>346,839</u></b>	<b><u>2,563,026</u></b>
Net Increase /(Decrease) in Cash & Cash Equivalent	<b>(2,244,355)</b>	<b>5,418,957</b>
Cash and Cash Equivalent at the beginning of the Year	<u>5,258,521</u>	<u>1,388,169</u>
<b>Cash and Cash Equivalent at the End of the Year</b>	<b><u><u>3,014,166</u></u></b>	<b><u><u>6,807,127</u></u></b>
Bank balances from Service accounts	3,014,166	5,258,522
Bank balances from IGR Collection Account		1,548,605
	<b><u>3,014,166</u></b>	<b><u>6,807,127</u></b>

The IGR Fund is not part of KWIRS Fund hence its removal from 2024 Financial Statements

Statement of Comparison of Budget and Actual Amounts

<b>Income</b>	<b>Final (Revised) Budget 2024 ₦'000</b>	<b>Actual On Comparable Basis 2024 ₦'000</b>	<b>Performance Differences 2024 ₦'000</b>
Total IGR Fund for the year	<b>77,313,171</b>	<b>69,185,447</b>	<b>(8,127,724)</b>
10% Operational Income from Retention	4,252,387	3,171,038	(1,081,349)
15% Consultants' Commission	6,000,000	5,522,291	(477,709)
15% outstanding Consultants' Commission		2,146,558	2,146,558
Other Income	-	17,990	17,990
	<b>10,252,387</b>	<b>10,857,877</b>	<b>605,490</b>
<b>Expenses</b>			
Consultants' Commission	6,000,000	(1,594,150)	4,405,850
Wages, salaries and employee benefits	3,047,737	(2,106,715)	941,022
Supplies and consumables used	313,489	(259,634)	53,855
Other Operating Expenses	891,161	(631,592)	259,569
Transfer to Ministry of Finance	-	-	-
	<b>10,252,387</b>	<b>(4,592,091)</b>	<b>-5,660,296</b>
<b>Surplus/(deficit) for the period</b>		<b>6,265,786</b>	<b>6,265,786</b>

## Notes to the Financial Statements

### 1 General Information.

#### 1.1 Legal Form

Kwara State Board of Internal Revenue (BIR) was restructured to be known as Kwara State Internal Revenue Service (herein referred to as the Service) on 22<sup>nd</sup> June, 2015 by the Kwara State Revenue Administration Law No. 6 of 2015 (as amended) by the Executive Governor of Kwara State. The Service commenced operations on 1<sup>st</sup> October, 2015. The Service office address is at 27, Ahmadu Bello Way, Kwara State.

#### 1.2 Principal Activities

The Service's principal activities are collection of tax revenue, levies and penalties due to Kwara State Government.

#### 1.3 Financial Period

This set of financial statements covers the financial year from 1 January, 2024 to 31 December, 2024.

#### 1.4 Basis of measurement

The financial statements have been prepared under the historical cost basis, except as otherwise stated.

### 2. Basis of Preparation – IPSAS 1

#### 2.1 Statement of Compliance –IPSAS 1

The Service's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standard (IPSAS). The financial statements are presented in Naira, which is the functional and reporting currency of the Service.

The accounting policies have been consistently applied to all the years presented.

#### 2.2 Basis of Preparation – IPSAS 1

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

#### 2.3 Functional and Presentation Currency

The financial statements are presented in Naira (₦), which is the Country's functional currency. All financial information presented in Naira has been rounded to the nearest thousands, except where otherwise stated.

#### 2.4a Significant Judgments and Source of Estimation Uncertainty

The preparation of the Service's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

## 2.4b Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date are those that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Service based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Service. Such changes are reflected in the assumption when they occur. IPSAS3.

## 2.4c Revenue from Non-Exchange Transaction – IPSAS23

### i. Transfer from other Government Entities

Revenue from non-exchange transaction with other government entities are measured at fair value and recognized on obtaining control of the assets (Cash, goods, services and property) if the transfer is free from conditions and it is possible that the economic benefits or service potential related to the asset will flow to the Service and can be measured reliably.

### ii. Revenue from Exchange Transaction – IPSAS 9

#### Rendering of Services

The Service recognizes revenue from rendering of services by reference to the total amount of taxes and other revenue collected on behalf of Kwara State Government when the monthly outcome of the transaction/revenue generated can be estimated reliably.

The statutory retention as operational revenue is usually 10% of the monthly reconciled value of all the Internally Generated Revenue (IGR) collected by the Service.

### iii. Interest Income

Interest income is accrued using the effective yield method. The effective yield discount estimated future cash receipts through the expected life of the financial assets to that assets net carrying amount. The method applies this yield to the principal outstanding to determine interest of each period. There was no interest income in the reporting year

### iv. Rental Income

Rental income arising from operating leases on investment properties is accounted on a straight-line basis over the lease terms and included in the revenue. The Service does not currently have Rental income during the reporting year.

## 2.5 Budget Information IPSAS 24

The annual budget is prepared on the cash basis that is all planned costs and income are presented in a single statement to determine the needs of the Service. As a result of the adoption the accrual basis for budgeting purposes there is a need to require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

## 2.6 Investment Property IPSAS 16

Investment properties are measured initially at cost, including transaction cost. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and exclude the cost of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, Investment properties are measured using the cost model and are depreciated over its estimated useful life period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal.

The difference between the net disposal proceeds and the carrying of the asset is recognized in the surplus or deficit in the period of de-recognition.

## 2.7 Property, Plant and Equipment- IPSAS- 17

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item. When significant parts of property, plant and equipment are required to be replaced at intervals the Service recognize such parts as individual assets with specific useful lives and depreciates them accordingly

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized in surplus or deficit as incurred. When an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values on a systematic basis over their estimated useful lives. The average useful lives are as follows:

Land	Nil
Building	5%
Furniture & Fittings	20%
Computer Equipment	20%
Motor Vehicle	25%
Plant & Machinery	10%

The assets' residual values, useful lives and depreciation method are reviewed on an annual basis and are adjusted if appropriate. An asset's carrying amount is written down to its recoverable amount if the asset's carrying is greater than its estimated recoverable amount.

Each part of an item of office equipment, furniture and other tangible assets with a cost that is significant in relation to the total cost of the item is depreciated separately.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These are included in the surplus or deficit under other operating expenses.

## 2.8 Intangible Assets- IPSAS-31

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

Useful life of the intangible assets is assessed as either finite or indefinite.

## 2.9 Research and Development Cost

The Service expenses research cost as incurred. Development costs on an individual project are recognized as intangible assets when the Service can demonstrate.

- 1) The technical feasibility of completing the asset will be available for use or sale.
- 2) Its intention to complete and its ability to use or sell the asset.
- 3) How the asset will generate future economic benefit or service potential.
- 4) The availability of resource to complete the asset.
- 5) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefits.

During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

## 2.10 Financial instruments- IPSAS 29

### a. Financial assets

#### Financial assets within the scope of IPSAS 29

Financial Instrument Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets as appropriate. The Service determines the classification of its financial assets at initial recognition.

### b. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted as an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the effective rate. Losses arising from impairment are recognized in the surplus or deficit.

### c. Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to maturity when the Service has the positive intention and ability to hold it to maturity.

After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and less or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

#### **d. Impairment of financial assets**

The Service assesses at each reporting date whether there is objective evidence that financial asset or a service of financial assets is impaired. A financial asset or a service is deemed to be impaired if, and only if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial assets or the service of financial asset that can be reliably estimated.

Evidence of impairment may include the following indications

- 1) The debtors or a service of debtors are expecting significant financial difficulty
- 2) Default or delinquency in interest or principal payments
- 3) The probability that debtors will enter bankruptcy or other financial reorganization.
- 4) Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic condition that correlate with default)

## **2.11 Financial liabilities**

### **a. Initial recognition and measurement**

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings as appropriate. The Service determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings plus directly attributable transaction costs.

### **b. Loan and borrowing**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process IPSAS 29. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

## **2.12 Inventories- IPSAS 12**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Service.

### 2.13 Provision- IPSAS 19

Provisions are recognized when the Service has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Service expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expenses relating to any provision is presented in the statement of financial performance net of any reimbursable.

### 2.14 Contingent liabilities

The Service does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an out flow of resources embodying economic benefits or service potential is remote.

### 2.15 Contingent assets

The Service does not recognize contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Service in the notes to the financial statements. Contingent assets are assessed continually to ensure that development is appropriately reflected in the financial statements

If it has become virtually certain that an inflow of economic or service potential will arise and the asset's value can be measured reliably, the asset and related revenue are recognized in the financial statements of the period in which the change occurs.

### Nature and purpose of reserves

The Service creates and maintains reserves in terms of specific requirements. The Service states reserves maintained and appropriate policies adopted.

### **Changes in accounting policies and estimates- IPSAS 3**

The Service recognizes the effects of change in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if its retrospective application is impracticable.

### **2.16 Employee benefits-IPSAS- 25**

#### **Retirement benefit plans**

The Service provides retirement benefits for its employees and Directors. Defined contributory plans are post-employment benefit plans under which Service pays fixed contributions into a separate Service (a pension fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employment benefits relating to employee service in the current and prior periods.

The contribution to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

### **2.17 Foreign currency transactions – IPSAS 4**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Payables or Receivables denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors,

or from the reporting of creditors at rates different from those at which they were initially recorded during the period are recognized as income or expenses in the period in which they arise.

### **2.18 Related parties – IPSAS 20**

The Service regards a related party as a person or a Service with the ability to exert control individually or jointly, or to exercise significant influence over the Service, or vice versa. Members of key management are regarded as related parties and comprise the Directors and senior management staff.

### **2.19 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized persons. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## Financial Statements for the Year Ended 31st December, 2024

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>3 Cash and Cash Equivalents</b>		
Guaranty Trust Bank	33,094	56,960
First Bank Retention Account	2,167,751	4,489,295
First Bank Expenditure	812,413	711,911
FCMB	76	76
Office Cash Account – Imprest	831	279
	<b><u>3,014,166</u></b>	<b><u>5,258,521</u></b>
<b>4 Inventories</b>		
Stock - Security Store Items	100,594	99,282
Stock – Non Security Store Items	34,380	23,290
Stock – Stationery	14,762	5,612
	<b><u>149,736</u></b>	<b><u>128,184</u></b>
<b>5 Investment</b>		
Ilorin International Conference Centre	<b><u>1,500,000</u></b>	<b><u>1,500,000</u></b>
<b>6 IGR Collection Account Balances</b>		
Access Bank	283,058	349,479
Eco Bank	391,392	57,250
FCMB	557	455
Fidelity Bank	114,738	48,708
First Bank	299,900	159,906
GTB	626,196	486,926
Heritage Bank	-	9,685
Jaiz Bank	35,548	11,203
Keystone Bank	369,055	89,699
Polaris Bank	552,768	145,322
Lotus Bank	-	17,511
Stanbic IBTC Bank	31,384	26,024
Sterling Bank	6,913	28,579
UBA	86,046	19,084
Union Bank	24,988	33,267
Unity Bank	67,852	17,552
Wema Bank	37,358	26,453
Zenith Bank	24,738	21,502
	<b><u>2,952,491</u></b>	<b><u>1,548,605</u></b>

IGR Collection Accounts Balances represents Cash balances maintained by State Ministry of Finance which is not under the supervision of Kwara State Internal Revenue Service but serves as collecting agent.

## Financial Statements for the Year Ended 31st December, 2024

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>7 Receivables and Prepayments</b>		
Loan to Government Owned Companies - KP3	13,419	13,419
Advances to Local Governments	2,250	2,250
Release to KWSG - Donation of Transformer	279,500	279,500
KWSG (Mass Titling Committee)	12,764	12,764
Receivables - Kwara State Government (CAPEX)	436,920	436,920
Receivables - Kwara State Government (Retention Fund)	2,146,558	
KWSG (Advance to Kwara State Auditor General)	3,213	3,213
Receivables - Ministry of Finance (Note 17)	110,646	110,646
Kwara Health Insurance Fund	1,869	1,506
	<b><u>3,007,140</u></b>	<b><u>860,219</u></b>

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>8 Payables &amp; Other Accounts</b>		
Staff Claims (Operational Expenses)	4,767	2,038
Other Consultants Payables	1,820	6,913
Contractors	634	-
Other Payables	19,643	1,018
Velox Enterprise Payable	1,799,353	1,799,353
CSCD Payables	370,232	370,232
Mazars Consulting Payables	130,520	130,520
Superflux International - Contractor of Security Documents	13,340	13,340
Federal Road Safety Commission	11,708	32,823
Consultants TAMA	-	1,351
KWIRS IGR - (WHT)	1,793	426
KWIRS IGR - (DEV. LEVY)	13,526	5,428
FIRS – VAT	33,932	13,983
FIRS – WHT	19,060	16,049
FIRS - Stamp Duty	3,752	1,587
KWIRS - Stamp Duty	598	85
Contributory Pension Scheme	201	475
National Housing Fund	-	545
Personnel Emolument	144	0
KWIRS IGR Payable	128	128
Compumetric Solutions Limited	321,944	123,494
Payable - Procurement Facility Office	6,800	7,232
SUBEB Fund	14,250	14,250

## Financial Statements for the Year Ended 31st December, 2024

Min. of Finance - Transit (SUBEB/TENDER)	1,340	1,340
Federal Road Safety Commission Minor Order	2,971	5,456
KWIRS IGR - (Pay As You Drink)	4	-
IBEDC Payable	50	-
Palliative Ministry of Finance	770	
Accrued Audit Fee	5,020	5,000
	<u>2,778,299</u>	<u>2,553,066</u>

Consultants' Commission: This represents the unpaid balances in respect of the revenue collection by the Consultants engaged by the Service on behalf of the State Government. The consultant commission is 15% of the revenue collected.

	2024 N'000	2023 N'000
<b>9 Employee Benefits</b>		
Defined Contribution Plan		
Contributory pension	69,186	87,980
	<u>69,186</u>	<u>87,980</u>
<b>10 Fund Capital</b>		
At January 1 <sup>st</sup>	4,581,616	3,567,195
Addition	346,840	1,005,759
Reserve	-	8,662
	<u>4,928,455</u>	<u>4,581,616</u>
<b>11 Accumulated Fund</b>		
At January 1 <sup>st</sup>	3,812,451	254,635
Prior Year Adjustment	98,303	328,128
Surplus of Income Over Expenditure	6,069,162	3,229,688
	<u>9,979,916</u>	<u>3,812,451</u>
<b>12 SUBVENTION</b>		
Statutory Allocation (Operational Fund)	3,171,038	2,775,021
15% Consultancy Commission	5,522,291	5,982,808
15% outstanding Consultancy Commission	2,146,558	
	10,839,887	8,757,829
Other Income	17,990	92,170
	<u>10,857,877</u>	<u>8,849,999</u>

## Financial Statements for the Year Ended 31st December, 2024

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>13 Salaries wages and employee benefits</b>		
Salaries and Allowances	1,608,851	1,473,094
Performance Bonus	307,848	327,786
Responsibility Allowance	47,079	44,288
Contributory Pension	142,937	116,858
	<b><u>2,106,715</u></b>	<b><u>1,962,025</u></b>
<b>14 Consultants' Commission</b>		
Financial Consulting	1,594,150	1,888,483
	<b><u>1,594,150</u></b>	<b><u>1,888,483</u></b>
<b>15 Depreciation and Amortization</b>		
Depreciation Charges	196,623	237,387
	<b><u>196,623</u></b>	<b><u>237,387</u></b>
<b>16 Supplies and Consumables used</b>		
Office Stationeries/Computer Consumables	25,253	28,236
Books and Journals	120	1,390
Magazines & Periodicals	1,569	2,613
Printing of Non Security Documents	19,826	47,932
Printing of Security Documents	212,866	107,151
	<b><u>259,634</u></b>	<b><u>187,322</u></b>
<b>17 Other Operational Expenses</b>		
Transport & Travel	34,124	45,404
Utilities – General	50,921	45,148
Maintenance service – General	60,517	43,467
Training – General	36,812	40,377
Other Services – General	53,556	35,854
Fuel & Lubricant – General	113,914	59,804
Financial Charges – General	25,422	27,714
Miscellaneous Expenses – General	256,333	239,153
	<b><u>631,599</u></b>	<b><u>536,920</u></b>

## Financial Statements for the Year Ended 31st December, 2024

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>17.1 Transport &amp; Travel</b>		
Local Transport & Travel	34,124	27,090
International Transport & Travel (Training)	-	18,313
	<b><u>34,124</u></b>	<b><u>45,404</u></b>
<b>17.2 Utilities – General</b>		
Electricity Charges	14,453	18,028
Internet Access Charges	18,572	18,569
Software Charges/License Renewal	17,896	8,551
	<b><u>50,921</u></b>	<b><u>45,148</u></b>
<b>17.3 Maintenance Service – General</b>	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
Maintenance of Motor Vehicle/Transport Equipments	29,283	26,505
Maintenance of Building & Residential QTRS	19,843	10,005
Maintenance of Office/IT Equipment	9,714	3,977
Maintenance of Plant/Generators	1,669	2,979
	<b><u>60,510</u></b>	<b><u>43,467</u></b>
<b>17.4 Training – General</b>	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
Local Training	36,812	34,477
Foreign Training	-	5,900
	<b><u>36,812</u></b>	<b><u>40,377</u></b>
<b>17.5 Other Services – General</b>	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
Security Expenses	24,786	15,885
Cleaning & Fumigation Services	28,770	19,969
	<b><u>53,556</u></b>	<b><u>35,854</u></b>
<b>17.6 Fuel &amp; Lubricant – General</b>		
Motor Vehicle Fuel Cost	65,871	29,973
Plant/Generator Fuel Cost	48,043	29,831
	<b><u>113,914</u></b>	<b><u>59,804</u></b>
<b>17.7 Financial Charges – General</b>		
Audit Fee	5,080	5,000
Audit Expenses	-	4,626
Bank Charges (Others than Interest)	16,442	3,909
Insurance Premium	3,900	14,179
	<b><u>25,422</u></b>	<b><u>27,714</u></b>

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>17.8 Miscellaneous Expenses - General</b>		
Refreshment & Meals	1,970	1,962
Loss on Inventory – Expired	-	-
Publicity & Advertisements	16,723	39,961
Postages & Courier Services	3,049	3,207
Welfare Package	9,689	9,963
Subscription to Professional Bodies	5,359	2,776
Annual Budget Expenses & Administration	333	333
Operational Expenses	57,463	47,975
Monitoring & Evaluation (Community Impact)	153,870	99,980
Meeting/Visitation Expenses	7,876	32,995
	<b>256,333</b>	<b>239,153</b>
<b>17.9 Prior Year Adjustment</b>		
Office Equipment	-	(4,102)
Employee Benefits	-	(23,175)
Building Accumulated – Depreciation	99,123	-
Palliative Fund	(820)	-
Accumulated Fund	-	17,491
15% Consultants Commission	-	337,835
Federal Inland Revenue VAT	-	79
	<b>98,303</b>	<b>328,128</b>

## Financial Statements for the Year Ended 31st December, 2024

### Notes to the Financial Statements

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>18 Receivables -Ministry of Finance</b>		
Balance brought forward	110,646	110,646
Additions During the year	-	-
Total	<u>110,646</u>	<u>110,646</u>
Less: Refund During the year	<u>-</u>	<u>-</u>
	<u><b>110,646</b></u>	<u><b>110,646</b></u>
<b>19.1 Current year IGR</b>		
Income Tax Directorate:	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
Income Tax Directorate:	19,371,499	
Corporate Tax Department		13,918,524
Informal Sector Department		306,496
Sub Total	<u><b>19,371,499</b></u>	<u><b>14,225,020</b></u>
MDAs Directorate:	49,636,150	
MLA Department		607,267
Ministries Department		16,758,933
Parastatals Department		1,838,036
Tertiary Institutions Department		16,417,487
Property Tax Department		1,506,789
Stamp Duties and Registration & Renewal of Consultants		4,934,814
Sub Total	<u><b>49,636,150</b></u>	<u><b>42,063,326</b></u>
Local Governments IGR	<u><b>177,799</b></u>	<u><b>135,619</b></u>
Total Internally Generated Revenue	<u><b>69,185,447</b></u>	<u><b>56,423,965</b></u>
<b>Disbursement</b>		
Sweeping to TSA Account	23,109,649	24,065,801
Retained Collections	20,734,582	16,417,487
Ministerial Retained Collection	3,970,044	557,658
Bank Charges	59,605	44,076
Hajj/Christian Pilgrims Accounts	19,907,682	15,241,870
Total Fund Disbursed	<u><b>67,781,561</b></u>	<u><b>56,326,892</b></u>
<b>Net IGR Payables/(Receivables) for the year</b>	1,403,886	97,073
IGR Fund brought Forward	<u>1,548,605</u>	<u>1,451,532</u>
<b>IGR Fund carried Forward</b>	<u><b>2,952,491</b></u>	<u><b>1,548,605</b></u>

### 19.2 Breakdown of the State Budget

	<b>2024</b>
	<b>₦'000</b>
Actual State Budget	90,919,343
Less:	
Addition to Hajj	(9,616,347)
Addition to EMTI	<u>(3,989,824)</u>
	<u><b>77,313,171</b></u>

**Fixed Assets**

**20 Property, Plant and Equipment**

	Land	Building WIP	Building	Furniture & Fittings	Plant and Machinery	Office Equipment	Motor vehicle	Total
Cost	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
<b>As At 1st January, 2024</b>	200,000		3,319,280	101,595	24,722	347,763	482,106	4,475,466
Additions for the year		8,939,081	17,848	20,087	-	114,656	190,843	9,282,515
Less: Building WIP (Note 20.1)			(2,388,389)					(2,388,389)
<b>As at 31 December, 2024</b>	<b>200,000</b>	<b>8,939,081</b>	<b>948,733</b>	<b>121,682</b>	<b>24,722</b>	<b>462,419</b>	<b>672,949</b>	<b>11,369,593</b>
<b>Cost</b>								
<b>As At 1st January, 2023</b>	200,000	-	2,511,106	94,500	24,216	300,650	482,106	3,612,578
Prior Year Adjustment	-	-				(4,102)		(4,102)
Additions for the year	-	-	808,174	7,094	506	51,215		866,990
<b>As at 31 December, 2023</b>	<b>200,000</b>	<b>-</b>	<b>3,319,280</b>	<b>101,594</b>	<b>24,722</b>	<b>347,763</b>	<b>482,106</b>	<b>4,475,466</b>
<b>Depreciation</b>								
<b>As At 1st January, 2024</b>	-	-	377,068	91,677	13,075	265,735	439,723	1,187,278
Prior Year Adjustment			(99,123)					(99,123)
Charge for the year	-	-	46,619	15,141	2,472	72,295	60,095	196,623
<b>As at 31 December, 2024</b>	<b>-</b>	<b>-</b>	<b>324,564</b>	<b>106,818</b>	<b>15,547</b>	<b>338,030</b>	<b>499,818</b>	<b>1,284,778</b>
<b>Depreciation</b>								
<b>As At 1st January, 2023</b>	-	-	237,985	78,797	10,632	207,065	415,411	949,890
Charge for the year	-	-	139,083	12,880	2,443	58,670	24,312	237,387
<b>As at 31 December, 2023</b>	<b>-</b>	<b>-</b>	<b>377,068</b>	<b>91,677</b>	<b>13,075</b>	<b>265,735</b>	<b>439,723</b>	<b>1,187,278</b>
<b>Carrying Amount</b>								
<b>As at 31 December, 2024</b>	<b>200,000</b>	<b>8,939,081</b>	<b>624,175</b>	<b>14,864</b>	<b>9,175</b>	<b>124,389</b>	<b>173,131</b>	<b>10,084,815</b>
<b>Carrying Amount</b>								
<b>As at 31 December, 2023</b>	<b>200,000</b>	<b>-</b>	<b>2,942,212</b>	<b>9,918</b>	<b>11,647</b>	<b>82,028</b>	<b>42,383</b>	<b>3,288,189</b>

## Financial Statements for the Year Ended 31st December, 2024

20.1 Building WIP in 2022 and 2023 initially added to cost of Building in those years

	<b>₦'000</b>
2022	1,580,215
2023	<u>808,174</u>
<b>Total</b>	<b><u>2,388,389</u></b>

	<b>2024</b>	<b>2023</b>
<b>21 Information Regarding Directors and Employees</b>	<b>₦'000</b>	<b>₦'000</b>
<b>21.1 Directors</b>		
The Aggregate Emolument of the Directors was:		
Remuneration		
Highest paid Director	<u>16,480</u>	<u>16,201</u>
	<b><u>16,480</u></b>	<b><u>16,201</u></b>
The number of Director with gross emolument within the stated bands was:	<b>Number</b>	<b>Number</b>
N5,000,000 - N7,000,000	2	3
Above N7,000,000	<u>5</u>	<u>5</u>
	<b><u>7</u></b>	<b><u>8</u></b>
<b>21.2 Employees</b>		
The average number of employees employed in the year were as follows:	<b>2024</b>	<b>2023</b>
Managerial	8	8
Senior	101	91
Junior	814	835
	<u>923</u>	<u>934</u>
The costs relating to the above were:		
salaries and allowances	1,963,778	1,473,094
Other Costs	142,937	488,931
	<u>2,106,715</u>	<u>1,962,025</u>
Below shows the salary bands and number of employees of the year:	<b>Number</b>	<b>Number</b>
N300,000 - 1,000,000	14	205
N1,000,001 - 2,000,000	546	630
N2,000,001 - 3,000,000	253	46
Above N3,000,000	<u>110</u>	<u>53</u>
	<b><u>923</u></b>	<b><u>934</u></b>

## 22 Financial Commitments

The Directors are of the opinion that all known commitments which are relevant in assessing the state of affairs of the Service have been taken into consideration in the preparation of these financial statements.

## 23 Contingent Liabilities

As at December 31 2024, there was no contingent liability that came to our attention during the audit review exercise.

## 24 Events after Reporting Period

There is no any post-reporting date event that can have material effect on the state of affairs of the Service as at 31 December, 2024.

## 25 Approval of Financial Statements

The Financial Statements were approved by the Management on 17th March, 2025.

**FIVE YEARS FINANCIAL SUMMARY**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>STATEMENT OF FINANCIAL POSITION</b>					
Non-Current Assets	11,584,814	4,788,189	4,161,286	2,676,676	1,078,427
Current Assets	6,171,042	7,795,529	3,798,257	2,839,533	2,855,031
Current Liabilities	(2,847,485)	(2,641,046)	(2,686,181)	(2,460,795)	(2,410,203)
Net Assets	<b>14,908,371</b>	<b>9,942,672</b>	<b>5,273,362</b>	<b>3,055,414</b>	<b>1,523,255</b>
<b>Capital and Reserves</b>					
Fund Capital	4,928,455	4,581,616	3,567,195	2,080,194	1,827,450
Accumulated Fund	9,979,916	3,812,451	254,635	106,551	(1,157,911)
IGR Fund		1,548,605	1,451,532	868,670	853,716
	<b>14,908,371</b>	<b>9,942,672</b>	<b>5,273,362</b>	<b>3,055,415</b>	<b>1,523,255</b>
<b>COMPREHENSIVE INCOME STATEMENT</b>					
Revenue	10,857,877	8,849,999	5,982,417	5,216,102	3,710,154
Expenses	4,788,715	5,620,311	5,841,841	3,962,345	2,894,855
Surplus for the year	<b>6,069,162</b>	<b>3,229,688</b>	<b>140,575</b>	<b>1,253,757</b>	<b>815,299</b>

The IGR Fund is not part of KWIRS Fund hence its removal from 2024 Financial Statements







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