

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**GATUNDU WATER AND SANITATION  
COMPANY LIMITED**

**FOR THE YEAR ENDED  
30 JUNE, 2023**





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**GATUNDU WATER AND SANITATION COMPANY LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2023**

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**Prepared in accordance with the Accrual Basis of Accounting Method under the International  
Financial Reporting Standards (IFRS)**

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**1. Acronyms and Glossary of Terms**

|                 |                                                           |
|-----------------|-----------------------------------------------------------|
| <i>ICPAK</i>    | <i>Institute of Certified Public Accountants of Kenya</i> |
| <i>IFRS</i>     | <i>International Financial Reporting Standards</i>        |
| <i>MD</i>       | <i>Managing Director</i>                                  |
| <i>PFM</i>      | <i>Public Financial Management</i>                        |
| <i>PSASB</i>    | <i>Public Sector Accounting Standards Board</i>           |
| <i>WASREB</i>   | <i>Water Services Regulatory Board</i>                    |
| <i>AWWDA</i>    | <i>Athi Water Works Development Agencies</i>              |
| <i>CO</i>       | <i>Chief Officer</i>                                      |
| <b>GATWASCO</b> | <b>Gatundu Water and Sanitation Company Limited</b>       |

## **2. Key Entity Information**

### **Background information**

The Gatundu Water and Sanitation Company Ltd was established by the Company's Act of Parliament on 8<sup>th</sup> October 2014 vide certificate number CPR/2014/149082. In accordance to the articles and Memorandum of association the company which is fully owned by the Kiambu county government is represented by the County Executive Member responsible for water and sanitation and the CEC finance, who together with the board of Directors are responsible for the general policy and strategic direction of the Company. The Company head office is domiciled in Gatundu and has branches in Gatukuyu, Kamwangi, Kiganjo, Karatu, Ituramiro and Kigumo.

### **Principal Activities**

The principal activity of the Company is to Provide domestic, industrial and institutional water services, plus sewerage and sanitation services.

Gatundu Water Company coverage includes Gatundu South, Gatundu North, parts of Githunguri sub-county and parts of Juja.

In terms of water service provision, the situation in the area can be categorized as

- ❖ Areas that are well served receive water 24/7
- ❖ Areas that are under served receive water on rationing basis
- ❖ Areas that are served through community water projects

In terms of sewerage services, the situation is wretched since

- ❖ All areas are not sewered
- ❖ Some centers depend on septic tanks
- ❖ Rural areas depend on pit and VIP.

In terms of storage and conservation

- ❖ The area has two dam, Theta dam and Karimenu II dam
- ❖ Treatment plants
- ❖ A lot of soil is lost through erosion
- ❖ A lot of water is lost to the Indian ocean through river flow

### **Vision**

To be the best in provision of potable rural water and sanitation services in the region and beyond.

### **Mission**

To promote good health standards and raise economic level of our community through provision of quality, reliable, adequate and affordable water and sanitation services in an environmentally friendly manner while meeting expectations of our customers and other stakeholders.

### **Core Objectives**

The following are strategic objectives that GATWASCO will be aiming to achieve:

- i. Attain Financial Sustainability
- ii. Enhance Service Delivery
- iii. Institutional Strengthening and support
- iv. Increase Water Production and Distribution
- v. Increase Sewerage Coverage
- vi. Enhance management of Non-Revenue Water

### **Directors**

The Directors who served the entity during the year were as follows:

- |                                                    |                                               |
|----------------------------------------------------|-----------------------------------------------|
| 1. Martin Ndungu Kahura- Chairman                  | -Appointed on 14 <sup>th</sup> February 2022  |
| 2. Jenifer Musyoki -CO Water and Irrigation        | - Appointed on 14 <sup>th</sup> February 2022 |
| 3. Stephen Karau Kangethe                          | -Appointed on 14 <sup>th</sup> February 2022  |
| 4. Joyce Wanjiku Kangara                           | -Appointed on 14 <sup>th</sup> February 2022  |
| 5. Stephen N Mungai (Alternate for CO Finance)     | -Appointed on 14 <sup>th</sup> February 2022  |
| 6. Peter Gichuki (Alternate for CO Administration) | -Appointed on 14 <sup>th</sup> February 2022  |
| 7. Samuel Gatama Njuguna                           | -Appointed on 14 <sup>th</sup> February 2022  |
| 8. Jacqueline Wangari Murigi                       | -Appointed on 14 <sup>th</sup> February 2022  |
| 9. Patrick N. Mwangi                               | -Appointed on July 2015                       |

### **Company Secretary**

Jacqueline Wangari Murigi

Certified Secretaries and Associate Member

Institute of Human Resource Management.

**Registered Office**

Gatundu Water Office  
Gatundu Karinga Road  
P.O. Box 140  
Gatundu, KENYA

**Corporate Headquarters**

P.O. Box 140  
Gatundu Water office Building  
Gatundu Karinga Road  
Nairobi, KENYA

**Corporate Contacts**

Telephone: (254) 0110096418  
E-mail: [gatwasco@gmail.com](mailto:gatwasco@gmail.com)  
Website: [www. Gatunduwater.co.ke](http://www.Gatunduwater.co.ke)

**Corporate Bankers**

1. Co-operative Bank of Kenya  
P.O. Box 82-01030,  
Gatundu Branch.
2. Co-operative Bank of Kenya  
P.O. Box 1815,  
Thika Branch.
3. Equity Bank of Kenya  
P.O Box 528-01030  
Gatundu Branch
4. Equity Bank of Kenya  
P.O Box  
Gatundu Branch

5. Kenya Commercial Bank  
P O Box 420-00232  
Gatundu Branch
  
6. Family Bank  
P O Box 481-01030  
Gatundu Branch
  
7. Safaricom Limited  
M-pesa money transfer service  
Paybill No. 893400,919400

**Independent Auditor**

Auditor General  
The Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084GPO 00100  
Nairobi, Kenya

**Principal Legal Advisers**

The Attorney General  
State Law Office, Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

Nyokabi Waiganjo, Omungala  
Hazina Towers 12<sup>th</sup> floor  
Monrovia street  
P O Box 1874-00100  
Nairobi  
Mwaiganjoadvocates@gmail.com

### 3. The Board of Directors

| Directors                                                                                                                 | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Rev. Martin Ndungu Kahura</b></p> | <p><b>DOB :</b> 1967</p> <p><b>Qualification:</b> Diploma In Education, Dip In Theology</p> <p><b>Work Experience:</b> Pastoral Leadership Christian Church International, Teaching in Gikindu Primary School, Mukurwe Primary School, Mukurwe Primary and Nembu Primary school</p> <p><b>Position:</b> Chairman of the Board</p>                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|  <p><b>Jennifer Kanini Musyoki</b></p>  | <p><b>DOB:</b> 1984</p> <p><b>Qualification:</b> MBA (Strategic Management); BSc Civil Engineering</p> <p><b>Work Experience:</b> Previously worked as a Water &amp; Sanitation Engineer in planning and design of urban and rural water and sanitation infrastructure; formulating national and county government water and sanitation policies, strategies and plans; conducting out technical assessments, socio-economic studies and surveys with H.P. Gauff Ingenieure, GIZ International Water Stewardship programme and Authentic Living Int. Co. Ltd. Currently working as the Chief Officer in the Department of Water, Environment, Energy and Natural Resources.</p> <p><b>Position:</b> Chief Officer-Dept of Water, Environment, Energy and Natural Resources</p> |
|  <p><b>Stephen Karau Kangethe</b></p>  | <p><b>DOB :</b> 1960</p> <p><b>Qualification:</b> Bachelor of Arts Economics , Cert In Industrial Relations</p> <p><b>Work Experience:</b> Retired Human Resource Manager wells Fargo Ltd, Over 40years experience in different position to as General manager Binti Apparels Ltd, HR manage Mirage fashionware EPZ Ltd, Personnel manager Barclays Bank, Personnel manager Magadi Soda Company</p>                                                                                                                                                                                                                                                                                                                                                                            |

|                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Joyce Wanjiku Kangara</b></p>   | <p><b>Position:</b> Chairman Finance Committee</p> <p><b>DOB :</b> 1985</p> <p><b>Qualification:</b> Bsc Acturial Science, Pursuing Mba Accounting And Finance, Investment and Security Analyst, Certificate in Automated Trading System Operations</p> <p><b>Work Experience:</b> Executive Director Foundation of Reaching and Transforming (NGO) Team leader Fort Credit Limited, Project manager Al-Eman Technology, Sales support and Investment advisor Chase Bank, Ministry of health Industrial attachment.</p> <p><b>Position:</b> Chair Audit Committee</p> |
|  <p><b>Stephen Ndichu Mungai</b></p>   | <p><b>DOB :</b> 1984</p> <p><b>Qualification:</b> MA Economics (Uon), CPAK</p> <p><b>Work Experience:</b> Over 10 years' experience in national and county government on economic planning &amp; finance</p> <p><b>Position:</b> County representative Finance</p>                                                                                                                                                                                                                                                                                                    |
|  <p><b>Peter Gichuki</b></p>         | <p><b>DOB :</b> 1976</p> <p><b>Qualification:</b> Degree (Bed Science)</p> <p><b>Work Experience:</b> 19 years</p> <p><b>Position:</b> County representative Admin</p>                                                                                                                                                                                                                                                                                                                                                                                                |
|  <p><b>Samuel Njuguna Gatama</b></p> | <p><b>DOB :</b> 1953</p> <p><b>Qualification:</b> Business man, P1 Teacher</p> <p><b>Work Experience:</b> Retired teacher over 30Years Experience, Business man and farmer</p> <p><b>Position:</b> Chairman Technical committee</p>                                                                                                                                                                                                                                                                                                                                   |

|                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Patrick N. Mwangi</b></p>         | <p><b>Position:</b> Managing Director</p> <p><b>DOB:</b> 1962</p> <p><b>Qualification:</b> Higher Diploma Water Engineering</p> <p><b>Work Experience:</b> Over 32yrs experience in water sector i.e. Ministry of water &amp; Karimenu Water, Gatundu Water</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|  <p><b>Jacqueline Wangari Murigi</b></p> | <p><b>Position:</b> Company Secretary</p> <p><b>DOB:</b> 28<sup>th</sup> November 1989</p> <p><b>Qualifications:</b> Holds a Bachelor's Degree in Law (LLB) from the Catholic University of Eastern Africa, Post Graduate Diploma from the Kenya School of Law, a Masters Degree in Public Policy and Administration from Kenyatta University, a Diploma in Human Resource management, a registered Certified Secretary (CS) and a certified mediator (CPM).</p> <p>Currently a member of the Law Society of Kenya, Institute of Certified Secretaries and Associate Member of the Institute of Human Resource Management.</p> <p><b>Work Experience</b></p> <p>An advocate of the high court with over seven years' experience. I have served in the County Government of Kiambu in various capacities including Legal Counsel Legislative Drafting, Senior Legal Counsel and subsequently Director Legal Services in the Office of the County Secretary. Currently, I serve as the Director – Legal Services in the Department of Water &amp; Sanitation supporting the Board of Directors of Kiambu Water &amp; Sewerage Company Limited in offering Company Secretarial Services as a qualified Certified Secretary.</p> |

#### **4. Management Team**

| Managers                                                                                                           | Details                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Patrick N. Mwangi</p>       | <p><u>Managing Director</u></p> <p><b>Professional Qualifications:</b><br/> Water Engineering</p> <p><b>Academic Qualification:</b><br/> <b>Experience :</b> Higher Diploma Water Engineering<br/> Over 30yrs experience in water sector i.e. Ministry of water &amp; Karimenu Water, Gatundu Water</p>                                                                                                                 |
| <p>2. James Muiruri Njoroge</p>  | <p><u>Technical Manager</u></p> <p><b>Professional Qualification</b><br/> Water &amp; Environmental Engineering</p> <p><b>Academic Qualifications</b><br/> B.Sc. Environmental Science, Dip. in Water Engineering<br/> &amp; M.Sc. Environmental Engineering &amp; Management<br/> ongoing</p> <p><b>Experience</b><br/> 14 yrs. Experience in management of Water and Sanitation Services in Rural and Urban WSPs.</p> |
| <p>3. Emmah W. Chege</p>        | <p><u>Finance Manager</u></p> <p><b>Professional Qualifications:</b><br/> Accountancy</p> <p><b>Academic Qualifications:</b><br/> CPA K, Bachelors of commerce &amp; M.Sc. Finance and Accounting ongoing</p> <p><b>Experience :</b><br/> Over 10years experience in water sector Karimenu Water, Gatundu water</p>                                                                                                     |

|                                                                                                                |                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>4. David G. Muigai</p>     | <p><u>Commercial Manager</u></p> <p><b>Professional Qualifications:</b><br/> Water Engineering</p> <p><b>Academic Qualifications:</b><br/> Diploma in water technology<br/> ‘O’ Level Division two</p> <p><b>Experience :</b><br/> Over 30 years’ experience in water sector ministry of water &amp; Gatundu South Water company, Gatundu Water</p> |
| <p>5. Nancy N. Waweru</p>    | <p><u>Human Resource Officer</u></p> <p><b>Professional Qualifications:</b><br/> Human Resource Management</p> <p><b>Academic Qualifications:</b><br/> Diploma in Human Resources &amp; Management</p> <p><b>Experience :</b><br/> Over10 years experience in water sector Karimenu Water, Gatundu Water</p>                                        |
| <p>6. Jessica N. Peter</p>  | <p><b>Professional Qualifications:</b><br/> Procurement<br/> <u>Procurement Officer</u></p> <p><b>Academic Qualifications:</b><br/> Bachelors of purchasing &amp; Supplies</p> <p><b>Experience :</b><br/> Over 10years experience in water sector Gatundu South Water company, Gatundu Water</p>                                                   |

|                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>7. Jacqueline Wangari Murigi</b></p>  | <p><b>Position: Company Secretary</b></p> <p><b>DOB:</b> 28<sup>th</sup> November 1989</p> <p><b>Qualifications:</b> Holds a Bachelor's Degree in Law (LLB) from the Catholic University of Eastern Africa, Post Graduate Diploma from the Kenya School of Law, a Masters Degree in Public Policy and Administration from Kenyatta University, a Diploma in Human Resource management, a registered Certified Secretary (CS) and a certified mediator (CPM).</p> <p>Currently a member of the Law Society of Kenya, Institute of Certified Secretaries and Associate Member of the Institute of Human Resource Management.</p> <p><b>Work Experience</b></p> <p>An advocate of the high court with over seven years' experience. I have served in the County Government of Kiambu in various capacities including Legal Counsel Legislative Drafting, Senior Legal Counsel and subsequently Director Legal Services in the Office of the County Secretary. Currently, I serve as the Director – Legal Services in the Department of Water &amp; Sanitation supporting the Board of Directors of Kiambu Water &amp; Sewerage Company Limited in offering Company Secretarial Services as a qualified Certified Secretary.</p> |
|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## **5. Chairman's Statement**

Within the reporting period, we have focused on our mission to deliver safe, clean, and affordable water to our Customers. Our dedicated team has worked tirelessly to ensure that our operations are aligned with the needs of our customers and in compliance with regulatory standards. This is notwithstanding the governance challenges experienced from 2018 to 2021 due to the merger of Kiambu County Water Companies. The uncertainties from the merger process slowed Company's license renewal, tariff review, asset transfer, funding opportunities, and created anxiety among the staff. However, the decision by the County Government of Kiambu to reconstitute the Board on 14<sup>th</sup> February 2022 is appreciated, as it's a critical step towards enhancing governance. Nevertheless, three additional Directors on top of the current six should be appointed to ensure compliance with WASREB requirements for a large water Company. With the reconstitution of the Board, the Company is fast-tracking renewal of the expired license and tariff that expired 15 years ago to enable the sustainable undertaking of its mandate.

The following achievements were realized within the reporting period;

1. We have experienced steady revenue growth because of effective cost management, improved billing and collection systems, and the expansion of our customer base. However, at the same time, debtors have increased due to the hard economic situation experienced in the Country because of the COVID scare that led to economic recession. To this end, the Company has prepared a list of uncollectable debts for writing off. However, regardless of the situation; we remain committed to financial prudence and efficiency to sustain our growth trajectory.
2. We have undertaken infrastructure expansion projects, including the construction of new water schemes, the rehabilitation of aging pipelines, and the installation of metering systems for accurate consumption monitoring. These initiatives have enhanced service reliability, reduced water losses, and increased our operational efficiency. However, the gains are not significant due to the low water tariff in place.
3. We have implemented several initiatives to improve our customer service and engagement. These include the establishment of a dedicated customer support center, the introduction of online payment platforms, and regular customer feedback surveys. We have also actively

engaged with our customers through community forums and outreach programs to address their concerns and educate them on responsible water usage.

4. We have implemented initiatives to conserve water resources. Furthermore, we have collaborated with local communities, environmental organizations, and the County Government of Kiambu to raise awareness about the importance of preserving our natural resources for future generations. To this end, we have raised alarm on the development of irrigation schemes within our area of operation. The development of irrigation schemes upstream of our intakes raises the risk of dry intakes in the future, water theft, and the proliferation of waterborne diseases.

Looking ahead, we are optimistic about the future of GATWASCO. We will continue to invest in infrastructure development and technology integration to enhance our operational capabilities. Our strategic focus includes expanding our water and sewer coverage that will be realized upon completion of the Gatundu Water & Sewer project and leveraging data-driven insights to optimize our operations. We remain committed to fulfilling our social responsibility and contributing to Kiambu County and Kenya's water security and sustainable development goals.

In conclusion, I extend my heartfelt appreciation to our shareholders for their trust and confidence in GATWASCO. I also express my gratitude to our employees, whose dedication and hard work have been instrumental in our success. Together, we will continue to drive positive change, improve lives, and make a lasting impact on the communities we serve.



**MARTIN N. KAHURA**  
**BOARD CHAIRMAN**

## **6. Report of the Managing Director**

As the Managing Director, I am delighted to share with you the Company's achievements, challenges, and plans for the future in providing reliable and sustainable water and sanitation services. The Company started operating in the financial year 2015 /16 but had a short stint of disruption when the County Government of Kiambu initiated a merger of Kiambu County water companies in 2018. Upon completion of the merger, GATWSCO was to operate as a region in the big company. However, upon intervention by Water Services Regulatory Board (WASREB), the merger process was put on hold. The new Board was reconstituted on 14<sup>th</sup> February 2022 with the first sitting being on April 2022. The constituted board has re-looked through the policy documents and played an oversight role since.

Over the reporting period, we have remained steadfast in our commitment to delivering high-quality water and sanitation services to our customers while improving the overall living standards of residents in our area of operation. The achievements documented oscillate in the following areas of service;

1. **Service Delivery:** In the pursuit of our mission to provide reliable water and sanitation services, we have made significant progress in improving service delivery. We have focused on reducing water leakages to mitigate NRW, enhancing water treatment processes, and expanding our distribution network to reach more households. These efforts have resulted in increased water availability, reduced service interruptions, increased water coverage from 62% to 68%, and improved overall customer satisfaction.
2. **Infrastructure Development:** Investing in infrastructure is crucial for sustainable service delivery. In the reporting period, we have undertaken infrastructure development projects to upgrade and expand our water and sanitation systems. This includes the construction of new water treatment plants e.g. Marigoiti CFU, the rehabilitation of existing water intakes e.g. Ruabora and Gacharage intakes, and the ongoing installation of modern sanitation facilities. Ongoing projects include Gatundu Water and Sewer project that once completed will yield 11,700m<sup>3</sup>/day of water and lead to the connection of approximately 2,000 homesteads to sewer. These initiatives are geared towards improving the efficiency and effectiveness of our operations.
3. **Financial Performance:** The Company has achieved a positive financial performance. This is despite the challenges faced by the Company affecting billing and revenue collection e.g. destruction of water infrastructure during the construction of various roads under KenHA and

KeRRA; and low tariff despite high production costs. Our revenue has shown steady growth, with a 4% increase over the reporting period. We have implemented prudent financial management practices to ensure the sustainability of our operations.

4. **Customer Engagement and Education:** We understand the importance of customer engagement and education in promoting responsible water and sanitation practices. We have actively engaged with our customers through awareness campaigns, community meetings, and customer feedback mechanisms. We aim to empower our customers with knowledge of water conservation, hygiene practices, and the proper use of sanitation facilities. We believe that an informed and engaged community is crucial for achieving our shared goals. The customer satisfaction level stands at 68%
5. **Regulatory Compliance and Sustainability:** We recognize the importance of compliance with regulatory standards and the need for sustainability in our operations. We have maintained strict adherence to all relevant laws, regulations, and licensing requirements. Additionally, we have implemented sustainability measures, including environmental management practices, water resource conservation programs, and the use of renewable energy sources wherever feasible. Our commitment to compliance and sustainability ensures the long-term viability of our operations.

We are excited about the future of Gatundu Water & Sanitation Company. We will continue to invest in infrastructure development, technology adoption, and capacity building to further improve our service delivery. Our focus areas include the expansion of our service coverage, the integration of smart technologies for efficient operations, the reduction of Non-Revenue Water (NRW), and the promotion of water and sanitation hygiene practices in the community.

In conclusion, I extend my sincere appreciation to our shareholders for their continued support and confidence in Gatundu Water & Sanitation Company. I would also like to express my gratitude to our dedicated employees, whose hard work and commitment have been instrumental in our achievements. Together, we will continue to strive for excellence in delivering reliable water and sanitation services to our Customers. Thank you.



**JAMES MUIRURI**

**AG. MANAGING DIRECTOR**

**7. Statement Of Performance Against Predetermined Objectives for FY 2022/23**

*GATWASCO* has *nine* strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2018/2019- FY 2023/2024. These strategic pillars/ themes/ issues are as follows:

**Gatundu Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

|    | <b>THEMATIC AREAS</b>                                           | <b>OBJECTIVE</b>                                                                      | <b>KEY PERFORMANCE INDICATORS</b>                                | <b>ACTIVITIES</b>                                                                                                            | <b>ACHIEVEMENTS</b>                                                                                                                                                                         |
|----|-----------------------------------------------------------------|---------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Water sources, production and treatment                         | Increase water production from 27,440m <sup>3</sup> /day to 52,440m <sup>3</sup> /day | Increase surface water production by 27,440m <sup>3</sup> /day   | implementation of Ruabora, Handege, Ngenda, Gatei, Kanyoni and Kariua/Dry water schemes                                      | Ruabora, Handege, Ngenda under construction to yield 17,000m <sup>3</sup> /day. Progress at 50%                                                                                             |
| 2. | Operation and Maintenance (Water Distribution)                  | Increase water coverage from 68% to 85%                                               | -No. of last mile water connections installed                    | Extend distribution network by 115km, increase storage capacity, and upgrade transmission pipelines                          | Water coverage at 69%                                                                                                                                                                       |
| 3. | Operation and Maintenance (Wastewater Collection and Treatment) | Increase sewer coverage from 0% to 8%.                                                | -No of sewer connections installed                               | Development of sewer infrastructure at Gatundu Town and environs                                                             | Development of Gatundu Sewer project by AWWDA underway. Project is at 60% complete                                                                                                          |
| 4. | Commercial Operations                                           | Reduce the average age of consumer meters to 8 years by 2024                          | -Improved meter reading efficiency<br>-Increase in billing       | replacement of old meters                                                                                                    | -Qualified for CLSG II conditional grant where Ksh. 44.9 will be utilized for the procurement and installation of measuring and control devices<br>-Replaced 352 meters in the FY 2022/2023 |
|    |                                                                 | Attain 100% billing efficiency                                                        | -Reduction of NRW<br>-Increase in billing                        | -100% Automation of billing system<br>-Procurement of 100 smart phones for ease of communication with the new billing system | -Billing efficiency at 67%<br>-ERP billing system acquired<br>-60 out of 100 smart meters acquired                                                                                          |
| 5  | Financial Stewardship                                           | Increase revenue collection efficiency from 85% to 96%.                               | -Reduced debtors days<br>-Improved revenue collection efficiency | Reduce average debtor days, integrate pay points and billing systems, apply for cost recovery tariff                         | Revenue collection efficiency at 110% in the FY 2022/2023                                                                                                                                   |
|    |                                                                 |                                                                                       |                                                                  |                                                                                                                              |                                                                                                                                                                                             |

**Gatundu Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

|    |                                              |                                                                     |                                                                                                                                                                                              |                                                                                                                                                                                     |                                                                                                                                                                                                                             |
|----|----------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | Human Resource Management                    | Improve staff satisfaction level by 5%.                             |                                                                                                                                                                                              | Conduct annual refresher courses, improve staff terms, develop a performance contracting culture, Reduce personnel costs, align job descriptions, and reduce work-related accidents | Staff satisfaction level improved by 1%                                                                                                                                                                                     |
| 7. | Information Communication & Technology (ICT) | Make the company paperless by 2023                                  | <ul style="list-style-type: none"> <li>- All staff have access to a computer</li> <li>- All offices are connected to fiber cables or have a modem</li> <li>- Data backup in place</li> </ul> | Establish wide area network connectivity, achieve 1:1 computer ratio, and ensure 100% security of data and operations                                                               | <ul style="list-style-type: none"> <li>-100% security of data and operations already in place</li> <li>-Company at 95% paperless</li> </ul>                                                                                 |
| 8. | Management of Non-Revenue Water              | Establish NRW teams and reduce NRW levels to sector standards       | <ul style="list-style-type: none"> <li>- NRW team in place</li> <li>- KMZ maps of water infrastructure</li> <li>- Reduction of NRW to 25%</li> </ul>                                         | Establish active NRW team, profile NRW in the distribution network, eradicate illegal connections, GIS mapping of water and sewer networks                                          | <ul style="list-style-type: none"> <li>-NRW team constituted</li> <li>-100% mapping of water infrastructure</li> <li>-NRW reduced from 34% to 33%</li> </ul>                                                                |
| 9. | Brand Equity                                 | Increase visibility to 85% and customer satisfaction to 80% by 2024 | <ul style="list-style-type: none"> <li>-Company website in place</li> <li>-Branded assets</li> <li>-Staff ID cards generated</li> <li>-Company ISO certified</li> </ul>                      | Branding of assets, creation of staff brand identity, an operational website, and ISO certification progress                                                                        | <ul style="list-style-type: none"> <li>- Company visibility at 90%</li> <li>-Customer satisfaction at 85%</li> <li>-Branding of assets done</li> <li>-Company website in place</li> <li>-All staff have ID cards</li> </ul> |

## **8. Corporate Governance Statement**

### **Appointment and Removal of Directors**

As a water service provider, GATWASCO is regulated by the Water Services Regulatory Authority (WASREB) and therefore bound to comply with the Corporate Governance Guidelines for the Water Services Sector, 2018. In line with these guidelines, the board is composed of 7 members, three being nominees representing the County Government's Departments responsible for Finance and Water matters; and also, the County Secretary. The other four members are competitively sourced in line with the qualification criteria specified and also ensuring that there is representation from the community within the company's area of service.

### **Roles and responsibilities, board charter, conflict of interest and ethical conduct**

The board is responsible for governance, oversight, and major decision making, representing the interests of stakeholders and the shareholder. In execution of this role, the board approves the company's strategic plan, an annual budget and annual procurement plan. In addition, the company ensures that there is a business plan and annual plans to implement the strategic plan. The board of directors signs a performance contract with the Managing Director who in turn cascades it to the management team and all staff. The board of directors also ensures that there is an audited set of accounts prepared in accordance with the Public Finance Management Act which contains an audit opinion, which is made available to them every 12 months.

In terms of compliance, the board also ensures that the company complies to all laws, regulations through the assistance of the company secretary. The board is also responsible for communication with stakeholders through a well-publicised annual stakeholders' forum and holding an annual general meeting.

All board roles and functions are spelled out in the Board Charter. This charter also requires all board members to familiarise themselves with the Code of Ethics and sign it.

The board of directors approved an Anti-Corruption Risk Management Policy which has a clause on conflict of interest, where a Conflict of Interest Register is maintained. Members are required to declare any conflict of interest in any matters in board agenda in advance before meetings are held.



### **Board succession policies and period in office**

Gatundu Water and Sanitation Company Ltd avoids a situation where all Board members retire at the same time; in that, two thirds of the Board members other than those from the County Government, retire from office by rotation every three years. The retiring members are determined on the basis of those who have served longest.

### **Number and nature of meetings held in the financial year 2022/2023**

| <b>No.</b> | <b>Nature</b>                                        |  | <b>Frequency<br/>(No. of times)</b> |
|------------|------------------------------------------------------|--|-------------------------------------|
|            | <b>Full Board Meetings</b>                           |  |                                     |
| A          | Regular Full Board meetings                          |  | 4                                   |
|            | <b>Other meetings attended by all Board members</b>  |  |                                     |
| B          | Special meeting                                      |  | 2                                   |
| C          | Board retreat, Interviews, Public Participation, AGM |  | 1                                   |
|            | <b>Sub- total</b>                                    |  | <b>7</b>                            |
|            | <b>Committee Meeting</b>                             |  |                                     |
|            | <b>Regular committee meetings</b>                    |  |                                     |
| A          | Finance and Administration Committee                 |  | 3                                   |
| B          | Technical committee                                  |  | 3                                   |
| C          | Audit Committee                                      |  | 3                                   |
|            | <b>Special Committee meetings</b>                    |  |                                     |
| D          | Select Committees, Special Committees                |  |                                     |
|            | <b>Sub-total</b>                                     |  | <b>9</b>                            |
|            | <b>Grand Total No. of meetings held</b>              |  | <b>16</b>                           |

### **Board and member performance and Governance Audit**

The Corporate Governance Guidelines for the Water Services Sector of 2018 provide that the board shall evaluate its performance once every year and set up achievable action points to achieve, assess its performance as a whole and that of individual members including the managing director. In this regard the board approved a board performance tool that shall be used to evaluate its performance in the current financial year.

A governance audit is scheduled to be carried out in the current financial year as in order to evaluate the company's leadership and strategic management, transparency and disclosure, compliance with laws and regulations, communication with stakeholders, board independence

and governance, board systems and procedures, shareholder and stakeholder value enhancement and Corporate Social Responsibility.

During the year the County Government of Kiambu appointed Independent board of directors. The duties and role of the Board of Directors are as stipulated in the Board Charter which includes the following:

- Strategic Management
- Identification and management of risks
- Company's financial oversight
- Succession planning and evaluation of management performance
- Oversight of communications and public disclosure
- In charge of corporate Governance

The following Board committee have been established with specific duties and meet quarterly as minimum

- Audit & Risk Management Committee
- The Finance and Administration Committee
- Technical Committee;

The remuneration of Directors is determined by the annual general meeting within the maximum approved by shareholders guided by the Government of Kenya Regulations (Water Services Regulatory Board) from time to time. The Chairman is paid a monthly honorarium of Kshs. 15,000/-, monthly telephone allowance of Kshs. 2,000/-. The Chairman is paid a sitting allowance of Kshs. 18,572 while attending Board meetings and other functions, workshops and trainings sponsored by the Company. While attending a meeting or such function within Kiambu County and its environs, the Chairman is paid a lunch allowance of Kshs. 1,000 and transport allowance of Kshs. 2,000/-. Directors will be paid a sitting allowance of Kshs 14,286 while attending Board and committee meetings, and other functions, workshops and trainings sponsored by the Company. Where the meeting or function is within Kiambu County, the Directors are entitled to a lunch allowance of Kshs 1,000.00 (where no lunch is provided) and transport allowance of Kshs 2,000.00.

## **9. Management Discussion and Analysis**

Operational and financial performance are as illustrated in the table below;

| NO | PARAMETER                      | 2018/19     | 2019/20     | 2020/21     | 2021/22     | 2022/23     |
|----|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| 1  | Water Production (m3)          | 7,207,985   | 7,471,828   | 7,169,376   | 7,415,508   | 5,216,907   |
| 2  | Billing (Kshs)                 | 132,988,732 | 138,379,711 | 125,391,473 | 137,620,852 | 131,408,018 |
| 3  | Miscellaneous Income (Kshs)    | 1,810,540   | 2,873,038   | 3,489,957   | 4,956,755   | 10,310,829  |
| 4  | NRW (%)                        | 35%         | 35%         | 34%         | 35%         | 33%         |
| 5  | Operational Expenditure (Kshs) | 136,860,077 | 142,247,966 | 136,367,667 | 146,932,368 | 160,508,253 |

### **Development Projects**

- a) Africa Development bank in partnership with Government Of Kenya through Athi Water Works Development Agency is implementing a project under the Kenya Towns Programme.

Under the programme, we have the following projects as one project:

- Gatundu Sewerage project
- Handege water project
- Ruabora water project
- Ngenda water project

We are at 62% implementation stage.

- b) Still through AWWDA and in partnership with AXIM bank, the GOK is doing Karimenu II dam. The project is operational where 70,000 of water is treated per day. Karimenu II serves Gatundu, Rujwasco, Githunguri and Kiambu Water services providers. Gatundu Water is supplied approximately 3,000m3/day through four offtakes at Wamwangi, Gatundu, Ichaweri and Kahuguini.

- c) Through AWWDA, we have reinstated pipelines of HDPE and sizes ranging from 160mm to 25mm in areas that were destroyed during roads construction works. There areas include Ruburi, Ritho, Karinga, Wamwangi and Ituuru.

## **MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

### **Company's compliance with statutory requirements**

The company takes cognisance of the importance of complying with all statutory requirements including those related to water quality, taxation, third party deduction deadlines, regulatory, employee relations, among others. The Company's Legal and Corporate Affairs department and the Company Secretary have as part of their duties monitor and report on all compliance aspects that the company is obliged towards. During the year the company's operations were in compliance with all statutory requirements.

### **Major risks facing the entity**

The Board of Directors has ultimate responsibility for risk management. It is supported and advised by the Internal Audit and Risk Committee oversees the management of current and future risks in line with the risk appetite approved by the Board.

The Board of Directors have continued to review risks and make appropriate recommendations to mitigate them through the company's ERM framework, which includes an approved Risk Management Policy and Risk Criteria.

The company is exposed to the following types of risks;

#### **Environmental Risks**

These are risks that lead to reduction in water from the catchment areas hence jeopardising the company's ability to carry out its core function of provision of potable water to its residents. These risks are diverse and include biodiversity loss and ecosystem collapse, failure to mitigate climate change and natural disasters & extreme weather events.

#### **Financial Risks**

Financial risks include the inability of the company to meet its financial obligations as they fall due caused by several factors including; non-payment by customers/consumers, loss of revenue through illegal connections, bursts and leakages leading to high Non-Revenue Water, increased cost of production, changes in laws and regulations, introduction of additional levies, loss of customers among others.

## **MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

### **Operational Risk**

These are risks associated with inability to carry out the normal operations of water treatment, reticulation, treatment and discharge of wastewater to the natural environment. The major risks include over reliance on one source of energy for pumping both raw and treated water, aged and dilapidated water treatment and distribution infrastructure and risks associated with human resource capability to efficiently carry out operations.

### **ICT Failure and Cybersecurity Risks**

With ever-increasing reliance on ICT in carrying out business, there is present risk of failure caused by either equipment or human factors. With advancement in technology and increase in cyber-attacks, these risks remain a reality in our business as they could lead to loss of data, financial losses or breaches in laws and regulations.

### **Legal risk.**

This is the risk of incurring legal liabilities and obligations resulting from suppliers suing the company for breach of laws and contracts and being surcharged for failing to comply with the laws and regulations.

### **Material arrears in statutory /financial obligations**

By close of the financial year the company did not have any arrears in statutory obligations, however material arrears for the below remained outstanding;

1. Defunct Athi Water Services Board (AWSB)
2. Water services Regulatory Board
3. Water Resources Authority

## **10. Environmental and Sustainability Reporting**

GASWASCO slogan is everybody lives downstream. This is our purpose and the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer first, providing water services and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

### **Sustainability strategy and profile –**

To enhance Sustainability, the GATWASCO has been able to achieve the following over time:

The company through AWWDA has been able to:

- Construct intake works at Thiririka river and lay 5km of 250mm uPVC (inter basin water transfer) to Theta dam
- Upgraded Ruabora intake and laying 2.5km of 160mm and 110mm
- Improved Gacharage intake through desilting and expanding washout arrangements and construction Mwonothia intake.
- Construction of Marigoiti intake, laying 3.0Km of 110mm HDPE pipeline and two number composite filtration units and backwash tank arrangement.
- Lay over 270km of HDPE pipe of diameters ranging from 160mm to 25mm to reinstate the areas that were destroyed due to the ongoing roads construction works.
- Through AWWDA, three water projects are ongoing i.e. Ngenda, Ruabora (Wamuguma) and Handege and Gatundu town sewerage works.
- Improved working conditions for staff

However, the company is faced by the below mentioned challenges;

- Old and dilapidated pipes that requires regarding
- Water theft (Illegal connections)
- Inadequate funds for pipeline extensions
- Mass destruction of pipes due to ongoing roads construction works.
- Vandalism

**11. Environmental performance**

- Our Organisation always ensure that the water given to consumers meets the required standards by undertaking daily jar tests and taking water samples to registered laboratories.
- We ensure that leakages and bursts are attended to immediately reported so as to avoid waste and occurrence of land slides
- During rainy seasons, we partner with WRUAS to do tree planting near the water sources
- We always ensure that the backwashing water does not enter directly to the river but passes through a lagoon

During the year the company partnered with the community and Water Resource Users Associations (WRUAs) on planting of indigenous tree seedlings in an effort to conserve the environment and protect the catchment areas.

**Employee welfare**

The Human Resource Policy guides the company. The documents take into account the hiring process where gender ratio is well explained. The company also pays for short courses in collaboration with other institutions to improve on the employees' skills. The company also organises for medical clinics where the medical test for respective employees are done at will.

**Market place practices-**

The company always ensures steady supply of clean and treated water to the customers. The company engages with the suppliers having followed all the necessary required procurement procedures and maintains a good supplier relationship.

**Community Engagements-**

During the year the company engaged in cleaning exercise in different market places once in a month in conjunctions with Kiambu County and also provided drinking water during the drinking exercise.

**Corporate Social Responsibility / Community Engagements**

The company also ensures it promotes and is sensitive on preservation and protection of the environment by involving the youth in trees planting and cleaning the market places. The company provided mineral water during Mashujaa day celebration on 12th December 2022, Jamhuri Day 12<sup>th</sup> December 2022 and Madaraka day 1<sup>st</sup> June 2023.

### **Tree planting**

During the financial year, the company engaged in an exercise of securing and conservation of Kiambu County water catchment areas at Kinare forest. The company purchased 1,500 indigenous trees, Hass Avocado and bamboo seedlings amounting to Ksh (275,000) Two hundred seventy five thousand only. We also took part during world water day celebration where we incurred Ksh 104,464 (One hundred four thousand, four hundred sixty-four only) on media coverage and documentary. The company also received tree donation from Co-operative bank and Equity Bank both in cash and in kind.

### **Children support**

The company visited Muthiga children home and Vision centre children homes during Easter holiday where we donated Ksh 50,000 (Fifty thousand only) for shopping and cash donation.

## **12. Report of the Directors**

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the company's affairs.

### **i) Principal activities**

The principal activities of the Company is to ensure and efficient and effective provision of water and sanitation Services in its area of jurisdiction

### **ii) Results**

The results of the company for the year ended June 30, 2023 are set out on page 1.

### **iii) Directors**

The members of the Board of Directors who served during the year are shown on page vii-viii In accordance with Regulation of the company's Articles of Association.

### **iv) Auditors**

The Auditor General is responsible for the statutory audit of the Company in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the Company for the year ended June 30, 2023, in accordance to section 23 of the Public Audit Act.

### **13. Statement of Directors' Responsibilities**

Section 164 of the Public Finance Management Act, 2012 require the Directors to prepare financial statements in respect of that Company, which give a true and fair view of the state of affairs of the Company at the end of the financial year and the operating results of the Company for that year. The Directors are also required to ensure that the Company keeps proper accounting records, which disclose with reasonable accuracy the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company.

The Directors are responsible for the preparation and presentation of the Company financial statements, which give a true and fair view of the state of affairs of the Company for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Company; (v) selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors responsibility for the Company financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act, 2012, water act 2016 and companies Act 2015)

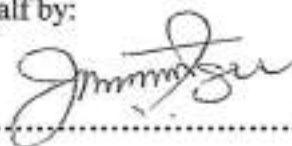
The Directors are of the opinion that the Company's financial statements give a true and fair view of the state of Company's transactions during the financial year ended June 30, 2023, and of the Company's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Company, which have been relied upon in the preparation of the company financial statements as well as the adequacy of the systems of internal financial control.

### **Statement of Directors' Responsibilities (Continued)**

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

### **Approval of the financial statements**

The company financial statements were approved by the Board on 27<sup>th</sup> September 2023 and signed on its behalf by:



.....  
**Martin Ndung'u Kahura**  
**Chairperson of the Board**



.....  
**James M. Njoroge**  
**Ag Managing Director**



# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON GATUNDU WATER AND SANITATION COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 2023**

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### **PREAMBLE**

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Gatundu Water and Sanitation Company Limited set out on pages 1 to 82, which comprise of the statement of financial position as at 30 June, 2023, the statement of profit or loss and other comprehensive

income, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Gatundu Water and Sanitation Company Limited as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) and comply with the Companies Act, 2015 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Anomalies in Operating Revenue**

The statement of profit or loss and other comprehensive income reflects operating revenue amount of Kshs.135,590,518 as disclosed in Note 6 to the financial statements. However, review of records revealed that the Company did not bill a total of 1,218 active customers resulting in an estimated loss of Kshs.304,500 per month.

In the circumstances, the accuracy and completeness of the operating revenue amounting to Kshs.135,590,518 could not be confirmed.

#### **2. Long Outstanding Trade and Other Receivables**

The statement of financial position reflects trade and other receivables net balance of Kshs.154,855,257 as disclosed in Note 18 to the financial statements. However, specific provision for doubtful receivables amount of Kshs.12,869,571 comprised of debts of Kshs.3,488,789 and Kshs.9,380,782 inherited from Karimenu Water Company and Gatundu Water Company respectively has been outstanding for more than 10 years with no settlement over the years. Further, no explanation was provided on the non-recovery of long outstanding debts.

In the circumstances, the recoverability of trade and other receivables balance of Kshs.154,855,257 could not be confirmed.

#### **3. Assets with no Ownership Documents**

The statement of financial position reflects property, plant and equipment balance of Kshs.29,746,421 and as disclosed in Note 15 to the financial statements which includes a balance of Kshs.1,493,542 in respect of motor cycles. However, the Company did not provide for audit log-books for two (2) motorcycles. Further, a third motor cycle was registered in the name of the supplier.

In the circumstances, the ownership of property, plant and equipment balance of Kshs.1,493,542 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Gatundu Water and Sanitation Company Limited Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

#### **1. Poor Financial Performance**

The statement of profit or loss and other comprehensive income reflects a decrease of total revenue of Kshs.33,911,961 from Kshs.181,549,658 in previous year to Kshs.147,637,697 in the year under review. Further, the statement reflects a loss of Kshs.12,870,556 compared to a profit of Kshs.34,617,290 reported in the previous financial year. The significant decrease in profit may lead the Company not meet its financial obligations as and when they fall due. The continued existence of the Company is dependent on continued financial assistance from the County Government of Kiambu, donors and its creditors.

#### **2. Long Outstanding Trade Payables**

The statement of financial position and Note 22 to the financial statements reflects trade and other payables balance of Kshs.72,646,582 which includes a balance of Kshs.21,323,697 payables to the Water Resources Management Authority and Water Services Regulatory Board. However, no explanation was given for not clearing the outstanding payables. This was contrary to Section 89 (1) Water Act, 2016 which states that a licensee shall pay to the Regulatory Board as the case may be, on issue of the licence and at prescribed intervals thereafter, such licence fees as the Regulatory Board may determine.

My opinion is not modified in respect of these matters.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **Other Matter**

#### **Prior Year Unresolved Issues**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Effectiveness in Use of Public Resources. However,

the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board template.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### Basis for Conclusion

#### 1. Failure to Deduct and Remit NSSF for Employees

Review of the payroll revealed that the Company failed to deduct and remit National Social Security Fund (NSSF) dues amounting to Kshs.16,080 for three (3) employees for nine (9) months from July, 2022 to March, 2023. This was contrary to Regulation 22 (2) of the Public Finance Management (County Governments) Regulations, 2015 which provides that an Accounting Officer designated under the Act or any other Act, shall (a) comply with any tax, levy, duty, pension, commitments and audit commitments as may be provided for by legislation.

In the circumstances, Management was in breach of the regulation.

#### 2. Violation of the Principles of Ethnicity and Regional Balancing

Review of staff records revealed that out of the one hundred and forty-one (141) employees of the Company, one hundred and thirty-eight (138) were from the dominant ethnic community representing about 98% of the total number of staff. This was contrary to Section 7(1) and (2) National Cohesion and Integration Act, 2008 which provides that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff, and no public establishment shall have more than one third of its staff from the same ethnic community.

In the circumstances, Management was in breach of the law.

#### 3. Excessive Non-Revenue Water

The Company produced 5,221,916 cubic meters (m<sup>3</sup>) of water. However, out of this volume only 3,521,139 cubic meters (m<sup>3</sup>) was billed to customers. The balance of 1,700,777 cubic meters or approximately 33% of the total produced represents Non-Revenue Water. (unaccounted for Water). However, the NRW was 8% over and above the allowable loss of 25% in accordance with the Water Services Regulatory Board guidelines. The Non-Revenue Water of may have resulted to loss of revenue estimated at Kshs.56,125,641.

In the circumstances, Management was in breach of the law.

#### **4. Unsupported Procurement of an Enterprise Resource Planning Billing System**

Review of documents revealed that the Company entered into a contract for the supply, installation, configuration, customization, testing, commissioning and maintenance of the ERP system was awarded to a local company at a contract sum of Kshs.29,382,800. Further, the contract included other modules in the ERP system namely, Human Resource, Supply Chain, Technical and Finance Modules. A payment of Kshs.5,297,600 was made to the contractor during the year. However, no evidence of licenses and installation certificates in support of the ERP billing system and Customer Relation Management (CRM) module were provided for audit.

In the circumstances, the value for money on the expenditure of Kshs.5,297,600 incurred on the project could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

#### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

##### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

##### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the Companies Act, 2015, except for matters reported in the Basis for Qualified Opinion, I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;

- ii. In my opinion, adequate accounting records have been kept by the Company, so far as appears from the examination of those records; and,
- iii. The Company's financial statements are in agreement with the accounting records and returns.

### **Responsibilities of Management and Board of Directors**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Company'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 is aware of the intention to liquidate the Company or to cease operations. Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the Company's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

The audit 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 includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness 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 the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Company's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 my 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 omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the 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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Company to cease 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 achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Company to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
FCPA Nahey Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

15 March, 2024

## 15. Statement Of Profit or Loss &amp; Other Comprehensive Income for the Year Ended 30 June 2023.

|                                                | Note | 2022-2023           | 2021-2022          |
|------------------------------------------------|------|---------------------|--------------------|
|                                                |      | Kshs                | Kshs               |
| <b>Revenue</b>                                 |      |                     |                    |
| Operating Revenue                              | 6    | 135,590,518         | 137,620,852        |
| Grants Income                                  | 7    | 5,918,850           | 38,972,051         |
| Other Income                                   | 8    | 3,774,411           | 2,436,913          |
| Finance income                                 | 9    | 2,353,918           | 2,519,842          |
| <b>Total Revenue</b>                           |      | <b>147,637,697</b>  | <b>181,549,658</b> |
|                                                |      |                     |                    |
| <b>Expenses</b>                                |      |                     |                    |
| Staff Costs                                    | 10   | 93,105,537          | 93,094,732         |
| General and Operations expenses                | 11   | 44,186,341          | 32,481,942         |
| Board Expenses                                 | 12   | 4,059,361           | 3,282,853          |
| Maintenance Expenses                           | 13   | 12,556,615          | 15,014,299         |
| Depreciation and Amortization expenses         | 14   | 6,600,399           | 3,058,543          |
| <b>Total Expenses</b>                          |      | <b>160,508,253</b>  | <b>146,932,368</b> |
|                                                |      |                     |                    |
| <b>Total Comprehensive Income For The Year</b> |      | <b>(12,870,556)</b> | <b>34,617,290</b>  |
|                                                |      |                     |                    |

16. Statement of Financial Position as at 30 June 2023

|                                            | Note | 2022-2023          | 2021-2022          |
|--------------------------------------------|------|--------------------|--------------------|
|                                            |      | Kshs               | Kshs               |
| <b>ASSETS</b>                              |      |                    |                    |
| <b>Non-Current Assets</b>                  |      |                    |                    |
| Property, plant and equipment              | 15   | 29,746,421         | 29,162,041         |
| Intangible assets                          | 16   | 7,701,649          | 28,756             |
| <b>Total Non-Current Assets</b>            |      | <b>37,448,070</b>  | <b>29,190,797</b>  |
| <b>Current Assets</b>                      |      |                    |                    |
| Inventories                                | 17   | 1,717,402          | 2,824,205          |
| Trade and receivable                       | 18   | 154,855,257        | 143,655,222        |
| Bank and cash balances                     | 19   | 50,776,293         | 52,991,516         |
| <b>Total Current Assets</b>                |      | <b>207,348,952</b> | <b>199,470,943</b> |
| <b>TOTAL ASSET</b>                         |      | <b>244,797,022</b> | <b>228,661,740</b> |
| <b>EQUITY AND LIABILITIES</b>              |      |                    |                    |
| <b>Capital and Reserves</b>                |      |                    |                    |
| Ordinary share capital and capital reserve | 20   | 19,542,952         | 19,542,952         |
| Retained earnings                          | 21   | 108,792,029        | 103,058,700        |
| <b>Capital and Reserves</b>                |      | <b>128,334,981</b> | <b>122,601,652</b> |
| <b>Current Liabilities</b>                 |      |                    |                    |
| Trade and other payables                   | 22   | 72,646,582         | 66,680,779         |
| Customer Deposits                          | 23   | 40,734,308         | 39,379,308         |
| Deferred Income                            | 24   | 3,081,150          | -                  |
| <b>Total Current Liabilities</b>           |      | <b>116,462,040</b> | <b>106,060,088</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>        |      | <b>244,797,022</b> | <b>228,661,740</b> |

The financial statements were approved by the Board on 27<sup>th</sup> September 2023 and signed on its behalf by:



*James M. Njoroge*

Ag Managing Director



*Emmah W Chege*

Head of Finance

ICPAK M/No: 7827



*Rev. Martin Kahura*

Chairman of the Board

**17. Statement of Changes in Equity for the Year Ended 30 June 2023**

|                                                | Notes | Ordinary<br>share<br>capital | Capital<br>reserve | Retained<br>earnings | Total              |
|------------------------------------------------|-------|------------------------------|--------------------|----------------------|--------------------|
| <b>Restated Balance<br/>As at July 1, 2022</b> |       | <b>100,040</b>               | <b>19,442,912</b>  | <b>121,662,585</b>   | <b>141,205,537</b> |
| Profit for the year                            |       | -                            | -                  | (12,870,556)         | (12,870,556)       |
| <b>As at June 30, 2023</b>                     |       | <b>100,040</b>               | <b>19,442,912</b>  | <b>108,792,029</b>   | <b>128,334,981</b> |
|                                                |       |                              |                    |                      |                    |
| <b>As at July 1, 2021</b>                      |       | <b>100,040</b>               | <b>19,442,912</b>  | <b>68,441,409</b>    | <b>87,984,361</b>  |
| Profit for the year                            |       | -                            | -                  | 34,617,290           | 34,617,290         |
| Prior Year<br>adjustment                       |       |                              |                    | 18,603,885           | 18,603,885         |
|                                                |       |                              |                    |                      |                    |
| <b>Restated Balance<br/>At June 30, 2022</b>   |       | <b>100,040</b>               | <b>19,442,912</b>  | <b>121,662,585</b>   | <b>141,205,537</b> |

**Gatundu Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

**18. Statement of Cash Flows for the Year Ended 30 June 2023**

|                                                         | Note | 2022-2023          | 2021-2022          |
|---------------------------------------------------------|------|--------------------|--------------------|
|                                                         |      | Kshs               | Kshs               |
| <b>Cash Flows From Operating Activities</b>             |      |                    |                    |
| <b>Receipts</b>                                         |      |                    |                    |
| Operating Revenue                                       |      | 126,092,203        | 129,175,325        |
| Other Income                                            |      | 987,628            | 81,600             |
| Finance Income                                          |      | 2,353,918          | 2,519,842          |
| Grants                                                  |      | 9,000,000          | 38,972,051         |
| Customer Deposits                                       |      | 1,365,000          | 1,436,000          |
| <b>Total Receipts</b>                                   |      | <b>139,798,748</b> | <b>172,184,819</b> |
| <b>Payments</b>                                         |      |                    |                    |
| Staff Costs                                             |      | (93,794,771)       | (95,098,331)       |
| Board Expenses                                          |      | (3,904,415)        | (2,369,410)        |
| General And Operation Expenses                          |      | (4,749,608)        | (39,756,504)       |
| Maintenance                                             |      | (35,681,106)       | (42,396,895)       |
| Total Payments                                          |      | (138,129,899)      | (179,621,140)      |
| <b>Net Cash From/(Used In) Operating Activities</b>     |      | <b>1,668,849</b>   | <b>(7,436,321)</b> |
| <b>Cash Flows from Investing Activities</b>             |      |                    |                    |
| Purchase Of Property, Plant And Equipment (PPE)         |      | (3,884,071.60)     | (402,516)          |
| <b>Net Cash From/(Used In) Investing Activities</b>     |      | <b>(3,884,072)</b> | <b>(402,516)</b>   |
| <b>Increase/(Decrease) In Cash And Cash Equivalents</b> |      | <b>(2,215,223)</b> | <b>(7,838,837)</b> |
| <b>Cash And Cash Equivalents At Beginning Of Year</b>   |      | <b>52,991,516</b>  | <b>60,830,353</b>  |
| <b>Cash And Cash Equivalents At End Of The Year</b>     |      | <b>50,776,293</b>  | <b>52,991,516</b>  |

**Gatundu Water and Sanitation Company Ltd**  
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**19. Statement of Comparison of Budget & Actual Amounts for the Period Ended 30 June**

|                                        | <b>Original<br/>budget</b> | <b>Adjustments</b> | <b>Final budget</b> | <b>Actual on<br/>comparable<br/>basis</b> | <b>Performan<br/>ce<br/>difference</b> | <b>% of<br/>utiliz<br/>ation</b> |
|----------------------------------------|----------------------------|--------------------|---------------------|-------------------------------------------|----------------------------------------|----------------------------------|
|                                        | <b>2022-2023</b>           | <b>2022-2023</b>   | <b>2022-2023</b>    | <b>2022-2023</b>                          |                                        |                                  |
| <b>Revenue</b>                         | <b>Kshs</b>                | <b>Kshs</b>        | <b>Kshs</b>         | <b>Kshs</b>                               | <b>Kshs</b>                            | <b>%</b>                         |
| Operating Revenue                      | 192,568,883                | -44,968,883        | 147,600,000         | 135,590,518                               | 12,009,482                             | 8                                |
| Grants                                 | -                          | 9,000,000          | 9,000,000           | 5,918,850                                 | 3,081,150                              | 34                               |
| Finance Income                         | 2,300,000                  | 400,000            | 2,700,000           | 2,353,918                                 | 346,082                                | 13                               |
| Other gains                            | 4,022,500                  | 195,000            | 4,217,500           | 3,774,411                                 | 443,089                                | 11                               |
| <b>Total Revenue</b>                   | <b>198,891,383</b>         | <b>-35,373,883</b> | <b>163,517,500</b>  | <b>147,637,697</b>                        | <b>15,879,803</b>                      | <b>10</b>                        |
| <b>Expenses</b>                        |                            |                    |                     |                                           |                                        |                                  |
| Staff Costs                            | 103,551,550                | -10,610,000        | 92,941,550          | 93,105,537                                | -163,987                               | (0.2)                            |
| Board Expenses                         | 3,170,000                  | 1,630,000          | 4,800,000           | 4,059,361                                 | 740,639                                | 15                               |
| General and<br>operations Expenses     | 48,290,755                 | 554,245            | 48,845,000          | 42,957,639                                | 5,887,361                              | 12                               |
| Maintenance                            | 22,300,000                 | -9,020,000         | 13,280,000          | 12,556,615                                | 723,385                                | 5                                |
| <b>Total Recurrent<br/>Expenditure</b> | <b>181,112,305</b>         | <b>-17,445,755</b> | <b>163,666,550</b>  | <b>157,216,173</b>                        | <b>6,450,377</b>                       | <b>4</b>                         |
| <b>Profit or Loss</b>                  | <b>17,779,078</b>          | <b>-17,928,128</b> | <b>-149,050</b>     | <b>-9,578,476</b>                         | <b>9,429,426</b>                       |                                  |
|                                        |                            |                    |                     |                                           |                                        |                                  |
| <b>Capital Expenditure</b>             | <b>16,500,000</b>          | <b>300,000</b>     | <b>16,800,000</b>   | <b>14,884,070</b>                         | <b>1,915,930</b>                       | <b>11</b>                        |
|                                        |                            |                    |                     |                                           |                                        |                                  |
| <b>Total Expenditure</b>               | <b>197,612,305</b>         | <b>-17,145,755</b> | <b>180,466,550</b>  | <b>172,100,243</b>                        | <b>8,366,307</b>                       | <b>5</b>                         |

**1. Revenue:**

- The Company had budgeted to bill Kshs. 144,000,000 for Water Services and Meter rent during 2022/2023 financial year but the company achieved the actual billing of Kshs. 131,408,218, which is 9% less of the budgeted billing. This was attributed due to the drought pandemic that affected the Country. This affected the company projected daily production by 55%. Road works in parts of Ndarugu, Gituamba and Thiririka scheme affected our billing, as 1,532 connections were not billed during the reporting period. This was a decrease of Ksh 2,030,334 from the previous year 2021/2022.
- Under miscellaneous income, the company had budgeted to achieve Kshs. 7,819,500 but the actual achievement was Kshs. 7,987,111, which resulted in over achievement by 2%. This was attributed to increase in number of illegal reconnections identified and charged fines and penalties after introduction of aggressive monitoring team to deal with non-revenue
- The company earned interest of Kshs. 2,353,918 from the co-operative bank out of the customer deposit amount of Ksh 38Million invested in a fixed deposit account.
- AWWD channelled Ksh 9Million from the project counterpart funds which was utilized in meeting the salary, operational and maintenance during the defects liability period of Karimenu II water project out of which Ksh 5,918,850 was incurred Ksh 3,081,150 was treated as deferred income .

**2. Staff Costs:**

- The company incurred a cost of Kshs. 92,379,036 against a budget of Kshs. 92,091,550 resulting to a variance of 0.2 %. There was also an introduction of new NSSF rates effected on employees starting February 2023.
- The personnel expenditure related to the payment of staff salaries for the period period June 2023.

**3. Administrative Expenses:**

- During the year the company had budgeted to spend Kshs. 16,855,000 but the actual amount incurred under administration expenses was Kshs. 17,058,849 resulting in an over utilization by 7%. Which was attributed to:
- There was more cost incurred on printing for unanticipated documentation for Senate reports
- The company migrated to fibre connection from the LTE connection which was more expensive but favourable in terms of connectivity and speed

**4. Finance Cost:**

- During the period, the company never incurred any cost in relation to borrowing, as it had not been granted any loan from any financial institutions.

**5. Operational Cost:**

- The cumulative cost of operations was Kshs 38,909,837 as compared to budgeted amount of Kshs 44,160,000. The variance was attributed to: there was no cost on maintenance of building, planning and design as had been budgeted. The cost of maintenance of plant and equipment was less since there were fewer incidences of plant breakdown.
- AWWD had channelled Ksh 9Million from the project counterpart funds which was to be utilized in meeting the salary, operational and maintenance of Karimenu II project before the licence is issued and during the defects liability period. However only Ksh 5,918,850 was utilized the balance of Ksh 3,081,850 was treated as deferred income carried forward to the next financial year.

**6. Board Expenses:**

The company had budgeted to incur a total cost of Kshs 4,800,000 but the actual amount incurred during the year was Kshs. 4,059,361 resulting in a variance of Kshs. 740,639 i.e. underutilization by 15% of the budgeted amount. This was attributed to 4<sup>th</sup> quarterly meeting which was scheduled to take place in the next financial year.

**7. Regulatory Fees/ Levies:**

- This is computed as 4% of the total billing which during the period was underutilized by 7 % as a result of decrease in actual billing as compared to the budgeted billing i.e. the company had budgeted to bill Kshs. 144Million whereas the actual billing was Kshs. 131 Million thus the result for reduction on regulatory fees.

**9. Capital Expenditure:**

- During the year the company acquired ERP system comprising of billing and CRM module, four laptops and desktops. The company also procured 34 pieces of Techno Spark 7 smartphones to enhance smart meter reading and revenue enhancement. One printer, and several consumer meters for new connection and replacements.

**20. Notes to the Financial Statements**

**1. General Information**

Gatundu Water and Sanitation Company Ltd is established by and derives its authority and accountability from Company's Act cap 486 and Water Act 2018. The Company is wholly owned by the Kiambu County Government and is domiciled in Kenya. The Company's principal activity

is to ensure and efficient effective provision of water and sanitation Services in its area of jurisdiction.

## **2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Company. The figures are rounded to the nearest Kenyan shilling.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, Water Act 2016 and the Company's Act *(include any other applicable legislation)*, and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

### 3. Application of New and Revised International Financial Reporting Standards (IFRS)

- i. *New and amended standards and interpretations in issue and effective in the year ended 30 June 2023.*

| Title                                                                                  | Description                                                                                                                                                                                                                                                                                                                                                                                                                | Effective Date                                                                                   |
|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| IFRS 17 Insurance Contracts (issued in May 2017)                                       | The new standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. | Effective for annual periods beginning on or after 1 <sup>st</sup> January 2023.                 |
| IAS (International Accounting Standards) 8- Accounting Policies, Errors, and Estimates | The amendments, applicable to annual periods beginning on or after 1st January 2023, introduce a definition of 'accounting estimates' and include other amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.                                                                                                                                              | The amendments are effective for annual reporting periods beginning on or after January 1, 2023. |
| Amendments to IAS 1 titled Disclosure of Accounting Policies (issued in February 2021) | The amendments, applicable to annual periods beginning on or after 1st January 2023, require entities to disclose their <b>material</b> accounting policy information rather than their <b>significant</b> accounting policies.                                                                                                                                                                                            | The amendments are effective for annual periods beginning on or after January 1, 2023.           |
| Amendments to IAS 12 titled                                                            | The amendments, applicable to annual periods beginning on or after 1st January 2023,                                                                                                                                                                                                                                                                                                                                       | The amendments are effective for annual                                                          |

**Gatundu Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

| <b>Title</b>                                                                                                               | <b>Description</b>                                                                                                                                                                                                                                    | <b>Effective Date</b>                          |
|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| Deferred Tax<br>Related to Assets<br>and Liabilities<br>arising from a<br>Single<br>Transaction<br>(issued in May<br>2021) | narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. | periods beginning on or after January 1, 2023. |

*(The Directors have assessed the applicable standards and amendments. Based on their assessment of impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements)*

**Application of New and Revised International Financial Reporting Standards (IFRS)**

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

| <b>Title</b>                                                                                                                         | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                | <b>Effective Date</b>                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020, amended in October 2022) | The amendments, applicable to annual periods beginning on or after 1st January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period                                                                                              | The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. |
| Amendment to IFRS 16 titled Lease Liability in a Sale and Leaseback (issued in September 2022)                                       | The amendment, applicable to annual periods beginning on or after 1st January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss.                                                                                                                                               | The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. |
| Amendments to IAS 1 titled Non-current Liabilities with Covenants (issued in October 2022)                                           | The amendments, applicable to annual periods beginning on or after 1st January 2024, improve the information an entity provides about liabilities arising from loan arrangements for which an entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. | The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. |

*(The Directors do not plan to apply any of the above until they become effective. Based on their assessment of the potential impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements).*

**iii. Early adoption of standards**

Gatundu Water did not early – adopt any new or amended standards in year under review.

Notes to the financial statements (continued)

**4. Summary of Accounting Policies**

The principle accounting policies adopted in the preparation of these financial statements are set out below:

**a) Revenue recognition**

Revenue is measured based on the consideration to which the entity expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The entity recognizes revenue when it transfers control of a product or service to a customer.

- i) Revenue from the sale of goods and services** is recognized in the year in which the Company delivers products/services to the customer, the customer has accepted the products/services and collectability of the related receivables is reasonably assured.
- ii) Grants from Government Entities** are recognized in the year in which the Company actually receives such grants. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.
- iii) Finance income** comprises interest receivable from bank deposits and investment in securities, and is recognized in profit or loss on a time proportion basis using the effective interest rate method.
- iv) Other income** is recognized as it accrues.

**Notes to the financial statements (continued)**

**Summary of Accounting Policies**

**b) In-kind contributions**

In-kind contributions are donations that are made to the Company in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment, utilities or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Company includes such value in the statement of comprehensive income both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded but disclosed.

**c) Property, plant and equipment**

All categories of property, plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses. Certain categories of property, plant and equipment are subsequently carried at re-valued amounts, being their fair value at the date of re-valuation less any subsequent accumulated depreciation and impairment losses. Where re-measurement at re-valued amounts is desired, all items in an asset category are re-valued through periodic valuations carried out by independent external valuers.

**d) Depreciation and impairment of property, plant and equipment**

Freehold land and capital work in progress are not depreciated. Capital work in progress relates mainly to the cost of ongoing but incomplete works on buildings and other civil works and installations.

Depreciation on property, plant and equipment is recognized in the income statement on a straight-line/reducing balance basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use are:

| <b>Item</b>                            | <b>Years</b> | <b>Rates</b> |
|----------------------------------------|--------------|--------------|
| Freehold Land                          |              | Nil          |
| Buildings and civil works              | 10           | 10%          |
| Infrastructure works                   | 8            | 12.5%        |
| Plant and machinery                    | 10           | 10%          |
| Motor vehicles, including motor cycles | 4            | 25%          |
| Computers and related equipment        | 3.3          | 30%          |
| Office equipment,                      | 3.3          | 30%          |
| Furniture and fittings                 | 8            | 12.5%        |
| Computer software                      | 3.3          | 30%          |

**Notes to the financial statements (continued)**

**Summary of Accounting Policies**

A full year's depreciation charge is recognized both in the year of asset purchase and none in the year of asset disposal. Items of property, plant and equipment are reviewed annually for impairment and accounted for in line with the provisions in the standard.

**e) Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

**f) Amortization and impairment of intangible assets**

Amortization is calculated on the straight-line basis over the estimated useful life of the intangible asset. Amortization is not to be charged in the month of purchase but from the following month. All intangible assets are reviewed annually for impairment. Where the carrying amount of an intangible asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognized and the asset is written down to its estimated recoverable amount.

**g) Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Notes to the financial statements (continued)

Summary of Accounting Policies

**h) Trade and other receivables**

Trade and other receivables are recognized at amortized cost less allowances for any uncollectible amounts. These are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off after all efforts at recovery have been exhausted and when the necessary approval to write off is granted.

**i) Taxation**

**i) Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Company operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the profit or loss statement. Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Notes to the financial statements (continued)**

**Summary of Accounting Policies**

**j) Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the near future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Notes to the financial statements (continued)**

**Summary of Accounting Policies**

**k) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognized in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalized borrowing costs reflect the hedged interest rate. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

**l) 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 reporting period.

**m) Borrowings**

Interest bearing loans and overdrafts are initially recorded at fair value being received, net of issue costs associated with the borrowing. Subsequently, these are measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue cost and any discount or premium on settlement. Finance charges, including premiums payable of settlement or redemption are accounted for on accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Loan interest accruing during the construction of a project is capitalized as part of the cost of the project.

**Notes to the financial statements (continued)**

**Summary of Accounting Policies**

**n) Trade and other payables**

Trade and other payables are non-interest bearing and are carried at amortized cost, which is measured at the fair value of contractual value of the consideration to be paid in future in respect of goods and services supplied, whether billed to the entity or not, less any payments made to the suppliers.

**o) Retirement benefit obligations**

The Company operates a defined contribution scheme for all full-time employees from July 1, 2015. The scheme is administered by an in-house team and is funded by contributions from both the company and its employees. The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 1,080 per employee per month since February 2023.

**p) Provision for staff leave pay**

Employees' entitlements to annual leave are recognized as they accrue. A provision is made for the estimated liability for annual leave at the reporting date.

**q) Budget information**

The original budget for FY 2022-2023 was approved by the Board of Directors on 10<sup>th</sup> June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Company recorded additional appropriations of Ksh 8,515,128 on the 2022-2023 budget following the governing body's approval. The Company's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of profit or loss, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of

**Notes to the financial statements (continued)**

**Summary of Accounting Policies**

comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

**r) Comparative figures**

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

**s) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

**5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the Company's financial statements in conformity with IFRS 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.

**a) Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company 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 Company. Such changes are reflected in the assumptions when they occur.

**b) Useful lives and residual values**

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value for disposal:

- The condition of the asset based on the assessment of experts employed by the Company.

**Notes to the financial statements (continued)**

**Summary of Accounting Policies**

- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the assets.

**c) Provisions**

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Provisions shall be made for bad and doubtful debts at a rate of 10% on doubtful debts.

The bad debts should only be written off on the authority of the County Treasury in consultation with the National Treasury through the Board of Directors. Recommendation to write off any bad debt shall only be made only after all reasonable steps have been taken to recover the debt and the GATWASCO is satisfied that:

- a. All legal and other measures have been exhausted, but there is still a balance of the debt remaining; and
- b. Recovery of the debt would be uneconomical.

Notes to the financial statements (continues)

6. Operating Revenue

|                             | 2022-2023          | 2021-2022          |
|-----------------------------|--------------------|--------------------|
|                             | Kshs               | Kshs               |
| Water sales                 | 131,408,018        | 137,620,852        |
| Billing for other services* | 4,182,500          |                    |
| <b>Total</b>                | <b>135,590,518</b> | <b>137,620,852</b> |

Billing for other services refers to income generated from reconnection fees

7. Grants Income

|                                                  | 2022-2023        | 2021-2022         |
|--------------------------------------------------|------------------|-------------------|
|                                                  | Kshs             | Kshs              |
| Recurrent/operational grants from other agencies | 5,918,850        | 35,564,651        |
| Capital grants                                   | -                | 3,407,400         |
| <b>Total</b>                                     | <b>5,918,850</b> | <b>38,972,051</b> |

8. Other Income

|                      | 2022-2023        | 2021-2022        |
|----------------------|------------------|------------------|
|                      | Kshs             | Kshs             |
| Fine and penalties   | 2,290,000        | 1,480,146        |
| Miscellaneous income | 1,484,411        | 956,767          |
| <b>Total</b>         | <b>3,774,411</b> | <b>2,436,913</b> |

9. Finance Income

|                                | 2022-2023        | 2021-2022        |
|--------------------------------|------------------|------------------|
| Description                    | Kshs             | Kshs             |
| Interest from commercial banks | 2,353,917.80     | 2,519,842        |
| <b>Total</b>                   | <b>2,353,918</b> | <b>2,519,842</b> |

*This is amount earned as a result of fixing customer deposit amount of Ksh 38Million earning an interest rate of 8.7 % p.a.*

**10. Staff Costs**

| Description                                         | 2022-2023         | 2021-2022         |
|-----------------------------------------------------|-------------------|-------------------|
|                                                     | Kshs              | Kshs              |
| Gross Salary and Allowances                         | 84,398,577        | 83,591,017        |
| Casual workers' Wages                               | -                 | 936,700           |
| Employer's contributions to social security schemes | 961,248           | 334,000           |
| Employer's contributions to pension scheme          | 6,136,108         | 6,576,861         |
| Gratuity provisions                                 | 883,104           | 883,104           |
| Staff welfare                                       | 726,500           | 773,050           |
| <b>Total</b>                                        | <b>93,105,537</b> | <b>93,094,732</b> |

**11. General and Operations Expenses**

| Description                        | 2022-2023  | 2021-2022 |
|------------------------------------|------------|-----------|
|                                    | Kshs       | Kshs      |
| Chemicals                          | 9,604,988  | 8,164,828 |
| Electricity                        | 1,083,276  | 810,593   |
| Fuel, oil, lubricants, and gases   | 4,493,663  | 3,139,413 |
| Office supplies                    | 390,735    | 890,853   |
| Uniform and protective clothing    | 190,610    | 1,003,400 |
| Telecommunication                  | 801,684    | 646,070   |
| Postage and courier                | 19,550     | 18,900    |
| Water Quality                      | 272,000    |           |
| Insurance                          | 629,540    | 283,970   |
| Claims and compensation            | 89,822     | 466,462   |
| Domestic Traveling and subsistence | 2,403,505  | 2,698,860 |
| Foreign travel and accommodation   | -          | 339,633   |
| Staff training and development     | 1,097,650  | 603,735   |
| Bank Charges                       | 338,666    | 623,476   |
| Security services                  | 1,931,066  | 1,749,000 |
| Publicity and advertising          | 214,968    | 175,733   |
| Audit fees                         | 232,000    | 1,038,311 |
| Legal fees                         | 145,000    | -         |
| Licensing and levies               | 12,310,406 | 8,363,528 |
| Stakeholders' expenses             |            | 205,351   |
| Donations/CSR                      | 63,440     | 101,240   |
| Hospitality Expenses               | 476,221    |           |
| Conservation expenses              | 250,000    | 369,464   |

|                              | 2022-2023         | 2021-2022         |
|------------------------------|-------------------|-------------------|
| Description                  | Kshs              | Kshs              |
| Provision for doubtful debts | 1,228,702         | 789,122           |
| Project Cost Karimenu II     | 5,918,850         |                   |
| <b>Total</b>                 | <b>44,186,341</b> | <b>32,481,942</b> |

## 12. Board Expenses

|                             | 2022-2023        | 2021-2022        |
|-----------------------------|------------------|------------------|
| Description                 | Kshs             | Kshs             |
| Chairman Honoraria          | 180,000          | 60,000           |
| Sitting allowances          | 3,077,146        | 3,044,853        |
| Induction and Training      | 175,600          | 30,800           |
| Travel and accommodation    | 590,100          | 147,200          |
| Other allowances            | 36,515           |                  |
| <b>Total Board Expenses</b> | <b>4,059,361</b> | <b>3,282,853</b> |

## 13. Maintenance Expenses

|                                   | 2022-2023         | 2021-2022         |
|-----------------------------------|-------------------|-------------------|
| Description                       | Kshs              | Kshs              |
| Plant and Equipment               | 139,970           | 218,940           |
| Buildings                         | 601,645           | 316,679           |
| Infrastructural networks          | 8,292,442         | 11,400,827        |
| Motor vehicles                    | 560,222           | 872,723           |
| Software                          | 1,415,153         | 756,070           |
| ICT                               | 1,547,183         | 1,449,059         |
| <b>Total Maintenance Expenses</b> | <b>12,556,615</b> | <b>15,014,299</b> |

## 14. Depreciation and Amortization Expenses

|                                            | 2022-2023        | 2021-2022        |
|--------------------------------------------|------------------|------------------|
| Description                                | KShs             | KShs             |
| Property, plant, and equipment             | 3,299,692        | 3,046,219        |
| Intangible assets                          | 3,300,707        | 12,324           |
| <b>Total Depreciation and Amortization</b> | <b>6,600,399</b> | <b>3,058,543</b> |

Notes to the financial statements (continued)

15. Property, Plant and Equipment

| 2022-2023                        | Land and Building | Water Infrastructure | Motor Cycles | Computers Equipment | Office equipment | furniture & fittings | Water meters | Total      |
|----------------------------------|-------------------|----------------------|--------------|---------------------|------------------|----------------------|--------------|------------|
| <b>COST OR VALUATION</b>         |                   |                      |              |                     |                  |                      |              |            |
| As at 1 July 2022                | 9,796,058         | 7,730,057            | 1,493,542    | 1,535,500           | 3,779,009        | 1,244,570            | 29,401,842   | 54,980,578 |
| Additions                        | -                 | -                    | -            | 477,001             | 790,161          | -                    | 2,616,910    | 3,884,072  |
| As at 30 <sup>th</sup> June 2023 | 9,796,058         | 7,730,057            | 1,493,542    | 2,012,501           | 4,569,170        | 1,244,570            | 32,018,751   | 58,864,649 |
| <b>DEPRECIATION</b>              |                   |                      |              |                     |                  |                      |              |            |
| At July 1, 2022                  | -                 | 4,356,574            | 1,445,961    | 1,163,191           | 3,204,265        | 960,611              | 14,687,935   | 25,818,537 |
| Charge for the year              | -                 | 421,685              | 11,895       | 254,793             | 409,471          | 35,495               | 2,166,352    | 3,299,691  |
| As at 30 <sup>th</sup> June 2023 | -                 | 4,778,259            | 1,457,857    | 1,417,984           | 3,613,737        | 996,105              | 16,854,287   | 29,118,229 |
| <b>NET BOOK VALUE</b>            |                   |                      |              |                     |                  |                      |              |            |
| At June 30, 2023                 | 9,796,058         | 2,951,798            | 35,685       | 594,517             | 955,433          | 248,465              | 15,164,464   | 29,746,420 |

Property, Plant and Equipment (Continued)

| 2021-2022                  | Land and buildings | Water Infrastructure | Motor Cycles     | Computers Equipment | Office Equipment, | Furniture & Fittings | Water Meters      | Total             |
|----------------------------|--------------------|----------------------|------------------|---------------------|-------------------|----------------------|-------------------|-------------------|
| <b>Cost Or Valuation</b>   |                    |                      |                  |                     |                   |                      |                   |                   |
| At July 1, 2021            | 9,796,058          | 6,414,407            | 1,493,542        | 1,217,500           | 3,345,233         | 1,244,570            | 26,834,312        | 50,345,622        |
| Additions                  | -                  | 1,315,650            | -                | 318,000             | 433,776           |                      | 2,567,529         | 4,634,955         |
| <b>At June 30, 2021</b>    | <b>9,796,058</b>   | <b>7,730,057</b>     | <b>1,493,542</b> | <b>1,535,500</b>    | <b>3,779,009</b>  | <b>1,244,570</b>     | <b>29,401,841</b> | <b>54,980,578</b> |
| <b>Depreciation</b>        |                    |                      |                  |                     |                   |                      |                   | -                 |
| At July 1, 2021            | -                  | 3,874,648            | 1,430,101        | 1,003,629           | 2,957,947         | 920,045              | 12,585,948        | 22,772,318        |
| Charge For The Year        | -                  | 481,926              | 15,860           | 159,561             | 246,319           | 40,566               | 2,101,987         | 3,046,219         |
| <b>At June 30, 2022</b>    | <b>-</b>           | <b>4,356,574</b>     | <b>1,445,961</b> | <b>1,163,190</b>    | <b>3,204,265</b>  | <b>960,611</b>       | <b>14,687,935</b> | <b>25,818,536</b> |
| <b>NET BOOK VALUE</b>      |                    |                      |                  |                     |                   |                      |                   |                   |
| <b>As At June 30, 2022</b> | <b>9,796,058</b>   | <b>3,373,483</b>     | <b>47,581</b>    | <b>372,310</b>      | <b>574,744</b>    | <b>283,959</b>       | <b>14,713,906</b> | <b>29,162,041</b> |

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**Notes to the financial statements (continued)**

In addition to asset under assets movement schedule, below is additional disclosure of assets whose ownership does not belong to the company whose process of having the ownership transferred to Gatundu water & Sanitation Company Ltd is ongoing.

| STATION NAME              | LOCATION CLASS       | ASSET TYPE | ASSET NAME                                                                                                                         | ASSET DESCRIPTION                                                                                                                | 2013 VALUATION DATE | REPLACEMENT COST (KES) | USEFUL LIFE (YEAR S) | (YEAR S) | NET CURRENT VALUE(KES) |
|---------------------------|----------------------|------------|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------|----------------------|----------|------------------------|
| GAKOE-KAHATA              | PRIVATE LAND         | RESERVOIR  | GAKOE-KAHATA TANK                                                                                                                  | 150M² MASONRY WATER TANK 1.0M SQUARE WATER TANK                                                                                  |                     | 1,125,000              | 30                   | 15       | 251,558                |
| GAKOE NEW TREATMENT WORKS | WATER TREATMENT SITE | RESERVOIR  | BACK WASHING TANK                                                                                                                  | 108M² ELEVATED STEEL BACKWASH TANK, 8M HIGH STEEL TOWER.                                                                         | 1,260,000           | 5,320,000              | 30                   | 24       | 566,799                |
| GAKOE NEW TREATMENT WORKS | WATER TREATMENT SITE | RESERVOIR  | CIRCULAR UNDERGROUND CLEAR WATER TANK 3M BY 2M BY 3M MASONRY DISTRIBUTION VALVE CHAMBER WITHOUT COVER. MASONRY CLEAR WATER MASONRY | 215m³ UNDERGROUND CLEAR WATER TANK. 3M BY 2M BY 3M MASONRY DISTRIBUTION VALVE CHAMBER WITHOUT COVER. MASONRY CLEAR WATER MASONRY | 750,000             | 1,612,500              | 30                   | 24       | 337,380                |

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| STATION NAME              | LOCATION CLASS       | ASSET TYPE | ASSET NAME                | ASSET DESCRIPTION                                                                                       | 2013 VALUATION DATE | REPLACEMENT COST (KES) | USEFUL LIFE (YEARS) | (YEARS) | NET CURRENT VALUE(KES) |
|---------------------------|----------------------|------------|---------------------------|---------------------------------------------------------------------------------------------------------|---------------------|------------------------|---------------------|---------|------------------------|
|                           |                      |            |                           | VALVE CHAMBER                                                                                           |                     |                        |                     |         |                        |
| GAKOE OLD TREATMENT WORKS | WATER TREATMENT SITE | RESERVOIR  | CIRCULAR CLEAR WATER TANK | 150m³ CIRCULAR CLEAR WATER TANK. 1.5m BY 1.0M VALVE CHAMBER. MASONRY CLEAR WATER. MASONRY VALVE CHAMBER |                     | 1,125,000              | 30                  | 0       | 56,250                 |
| GAKUI                     | PRIVATE LAND         | RESERVOIR  | GAKUI WATER TANK          | 100M² MASONRY WATER TANK 1.0M SQUARE MASONRY VALVE CHAMBER WITHOUT COVER                                |                     | 750,000                | 30                  | 15      | 167,705                |
| GATUNDU DC'S OFFICE       | PUBLIC OFFICE        | RESERVOIR  | GATUNDU WATER TANK        | 150m³ MASONRY WATER TANK. 1.0M BY 0.9M MASONRY VALVE CHAMBER                                            |                     | 1,125,000              | 30                  | 15      | 251,558                |

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| STATION NAME               | LOCATION CLASS       | ASSET TYPE | ASSET NAME                   | ASSET DESCRIPTION                                            | 2013 VALUATION DATE | REPLACEMENT COST (KES) | USEFUL LIFE (YEARS) | (YEARS) | NET CURRENT VALUE(KES) |
|----------------------------|----------------------|------------|------------------------------|--------------------------------------------------------------|---------------------|------------------------|---------------------|---------|------------------------|
| GATUNGURU BOYS HIGH SCHOOL | PUBLIC INSTITUTION   | RESERVOIR  | GATUNGURU WATER TANK         | 70M3 MASONRY WATER TANK. 1.0m BY 0.9m MASONRY VALVE CHAMBER  |                     | 525,000                | 30                  | 15      | 117,394                |
| GIKURE                     | PRIVATE LAND         | RESERVOIR  | GIKURE WATER TANK            | 70M3 MASONRY WATER TANK. 0.9m SQUARE STEEL VALVE CHAMBER     |                     | 525,000                | 30                  | 15      | 117,394                |
| GITUAMBA-KAHENDINI         | TANK SITE            | RESERVOIR  | GITUAMBA A-KAHENDI MENI TANK | 150m3 MASONRY WATER TANK. 1.0M BY 0.9M MASONRY VALVE CHAMBER |                     | 1,125,000              | 30                  | 24      | 617,940                |
| ICHAWERI                   | PRIVATE LAND         | RESERVOIR  | ICHAWERI WATER TANK          | 100M³ MASONRY WATER TANK .                                   |                     | 750,000                | 30                  | 15      | 167,705                |
| IKUMA                      | PRIVATE LAND         | RESERVOIR  | IKUMA WATER TANK             | 150M³ MASONRY WATER TANK .                                   |                     | 1,125,000              | 30                  | 15      | 251,558                |
| KAIRI WATER TREATMENT      | WATER TREATMENT SITE | RESERVOIR  | BACK WASHING TANK            | 48M³ ELEVATED BACKWASH TANK                                  | 825,000             | 2,720,000              | 30                  | 24      | 371,119                |

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| STATION NAME           | LOCATION CLASS       | ASSET TYPE | ASSET NAME                                 | ASSET DESCRIPTION                                                                                            | 2013 VALUATION DATE | REPLACEMENT COST (KES) | USEFUL LIFE (YEAR S) | (YEAR S) | NET CURRENT VALUE(KES) |
|------------------------|----------------------|------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------|---------------------|------------------------|----------------------|----------|------------------------|
| KAIRI WATER TREATMENT  | WATER TREATMENT SITE | RESERVOIR  | CIRCULAR UNDERGROUND TANK CLEAR WATER TANK | 150m <sup>3</sup> MASONRY UNDERGROUND WATER STORAGE TANK                                                     | 1,025,000           | 1,125,000              | 30                   | 24       | 461,087                |
| KAMWANGI               | PRIVATE LAND         | RESERVOIR  | KAMWANGI WATER TANK                        | 150m <sup>3</sup> MASONRY WATER TANK, 3NO. 1.0m BY 1.0m BY 1.0m DEEP MASONRY VALVE CHAMBER                   |                     | 1,125,000              | 30                   | 15       | 251,558                |
| KANJERIA-NGORONGO      | PRIVATE LAND         | RESERVOIR  | KANJERIA - NGORONGO WATER TANK             | 70m <sup>3</sup> MASONRY WATER TANK                                                                          |                     | 525,000                | 30                   | 15       | 170,716                |
| KARURE WATER TREATMENT | WATER TREATMENT SITE | RESERVOIR  | BACK WASHING TANK                          | 20,000 LITRES ELEVATED LASTIC BACKWASH TANK BY 10m HIGH 0.3 SQUARE RC COLUMNS PLASTIC BACKWASH ELEVATED TANK |                     | 370,000                | 10                   | 10       | 370,000                |

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| STATION NAME                           | LOCATION CLASS       | ASSET TYPE | ASSET NAME                 | ASSET DESCRIPTION                                                                                                     | 2013 VALUATION DATE | REPLACEMENT COST (KES) | USEFUL LIFE (YEARS) | (YEARS) | NET CURRENT VALUE(KES) |
|----------------------------------------|----------------------|------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------|------------------------|---------------------|---------|------------------------|
| KARURE WATER TREATMENT                 | WATER TREATMENT SITE | RESERVOIR  | CLEAR WATER TANK           | 80m3 MASONRY CLEAR WATER TANK                                                                                         |                     | 600,000                | 30                  | 30      | 600,000                |
| MUIRI                                  | PRIVATE LAND         | RESERVOIR  | MUIRI WATER TANK           | 115m3 MASONRY WATER TANK. 1.0M SQUARE BY 1.0M DEEP MASONRY VALVE CHAMBER.                                             |                     | 862,500                | 30                  | 24      | 550,306                |
| NGETHU                                 | PRIVATE LAND         | RESERVOIR  | NG'ETHU WATER TANK         | 80m3 MASONRY WATER TANK 0.9m SQUARE MASONRY VALVE CHAMBER                                                             |                     | 600,000                | 30                  | 24      | 382,822                |
| NGUNA VILLAGE CEMETERY                 | PUBLIC LAND          | RESERVOIR  | NGUNA GALVANIZED IRON TANK | 60m3 MASONRY WATER TANK                                                                                               |                     | 450,000                | 30                  | 15      | 146,328                |
| NYAMANG'A RA CHIEFS OFFICE/POLICE POST | PUBLIC OFFICE        | RESERVOIR  | BACKWASH TANK              | 10,000 LITRES ELEVATED TANK 0.3m SQUARE COLUMNS, 9.0 HIGH TO ELEVATED TANK TOWER. PLASTIC ELEVATED TANK RC TANK TOWER |                     | 265,000                | 10                  | 8       | 145,559                |

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| STATION NAME                    | LOCATION CLASS       | ASSET TYPE | ASSET NAME                                | ASSET DESCRIPTION                                                               | 2013 VALUATION DATE | REPLACEMENT COST (KES) | USEFUL LIFE (YEAR S) | (YEAR S) | NET CURRENT VALUE(KES) |
|---------------------------------|----------------------|------------|-------------------------------------------|---------------------------------------------------------------------------------|---------------------|------------------------|----------------------|----------|------------------------|
| NYAMATHU MBI                    | PRIVATE LAND         | RESERVOIR  | NYAMAT HUMBI WATER TANK                   | 125m3 MASONRY WATER TANK                                                        |                     | 937,500                | 30                   | 15       | 304,849                |
| SOUTH KANYONI                   | PRIVATE LAND         | RESERVOIR  | SOUTH KANYONI WATER TANK                  | 115m3 MASONRY WATER TANK. 4NO. 1.0m BY 1.0m BY 1.0m DEEP MASONRY VALVE CHAMBERS |                     | 862,500                | 30                   | 15       | 192,861                |
| WANDUI PRIMARY SCHOOL           | PUBLIC INSTITUTION   | RESERVOIR  | WANDUI PRIMARY SCHOOL WATER TANK          | 150m3 MASONRY WATER TANK.                                                       |                     | 1,125,000              | 30                   | 24       | 617,940                |
| GAKOE NEW WATER TREATMENT WORKS | WATER TREATMENT SITE | RESERVOIR  | GAKOE NEW WATER TREATMENT WORKS MAIN GATE | 4.0m BY 2.5M MAIN GATE GRILLING                                                 |                     | 30,000                 | 40                   | 32       | 16,478                 |
| GAKOE NEW WATER TREATMENT WORKS | WATER TREATMENT SITE | SITeworks  | GAKOE NEW WATER TREATMENT                 | 1.5m BY 2.5m PEDESTRIAN GATE (GRILLING)                                         |                     | 11,250                 | 40                   | 32       | 6,179                  |

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| STATION NAME                    | LOCATION CLASS       | ASSET TYPE | ASSET NAME                                              | ASSET DESCRIPTION                                                                                                                                            | 2013 VALUATION DATE | REPLACEMENT COST RC (KES) | USEFUL LIFE (YEARS) | (YEARS) | NET CURRENT VALUE(KES) |
|---------------------------------|----------------------|------------|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------|---------------------|---------|------------------------|
|                                 |                      |            | WORKS<br>PEDESTRIAN GATE                                |                                                                                                                                                              |                     |                           |                     |         |                        |
| GAKOE NEW WATER TREATMENT WORKS | WATER TREATMENT SITE | SITWORKS   | GAKOE NEW WATER TREATMENT WORKS PERIMETER FENCE         | 315m BY 2.5m HIGH CHAIN LINK FENCE WITH PRECAST CONCRETE POST. CONCRETE POST. CHAINLINK.                                                                     |                     | 1,023,750                 | 150                 | 12      | 562,326                |
| GAKOE NEW WATER TREATMENT WORKS | WATER TREATMENT SITE | SITWORKS   | GAKOE NEW WATER TREATMENT WORKS ACCESS ROAD AND PARKING | MURRAM ACCESS ROAD AND PARKING. 30m LONG 150mm KERB STONES INSIDE THE TREATMENT WORKS SITE ONLY MURRAM ACCESS ROAD AND PARKING. PRECAST CONCRETE KERB STONES |                     | 2,668,500                 | 5                   | 0.5     | 180,028                |

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| STATION NAME                                | LOCATION CLASS       | ASSET TYPE | ASSET NAME                                                    | ASSET DESCRIPTION                                      | 2013 VALUATION DATE | REPLACEMENT COST (KES) | USEFUL LIFE (YEARS) | (YEARS) | NET CURRENT VALUE (KES) |
|---------------------------------------------|----------------------|------------|---------------------------------------------------------------|--------------------------------------------------------|---------------------|------------------------|---------------------|---------|-------------------------|
| GAKOE OLD WATER TREATMENT WORKS (ABANDONED) | WATER TREATMENT SITE | SITeworks  | GAKOE OLD WATER TREATMENT WORKS MAIN GATE GRILLING STEEL GATE | 4.0 m BY 2.5m MAIN GATE STEEL GATE (GRILLING)          |                     | 30,000                 | 40                  | 20      | 6,708                   |
| KAIRI WATER TREATMENT WORKS                 | WATER TREATMENT SITE | SITeworks  | KAIRI WATER TREATMENT WORKS MAIN GATE                         | 4.0m BY 2.0M MAIN GATE GRILLING. STEEL GATE (GRILLING) | 115,000             | 24,000                 | 40                  | 32      | 13,183                  |
| KAIRI WATER TREATMENT WORKS                 | WATER TREATMENT SITE | SITeworks  | KAIRI WATER TREATMENT WORKS PERIMETER FENCE                   | 245m BY 2.5m CHAIN LINK OVERGROWN WITH LIVE HEDGE.     |                     | 796,250                | 15                  | 12      | 437,364                 |
| KAIRI WATER TREATMENT WORKS                 | WATER TREATMENT SITE | SITeworks  | KAIRI WATER TREATMENT                                         | MURRAM ACCESS ROAD AND PARKING. 150mm KERB             |                     | 459,000                | 5                   | 4       | 252,120                 |

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| STATION NAME                 | LOCATION CLASS       | ASSET TYPE | ASSET NAME                                   | ASSET DESCRIPTION                                                                         | 2013 VALUATION DATE | REPLACEMENT COST RC (KES) | USEFUL LIFE (YEARS) | (YEARS) | NET CURRENT VALUE(KES) |
|------------------------------|----------------------|------------|----------------------------------------------|-------------------------------------------------------------------------------------------|---------------------|---------------------------|---------------------|---------|------------------------|
|                              |                      |            | WORKS ACCESS ROAD & PARKING                  | STONES MURRAM ACCESS ROAD AND PARKING. PRECAST CONCRETE KERB STONES                       |                     |                           |                     |         |                        |
| KARURE WATER TREATMENT WORKS | WATER TREATMENT SITE | SITWORKS   | KARURE WATER TREATMENT WORKS MAIN GATE       | 4.0m BY 2.0m MAIN GATE STEEL GATE (GRILLING)                                              |                     | 24,000                    | 40                  | 40      | 24,000                 |
| KARURE WATER TREATMENT WORKS | WATER TREATMENT SITE | SITWORKS   | KARURE WATER TREATMENT WORKS PERIMETER FENCE | 340m by 2.5m HIGH CHAIN LINK FENCE WITH PRECAST CONCRETE POSTS CONCRETE POSTS. CHAIN LINK |                     | 1,105,000                 | 15                  | 15      | 1,105,000              |
| KARURE WATER TREATMENT WORKS | WATER TREATMENT SITE | SITWORKS   | KARURE WATER TREATMENT WORKS ACCESS          | CABRO ACCESS ROAD AND PARKING. 150MM KERB STONES. CABRO ACCESS ROAD AND                   |                     | 1,845,000                 | 30                  | 30      | 1,845,000              |

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| STATION NAME                              | LOCATION CLASS    | ASSET TYPE   | ASSET NAME             | ASSET DESCRIPTION                                                                                                                                                                     | 2013 VALUATION DATE | REPLACEMENT COST (KES) | USEFUL LIFE (YEAR S) | (YEAR S) | NET CURRENT VALUE(KES) |
|-------------------------------------------|-------------------|--------------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------|----------------------|----------|------------------------|
| KAMAE FOREST OFF THIKA-MANGU FLYOVER ROAD | WATER INTAKE SITE | WATER INTAKE | GAKOE NEW INTAKE WORKS | 100mm by 50mm COURSE & FINE SCREENS. 2NO DN 250 INTAKE PIPES<br>1No DN 250 WASHOUT PIPE<br>STEEL SCREENS PLASTIC AND STEEL INTAKE PIPES<br>STEEL WASHOUT PIPES.                       | 1,250,000           |                        | 40                   | 32       | 686,600                |
| GAKOE OLD INTAKE WORKS ALONG MAU MAU ROAD | WATER INTAKE SITE | WATER INTAKE | GAKOE OLD INTAKE WORKS | 3.0m BY 3.0m BY 2.0m DEEP INTAKE CHAMBERS WITH TWO VALVES<br>18m long & 0.6m wide pipe channel.<br>Intake not in use due to the head problem.<br>Concrete intake chamber and channel. | 450,000             |                        | 40                   | 20       | 247,176                |

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| STATION NAME                    | LOCATION CLASS       | ASSET TYPE           | ASSET NAME                                  | ASSET DESCRIPTION                                                                                                                                                                                              | 2013 VALUATION DATE | REPLACEMENT COST (KES) | USEFUL LIFE (YEARS) | (YEARS) | NET CURRENT VALUE(KES) |
|---------------------------------|----------------------|----------------------|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------|---------------------|---------|------------------------|
| KAIRI-KARURE WATER INTAKE       | WATER INTAKE SITE    | WATER INTAKE         | KAIRI-KARURE WATER INTAKE                   | 3m by 3m by 1.2m CHAMBER PARTITIONED TO HOLD SCREEN & VALVE CHAMBER WITH THE FOLLOWING SCREEN TYPES; 100mm & 50mm COURSE SCREENS & 15mm FINE SCREENS. STEEL SCREENS. CONCRETE INTAKE CHAMBERS & VALVE CHAMBERS | 1,250,000           |                        | 40                  | 32      | 686,600                |
| GAKOE NEW WATER TREATMENT WORKS | WATER TREATMENT SITE | WATER TREATMENT UNIT | GAKOE NEW WATER TREATMENT WORKS INLET WORKS | SLUICE VALVE 1.1m SQUARE BY 1.2m DEEP 1.4m BY 0.9m BY 1.0 FLUME CHANNEL 3m BY 2m BY 3m MASONRY DISTRIBUTION VALVE CHAMBER                                                                                      | 5,925,000           |                        | 40                  | 32      | 3,254,486              |

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| STATION NAME                    | LOCATION CLASS                   | ASSET TYPE           | ASSET NAME                                     | ASSET DESCRIPTION                                                          | 2013 VALUATION DATE | REPLACEMENT COST RC (KES) | USEFUL LIFE (YEARS) | (YEARS) | NET CURRENT VALUE(KES) |
|---------------------------------|----------------------------------|----------------------|------------------------------------------------|----------------------------------------------------------------------------|---------------------|---------------------------|---------------------|---------|------------------------|
|                                 |                                  |                      |                                                | WITHOUT COVER. MASONRY SLUCE & DISTRIBUTION VALVE CHAMBER RC FLUME CHANNEL |                     |                           |                     |         |                        |
| GAKOE NEW WATER TREATMENT WORKS | GAKOE NEW WATER TREATMENT TWORKS | WATER TREATMENT UNIT | GAKOE NEW WATER TREATMENT WORKS INLET WORKS    | REINFORCED CONCRETE MIXING CHAMBER                                         | 558,000             |                           | 40                  | 32      | 306,498                |
| GAKOE NEW WATER TREATMENT WORKS | WATER TREATMENT T SITE           | WATER TREATMENT UNIT | GAKOE NEW WATER TREATMENT WORKS DOSING CHAMBER | MASONRY SOLUTION TANK                                                      | 360,000             |                           | 40                  | 32      | 197,741                |
| GAKOE NEW WATER TREATMENT WORKS | WATER TREATMENT T SITE           | WATER TREATMENT UNIT | GAKOE NEW WATER TREATMENT                      | CONCRETE SOLUTION TANK                                                     | 720,000             |                           | 40                  | 32      | 395,482                |

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| STATION NAME                    | LOCATION CLASS       | ASSET TYPE           | ASSET NAME                                          | ASSET DESCRIPTION                                                                                                        | 2013 VALUATION DATE | REPLACEMENT COST RC (KES) | USEFUL LIFE (YEARS) | (YEARS) | NET CURRENT VALUE(KES) |
|---------------------------------|----------------------|----------------------|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------|---------------------|---------|------------------------|
|                                 |                      |                      | WORKS DOSING CHAMBER                                |                                                                                                                          |                     |                           |                     |         |                        |
| GAKOE NEW WATER TREATMENT WORKS | WATER TREATMENT SITE | WATER TREATMENT UNIT | GAKOE NEW WATER TREATMENT WORKS FLOCCULATION BASINS | 2NO 17m BY 7m BY 1.2m FLOCCULATION BASINS WITH GUARD RAILS AND WALKWAYS STEEL GUARD RAILS.                               | 67,575,000          |                           | 40                  | 32      | 37,117,614             |
| GAKOE NEW WATER TREATMENT WORKS | WATER TREATMENT SITE | WATER TREATMENT UNIT | GAKOE NEW WATER TREATMENT WORKS SEDIMENTATION TANKS | 4 No. 20m BY 5.0m BY 3.0m SEDIMENTATION BASINS RC SEDIMENTATION BASINS                                                   | 82,625,000          |                           | 40                  | 32      | 45,384,282             |
| GAKOE NEW WATER TREATMENT WORKS | WATER TREATMENT SITE | WATER TREATMENT UNIT | GAKOE NEW WATER TREATMENT WORKS SAND FILTERS        | 4 NO. 5m by 4m by 1.5m FILTRATION CHAMBER WITH 4No. Backwashing valves. Walkway with guard rails. Rc filtration chambers | 14,025,000          |                           | 40                  | 32      | 7,703,656              |

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| STATION NAME                    | LOCATION CLASS       | ASSET TYPE           | ASSET NAME                                                                                                                              | ASSET DESCRIPTION                                                                                                               | 2013 VALUATION DATE | REPLACEMENT COST RC (KES) | USEFUL LIFE (YEARS) | (YEARS) | NET CURRENT VALUE (KES) |
|---------------------------------|----------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------|---------------------|---------|-------------------------|
|                                 |                      |                      |                                                                                                                                         | Rc walkway with steel guard rails                                                                                               |                     |                           |                     |         |                         |
| GAKOE NEW WATER TREATMENT WORKS | WATER TREATMENT SITE | WATER TREATMENT UNIT | GAKOE NEW WATER TREATMENT WORKS LAGOON                                                                                                  | 8.0m BY 5.0m LAGOON EXCAVATED LAGOON                                                                                            |                     | 60,000                    | 40                  | 32      | 32,957                  |
| GAKOE NEW WATER TREATMENT WORKS | WATER TREATMENT SITE | WATER TREATMENT UNIT | GAKOE NEW WATER TREATMENT WORKS RETAINING WALL 0.2M TOP MEASUREMENT BY 0.3M DEEP STORM WATER DRAIN. GABIONS. MASONRY STORM WATER DRAIN. | 20M BY 4.0M HIGH GABION RETAINING WALL 0.2M TOP MEASUREMENT BY 0.3M DEEP STORM WATER DRAIN. GABIONS. MASONRY STORM WATER DRAIN. |                     | 200,000                   | 40                  | 32      | 109,856                 |

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| STATION NAME                | LOCATION CLASS         | ASSET TYPE             | ASSET NAME                                      | ASSET DESCRIPTION                                                                                                              | 2013 VALUATION DATE | REPLACEMENT COST RC (KES) | USEFUL LIFE (YEARS) | (YEARS) | NET CURRENT VALUE(KES) |
|-----------------------------|------------------------|------------------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------|---------------------|---------|------------------------|
| KAIRI WATER TREATMENT WORKS | WATER TREATMENT T SITE | WATER TREATMENT T UNIT | KAIRI WATER TREATMENT WORKS INLET WORKS         | 1.0M BY 1.0M BY 1.0M DEEP INLET VALVE CHAMBER.                                                                                 |                     | 250,000                   | 40                  | 32      | 137,320                |
|                             |                        |                        |                                                 | 6.0M BY 1.0M V-NOTCH CHAMBER MASONRY VALVE CHAMBER RC V-NOTCH                                                                  |                     |                           |                     |         |                        |
| KAIRI WATER TREATMENT WORKS | WATER TREATMENT T SITE | WATER TREATMENT T UNIT | KAIRI WATER TREATMENT WORKS FLOCCULATION BASINS | 2 No. 8.0m BY 4.0m BY 1.5m FLOCCULATION BASINS WITH WALKWAYS & GUARD RAILS RC FLOCCULATION BASINS & WALKWAYS STEEL GUARD RAILS | 8,208,000           |                           | 40                  | 32      | 4,508,492              |

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| STATION NAME                | LOCATION CLASS       | ASSET TYPE           | ASSET NAME                                      | ASSET DESCRIPTION                                                                                                                                                                                                                                                                       | 2013 VALUATION DATE | REPLACEMENT COST (KES) | USEFUL LIFE (YEAR S) | (YEAR S) | NET CURRENT VALUE (KES) |
|-----------------------------|----------------------|----------------------|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------|----------------------|----------|-------------------------|
| KAIRI WATER TREATMENT WORKS | WATER TREATMENT SITE | WATER TREATMENT UNIT | KAIRI WATER TREATMENT WORKS SEDIMENTATION TANKS | 2 No. 8.0m BY 4.0m BY 1.5m SEDIMENTATION BASINS WITH WALKWAYS & GUARD RAILS<br>2 No. 7.0m BY 4.0m BY 3.0m SEDIMENTATION BASINS TO FILTRATION CHAMBERS. 5.0m LONG STEEL LADDER FROM SEDIMENTATION BASINS TO FILTRATION CHAMBERS. ALL BASINS & WALKWAYS ARE RC STEEL LADDER & GUARD RAILS | 6,384,000           |                        | 40                   | 32       | 3,506,605               |

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| STATION NAME                | LOCATION CLASS         | ASSET TYPE             | ASSET NAME                               | ASSET DESCRIPTION                                                                                                                                 | 2013 VALUATION DATE | REPLACEMENT COST RC (KES) | USEFUL LIFE (YEARS) | (YEARS) | NET CURRENT VALUE(KES) |
|-----------------------------|------------------------|------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------|---------------------|---------|------------------------|
| KAIRI WATER TREATMENT WORKS | WATER TREATMENT T SITE | WATER TREATMENT T UNIT | KAIRI WATER TREATMENT WORKS SAND FILTERS | 10m BY 5.0M BY 4.0M SAND FILTERS DIVIDED INTO THREE                                                                                               | 2,308,500           |                           | 40                  | 32      | 1,268,014              |
|                             |                        |                        |                                          | 10M BY 5.0M BY 4.0M VALVE CHAMBER 2 No 2.0M SQUARE BACKWASHING VALVE CHAMBERS RC SAND FILTERS & VALVE CHAMBERS MASONRY BACKWASHING VALVE CHAMBERS |                     |                           |                     |         |                        |
| KAIRI WATER TREATMENT WORKS | WATER TREATMENT T SITE | WATER TREATMENT T UNIT | KAIRI WATER TREATMENT WORKS LAGOON       | 20M BY 10M LAGOON N.B WATER TREATMENT PRODUCTION PER DAY 2000m3/DAY EXCAVATED LAGOON                                                              |                     | 400,000                   | 40                  | 32      | 219,712                |

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|------------------------------|----------------------|----------------------|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------|----------------------|----------|------------------------|
| KARURE WATER TREATMENT WORKS | WATER TREATMENT SITE | WATER TREATMENT UNIT | KARURE WATER TREATMENT WORKS V-NOTCH                         | 5.0M BY 5.0M BY 0.2M ELEVATED FLOCCULATION BASINS ON TOP OF A SUPERSTRUCTURE WITH 1.0m SQUARE BY 0.8M DEEP V-NOTCH CHAMBER. RC FLOCCULATION BASINS & V-NOTCH CHAMBER.         |                     | 830,000                   | 40                   | 40       | 830,000                |
| KARURE WATER TREATMENT WORKS | WATER TREATMENT SITE | WATER TREATMENT UNIT | KARURE WATER TREATMENT WORKS COAGULATION FLOCCULATION UNIT-1 | 11M DIAMETER WITH 3.0m DIAMETER CENTER FILTER - 4.0M OVERALL DEPTH CFU-1. (4 No. 1.5m SQUARE BY AVERAGE DEPTH OF 3.0m DEEP FOR SCOURING, INLET, OUTLET, & BACKWASH CHAMBERS). |                     | 4,200,000                 | 40                   | 40       | 4,200,000              |

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|------------------------------|----------------------|----------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------|---------------------|---------|------------------------|
|                              |                      |                      |                                                              | 3.0m BY 2.0m BY 3.0m DEEP MAIN BACKWASH CHAMBERS ALL MASONRY                                                                                                                                                                               |                     |                           |                     |         |                        |
| KARURE WATER TREATMENT WORKS | WATER TREATMENT SITE | WATER TREATMENT UNIT | KARURE WATER TREATMENT WORKS COAGULATION FLOCCULATION UNIT-2 | 11M DIAMETER WITH 3.0m DIAMETER CENTER FILTER - 4.0M OVERALL DEPTH CFU-2. (4 No. 1.5m SQUARE BY AVERAGE DEPTH OF 3.0m DEEP FOR; SCOURING, INLET,OUTLET, & BACKWASH CHAMBERS). 3.0m BY 2.0m BY 3.0m DEEP MAIN BACKWASH CHAMBERS ALL MASONRY |                     | 4,200,000                 | 40                  | 40      | 4,200,000              |

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| STATION NAME                       | LOCATION CLASS       | ASSET TYPE           | ASSET NAME                                                                 | ASSET DESCRIPTION                                                                                                         | 2013 VALUATION DATE | REPLACEMENT COST RC (KES) | USEFUL LIFE (YEAR S) | (YEAR S) | NET CURRENT VALUE(KES) |
|------------------------------------|----------------------|----------------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------|----------------------|----------|------------------------|
| NYAMANG'A RA WATER TREATMENT WORKS | WATER TREATMENT SITE | WATER TREATMENT UNIT | NYAMAN GARA WATER TREATMENT WORKS V-NOTCH CHAMBER & FLOCCULATION CHANNEL S | RAISED FLOCCULATION BASIN AND V-NOTCH CHAMBER ON TOP OF A SUPERSTRUCTURE. MASONRY FLOCCULATION BASIN AND V-NOTCH CHAMBER. |                     | 830,000                   | 40                   | 32       | 455,903                |
| NYAMANG'A RA WATER TREATMENT WORKS | WATER TREATMENT SITE | WATER TREATMENT UNIT | NYAMAN GARA WATER TREATMENT WORKS COAGULATION & FLOCCULATION CHANNEL S     | 150m CFU masonry CFU                                                                                                      |                     | 1,700,000                 | 40                   | 32       | 933,776                |
| NDARUGU WATER SUPPLY               | WATER LINE           | TWIN RAW WATER MAINS | 315mm pvc                                                                  |                                                                                                                           |                     | 7,461,120                 | 30                   | 15       | 1,668,357              |

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|-----------------------|----------------|------------|----------------------|---------------------|---------------------|------------------------|---------------------|---------|------------------------|
|                       |                | WATER LINE | TREATED WATER MAIN   | 25mm "pvc           |                     | 57,663,600             | 30                  | 15      | 12,893,973             |
|                       |                | WATER LINE | TREATED WATER MAIN   | 160mm "pvc          |                     | 12,263,520             | 30                  | 15      | 2,742,206              |
|                       |                | WATER LINE | DISTRIBUTION         | "pvc 160mm-DN25mm   |                     | 128,766,960            | 30                  | 15      | 28,793,168             |
| gatundu water supply  |                | WATER LINE | TREATED WATER MAIN   | 225mm "pvc          |                     | 57,663,600             | 30                  | 15      | 12,893,973             |
|                       |                | WATER LINE | TREATED WATER MAIN   | 160mm "pvc          |                     | 71,537,200             | 30                  | 15      | 15,996,204             |
|                       |                | WATER LINE | DISTRIBUTION         | "pvc DN160mm-DN25mm |                     | 116,503,440            | 30                  | 15      | 26,050,961             |
| Gituamba water supply |                | WATER LINE | TWIN RAW WATER MAINS | 315mm "pvc          |                     | 14,922,240             | 30                  | 15      | 3,336,714              |
|                       |                | WATER LINE | 225mm "pvc           | 225mm "pvc          |                     | 7,688,480              | 30                  | 15      | 1,719,196              |
|                       |                | WATER LINE | 315mm "pvc           | 315mm "pvc          |                     | 11,191,680             | 30                  | 15      | 2,502,536              |

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| STATION NAME          | LOCATION CLASS | ASSET TYPE | ASSET NAME                                   | ASSET DESCRIPTION               | 2013 VALUATION DATE | REPLACEMENT COST RC (KES) | USEFUL LIFE (YEAR S) | (YEAR S) | NET CURRENT VALUE(KES) |
|-----------------------|----------------|------------|----------------------------------------------|---------------------------------|---------------------|---------------------------|----------------------|----------|------------------------|
|                       |                | WATER LINE | 160mm <sup>u</sup> pvc                       | 160mm <sup>u</sup> pvc          |                     | 40,878,400                | 30                   | 15       | 9,140,688              |
|                       |                | WATER LINE | TREATED WATER MAINS 280mm <sup>u</sup> pvc   | 280mm <sup>u</sup> pvc          |                     | 45,248,120                | 30                   | 15       | 10,117,787             |
|                       |                | WATER LINE | DISTRIBUTION                                 | <sup>u</sup> pvc DN110mm-DN25mm |                     | 56,399,200                | 30                   | 15       | 12,611,245             |
| Kamwangi water supply |                | WATER LINE | TREATED WATER MAIN                           | 280mm <sup>u</sup> pvc          |                     | 45,248,120                | 30                   | 15       | 10,117,787             |
|                       |                | WATER LINE | TREATED WATER MAIN                           | 225mm <sup>u</sup> pvc          |                     | 115,327,200               | 30                   | 15       | 25,787,946             |
|                       |                | WATER LINE | DN315 <sup>u</sup> pvc                       | 315mm <sup>u</sup> pvc          |                     | 11,191,680                | 30                   | 15       | 2,502,536              |
|                       |                | WATER LINE | DN160 <sup>u</sup> pvc                       | 160mm <sup>u</sup> pvc          |                     | 30,658,800                | 30                   | 15       | 6,855,516              |
|                       |                | WATER LINE | distribution <sup>u</sup> pvc DN110mm-DN25MM | <sup>u</sup> pvc DN110mm-DN25MM |                     | 48,195,680                | 30                   | 15       | 10,776,882             |

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|---------------------|----------------|------------|--------------------|---------------------|---------------------|------------------------|---------------------|---------|------------------------|
| Kairi water supply  |                | WATER LINE | RAW WATER MAINS    | 280mm "pvc          |                     | 28,577,760             | 30                  | 15      | 6,390,181              |
|                     |                | WATER LINE | TREATED WATER MAIN | 280mm "pvc          |                     | 14,288,880             | 30                  | 15      | 3,195,091              |
|                     |                | WATER LINE | DN225 Upvc         | 225mm "pvc          |                     | 5,766,360              | 30                  | 15      | 1,289,397              |
|                     |                | WATER LINE | DN160 Upvc         | 160mm "pvc          |                     | 17,373,320             | 30                  | 15      | 3,884,792              |
|                     |                | WATER LINE | DISTRIBUTION       | "pvc DN110mm-DN25MM |                     | 35,890,400             | 30                  | 15      | 8,025,337              |
| Karure water supply |                | WATER LINE | RAW WATER MAINS    | 225mm "pvc          |                     | 23,065,440             | 30                  | 15      | 5,157,589              |
|                     |                | WATER LINE | TREATED WATER MAIN | DN110mm "pvc        |                     | 4,101,760              | 30                  | 15      | 917,181                |
|                     |                | WATER LINE | DISTRIBUTION       | "pvc DN110mm-DN25MM |                     | 25,636,000             | 30                  | 15      | 5,732,384              |
|                     |                | WATER LINE | RAW WATER MAINS    | 160mm "pvc          |                     | 6,131,760              | 30                  | 15      | 1,371,103              |

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|------------------------|----------------|------------|----------------------|---------------------|---------------------|---------------------------|----------------------|----------|-------------------------|
|                        |                | WATER LINE | TREATED WATER MAIN   | 160mm "pvc          |                     | 2,861,488                 | 30                   | 15       | 639,848                 |
|                        |                | WATER LINE | DISTRIBUTION         | "pvc DN110mm-DN25MM |                     | 17,432,480                | 30                   | 15       | 3,898,021               |
| kirangi water supply   |                | WATER LINE | RAW WATER MAINS      | 110mm "pvc          |                     | 7,178,080                 | 30                   | 15       | 1,605,067               |
|                        |                | WATER LINE | TREATED WATER MAIN   | 110mm "pvc          |                     | 8,203,520                 | 30                   | 15       | 1,834,363               |
|                        |                | WATER LINE | DISTRIBUTION         | "pvc DN110mm-DN25MM |                     | 38,966,720                | 30                   | 15       | 8,713,223               |
| Gaitele water supply   |                | WATER LINE | RAW WATER MAINS      | 160mm "pvc          |                     | 14,307,400                | 30                   | 15       | 3,199,241               |
|                        |                | WATER LINE | TREATED WATER MAIN   | 160mm "pvc          |                     | 6,131,760                 | 30                   | 15       | 1,371,103               |
|                        |                | WATER LINE | "pvc DN110mm-DN25MM  | "pvc DN110mm-DN25MM |                     | 69,493,280                | 30                   | 15       | 15,539,170              |
| Thiririka water supply |                | WATER LINE | TWIN RAW WATER MAINS | 315mm "pvc          |                     | 59,688,960                | 30                   | 15       | 13,346,857              |

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|-----------------------|----------------|------------|-----------------|---------------------|---------------------|------------------------|---------------------|---------|------------------------|
|                       |                | WATER LINE | DN315 "pvc      | 315mm "pvc          |                     | 11,191,680             | 30                  | 15      | 2,502,536              |
|                       |                | WATER LINE | DN225 "pvc      | 225mm "pvc          |                     | 11,532,720             | 30                  | 15      | 2,578,795              |
|                       |                | WATER LINE | DN160 Upvc      | 160mm "pvc          |                     | 102,196,000            | 30                  | 15      | 22,851,720             |
|                       |                | WATER LINE | DISTRIBUTION    | "pvc DN110mm-DN25MM |                     | 91,264,160             | 30                  | 15      | 20,407,287             |
| Theta water supply    |                | WATER LINE | RAW WATER MAINS | 450mm G.I           |                     | 144,864,000            | 30                  | 15      | 79,570,937             |
|                       |                | WATER LINE | DN280mm Upvc    | 280mm "pvc          |                     | 23,814,800             | 30                  | 15      | 5,325,151              |
|                       |                | WATER LINE | DN160mm Upvc    | 160mm "pvc          |                     | 61,317,600             | 30                  | 15      | 13,711,032             |
|                       |                | WATER LINE | DISTRIBUTION    | "pvc DN110mm-DN25MM |                     | 66,653,600             | 30                  | 15      | 14,904,198             |
| marigoti water supply |                | WATER LINE | RAW WATER MAINS | 110mm HDPE          |                     | 6,723,360              | 30                  | 15      | 3,693,009              |

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|------------------------------------------------------------|----------------|------------------------------|--------------------------------|--------------------------|---------------------|------------------------|----------------------|----------|------------------------|
|                                                            |                | WATER LINE                   | TREATED WATER MAIN             | 110mm HDPE - PN10        |                     | 11,205,600             | 30                   | 15       | 2,505,648              |
|                                                            |                | WATER LINE                   | DISTRIBUTION                   | HDPE- PN10 DN90mm-DN25mm |                     | 12,472,320             | 30                   | 15       | 2,788,896              |
| GAKOE NEW WATER TREATMENT PLANT (KARIMENU TREATMENT PLANT) | PUMP HOUSE     | ELECTRO-MECHANICAL EQUIPMENT | MAIN L.V DISTRIBUTION BOARD    | 100A TPN 415V TPN        |                     | 450,000                | 40                   | 29       | 197,437                |
| GAKOE NEW WATER TREATMENT PLANT (KARIMENU TREATMENT PLANT) | PUMP HOUSE     | ELECTRO-MECHANICAL EQUIPMENT | BACKWASH PUMPS CONTROL CHANNEL | 415V TPN                 |                     | 150,000                | 40                   | 29       | 65,812                 |
| GAKOE NEW WATER TREATMENT PLANT (KARIMENU TREATMENT PLANT) | PUMP HOUSE     | ELECTRO-MECHANICAL EQUIPMENT | LIGHTS DISTRIBUTION BOX        | 415V TPN TPN, 415V       |                     | 40,000                 | 40                   | 29       | 17,550                 |

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|------------------------------------------------------------|-------------------|------------------------------|------------------------|-----------------------------------------------------------------------------------------|---------------------|------------------------|---------------------|---------|------------------------|
| GAKOE NEW WATER TREATMENT PLANT (KARIMENU TREATMENT PLANT) | PUMP HOUSE        | ELECTRO-MECHANICAL EQUIPMENT | BACKWASH PUMPS No. 1   | PEDROLLO F 50/160A, Q: 300-1100 l/min, HEAD: 27-37 M, 7.5 KW, 10 HP, 415V, 15A, 2900rpm |                     | 250,000                | 30                  | 19      | 109,687                |
| GAKOE NEW WATER TREATMENT PLANT (KARIMENU TREATMENT PLANT) | PUMP HOUSE        | ELECTRO-MECHANICAL EQUIPMENT | BACKWASH PUMP NO.2     | PEDROLLO F 50/160A, Q: 300-1100 l/min, HEAD: 27-37 M, 7.5 KW, 10 HP, 415V, 15A, 2900rpm |                     | 250,000                | 30                  | 19      | 109,687                |
| GAKOE NEW WATER TREATMENT PLANT (KARIMENU TREATMENT PLANT) | DISTRIBUTION LINE | ELECTRO-MECHANICAL EQUIPMENT | BULK METER DN300       | 1500m3/HOUR                                                                             |                     | 600,000                | 30                  | 19      | 263,250                |
| GAKOE NEW WATER TREATMENT PLANT (KARIMENU TREATMENT PLANT) | CHEMICAL HOUSE    | ELECTRO-MECHANICAL EQUIPMENT | GRAVITY CHEMICAL DOSER | 4 No. GRAVITY DOSERS (ALUMINUM AND SODA)                                                |                     | 1,200,000              | 15                  | 5       | 567,445                |

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|------------------------------------------------------------|----------------|------------------------------|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------|---------------------|---------|-------------------------|
| GAKOE NEW WATER TREATMENT PLANT (KARIMENU TREATMENT PLANT) | CHEMICAL HOUSE | ELECTRO-MECHANICAL EQUIPMENT | GRAVITY CHEMICAL DOSER       | 2 No. GRAVITY DOSERS (CHLORINE)                                                                                                      |                     | 1,200,000              | 15                  | 5       | 567,445                 |
| KAIRI WATER TREATMENT PLANT                                | PUMP HOUSE     | ELECTRO-MECHANICAL EQUIPMENT | MAIN LV DISTRIBUTION BOARD   | 100A TPN 415V TPN                                                                                                                    |                     | 450,000                | 40                  | 30      | 70,931                  |
| KAIRI WATER TREATMENT PLANT                                | PUMP HOUSE     | ELECTRO-MECHANICAL EQUIPMENT | BACKWASH PUMPS CONTROL PANEL | 415V TPN                                                                                                                             |                     | 150,000                | 40                  | 30      | 70,931                  |
| KAIRI WATER TREATMENT PLANT                                | PUMP HOUSE     | ELECTRO-MECHANICAL EQUIPMENT | LIGHTS DISTRIBUTION BOX      | 415V TPN                                                                                                                             |                     | 40,000                 | 40                  | 30      | 18,195                  |
| KAIRI WATER TREATMENT PLANT                                | PUMP HOUSE     | ELECTRO-MECHANICAL EQUIPMENT | BACKWASH PUMP NO.1           | KSB 67227, ETABLOCK-GN-032 125/222 G10, 9971740659 0003000 04, Q: 18 M3/HR, H:15M 2890 rpm MOTOR:KSB D 1005/71772530-6 NO: 01149916, |                     | 90,000                 | 30                  | 19      | 39,487                  |

| STATION NAME                | LOCATION CLASS | ASSET TYPE                   | ASSET NAME             | ASSET DESCRIPTION                                                                                                                                                                                                                | 2013 VALUATION DATE | REPLACEMENT COST (KES) | USEFUL LIFE (YEARS) | (YEARS) | NET CURRENT VALUE(KES) |
|-----------------------------|----------------|------------------------------|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------|---------------------|---------|------------------------|
|                             |                |                              |                        | 2.2KW, 400V, 7.6A, 2890 rpm<br>2.2KW, 400V, 7.6, 2890rpm<br>2.2kw, 400V, 7.6A, 2890 rpm                                                                                                                                          |                     |                        |                     |         |                        |
| KAIRI WATER TREATMENT PLANT | PUMP HOUSE     | ELECTRO-MECHANICAL EQUIPMENT | BACKWASH PUMP NO.2     | KSB 67227, ETABLOCK-GN-032 125/222 G10, 9971740659 0003000 02, Q: 18 M3/HR, H:15M 2890 rpm<br>MOTOR:KSB D 1005/71772530-22 NO: 01149916, 2.2KW, 400V, 7.6A, 2890 rpm<br>2.2KW, 400V, 7.6, 2890rpm<br>2.2kw, 400V, 7.6A, 2890 rpm |                     | 90,000                 | 30                  | 19      | 39,487                 |
| KAIRI WATER TREATMENT PLANT | CHEMICAL HOUSE | ELECTRO-MECHANICAL EQUIPMENT | GRAVITY CHEMICAL DOSER | 2 No. GRAVITY DOSERS (ALUMIN AND SODA)                                                                                                                                                                                           |                     | 600,000                | 15                  | 5       | 283,722                |

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| STATION NAME                 | LOCATION CLASS | ASSET TYPE                   | ASSET NAME                   | ASSET DESCRIPTION                                                                                                                                         | 2013 VALUATION DATE | REPLACEMENT COST (KES) | USEFUL LIFE (YEAR S) | (YEAR S) | NET CURRENT VALUE(KES) |
|------------------------------|----------------|------------------------------|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------|----------------------|----------|------------------------|
| KAIRI WATER TREATMENT PLANT  | CHEMICAL HOUSE | ELECTRO-MECHANICAL EQUIPMENT | GRAVITY CHEMICAL DOSER       | 2 No. GRAVITY DOSER (CHLORINE)                                                                                                                            |                     | 60,000                 | 15                   | 5        | 283,722                |
| KARURE WATER TREATMENT PLANT | PUMP HOUSE     | ELECTRO-MECHANICAL EQUIPMENT | MAIN LV DISTRIBUTION BOARD   | 100A TPN 415V TPN                                                                                                                                         |                     | 450,000                | 40                   | 39       | 417,529                |
| KARURE WATER TREATMENT PLANT | PUMP HOUSE     | ELECTRO-MECHANICAL EQUIPMENT | BACKWASH PUMPS CONTROL PANEL | 415V TPN                                                                                                                                                  |                     | 150,000                | 40                   | 39       | 139,176                |
| KARURE WATER TREATMENT PLANT | PUMP HOUSE     | ELECTRO-MECHANICAL EQUIPMENT | BACKWASH PUMP NO.1           | DAYLIFE MODEL DE 32/20, IMPELLER DIA 214MM, S/No DE32/004/4316, MOTOR: WINDSOR FRAME y2-90S-4, No: 2013120010, 1.5KW, 415V, 2.43A, 1400rpm IP 55, CLASS F |                     | 70,000                 | 30                   | 29       | 64,949                 |
| KARURE WATER TREATMENT PLANT | PUMP HOUSE     | ELECTRO-MECHANICAL EQUIPMENT | BACKWASH PUMP NO.2           | DAYLIFE MODEL DE 32/20, IMPELLER DIA 214MM, S/No DE32/004/4316, MOTOR: WINDSOR                                                                            |                     | 70,000                 | 30                   | 29       | 64,949                 |

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|------------------------------|-------------------|------------------------------|--------------------------|------------------------------------------------------------------------------|---------------------|------------------------|---------------------|---------|------------------------|
|                              |                   |                              |                          | R FRAME y2-90S-4, No: 2013120010, 1.5KW, 415V, 2.43A, 1400rpm IP 55, CLASS F |                     |                        |                     |         |                        |
| KARURE WATER TREATMENT PLANT | TREATMENT PLANT   | ELECTRO-MECHANICAL EQUIPMENT | GRAVITY CHEMICAL DOSER   | 4 No. GRAVITY DOSERS (ALUMINUM AND SODA)                                     |                     | 1,200,000              | 15                  | 13      | 1,033,070              |
| KARURE WATER TREATMENT PLANT | TREATMENT PLANT   | ELECTRO-MECHANICAL EQUIPMENT | GRAVITY CHEMICAL DOSER   | 1 No. GRAVITY DOSSER (CHLORINE)                                              |                     | 300,000                | 15                  | 13      | 258,267                |
| KARURE WATER TREATMENT PLANT | TREATMENT PLANT   | ELECTRO-MECHANICAL EQUIPMENT | MANUAL CHEMICAL STIRRERS | 4 No MANUAL CHEMICAL STIRRERS                                                |                     | 1,200,000              | 15                  | 13      | 1,033,070              |
| KARURE WATER TREATMENT PLANT | DISTRIBUTION LINE | ELECTRO-MECHANICAL EQUIPMENT | BULK WATER METER DN100   | WP DC DN 100                                                                 |                     | 85,000                 | 30                  | 19      | 37,294                 |
| KARURE WATER TREATMENT PLANT | DISTRIBUTION LINE | ELECTRO-MECHANICAL EQUIPMENT | BULK WATER METER DN100   | WP DC DN 100                                                                 |                     | 85,000                 | 30                  | 19      | 37,294                 |
| MUTONDONI TANK               | DISTRIBUTION LINE | ELECTRO-MECHANICAL EQUIPMENT | BULK WATER               | WP DC DN 100                                                                 |                     | 85,000                 | 30                  | 19      | 37,294                 |

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|---------------------------------|----------------|------------------------------|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------|---------------------|---------|------------------------|
|                                 |                | AL. EQUIPMENT                | METER DN100                 |                                                                                                                                       |                     |                        |                     |         |                        |
| GACHARAGE WATER TREATMENT PLANT | PUMP HOUSE     | ELECTRO-MECHANICAL EQUIPMENT | MAIN LV DISTRIBUTION BOARD  | 100A TPN 415V TPN                                                                                                                     |                     | 450,000                | 40                  | 32      | 247,176                |
| GACHARAGE WATER TREATMENT PLANT | PUMP HOUSE     | ELECTRO-MECHANICAL EQUIPMENT | BACKWASH PUMP CONTROL PANEL | 415V TPN                                                                                                                              |                     | 150,000                | 40                  | 32      | 82,392                 |
| GACHARAGE WATER TREATMENT PLANT | PUMP HOUSE     | ELECTRO-MECHANICAL EQUIPMENT | BACKWASH PUMPS              | BACKWASH PUMP 1 MODEL KSB MOTOR WITH ID NO 01149935, 1760RPM, PUMP KSB MODEL 1459RPM, GTO 9971740659000100 01, ETABLOC GN100-250/1104 |                     | 350,000                | 30                  | 22      | 192,248                |
| GACHARAGE WATER TREATMENT PLANT | PUMP HOUSE     | ELECTRO-MECHANICAL EQUIPMENT | BACKWASH PUMPS              | BACKWASH PUMP 2 KSB PUMP MODEL, ETABLOC-GN 100-250/1104, GTO 9971-240659-00010002                                                     |                     | 350,000                | 30                  | 22      | 192,248                |

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|---------------------------------|--------------------|------------------------------|-----------------------------|----------------------------------------------------------------------------------------------------------|---------------------|------------------------|---------------------|---------|------------------------|
| GACHARAGE WATER TREATMENT PLANT | PUBLIC INSTITUTION | ELECTRO-MECHANICAL EQUIPMENT | BACKWASH PUMPS              | BACKWASH PUMP 3, KSB PUMP MODEL, ETABLOC-GN 100-160/404, GTO 9971740659000201, MOTOR 1740 RPM            |                     | 350,000                | 30                  | 22      | 192,248                |
| GACHARAGE WATER TREATMENT PLANT | PUMP HOUSE         | ELECTRO-MECHANICAL EQUIPMENT | WATER METER                 |                                                                                                          |                     | 250,000                | 30                  | 22      | 137,320                |
| NDARUGU WATER TREATMENT PLANT   | PUMP HOUSE         | ELECTRO-MECHANICAL EQUIPMENT | MAIN LV DISTRIBUTION BOARD  | 100A TPN 415V TPN                                                                                        |                     | 450,000                | 40                  | 32      | 247,176                |
| NDARUGU WATER TREATMENT PLANT   | PUMP HOUSE         | ELECTRO-MECHANICAL EQUIPMENT | BACKWASH PUMP CONTROL PANEL | 415V TPN                                                                                                 |                     | 150,000                | 30                  | 32      | 82,392                 |
| NDARUGU WATER TREATMENT PLANT   | PUBLIC INSTITUTION | ELECTRO-MECHANICAL EQUIPMENT | BACKWASH PUMPS              | DAYLIFF BACKWASH PUMP NO.1 MODEL DE65/20, S/N DE65/001/4010, MOTOR DAYLIFF Y2160M2-2, S/N 201007B0140002 |                     | 350,000                | 30                  | 22      | 192,248                |

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|-------------------------------|--------------------|------------------------------|------------------------------|------------------------------------------------------------------------------------------------------------|---------------------|------------------------|---------------------|---------|-------------------------|
| NDARUGU WATER TREATMENT PLANT | PUBLIC INSTITUTION | ELECTRO-MECHANICAL EQUIPMENT | BACKWASH PUMPS               | DAYLIFE BACKWASH PUMP NO.1 MODEL DE65/20, S/NO DE65/001/4010, MOTOR DAYLIFE Y2160M2-2, S/NO 201007B0140006 |                     | 350,000                | 40                  | 22      | 192,248                 |
| THETA WATER TREATMENT WORKS   | PUMP HOUSE         | ELECTRO-MECHANICAL EQUIPMENT | MAIN L.V DISTRIBUTION BOARD  | 100A TPN 415V TPN                                                                                          |                     | 450,000                | 40                  | 32      | 247,176                 |
| THETA WATER TREATMENT WORKS   | PUMP HOUSE         | ELECTRO-MECHANICAL EQUIPMENT | BACKWASH PUMPS CONTROL PANEL | 415V TPN                                                                                                   |                     | 150,000                | 40                  | 32      | 82,392                  |
| THETA WATER TREATMENT WORKS   | PUBLIC INSTITUTION | ELECTRO-MECHANICAL EQUIPMENT | BACKWASH PUMPS               | BACKWASH PUMP NO.1 MOTOR MODEL Y213231-2 n=2900rpm SERIAL NO. 20130900110015                               | N/A                 | 250,000                | 30                  | 22      | 137,720                 |
| THETA WATER TREATMENT WORKS   | PUBLIC INSTITUTION | ELECTRO-MECHANICAL EQUIPMENT | PUMP AND CONTROL             | BACKWASH PUMP NO.2 MOTOR MODEL Y213231-2 n=2900rpm SERIAL                                                  | N/A                 | 250,000                | 30                  | 22      | 137,720                 |

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|----------------------------|--------------------|------------------------------|-----------------------------|------------------------------------------------------------------------|---------------------|------------------------|---------------------|---------|------------------------|
|                            |                    |                              |                             | NO. 2013090010903<br>PUMP MODEL<br>DE32/16 SERIAL<br>NO. DE32/003/2714 |                     |                        |                     |         |                        |
| MARIOGOITI TREATMENT WORKS | PUBLIC INSTITUTION | ELECTRO-MECHANICAL EQUIPMENT | BOREHOLE PUMP               |                                                                        |                     | 600,000                | 30                  | 22      | 329,568                |
| MARIOGOITI TREATMENT WORKS | PUBLIC INSTITUTION | ELECTRO-MECHANICAL EQUIPMENT | BOREHOLE PUMP CONTROL PANEL |                                                                        |                     | 75,000                 | 40                  | 30      | 35,465                 |
| MARIOGOITI TREATMENT WORKS | PUBLIC INSTITUTION | ELECTRO-MECHANICAL EQUIPMENT | BOREHOLE PUMP               |                                                                        |                     | 600,000                | 30                  | 20      | 283,722                |
| MARIOGOITI TREATMENT WORKS | PUBLIC INSTITUTION | ELECTRO-MECHANICAL EQUIPMENT | BOREHOLE PUMP CONTROL PANEL |                                                                        |                     | 75,000                 | 40                  | 30      | 35,465                 |



Property plant and Equipment includes the following assets that are fully depreciated:

|                                          |                  | <b>Normal</b>       |
|------------------------------------------|------------------|---------------------|
|                                          |                  | <b>annual</b>       |
|                                          | <b>Cost or</b>   | <b>depreciation</b> |
|                                          | <b>valuation</b> | <b>charge</b>       |
| Plant and machinery                      | 905,935          | 30%                 |
| Motor vehicles, including motorcycles    | 2,395,500        | 25%                 |
| Computers and related equipment          | 3,945,603        | 30%                 |
| Office equipment, furniture and fittings | 820,445          | 12.5%               |
| <b>Total</b>                             | <b>8,067,483</b> |                     |

Notes to the financial statements (continued)

**16. Intangible Assets**

|                       | 2022-2023  | 2021-2022 |
|-----------------------|------------|-----------|
|                       | Kshs       | Kshs      |
| <b>COST</b>           |            |           |
| At July 1             | 531,500    | 531,500   |
| Additions             | 10,973,600 | -         |
| Disposals             |            | -         |
| At June 30            | 11,505,100 | 531,500   |
| <b>AMORTISATION</b>   |            |           |
| At July 1             | 502,744    | 490,420   |
| Charge for the year   | 3,300,707  | 12,324    |
| At June 30            | 3,803,451  | 502,744   |
| <b>NET BOOK VALUE</b> |            |           |
| At June 30            | 7,701,649  | 28,756    |

Additional intangible asset comprise of acquisition of ERP system Billing and Customer relation management module.

**17. Inventories**

|                                | 2022-2023        | 2021-2022        |
|--------------------------------|------------------|------------------|
|                                | Kshs             | Kshs             |
| Chemicals & Laboratory items   | 1,082,581        | 928,883          |
| Water fittings and Accessories | 341,026          | 958,022          |
| Water meters                   | 70,800           | 746,713          |
| Stationery and general stores  | 222,995          | 190,587          |
| <b>TOTAL</b>                   | <b>1,717,402</b> | <b>2,824,205</b> |

## 18. Trade and Other Receivables

|                                        | 2022-2023          | 2021-2022          |
|----------------------------------------|--------------------|--------------------|
|                                        | Kshs               | Kshs               |
| Trade receivables (note (18a))         | 152,504,891        | 141,446,573        |
| Deposits and prepayments               | 106,000            | 106,000            |
| Other receivables                      | 2,244,366          | 2,102,648          |
| <b>Net trade and other receivables</b> | <b>154,855,257</b> | <b>143,655,221</b> |

### 18. (a) Trade Receivables

|                                                                                          | 2022-2023          | 2021-2022          |
|------------------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                                          | Kshs               | Kshs               |
| Gross trade receivables                                                                  | 182,319,450        | 170,032,430        |
| Specific Provision for doubtful receivables                                              | (12,869,571)       | (12,869,571)       |
| General Provision for doubtful receivables                                               | (16,944,988)       | (15,716,285)       |
| <b>Net trade receivables</b>                                                             | <b>152,504,891</b> | <b>141,446,574</b> |
| <b>As at June 30, the ageing analysis of the gross trade receivables was as follows:</b> |                    |                    |
| Less than 30 days                                                                        | 1,114,600          | 11,112,456         |
| Between 30 and 60 days                                                                   | 3,595,184          | 13,799,887         |
| Between 61 and 90 days                                                                   | 3,353,817          | 10,842,766         |
| Between 91 and 120 days                                                                  | 3,180,581          | 10,303,746         |
| Over 120 days                                                                            | 158,205,697        | 123,973,575        |
| <b>Total</b>                                                                             | <b>169,449,879</b> | <b>170,032,430</b> |

## 19. Bank and Cash Balances

|                      | 2022-2023         | 2021-2022         |
|----------------------|-------------------|-------------------|
|                      | Kshs              | Kshs              |
| Cash at bank         | 50,360,482        | 51,636,734        |
| Cash in hand         | 19,410            | 24,530            |
| Mobile money account | 396,401           | 1,330,252         |
|                      | <b>50,776,293</b> | <b>52,991,516</b> |

**Notes to the financial statements (continued)**

**Detailed analysis of the cash and cash equivalents**

| <b>Cash &amp; Bank Balances</b>         | <b>Account number</b> | <b>2022-2023</b>  | <b>2021-2022</b>  |
|-----------------------------------------|-----------------------|-------------------|-------------------|
| Co-operative Expenditure (Main Account) | 01136555600000        | 7,443,792         | 6,226,819         |
| Equity Collection-GASWASCO              | 0660293772335         | 304,367           | 2,436,373         |
| Equity Collection KARIWASCO             | 0660262913879         | 119,964           | 182,496           |
| KCB Collection                          | 1102762105            | 123,731           | 308,985           |
| Co-op Collection                        | 01100073009101        | 689,907           | 1,037,331         |
| M-Pesa                                  | 893400                | 360,880           | 1,330,252         |
| M-Pesa                                  | 919400                | 35,521            |                   |
| Petty Cash                              |                       | 19,410            | 24,530            |
| Co-operative Deposits                   | 01100073009100        | 41,541,268        | 40,186,868        |
| Co-operative Expenditure Karimenu       | 01136073009100        | 630               | 630               |
| KCB Expenditure GASWASCO                | 1102761990            | 16                | 16                |
| Family Bank Act                         | 004000030000          | 136,534           | 1,256,942         |
| KCB (WSTF)                              | 1287854915            | 273               | 273               |
|                                         |                       | <b>50,776,293</b> | <b>52,991,516</b> |

## 20. Ordinary Share Capital

|                                                    | 2022-2023  | 2021-2022  |
|----------------------------------------------------|------------|------------|
|                                                    | Kshs       | Kshs       |
| <b>Capital and Reserves</b>                        |            |            |
| Share Capital                                      | 100,040    | 100,040    |
| Capital Reserves                                   | 19,442,912 | 19,442,912 |
|                                                    | 19,542,952 | 19,542,952 |
|                                                    |            |            |
|                                                    | 2022-2023  | 2021-2022  |
|                                                    | Kshs       | Kshs       |
| <b>Authorized:</b>                                 |            |            |
| 5,000ordinary shares of Kshs. 20.00 par value each | 100,000    | 100,000    |
| <b>Issued and fully paid:</b>                      |            |            |
| 2 ordinary shares of Kshs 20 par value each        | 40         | 40         |

## 21. Retained Earnings

|                                      | 2022-2023    | 2021-2022   |
|--------------------------------------|--------------|-------------|
|                                      | Kshs         | Kshs        |
| Retained Income / (Accumulated Loss) | 121,662,585  | 68,441,410  |
| Net Profit/Loss this year            | (12,870,556) | 34,617,290  |
|                                      | 108,792,029  | 103,058,700 |

Notes to the financial statements (continued)

22. Trade and Other Payables

|                   | 2022-2023         | 2021-2022         |
|-------------------|-------------------|-------------------|
|                   | Kshs              | Kshs              |
| Trade payables    | 71,219,674        | 65,054,102        |
| Accrued expenses  | 417,456           | 620,861           |
| Employee payables | 1,009,452         | 1,005,816         |
| <b>Total</b>      | <b>72,646,582</b> | <b>66,680,779</b> |

Aging Analysis for Trade and other Payables

|                | 2022/2023         | % of the total | 2021/2022         | % of the total |
|----------------|-------------------|----------------|-------------------|----------------|
| Under one year | 27,396,893        | 38%            | 32,456,269        | 49%            |
| 1-2 years      | 6,031,717         | 8%             | 8,876,943         | 13%            |
| 2-3 years      | 1,749,975         | 2%             | 4,144,844         | 6%             |
| Over 3 years   | 37,467,999        | 52%            | 21,202,723        | 32%            |
| <b>Total</b>   | <b>72,646,582</b> | <b>100</b>     | <b>66,680,779</b> | <b>100</b>     |

23. Customer Deposits

|                                         | 2022-2023         | 2021-2022         |
|-----------------------------------------|-------------------|-------------------|
|                                         | Kshs              | Kshs              |
| Opening Balance                         | 39,379,308        | 37,994,308        |
| Add: deposits received during the year  | 1,365,000         | 1,435,000         |
| Less: Refunded deposits during the year | (10,000)          | (50,000)          |
| <b>Closing balance</b>                  | <b>40,734,308</b> | <b>39,379,308</b> |

#### 24. Deferred Income

| Description                  | 2022-2023        | 2021-2022 |
|------------------------------|------------------|-----------|
|                              | KShs             | Kshs      |
| AWWDA                        | 3,081,150        | -         |
| <b>Total deferred income</b> | <b>3,081,150</b> | <b>-</b>  |

The deferred income movement is as follows:

|                               | AWWDA            | Total            |
|-------------------------------|------------------|------------------|
| Balance brought forward       | -                | -                |
| Additions                     | 9,000,000        | 9,000,000        |
| Transfers to Capital fund     | -                | (-)              |
| Transfers to income statement | (5,918,850)      | (5,918,850)      |
| Other transfers               | (-)              | (-)              |
| Balance carried forward       | <b>3,081,150</b> | <b>3,081,150</b> |

## 25. Notes to The Statement of Cash Flows

|                                                                                                  | 2022-2023         | 2021-2022          |
|--------------------------------------------------------------------------------------------------|-------------------|--------------------|
|                                                                                                  | Kshs              | Kshs               |
| <b>(a) Reconciliation of operating profit/(loss) to cash generated from/(used in) operations</b> |                   |                    |
| Profit or loss before tax                                                                        | (12,870,556)      | 34,617,290         |
| Depreciation                                                                                     | 3,299,692         | 3,046,219          |
| Amortization                                                                                     | 3,300,707         | 12,324             |
| Adjustment on Retained income                                                                    | 18,603,885        |                    |
| <b>Operating profit/(loss) before working capital changes</b>                                    | <b>12,333,728</b> | <b>37,675,832</b>  |
|                                                                                                  |                   |                    |
| (Increase)/decrease in inventories                                                               | 1,106,804         | 926,435            |
| (Increase)/decrease in trade and other receivables                                               | (11,200,036)      | (9,177,389)        |
| Increase/(decrease) in trade and other payables                                                  | 10,401,953        | (32,628,761)       |
|                                                                                                  |                   |                    |
| <b>Cash generated from/(used in) operations</b>                                                  | <b>12,642,449</b> | <b>(3,203,883)</b> |
|                                                                                                  |                   |                    |
| <b>(b) Analysis of cash and cash equivalents</b>                                                 |                   |                    |
|                                                                                                  |                   |                    |
| Cash at bank                                                                                     | 50,756,883        | 52,966,986         |
| Cash in hand                                                                                     | 19,410            | 24,530             |
|                                                                                                  |                   |                    |
| <b>Balance at end of the year</b>                                                                | <b>50,776,293</b> | <b>52,991,516</b>  |

Notes to the financial statements (continued)

Other Disclosures

26. Related Party Disclosures

County Government of Kiambu

The County Government of Kiambu is the principal shareholder of the Company, holding 100% of the Company's equity interest. The County of Government of Kiambu has provided full guarantees to all long-term lenders of the Company, both domestic and external.

Other related parties include:

- The County Department in charge of Water
- County Government of Kiambu
- Water works Agencies
- WASREB
- WARMA
- Water Sector Trust Fund
- Key management
- Board of directors
- Other water service providers within Kiambu

Transactions with related parties

|                                          | 2022-2023         | 2021-2022         |
|------------------------------------------|-------------------|-------------------|
|                                          | Kshs              | Kshs              |
| <b>a) Sales to related parties</b>       |                   |                   |
| Interest income from Co-operative Banks  | 2,353,918         | 2,519,842         |
| <b>Total</b>                             | <b>2,353,918</b>  | <b>2,519,842</b>  |
| <b>b) Purchases from related parties</b> |                   |                   |
| Bank charges paid to Commercial banks    | 338,666           | 623,476           |
| <b>Total</b>                             | <b>623,476</b>    | <b>623,476</b>    |
| <b>c) Key management compensation</b>    |                   |                   |
| Directors' emoluments                    | 3,077,146         | 3,044,853         |
| Compensation to key management           | 11,606,124        | 11,116,008        |
| <b>Total</b>                             | <b>14,683,270</b> | <b>14,160,861</b> |
| <b>d) Due to Related parties</b>         |                   |                   |
| Due to WASREB                            | 8,902,843         | 5,779,411         |
| Due to Athi Water Services Board         | 32,420,138        | 51,024,323        |
| Due to WARMA                             | 12,420,854        | 6,318,375         |
| <b>Total</b>                             | <b>53,743,835</b> | <b>63,122,109</b> |

## **27. Contingent Liabilities**

### **Contingent Liabilities**

|                                                                                                | <b>2022-2023</b> | <b>2021-2022</b> |
|------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                | <b>Kshs</b>      | <b>Kshs</b>      |
| <b>Contingent liabilities</b>                                                                  |                  |                  |
| Court case No. 163 of 2018 against Joseph Gathecha Vs Gatundu Water and Sanitation Company Ltd | 166,280          | 166,280          |
| Bank guarantees in favour of WASREB                                                            | 2,421,645        | 2,421,645        |
| <b>Total</b>                                                                                   | <b>2,587,925</b> | <b>2,587,925</b> |

## **28. Financial Risk Management**

The Company's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The company's financial risk management objectives and policies are detailed below:

### **(i) Credit risk**

The Company has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

**Notes to the financial statements (continued)**

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

|                        | <b>Total<br/>amount<br/>Kshs</b> | <b>Fully<br/>performing<br/>Kshs</b> | <b>Past due but<br/>not Impaired<br/>Kshs</b> | <b>Past due<br/>and<br/>Impaired<br/>Kshs</b> |
|------------------------|----------------------------------|--------------------------------------|-----------------------------------------------|-----------------------------------------------|
| <b>At 30 June 2023</b> |                                  |                                      |                                               |                                               |
| Trade Receivables      | 182,319,450                      | 16,960,408                           | 152,490,982                                   | 12,869,571                                    |
| Other Receivables      | 2,350,366                        | 2,350,366                            |                                               |                                               |
| Bank balance           | 50,776,293                       | 50,776,293                           | -                                             | -                                             |
| <b>Total</b>           | <b>235,446,109</b>               | <b>70,087,067</b>                    | <b>152,490,982</b>                            | <b>12,869,571</b>                             |
| <b>At 30 June 2022</b> |                                  |                                      |                                               |                                               |
| Trade Receivables      | 170,032,430                      | 51,454,562                           | 105,708,297                                   | 12,869,571                                    |
| Other Receivables      | 2,208,648                        | 2,208,648                            |                                               |                                               |
| Bank balances          | 52,991,516                       | 52,991,516                           | -                                             | -                                             |
| <b>Total</b>           | <b>225,232,594</b>               | <b>106,654,726</b>                   | <b>105,708,297</b>                            | <b>12,869,571</b>                             |

***Credit Risk (Continued)***

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Company's directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

**Notes to the financial statements (continued)**

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

|                              | <b>Less than 1 month</b> | <b>Between 1-3 months</b> | <b>Over 5 months</b> |                   |
|------------------------------|--------------------------|---------------------------|----------------------|-------------------|
|                              |                          |                           |                      | <b>Total</b>      |
|                              | <b>Kshs</b>              | <b>Kshs</b>               | <b>Kshs</b>          | <b>Kshs</b>       |
| At 30 June 2023 current year |                          |                           |                      |                   |
| Trade payables               | 2,316,465                | 3,625,841                 | 66,704,278           | 72,646,583        |
| <b>Total</b>                 | <b>2,316,465</b>         | <b>3,625,841</b>          | <b>66,704,278</b>    | <b>72,646,583</b> |
| At 30 June 2022              |                          |                           |                      |                   |
| Trade payables               | 1,005,818                | 961,735                   | 64,337,299           | 66,680,779        |
| <b>Total</b>                 | <b>1,005,818</b>         | <b>961,735</b>            | <b>64,337,299</b>    | <b>66,680,779</b> |

**(iii) Market risk**

The board has put in place an internal audit function to assist it in assessing the risk faced by the Company on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The company's Department in charge of risk management is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

## Notes to the financial statements (continued)

### iv) Capital Risk Management

The objective of the Company's capital risk management is to safeguard the Board's ability to continue as a going concern. The Company's capital structure comprises of the following funds:

|                                             | 2022-2023          | 2021-2022          |
|---------------------------------------------|--------------------|--------------------|
|                                             |                    | <b>Kshs</b>        |
| Retained earnings                           | 108,792,029        | 103,058,700        |
| Capital reserve                             | 19,542,952         | 19,542,952         |
| <b>Total funds</b>                          | <b>128,334,981</b> | <b>122,601,652</b> |
| Less: cash and bank balances                | <b>50,776,293</b>  | (52,991,516)       |
| Net debt/(excess cash and cash equivalents) | 77,558,688         | 69,610,136         |
| <b>Gearing</b>                              | <b>60%</b>         | <b>57%</b>         |

### 29. Incorporation

The Company is incorporated in Kenya under the Kenyan Companies Act and is domiciled in Kenya.

### 30. Events After the Reporting Period

There were no material adjusting and non- adjusting events after the reporting period.

## 21. Appendices

### Appendix 1: progress on follow up of auditor recommendations.

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

| Reference No. on the external audit Report | Issue / Observations from Auditor               | Management comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Status:         | Timeframe:    |
|--------------------------------------------|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------|
| 1.0                                        | <b>Irregular and unsupported Board Expenses</b> | During the period under review, the Company did not have an independent Board but was operating under the caretaker Board appointed by the Kiambu County Government. All the expenses for the caretaker board were authorized by the appointing authority through letters clearly outlining prescribed contribution per Company to cater for board meeting expenses. Attached hereto please find sample communication from the appointing authority instructing the Company to pay. | Resolved        | February 2022 |
| 2.0                                        | Undisclosed property plant and equipment        | The water intake, treatment works, motor vehicles, computers and furniture are not included in Company's financial statement since the company does not own them. The ownership of the aforementioned assets has been in transition since 2013 to date. The land and buildings are assets hitherto owned by the County council of Thika. The land parcels are located at Karatu, Kiganjo and Gatundu towns where our offices                                                        | Partly Resolved | 2025          |

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| Reference No.<br>on the external<br>audit Report | Issue /<br>Observations<br>from Auditor     | Management comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Status:      | Timeframe: |
|--------------------------------------------------|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------|
|                                                  |                                             | are sited. The company had made available a list of all land and buildings separately to the Transitional Authority through the County government.<br>Through a gazette notice dated 21 <sup>st</sup> June 2019 an inter-governmental steering committee on identification, verification and transfer of assets and liabilities of the national government relating to the devolved functions was formed. The valuation of the concerned property was done by AWWDA in liaison with GATWASCO for presentation to the inter-governmental steering committee. Subsequently, through a gazette notice dated 10 <sup>th</sup> September 2021 , assets transfer processes was outlined. To this end, the Company is liaising with Kiambu County Government through the inter-governmental county committee to ensure smooth handover. |              |            |
| 3.0                                              | Doubtful trade and other receivable balance | Part of those outstanding debts arose from the areas which had been affected by the road works for over two years. Most of the consumers affected went for alternative water sources for example shallow wells and boreholes. It's our company policy to disconnect a customer if bills are outstanding for more than 30days, however we try and negotiate with the customer to commit themselves in writing other than disconnecting. If this is not achieved, we issue demand notices to the customers.                                                                                                                                                                                                                                                                                                                        | Not Resolved | 2025       |

| Reference No.<br>on the external<br>audit Report | Issue /<br>Observations<br>from Auditor                                | Management comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Status:         | Timeframe: |
|--------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------|
| 4.0                                              | Lack of share<br>certificate                                           | As per water act 2002, all water utilities in Kiambu were owned by the then Local authorities. In this case Gatundu water was under County Council of Thika. Assets belonging to County Council of Thika were to be transferred to County Government of Kiambu through transition authority. The assets however have not been transferred to County Council of Kiambu as yet. Issuing a certificate in that respect would not be truthful. The company however is still following up with Kiambu County                                                                                                                                                                                                                                                                                                                                   | Not<br>Resolved | 2025       |
| 5.0                                              | Unsupported<br>long outstanding<br>trade and other<br>payables balance | During license negotiation meeting held on 29 <sup>th</sup> April 2021 as per attached minute, the company submitted a payment plan to WASREB on how it will clear the outstanding arrears. We have since reduced the debt from 60Million to 56Million by closure of financial year.<br>The company spent money on capital works and the AWWDA was to reimburse where applicable. It was logical to carry out a joint assessment on the costs to ascertain who owes who. The company has had communications and a reminder on the long outstanding amount payable to Athi water Works (copy of letters attached). We are yet to receive an assessor from them so as to settle on correct amount payable and to agree on how much we should pay since we have developed so many asset which we felt we should be refunded.<br>(Appendix V) | Resolved        |            |

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| Reference No.<br>on the external<br>audit Report | Issue /<br>Observations<br>from Auditor            | Management comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Status:      | Timeframe: |
|--------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------|
|                                                  |                                                    | Regarding payment of outstanding WRA abstraction fee, the Company has negotiated with WRA on the payment arrangement and has reduced license fees from 7.8Million to 6.3 by closure of financial year. It's envisioned that the Company's billing and revenue will increase once the ongoing water and sewer projects are completed.                                                                                                                                                                                                       |              |            |
| 1.0                                              | Non-compliance with law on ethnic composition      | Gatundu Water operates in a rural setup hence attracts mostly the locals. It is also important to note that some of the employees were inherited from GOK and the Local authorities. However, it is our hope to give a priority to other ethnicity should a job vacancy arise.<br>Most of the work that is done at Gatwasco is physical work and it is in the fields. This attracts more male than female, however it is observed that more females are joining male dominated jobs and we hope to have more female embracing manual work. | Not Resolved | 2030       |
| 2.0                                              | Irregular recruitment and appointment of employees | The said employees were interns engaged by AWWDA under the Gatundu water & sewerage project. Proper recruitment was adhered since their recruitment process was competitively undertaken by AWWDA and approval of engagement given by the County Government of Kiambu. The company's Management felt that the interns would be of great assistance to the company in running of the project once it was handed over to the                                                                                                                 | Resolved     |            |

**Gatundu Water and Sanitation Company Ltd**  
**Annual Reports and Financial Statements**  
**For the year ended June 30 2023**

| Reference No.<br>on the external<br>audit Report | Issue /<br>Observations<br>from Auditor | Management comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Status:  | Timeframe: |
|--------------------------------------------------|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|
|                                                  |                                         | Company by AWWDA since they were well versed with the operation and management of the project that was lacking in the Company. To this end, the interns were appraised by respective departmental heads and consequently interviewed by the advisory committee. The appraisal report was then submitted to the board for approval of appointment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |          |            |
|                                                  | Excessive non-Revenue Water(NRW)        | <p>In the Service provision agreement with WASREB, the Company was given conditions and timelines (See attached Appendix VI) for gradual reduction of the NRW to acceptable levels. In the agreement, the Company should reduce NRW level from 38% 34%. In line with this agreement the Company is within the required range as it has been able to reduce NRW from 38% to 35% over the period under review.</p> <p>To further reduce the NRW to acceptable Sector standard of 25%, the Company has put in place the following measures to systematically address the high NRW level;</p> <ul style="list-style-type: none"> <li>• Immediate replacement of unserviceable faulty meters once detected</li> <li>• Immediate servicing of all identified faulty serviceable meters</li> <li>• Immediate response to pipe bursts and leakages – less than 12hrs once reported. Bursts reporting and monitoring is automated</li> <li>• Gradual replacement of old consumer meters (more than 9 yrs. old)</li> </ul> | Resolved |            |

| Reference No.<br>on the external<br>audit Report | Issue /<br>Observations<br>from Auditor | Management comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Status: | Timeframe: |
|--------------------------------------------------|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|------------|
|                                                  |                                         | <ul style="list-style-type: none"> <li>• Gradual replacement of old dilapidated water distribution network</li> <li>• Establishment of 61no. District Metered Areas (DMAs) to monitor NRW levels and determine the major causes of physical and commercial losses.</li> <li>• Relocation of consumer meters to just at the edge of property boundary. Relocation deters water theft through by-passing of the meter and also makes it accessible to meter readers.</li> <li>• Sub-division of Company's areas of operation into schemes according to water supplies. These schemes are further sub-divided into zones, sub-zones and sub-lines. The sub-zones are manned by sub-zonal managers with an average of 350-400 consumers for easier monitoring of the service levels.</li> <li>• Mapping of all water infrastructure through GIS. This is facilitating high level monitoring and identification of issues causing high water loss.</li> <li>• Securing of 30 no. Smart meter reading phones to improve accuracy and meter reading efficiency.</li> <li>• Development of a proposal amounting to Ksh. 329million for procurement and installation of measuring and control devices. The</li> </ul> |         |            |

| Reference No.<br>on the external<br>audit Report | Issue /<br>Observations<br>from Auditor | Management comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Status: | Timeframe: |
|--------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|------------|
|                                                  |                                         | <p>proposal was forwarded to Athi Water Works Development Authority (AWWDA) and Kiambu County Government (KCG).</p> <ul style="list-style-type: none"> <li>• Procurement of Enterprise Resource Planning (ERP) billing system that will gradually assist in improving operations efficiency.</li> <li>• Development of performance matrix to monitor NRW, billing and revenue collection. This will eventually assist in improving the general performance of the Company.</li> </ul> <p>Some of the challenges being experienced in addressing NRW include;</p> <ul style="list-style-type: none"> <li>• Destruction of water distribution pipes due to the ongoing construction of MauMau road and feeder roads. The Company has been engaging respective road authorities urging them to always communicate in advance on envisaged road construction/grading projects and also compel the road contractors to cooperate with water officers on the ground to minimize destruction of pipes.</li> <li>• Old dilapidated distribution network leading to frequent bursts. This issue is being addressed by progressively</li> </ul> |         |            |

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|--------------------------------------------------|-----------------------------------------|--------------------------------------|---------|------------|
|                                                  |                                         | replacing pipes in hotspot<br>areas. |         |            |

James Muiruri

Signature 

Ag. Managing Director

27<sup>th</sup> September 2023

Appendix II: Recording of Transfers from Other Government Entities

| Name of the County/MDA/Donor<br>Transferring the funds | Where Recorded/recognized              |                                          |                         |                                      |              |                  |             |                           |                                    |
|--------------------------------------------------------|----------------------------------------|------------------------------------------|-------------------------|--------------------------------------|--------------|------------------|-------------|---------------------------|------------------------------------|
|                                                        | Date received as per bank<br>statement | Nature: Recurrent/<br>Development/Others | Total Amount - KES      | Statement of Comprehensive<br>income | Capital Fund | Deferred Income  | Receivables | Others - must be specific | Total Transfers during the<br>Year |
| AWWDA                                                  | 25 <sup>th</sup><br>April<br>2023      | Recurr<br>ent                            | Ksh<br>9Million         | 5,918,850                            | -            | 3,081,150        | -           | -                         | 9,000,000                          |
| <b>Total</b>                                           |                                        |                                          | <b>Ksh<br/>9Million</b> | <b>5,918,850</b>                     | <b>-</b>     | <b>3,081,150</b> |             |                           | <b>9,000,000</b>                   |