

REPUBLIC OF KENYA

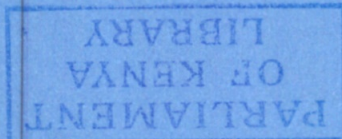


*Enhancing Accountability*

## REPORT

PAPERS LAID	
DATE	16/05/2024
TABLED BY	Sen. J. Methu <b>OF</b> on behalf of SMC
COMMITTEE	—
CLERK AT THE TABLE	Ms. Tiffany Keira

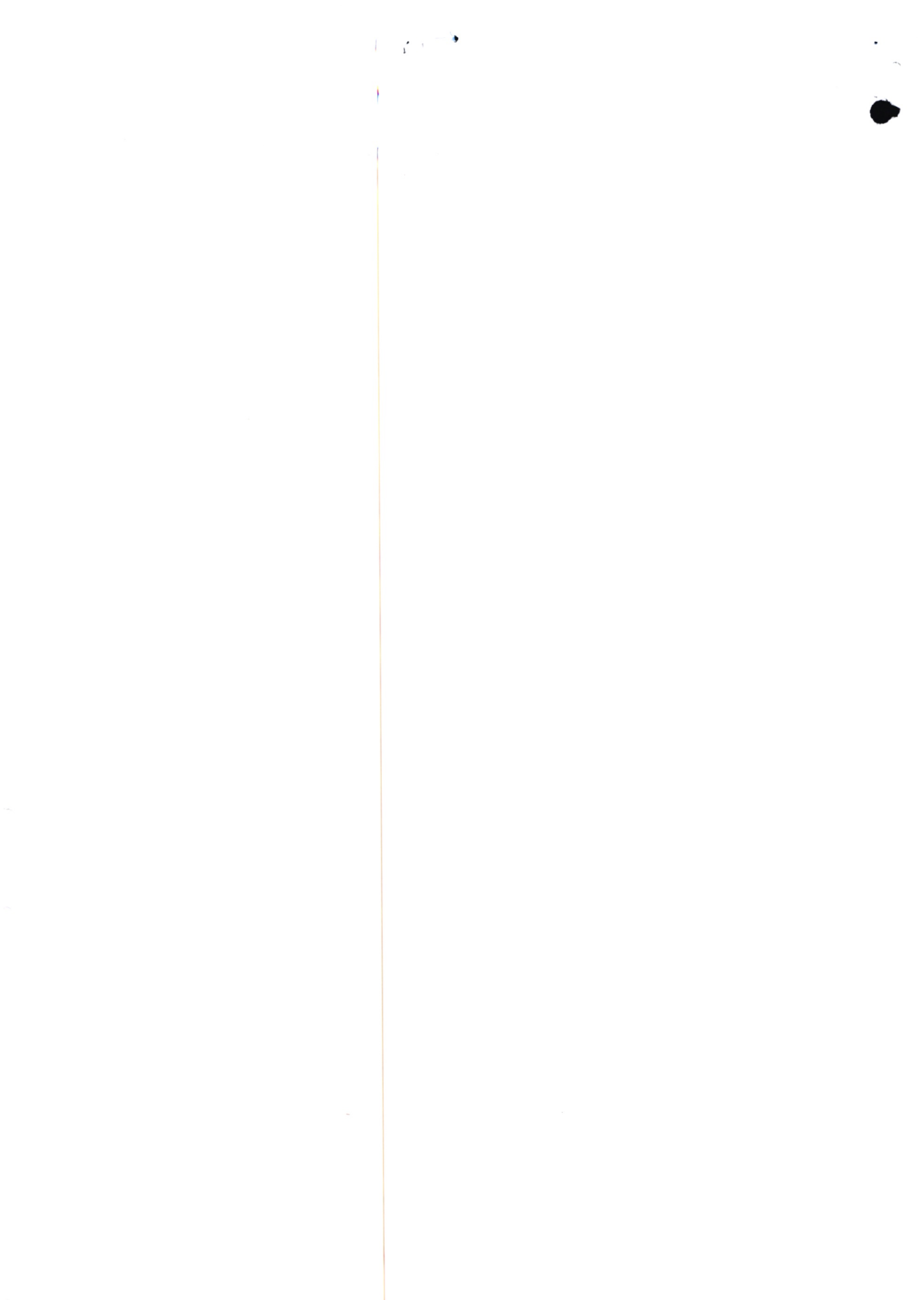
**THE AUDITOR-GENERAL**



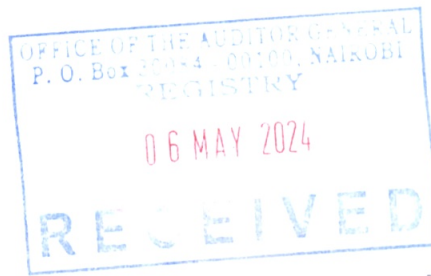
**ON**

**GITHUNGURI WATER AND SANITATION  
COMPANY LIMITED**

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







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# **GITHUNGURI WATER & SANITATION COMPANY LTD**

## **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)

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

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**1. Acronyms and Glossary of Terms**

ICPAK	Institute of Certified Public Accountants of Kenya
IFRS	International Financial Reporting Standards
MD	Managing Director
PFM	Public Financial Management
PSASB	Public Sector Accounting Standards Board
WASREB	Water Services Regulatory Board
WRA	Water Resources Authority
AWWDA	Athi Water Works Development Agency

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**2. Key Entity Information**

**Background information**

Githunguri Water & Sanitation Company Limited was incorporated under the Companies Act (Cap. 486) on 24<sup>th</sup> April 2007 and was appointed by Athi Water Services Board (a state corporation) as an agent for the provision of efficient and effective water and sanitation services within Githunguri district & Lower Lari. The company currently operate in Githunguri Sub County and Part of Lari Sub County. After the new constitution the company become an agent of County Government of Kiambu. The Company is currently 100% owned by County Government of Kiambu. The board of Directors are responsible for the general policy and strategic direction of the Company

**Principal Activities**

The principal activities for which the Company was established are: -

- To supply Githunguri sub county & Lower Lari together with the neighborhood and its environs, with quality, affordable & sufficient water and to carry on business of water and to manage the assets belonging to Athi Water Works Agency by ensuring they are not subject to any resolution of the Company or that of the Council
- To exercise overall control over the sources and supply of water and in particular, to conserve, redistribute and to augment those water resources, including sinking boreholes, to make, build and construct, lay down and maintain reservoirs, waterworks, cisterns, culverts, filter-beds, main and other pipe and appliances, to execute and do all works and things necessary or convenient for obtaining, storing, selling, delivering, measuring and distributing water, or otherwise for the purposes of the Company.
- To provide and distribute a constant supply of potable water for commercial, industrial and domestic purposes.

**Vision**

To be the market leader in the provision of reliable, quality, sufficient and affordable water services in the region.

**Mission**

To ensure provision of efficient, effective, good quality water services in our area of jurisdiction and beyond.



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**Directors**

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

- |                                      |   |
|--------------------------------------|---|
| 1. Bishop Solomon Wairiri Waweru     | Board Chairman                                |
| 2. James Gichanga Mburu<br>Committee | Board Member and Chairman of Risk & Audit     |
| 3. Jennifer Kanini Musyoki           | Board Member and Chief Officer Water          |
| 4. William Kimani                    | Board Member and Chief Officer Finance        |
| 5. Charles Gikonyo                   | Board Member and Chief Officer Administration |

*The Alternate Directors who served the Githunguri Water and Sanitation Company during the period were as follows:*

- |                       |  |
|-----------------------|--|
| 1. Joseph Njuguna     | Alternate Board Member and Director Water          |
| 2. Henry Mburu Waweru | Alternate Board Member and Director Revenue        |
| 3. Stephen Kiiru.     | Alternate Board Member and Director Administration |
| 4. Peter Gichuki      | Alternate Board Member and Director Administration |

**Corporate Secretary**

Jacqueline Wangari Murigi  
P.O. Box 2344-00900  
Kiambu

**Registered Office**

Githunguri Water & Sanitation Company Ltd  
Githunguri Town within Githunguri Police Station  
P.O. Box 823 - 00216,  
Githunguri

**Corporate Headquarters**

Githunguri Water & Sanitation Company Ltd  
Githunguri Town within Githunguri Police Station  
P.O. Box 823 - 00216, Githunguri

**Corporate Contacts**

Telephone: (254) 700484034/731554433  
E-mail: [githunguriwater@yahoo.com](mailto:githunguriwater@yahoo.com)  
[info@githunguriwater.co.ke](mailto:info@githunguriwater.co.ke)  
Website: [githunguriwater.co.ke](http://githunguriwater.co.ke)

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**3. The Board of Directors**



**1. Name:** Bishop Solomon Waweru  
**2. Position:** Chairman (Independent Director)  
**3. DoA ;2018**  
**4. Qualification:** Bsc/ Agric.(Nrb), Msc/ Agric.Ext (Reading, UK), Bth (Beacon, USA), Phd th (candidate)  
**5. Work Experience:** District Agric Officer (DAO), various Districts, Prov Director of Agric (PDA/PDALE), various Provinces, Deputy Director of Agric (DDA.Hqts), MD/CEO Coffee Board of Kenya (CBK)



**1. Name:** James Gichanga Mburu  
**2. Position:** Audit Committee Chair (Independent Director)  
**3. DoA ;2022**  
**4. Qualification:** Bsc. Electronics, Electrical & Telecommunication Engineering. ERB member  
**5. Work Experience:** Over 30years of Engineering in Civil Service. Currently Head of Maintenance, Engineering & ICT in ministry of ICT and Digital Innovation.



**1. Name:** Jennifer Kanini Musyoki  
**2. Position:** Director  
**3. Date of Birth:** 29/07/1984  
**4. Date of Appointment:** 29th July 2020  
**5. Qualification:** MBA (Strategic Management); BSc Civil Engineering  
**6: Work Experience:** Previously worked as a Water & 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.



**1.Name:** William Nyanjui Kimani  
**2.Position:** Director  
**3.DoA:** March 2022  
**4.Qualifications:** Msc. Business Administration (Finance), BBA (Accounting & Finance), CPA (K)  
**5.Work Experience:** COF & Economic Planning, County Government of Kiambu (2019 – date), Chief Officer Administration County Government of Kiambu (Dec 2018 – June 2019), Director Administration, Principal Administration Officer (May 2017 – Nov 2018) – County Government of Kiambu, FM PUEA Mt Kenya University (Jan 2010 -April 2017), FM Limuru Milk Processors (Mar 2007 – Dec 2009), Chief Accountant New Baron and Leveque International & Kenana Distributors (Feb 2007 – March 2002)Officer in the Department of Water, Environment, Energy and Natural Resources.



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1. **Name:** Charles N. Gikonyo
2. **Position:** Director
3. **DoA ;** February 2022
4. **Qualification:** BA Government & Public Administration, Certified Public Secretary, Chartered Institute of Purchasing & Supplies (UK)
5. **Work Experience:** Current Chief Officer – Administration & Public Service, previously practiced as a Certified Public Secretary



1. **Name:** Jacqueline Wangari Murigi
2. **Position:** Company Secretary
3. **DoA** April 2023
4. **DoB:** 28<sup>th</sup> November 1989
5. **Qualification:** LLB (Catholic University of East Africa) Master’s Degree in Public Policy and Admin KU, Diploma in HRM, a registered CS and CPM
6. **Work Experience:** An advocate of the high court with over seven years’. Served in the County Government of Kiambu in various capacities; Legal Counsel Legislative Drafting, Senior Legal Counsel and subsequently Director Legal Services in the Office of the County Secretary. Currently, She serves as the Director – Legal Services in the Department of Water & Sanitation supporting the Board of Directors in offering Company Secretarial Services as a qualified Certified Secretary.



1. **Name** Charles Wahogo Muiru
2. **Position** Ag Managing Director
3. **Qualification.** Holds B.E.D Accounting and Economics (U.O.N) and CPA IV
4. **Work Experience.** Over 15 Years working in water companies

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**4. Key Management Team**



**Charles Wahogo Muiru - Ag Managing Director**  
 Holds B.E.D Accounting & Economics (U.O.N) and CPA IV  
 He is responsible of monitoring and assessing management's performance  
 Ensuring that the company complies with the legal and governance framework of the company  
 Ensuring institutional transformation in accordance with corporate strategy



**Christopher Gatheca – Technical Manager**  
 Holds B.sc Agricultural & Biosystems Engineering  
 He is responsible of Technical department overseeing sufficient production, Nrw team, preparation of proposals for funding and also oversees operations & maintenance



**Stephen Thenya Mwangi- Human Resource & Administration Manager**  
 Holds Higher Diploma in Human Resource Management  
 Master of Science- HRM  
 Full member-IHRM  
 He is responsible for Human resource functions & logistic issues



**CPA Alex Muragu Waruhiu -Accountant**  
 Holds CPA(K) and is Registered with ICPAK  
 B. Com Finance (On-going)  
 Preparation of reports & Financial statements  
 Handles Statutory Obligations  
 Oversees revenue collection and Debt Management



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	<p>Cecilia Wanjiru Gakuha- <b>Procurement Officer</b>  Holds BBM (Purchasing &amp; supplies)  Diploma in Purchasing &amp; supplies  In charge of procurement processes</p>
	<p>Peris Wambui- Billing officer  Holds diploma in Hrm  B.com Human Resource On-going  Handles the billing processes &amp; customer care</p>
	<p>Gabriel Kariuki- Githunguri Scheme manager  Holds Diploma In Water Engineering  Assist the Technical manager in overseeing scheme technical issues</p>
	<p>Hillary Mwani- Komothai Scheme manager  Holds Diploma In Water Engineering  Assist the Technical manager in overseeing scheme technical issues</p>
	<p>Ann Wambii- Internal Auditor  Holds B.com Finance &amp; CPA Part 1  Incharge of Internal Audit</p>

**Githunguri Water & Sanitation Company Ltd**  
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**1.Name:** Jacqueline Wangari Murigi  
**2.Position:** Company Secretary  
**3.DoA** April 2023  
**4. DoB:** 28<sup>th</sup> November 1989  
**5. Qualification:** LLB (Catholic University of East Africa)  
Master's Degree in Public Policy and Admin KU, Diploma in HRM, a registered CS and CPM  
**6.Work Experience:** An advocate of the high court with over seven years'. Served in the County Government of Kiambu in various capacities: Legal Counsel Legislative Drafting, Senior Legal Counsel and subsequently Director Legal Services in the Office of the County Secretary. Currently, She serves as the Director – Legal Services in the Department of Water & Sanitation supporting the Board of Directors in offering Company Secretarial Services as a qualified Certified Secretary.



**Githunguri Water & Sanitation Company Ltd**  
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**5. Chairman's Statement**

I am delighted to present to you the financial report for the year ended 30th June 2023. As a company we put in a lot of effort to fulfill our mandate which is to provide water and sanitation services in Githunguri and Lower Lari sub-counties of Kiambu County.

During the year ended 30th June 2023 the company focused on key objectives which include; Reduction of NRW, increased coverage, financial sustainability, operational sustainability and customer satisfaction.

During this period the company registered some positive growth in collection efficiency and good governance.

During the financial year the company made a deficit of Kshs. 26,745,690 compared to a deficit of Kshs 13,254,858 during the previous financial year. The increase in loss was occasioned by increased operational cost and low billings

Due to the incomplete road constructions where most of our pipelines were greatly affected especially in areas served under Komothai water system more than 2,000 customers remain unserved and this has led to loss of revenue in these areas where we have discontinued supply.

We have discontinued supply in Matimbei zone due to the takeover by the community this has affected our revenues in the area. There has been stalemate and the community has full control of the project.

**Way forward**

The challenges at hand call for great improvement of existing systems and construction of new ones and I believe that with the assistance of our stakeholders this problem would be addressed.

Water is now a Constitutional Right and this may pose a challenge in our endeavour to serve the underserved in line with Sustainable Development Goals.

We are generally striving in the following key areas in order to attain sustainable operations;

- Enhanced revenue collection from water sale
- Reduced non- revenue water hence increased water sale and reduce cost of operations.
- Enhanced staff productivity
- Improve water coverage and reliability
- Implement on-going /upcoming projects

I would take this opportunity to record my gratitude to my fellow board members for their support and valuable contribution to the company. I would also like to thank the management and the staff of the company for their commitment, strength and dedication towards the company. To our development partners I express my heartfelt gratitude for your continued support.

Last but not the least I would also thank our stake holders for their support and loyalty and assure them of our determination to continually improve the quality of our services

**Bishop. Solomon Wairiri Waweru,**  **Chairman of the Board**

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

I am delighted to present to you the financial report for the year ended 30th June 2023. As a company we put in a lot of effort to fulfill our mandate which is to provide water and sanitation services in Githunguri and Lower Lari sub-counties of Kiambu County.

### **Financial Performance**

During the year ended 30th June 2023 the company's revenue decreased from Kshs 69,953,644 to Kshs 49,841,754. This was as a result of we did not receive grants as compared to the previous financial year. The expenditure reduced from Kshs 83,208,502 to Kshs 76,587,444. The costs remained high due to reliance on Bulk water from Nairobi water, increase in electricity costs, Fuel and high cost in maintenance of water system. The net effect is that the company made a deficit of Kshs 26,745,690 compared to deficit of Kshs 13,254,859 made in the previous financial period. The company revenue collection for the period declined from Kshs. 48,314,702 to Kshs. 46,373,939.

### **Challenges faced during the financial year were:**

- The company relies partially on pumping systems and outsourced waters from Nairobi Water
- The Water infrastructure is dilapidated due to age and as a result, supply in some areas is unreliable
- Very high cost of producing water mainly due to bulk water purchases from Nairobi Water.
- Limited financial resources to fund rehabilitation and expansion of water services infrastructure.
- Fluctuating fuel costs leading to high electricity bills.
- Debt collection remained a challenge. The main challenges being faced in debt collection are: Tracing of debtors some of whom are no longer residents of the area, obsolete entities like community water projects that no longer exists despite having owed Giwasco.
- Non-Revenue Water remains a challenge mainly attributed to destruction of pipes due to road works construction across the area of jurisdiction, rampant illegal connections, dilapidated water infrastructures & old consumer meters which are due for replacement.
- Expired tariff. We are working closely with WASREB for review of the same.
- Community taking over and running of areas which were generating revenue for the organization.
- Drought during the period affecting the aquifers, this rendered a portion of our area to remain unserved.

The challenges at hand call for great improvement of existing systems and construction of new ones and I believe that with the assistance of our stakeholders this problem would be addressed.

Water is now a Constitutional Right and this may pose a challenge in our endeavour to serve the underserved in line with Sustainable Development Goals.

Charles Wahogo Muiru



**Ag. Managing Director**



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**7.Statement of Performance against Predetermined Objectives for FY 2022/23**

Githunguri Water and Sanitation Company Limited has 7 strategic pillars and objectives within the current Business Plan for the financial year 2022-2023. These strategic pillars are as follows:

Pillar 1: Revenue collection efficiency.

Pillar 2: Unaccounted for water.

Pillar 3: Water Quality.

Pillar 4: Hours of Supply.

Pillar 5: O & M Cost coverage.

Pillar 6: Staff Productivity.

Pillar 7: Water service.

Githunguri Water and Sanitation Company Limited develops its annual work plans based on the above 7 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Githunguri Water and Sanitation Company Limited achieved its performance targets set for the financial year 2022/2023 period for its 7 strategic pillars, as indicated in the diagram below:

<b>Strategic Pillar/Theme/Issues</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Revenue collection efficiency	To attain 95% collection efficiency from the current 69%	>95%	Disconnection of non-paying customers Payment plan agreement to enhance collection of arrears Use of demand notices	98%
Unaccounted for water(Water produced/ Water billed)	To improve Nrw from the current 60 % to at least 40%	<25 %	Remove of illegal connections Enforcement of Nrw unit Replacement of old consumer meters Replacement of dilapidated pipeline infrastructure	68%
Water quality( Total number of tests carried out/ number of tests planned according to guideline and standards	To attain a 100% water quality	>95%	Increase on the number of water quality tests	94%
Hours of Supply ( total hours of supply per month/30days)	To ensure constant & reliable supply	>20hrs	Increasing water production	14hrs

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			Adhering to asset maintenance schedule	
O & M Cost Coverage %	To attain over 130 % from the current 95%	100-149%	Increase in number of connections so as to increase on the monthly billing	90%
Staff productivity ( staff per 1000connections	To attain a staff productivity of 6 employees per 1,000 connections	<5	Increase the number of active water connections	9
Water service coverage	To attain over 50% water coverage from the current 28%	>90%	Increase connectivity to unserved and underserved areas	28%



## **8. Corporate Governance Statement**

Githunguri Water & Sanitation Company Ltd regards good corporate governance as crucial to the success of the business and is committed to practice it so that it remains a sustainable and viable business. This Statement sets out the main corporate governance practices and structures in Githunguri Water & Sanitation Company Ltd.

The following corporate governance guidelines and principles are applied in the company to govern directors and staff; WASREB guidelines on Corporate Governance for Water companies specify best corporate governance principles and others like the Code of Ethics for directors and the Public Officer Ethics Act, 2003 that applies to public officers.

Directors exercise independent judgment and professional competencies for effective governance of the Company as set out in their terms of reference which clearly spells out important governance arrangements covering appointment of directors.

The Directors' Code of Conduct sets out rules that govern the conduct of individual directors in order to enable the Board to operate effectively and in the best interests of Githunguri Water & Sanitation Company Ltd. The Code of Conduct sets out rules for directors to among others: act honestly, in good faith and for the best interest of the company, exercise duty with care and diligence, avoidance and management of conflict of interest, maintain confidentiality of information about the company, showing commitment to and attend to Githunguri Water & Sanitation Company Ltd business and respect to fellow directors.

### **Composition of the Board of Directors**

The Board comprises Five Directors, and the Managing Director. The composition of the Board of Directors considers requirements of the water sector, diverse mix of skills, age, gender, qualifications and experience necessary to achieve the company's goals and objectives.

### **Conflict of Interest**

Directors are required to make a written disclosure of any transaction in which they have interest and which would constitute a conflict of interest and to abstain from voting when such matters are being considered. Business transactions with all parties, directors or their related parties are carried out at arms' length.

### **Role and Responsibilities of the Board**

The Board provides leadership and strategic direction to Githunguri Water & Sanitation Company Ltd. Their main responsibilities are:

- Establishing the short and long-term goals of the Company and strategic plans to achieve those goals
- Ensuring preparation of the annual financial statements

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- Approval and review of the annual budgets & procurement plans
- Setting and periodically reviewing key performance indicators and management performance
- Ensuring that Githunguri Water & Sanitation Company Ltd has adequate systems of internal controls
- Ensuring that Githunguri Water & Sanitation Company Ltd has adequate risk management plans to ensure business continuity

**Role of Chairman of the Board of Directors**

The Chairman is primarily responsible for providing leadership to the board, chairing board meetings and general meetings of members. The chairman also ensures that the Board is supplied with timely and sufficient information to enable it to discharge its duties effectively.

**Managing Director**

The Managing Director is the chief executive of Githunguri Water & Sanitation Company Ltd responsible for the day to day management.

**Directors Training and Development**

The Company recognizes the importance of having a well informed and fully empowered Board of Directors. In this regard, relevant training and capacity development opportunities are organized to equip directors with skills and knowledge necessary to effectively perform their responsibilities.

**Board Work plan and Meetings**

A work plan and schedule of meetings is prepared annually in advance. The Board meets at least twice per quarter or more depending on the requirements of the business. Directors receive adequate notice for meetings and detailed papers on issues to be discussed.

**Board Meetings Agenda Financial Year 2022/2023**

	MEETING	DATES	AGENDAS & BOARD MEETINGS FY 2022 – 2023
<b>1</b>	<b>FINANCE</b>		
	1 <sup>st</sup> Finance, HR & Administration Committee	25 <sup>th</sup> August, 2022 (Thursday)	<ul style="list-style-type: none"> <li>a) Receive the final accounts report and financial statement for the 2021/22 FY</li> <li>b) Consider and approve the Company's revised organisation structure for implementation</li> <li>c) Approve the staff suitability assessment report, the training needs assessment report and training programme for the staff members</li> </ul>
	2 <sup>nd</sup> Finance, HR & Administration Committee	Thursday 3 <sup>rd</sup> November, 2022	<ul style="list-style-type: none"> <li>a) Receive 1<sup>st</sup> quarter financial report</li> <li>b) Receive report on implementation of the procurement plan</li> <li>c) Receive a report on stores management and inventory.</li> </ul>



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			d) Consider and recommend the 1 <sup>st</sup> quarter report on Staff performance against the set out KPIs and staff appraisals.
	3 <sup>rd</sup> Finance, HR & Administration Committee	19 <sup>th</sup> January, 2023	a) Receive the 2 <sup>nd</sup> Quarter Financial Report b) Receive report on implementation of the procurement plan c) Consider, adopt and give further directives in respect to, Half year performance appraisal. Departmental reports d) Consider and approve the 2023/24 Budget and procurement plan
	4 <sup>th</sup> Finance, HR & Administration Committee	10 <sup>th</sup> April, 2023	a) Receive the 3 <sup>rd</sup> Quarter Financial Report b) Receive report on implementation of the procurement plan c) Consider and approve the 2023/24 Performance Contract and the Committee and Board work plan for the 2023/24 FY
<b>2</b>	<b>TECHNICAL COMMITTEE</b>		
	1 <sup>st</sup> Technical Committee Meeting	6 <sup>th</sup> July, 2022	a) Meeting with staff followed by a Board meeting to discuss issues raised during the meeting. b) Approve the Board work plan for 2022/23 FY
	2 <sup>nd</sup> Technical Committee Meeting	29 <sup>th</sup> September, 2022	a) Approve the targets for the year with reference to the strategic plan, investment plan and the SPA b) Approve the 2022/23 Performance Contract for the Managing Director and the line Managers.
	3 <sup>rd</sup> Technical Committee Report	26 <sup>th</sup> January, 2023	a) Review performance of the KPI b) Review the status of on-going projects (internally and externally funded) c) Review agreements and compliance of the Community Water Projects
	4 <sup>th</sup> Technical Committee Report	26 <sup>th</sup> March, 2023	a) Review performance of the KPI b) Receive technical status report c) Review the status of on-going projects (internally and externally funded) d) Review agreements and compliance of the Community Water Projects
	5 <sup>th</sup> Technical Committee Report	22 <sup>nd</sup> June, 2023	a) Review performance of the KPI b) Receive technical status report c) Review the status of on-going projects (internally and externally funded) d) Review agreements and compliance of the Community Water Projects
<b>3</b>	<b>RISK AND AUDIT</b>		
	1 <sup>st</sup> Risk and Audit Committee Meeting	1 <sup>st</sup> September, 2022	a) Approve 2022/23 the Company's Risk Management Framework b) Approve the Auditors Work Plan c) Receive 2021-2022 Accounts
	2 <sup>nd</sup> Risk and Audit Committee Meeting	24 <sup>th</sup> November, 2022	a) Consider and recommend the 1 <sup>st</sup> quarter report and review the Risk Management Framework
	3 <sup>rd</sup> Risk and Audit Committee Meeting	16 <sup>th</sup> January, 2023	a) Consider and recommend the 2 <sup>nd</sup> quarter report and review the Risk Management Framework
	4 <sup>th</sup> Risk and Audit Committee Meeting	25 <sup>th</sup> May, 2023	a) Consider and recommend the 3 <sup>rd</sup> quarter report

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

### **The company's operational and financial performance**

During the financial year the company made a deficit of Kshs. 26,745,690 compared to a deficit of Kshs. 13,254,858 during the previous financial year. The increase in loss was occasioned by continued reliance on Bulk water supply from Nairobi water, high cost of power and increase in maintenance of water systems. Billing reduced from Kshs. 55,486,200 to Kshs. 47,283,165 this was attributed by disconnection account by the ongoing road constructions. Revenue collection declined from Kshs. 48,314,702 to Kshs. 46,373,939. NRW reduced from 71% to 68% attributable to high number of illegal connections. Drought affected water aquifers which in turn resulted to less hours of supply and also constant pump breakdowns

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

The company complied with statutory requirement like payment of NHIF, NSSF, PAYE, and contribution to pension schemes. Nevertheless, we have arrears in other statutory obligations like lease fee, regulatory levy and abstraction levy to WRA and audit fee.

### **Major risks facing the company**

The major risk facing the company is the going concern of the company as a result of the ongoing process of consolidation of water companies in Kiambu County. Increase in deficit is also another risk that the company is facing since it affects its reliance on other partners and also creditors.

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

We have the following as the material balances in the year under review are as follow:

1. Lease Fee to AWWDA Kshs 15,541,893
2. Regulatory Levy to Wasreb Kshs 10,474,839
3. Abstraction Levy to WRA Kshs 3,189,964
4. Nairobi water Company Kshs. 162,265,702
5. Office of the Auditor General Kshs. 2,220,000

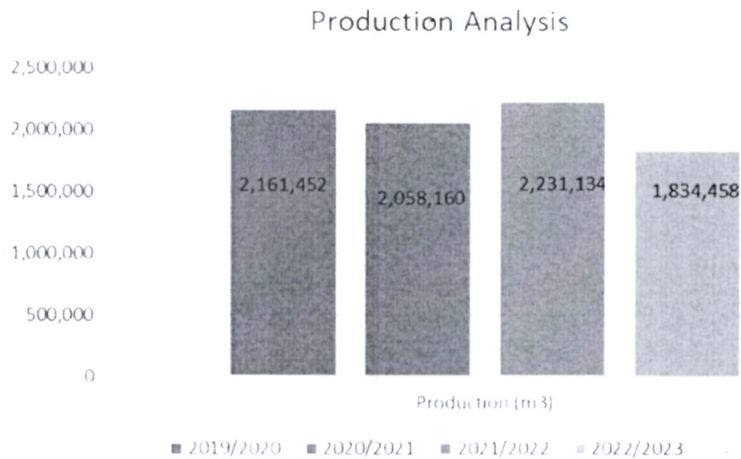


**Githunguri Water & Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

Comparative trend analysis

a) Water Production

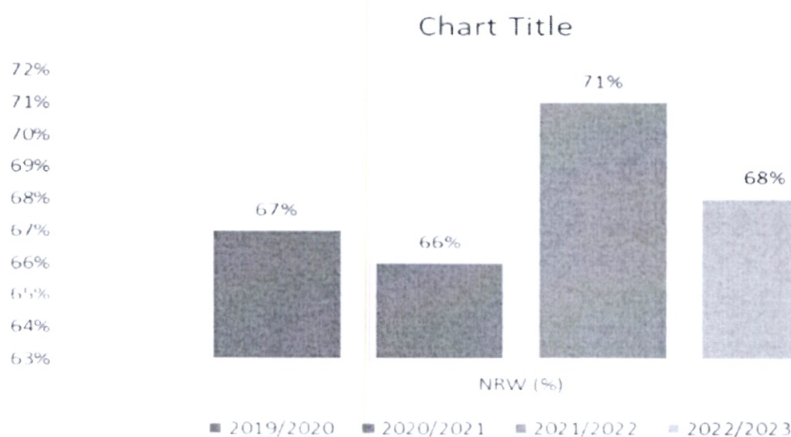
Four Years- Water Production analysis				
Year	2019/2020	2020/2021	2021/2022	2022/2023
Production (m3)	2,161,452	2,058,160	2,231,134	1,834,458



During the financial year ended June 2023 there was 18% decline in production this being attributed by non-production in Matimbei area which was forcefully taken over by the community, frequent breakdown of Giathieko & Gitombo Pump and adverse weather effect which affected Githiga zone production.

b) Non- Revenue Water

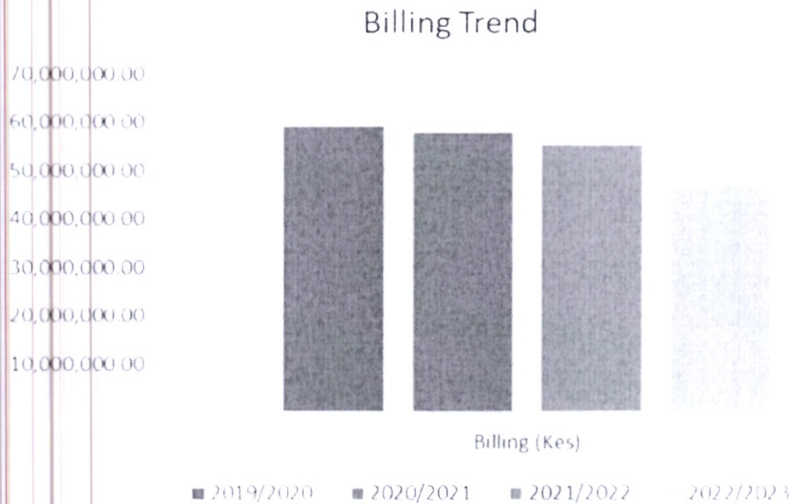
Four Years- NRW Trend analysis				
Year	2019/2020	2020/2021	2021/2022	2022/2023
NRW (%)	67%	66%	71%	68%



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

c) Billing Trend

Four Years- Billing analysis				
Year	2019/2020	2020/2021	2021/2022	2022/2023
Billing (Kes)	59,176,804.00	57,920,350.00	55,486,200.00	47,282,165.00



d) Collection Efficiency

Four Years- Collection Efficiency analysis				
Year	2019/2020	2020/2021	2021/2022	2022/2023
Billing (Kes)	59,176,804.00	57,920,350.00	55,486,200.00	47,282,165.00
Collection	39,271,776.00	44,074,566.00	48,678,571.00	46,405,098.00
Efficiency	66%	76%	88%	98%





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

GIWASCO exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

### **i) Sustainability strategy and profile -**

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

- Extension of various pipe networks like Kiambururu where we have increased connections by over 200 customers.
- Implementation of a cashless revenue collection by use of banking and Mpesa services.
- Enhanced Smart meter reading & in-house billing.
- Disconnected a lot of illegal connections.

In the year 2022/2023, the greatest threat to the sustainability of our service and production were among others:

- The Destructed pipelines during road construction in various areas within our area of jurisdiction are yet to be compensated by the contractor. This has impacted negatively on our billing and collection as more than 2,000 stands affected
- Dilapidated distribution network leading to frequent bursts. This issue is being addressed by progressively replacing pipes in hotspot areas.
- Interruption of water supply due to breakdown of boreholes and Frequent Power fluctuations especially in Githunguri town leading to downtime
- High Non-revenue water due to aged supply network and water theft.
- Matimbei zone has been taken over by the community and our operations in the area has been rendered futile as the community is hostile. This has led to loss of billing, revenue and uncollectable debtors.
- Court cases

### **ii) Environmental performance**

Being a water service provider, Giwasco has been intensively involved in the conservation of the water catchments in its areas of jurisdiction and its environs. By this we have partnered with several community Water Resource Associations like Kamiti. We actively participate in tree planting in our catchment areas and also participates in the monthly clean up exercise spearheaded by the county government.

### **iii) Employee welfare**

The company has developed a HR manual policy that guides on contracting and employee welfare. The company provide a comprehensive medical cover to all its employees renewable after every year and organises medical clinics to its employees. During the period in collaboration with Kenya water institute & Waspa we took some of our staff for trainings.

### **iv) Market place practices-**

The organisation should outline its efforts to:

#### **a) Responsible competition practice.**

Giwasco operates within its area of jurisdiction as guided by the WASREB operating license further the company acknowledges the existence of community based water service providers in its area of jurisdiction and supports them especially during this time of road construction.

Giwasco is fully owned by the County Government of Kiambu, and engages with the county government through the county government's department of Water and

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

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environment. Further, the company answers to the County assembly committee of finance in an annual basis

**b) Responsible Supply chain and supplier relations**

Giwasco has developed the Procurement Policy Manual that guides purchasing and disposing at the company. The policy also guides the annual development of the Procurement plan in which the suppliers are pre-qualified to ensure fair completion in its procurement. The company engages with the suppliers having followed all the necessary required procurement procedures and also maintains a good supplier relationship where the supplies are paid within reasonable timelines upon delivery of good and services.

**c) Responsible marketing and advertisement**

Our tariff is developed by WASREB the government body mandated to give guidelines on the same where stakeholders are involved in developing the tariff. Occasionally we do customer clinics to ensure we deliver the best to our customers.

**d) Product stewardship**

Giwasco complies with the KEBS guidelines for standards of drinking water. Further WASREB gives guidelines for water quality testing and reporting which Giwasco adheres to.

**v) Community Engagements**

The company is involved in the takeover and facilitation of failed community projects in an aim to ensure that people within our area of jurisdiction that do not get water services start getting the services.

We still supply water in various markets: Githunguri Market, Ikinu area, Kwamaiko, Githiga so as to ensure that the community has running water for hand wash.

During the period we donated household items to a needy home in Gathaiti area and we also provide the household with water.



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

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**11. 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 principle activities for which the Company was established are: -

- To supply Water and Sanitation Services to the residents of Githunguri District/Sub county and lower part of Lari District/sub County and to manage the assets belonging to Athi Water Services Board and the assets shall not be subject to any resolution of the Company or that of the County Government of Kiambu
- To exercise overall control over the sources and supply of water and in particular, to conserve, redistribute and to augment those water resources, including sinking boreholes, and to make, build and construct, lay down and maintain reservoirs, waterworks, cisterns, culverts, filter-beds, main and other pipe and appliances, and to execute and do all works and things necessary or convenient for obtaining, storing, selling, delivering, measuring and distributing water, or otherwise for the purposes of the Company
- To provide and distribute a constant supply of potable water for commercial, industrial and domestic purposes.

The company's area of service covers about 244 square kilometers across seven wards, five wards in Githunguri sub-county namely Komothai, Ngewa, Githunguri, Ikinu and Githiga. Two wards in Lari Sub-County namely Kamburu and Nyanduma wards. Within these wards, we have areas currently not served with water but are incorporated in the development plans of both the National and County Governments for consideration for expansion of water services into those areas. We also have about 7 community water projects also offering water services within this area but the community water projects are yet to register with Giwasco.

**ii) Results**

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

**iii) Dividends**

The company did not declare any dividends for the year ended 30<sup>th</sup> June 2023 due to the financial situation and performance of the Company. The company did not make any surplus and instead the deficit increased. The directors therefore did not declare any divided.

**iv) Directors**

The members of the Board of Directors who served during the year are shown on page vii to x. In accordance with the regulation of the Company and as per the company's Articles of Association.

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

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**v) Auditors**

The Office of 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.

By Order of the Board

Jacqueline Wangari Murigi

Signature.....



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

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**12. Statement of Directors' Responsibilities**

Section 164 of the Public Finance Management Act, 2012 and companies Act 2015 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.


The Company going concern calls for support from the County Government and National Government in form of grants and Major investments as the current business is unsustainable. The company is operating with a negative balance sheet showing all the reserves are exhausted.

**Approval of the financial statements**

The company financial statements were approved by the Board on 28<sup>th</sup> September 2023 and signed on its behalf by:

**Bishop. Solomon Waweru** Sign 

**Chairman of the Board**

**Charles Wahogo.** Sign 

**Ag. Managing Director**



# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



*Enhancing Accountability*

**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON GITHUNGURI 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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, risk management environment and 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 Githunguri Water and Sanitation Company Limited set out on pages 1 to 54, which comprise of the statement of financial

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*Report of the Auditor-General on Githunguri Water and Sanitation Company Limited for the year ended 30 June, 2023*



position as at 30 June, 2023, and 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Githunguri 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 and comply with the Water Act, 2016, the Companies Act, 2015 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Inaccuracies in Trade and Other Receivables**

The statement of financial position reflects trade and other receivables totalling Kshs.63,894,575. The amount includes gross trade receivables amounting to Kshs.97,391,362 less provision for bad and doubtful debts amounting to Kshs.34,236,302 as disclosed in Note 29 to the financial statements. However, the trade receivables amount differs with the ledger balance of Kshs.88,637,399 resulting in unreconciled variance of Kshs.8,753,963.

Further, the trade and other receivables amount includes deposits and prepayment amounting to Kshs.739,514 as disclosed in Note 29 to the financial statements which differs with the ledger balance of Kshs.758,329 resulting in unreconciled variance Kshs.18,815.

In addition, Note 29 to the financial statements reflects provision for bad and doubtful debts amounting to Kshs.34,236,302. However, the provision for bad and doubtful debts policy has not been disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the trade and other receivables totalling Kshs.63,894,575 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Githunguri 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**

### **Material Uncertainty in Relation to Going Concern**

The statement of financial position reflects total current assets and total current liabilities totalling Kshs.76,399,910 and Kshs.223,955,323, respectively, resulting in a negative working capital of Kshs.147,555,413. This casts significant doubts on the Company's ability to continue as a going concern.

In the circumstances, the Company is technically insolvent and may not be able to meet its current obligations as and when they fall due.

My opinion is not modified in respect of this matter.

### **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 which have remained unresolved.

## **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. Excessive Non-Revenue Water**

Review of revenue records revealed that 1,903,807 cubic meters (m<sup>3</sup>) of water was produced out of which 588,196 m<sup>3</sup> was billed to customers while the balance of 1,315,611 m<sup>3</sup> or approximately 69% of the total volume of water produced represents non-revenue water. The non-revenue water of 69% was over and above the allowable loss of 25% set by the Water Services Regulatory Board (WASREB) guidelines by 44%.



The non-revenue water may have resulted in loss of revenue estimated at Kshs.92,092,770.

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

## **2. Use of Outdated Water Tariffs**

The statement of profit or loss and other comprehensive income reflects water sales amounting to Kshs.47,283,165 as disclosed in Note 6 to the financial statements. However, the water sales were based on outdated tariffs which may not reflect the true cost of providing water services. This was contrary to the gazette notice No.5139 of the Water Act, 2002 which stated that new adjustment water tariffs would be effective from 19 July, 2014.

In the circumstances, the Company did not get value for money on water sales.

## **3. Non-Compliance with Minimum Requirement on Employee Ethnic Balance**

Review of employee records revealed that the Company has forty-three (43) employees out of which fifty-one (41) or 95% are from the dominant local community. This is contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which provides that 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.

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 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, 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 the 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 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 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 Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

26 March, 2024



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

**14. Statement of Profit or Loss & Other Comprehensive Income for the Year Ended 30 June 2023.**

**GITHUNGURI WATER AND SANITATION COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE**  
**INCOME FOR THE YEAR ENDED 30TH JUNE 2023**

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Revenue</b>			
Operating Revenue	6	47,283,165	55,486,200
Grants Income	7	732,461	10,235,023
Other Income	8	1,826,128	4,232,421
<b>Total Revenue</b>		<b>49,841,754</b>	<b>69,953,644</b>
<b>Expenses</b>			
Staff Costs	11	25,251,478	23,004,366
General and Operations expenses	12	45,484,596	54,599,951
Board Expenses	13	1,761,217	1,752,662
Maintenance Expenses	14	1,998,165	1,930,997
Depreciation and Amortization expenses	15	2,091,987	1,920,527
<b>Total Expenses</b>		<b>76,587,444</b>	<b>83,208,502</b>
<b>Profit/(Loss) Before Taxation</b>		<b>(26,745,690)</b>	<b>(13,254,859)</b>

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

**15. Statement of Financial Position as at 30 June 2023**

**GITHUNGURI WATER AND SANITATION COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023**

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	20	20,219,194	20,986,393
<b>Total Non-Current Assets</b>		<b>20,219,194</b>	<b>20,986,393</b>
<b>Current Assets</b>			
Inventories	28	898,998	1,563,470
Trade and Receivable	29	63,915,669	63,142,411
Bank and Cash Balances	32	10,975,255	8,525,029
<b>Total Non-Current Assets</b>		<b>75,789,923</b>	<b>73,230,909</b>
<b>TOTAL ASSETS</b>		<b>96,009,116</b>	<b>94,217,302</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Ordinary Share Capital	33	40	40
Capital Reserve	36	11,509,082	11,509,082
Revenue Reserve	35	(139,025,275)	(112,279,585)
<b>Total Capital and Reserves</b>		<b>(127,516,153)</b>	<b>(100,770,463)</b>
<b>Non-Current Liabilities</b>			
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Current Liabilities</b>			
Trade and Other Payables	42	205,477,744	176,808,279
Customer Deposits	43	10,432,939	9,832,439
Deferred Income	44	7,614,586	8,347,047
<b>Total Current Liabilities</b>		<b>223,525,269</b>	<b>194,987,765</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>96,009,116</b>	<b>94,217,302</b>

The financial statements were approved by the Board on 28th September 2023 and signed on its behalf by:

AG. Managing Director  
Charles Wahogo Muiru

Sign



Accountant  
Alex Waruhiu Muragu  
ICPAK No. 22601

Sign



Chairman of Board  
Bishop Solomon Waweru

Sign





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

**GITHUNGURI WATER AND SANITATION COMPANY LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2023**

	<b>Share Capital</b> Kshs	<b>Revenue Reserves</b> Kshs	<b>Capital Reserves</b> Kshs	<b>Total Amount</b> Kshs
<b>Balance as at 1st July 2021</b>	<b>40</b>	<b>(99,024,726)</b>	<b>11,509,082</b>	<b>(87,515,604)</b>
Deficit for the year 2021-2022		(13,254,859)		(13,254,859)
<b>Balance as at 30th June 2022</b>	<b>40</b>	<b>(112,279,585)</b>	<b>11,509,082</b>	<b>(100,770,463)</b>
<b>Balance as at 1st July 2022</b>	<b>40</b>	<b>(112,279,585)</b>	<b>11,509,082</b>	<b>(100,770,463)</b>
Deficit for the year 2022-2023		(26,745,690)		(26,745,690)
<b>Balance as at 30th June 2023</b>	<b>40</b>	<b>(139,025,275)</b>	<b>11,509,082</b>	<b>(127,516,153)</b>

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

**17. Statement of Cash Flows for The Year Ended 30 June 2023**

**GITHUNGURI WATER AND SANITATION COMPANY LIMITED**

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30TH JUNE 2023**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Cash Flows From Operating Activities</b>		
<b>Receipts</b>		
Operating Revenue	46,373,939	48,314,702
Miscellaneous Income (Connection Fee)	1,707,000	2,063,228
Other Income	119,128	2,169,193
Grants Income	-	9,502,562
Customer Deposits	600,500	797,000
<b>Total Receipts</b>	<b>48,800,567</b>	<b>62,846,684</b>
<b>Payments</b>		
Staff Costs	21,637,492	23,591,147
Board Expenses	1,761,217	1,752,662
General and Operation Expenses	20,496,159	33,259,395
Maintenance Expense	1,283,184	2,120,423
<b>Total Payments</b>	<b>45,178,052</b>	<b>60,723,627</b>
<b>Net Cash From/(Used In) Operating Activities</b>	<b>3,622,515</b>	<b>2,123,058</b>
<b>Cash Flows from Investing Activities</b>		
Purchase Of Property, Plant And Equipment	(1,172,288)	(2,841,390)
<b>Net Cash From/(Used In) Investing Activities</b>	<b>(1,172,288)</b>	<b>(2,841,390)</b>
<b>Cash Flows from Financing Activities</b>		
<b>Net Cash From/(Used In) Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Increase/(Decrease) In Cash And Cash Equivalents</b>	<b>2,450,227</b>	<b>(718,332)</b>
<b>Cash And Cash Equivalents At Beginning Of Year</b>	<b>8,525,029</b>	<b>9,243,361</b>
<b>Cash And Cash Equivalents At End Of The Year</b>	<b>10,975,255</b>	<b>8,525,029</b>



Githunguri Water & Sanitation Company Ltd  
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18. Statement of Comparison of Budget & Actual Amounts for The Period Ended 30 June 20xx

GITHUNGURI WATER AND SANITATION COMPANY LIMITED

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT

FOR THE PERIOD ENDED 30TH JUNE 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	2022-2023	2022-2023	2022-2023	2022-2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Operating Revenue	82,865,000.00	6,920,000	75,945,000	47,283,165	28,661,835	62%
Grants				851,589	(851,589)	
Other Income	1,707,000.00	(393,000)	2,100,000	1,707,000	393,000	81%
<b>Total Revenue</b>	<b>84,572,000.00</b>	<b>6,527,000</b>	<b>78,045,000</b>	<b>49,841,754</b>	<b>28,203,246</b>	<b>144%</b>
Expenses						
Staff Costs	27,637,200.00	457,200	27,180,000	25,251,478	1,928,522	93%
Board Expenses	2,929,026.00	1,129,026	1,800,000	1,761,217	38,783	98%
General and operations Expenses	54,932,600.00	4,800,800	50,131,800	45,484,596	4,647,204	91%
Maintenance	1,980,000.00	(600,000)	2,580,000	1,998,165	581,835	77%
<b>Total Recurrent Expenditure</b>	<b>87,478,826.00</b>	<b>5,787,026</b>	<b>81,691,800</b>	<b>74,495,457</b>	<b>7,196,343</b>	<b>91%</b>
<b>Profit or Loss</b>	<b>(2,906,826.00)</b>	<b>739,974</b>	<b>(3,646,800)</b>	<b>(24,653,703)</b>	<b>21,006,903</b>	
Capital Expenditure	4,660,000.00	2,140,000	2,520,000	1,324,788	1,195,212	53%
<b>Total Expenditure</b>	<b>92,138,826.00</b>	<b>7,927,026</b>	<b>84,211,800</b>	<b>75,820,245</b>	<b>8,391,555</b>	<b>90%</b>

**Notes to the Budget**

**Revenue**

The under performance of the final budget by 38% resulted from uncompleted road works under Mau Mau project, we had anticipated that Line B which had been affected by the road works would have been completed to allow reinstatement of over 2,000 customers back to our billing system. The Line is yet to be completed but engagements with KENHA & County Government of Kiambu is still in progress. Furthermore, long period of drought affected water supply in Githiga, Gathanji, Gathaiti, Kiburio, Ikuria Gititu and Kamondo Waratho which depended on Githiga intake, the areas were not billed during the period. Giathieko & Gitombo pump breakdown accompanied by low yields affected the revenue generation from the area.

Matimbei, Kagaa and Kamburu walk routes were not billed from March 2023 as the project has been taken over by the community. Revenue collection in the area had been rendered futile as the community was hostile.

**Maintenance**

There was under absorption by 20 % as we had anticipated to do major vehicle maintenance but due to limitation of revenues it was not achievable during the period.



## **19. Notes to the Financial Statements**

### **1. General Information**

Githunguri Water and Sanitation Company Limited is established by and derives its authority and accountability from Companies Act Cap 486. The entity is wholly owned by the County Government of Kiambu and is domiciled in Githunguri, Kenya. The entity's principal activity is provision of water and sanitation services within Githunguri Sub County and part of Lari Sub County.

For Kenyan Companies Act reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of profit or loss and other comprehensive income in these financial statements.

### **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, will be on the inventory of water.

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, the Company's Act, and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

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

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

**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.*

<b>Title</b>	<b>Description</b>	<b>Effective Date</b>
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.  <b>The Company does not issue insurance contracts.</b>	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. There was no effect of amendments on our financial statements for the year ended.	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. There was changes to the accounting policies disclosed.	The amendments are effective for annual periods beginning on or after January 1, 2023.
Amendments to IAS 12 titled Deferred Tax Related to Assets and Liabilities arising from a Single	The amendments, applicable to annual periods beginning on or after 1st January 2023, 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	The amendments are effective for annual periods beginning on or after January 1, 2023.



**Githunguri Water & Sanitation Company Ltd**  
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Title	Description	Effective Date
Transaction (issued in May 2021)	to equal taxable and deductible temporary differences.	

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

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

**Notes to the Financial Statements (Continued)**

**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**

Githunguri 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) Dividend income** is recognized in the income statement in the year in which the right to receive the payment is established.
- v) Rental income** is recognized in the income statement as it accrues using the effective interest implicit in lease agreements.
- vi) 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.



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

**Summary of Accounting Policies**

**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 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>
Office Equipment's.	8.0	12.5%
Computers and Laptops	3.0	33.3%
Furniture & Fittings	8.0	12.5%
Motor Vehicle & Motor Cycles	4.0	25.0%
Plant and Equipment's	8.0	12.5%
Buildings and civil works	40.0	2.5%
Mobile Phones	3.0	33.3%
Pipes and Meters	8.0	12.5%
Tools	3.0	33.3%

A full year's depreciation charge is recognized the following year after purchase of the asset and none in the year of asset disposal. Items of property, plant and equipment are reviewed when needs be 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.

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

**Summary of Accounting Policies**

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

Amortization is calculated on the straight-line basis over the estimated useful life of the intangible asset. 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) Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise. An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising from derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.



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

**Summary of Accounting Policies**

**h) Right of Use Asset**

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

**i) Fixed interest investments (bonds)**

Fixed interest investments refer to investment funds placed under Central Bank of Kenya (CBK) long-term infrastructure bonds and other corporate bonds with the intention of earning interest. Fixed interest investments are freely traded at the Nairobi Securities Exchange. The bonds are measured at amortized cost or at fair value through profit or loss or at fair value through other comprehensive income (FVOCI).

**j) Quoted investments**

Quoted investments are classified as non-current assets and comprise marketable securities traded freely at the Nairobi Securities Exchange or other regional and international securities exchanges. Quoted investments are stated at fair value.

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

**Summary of Accounting Policies**

**k) Unquoted investments**

Unquoted investments stated at cost under non-current assets, and comprise equity shares held in other Government owned or controlled entities that are not quoted in the Securities Exchange. These are measured at fair value through profit or loss (FVTPL).

**l) 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 moving average price 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.

**m) 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.



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

**Summary of Accounting Policies**

**n) 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.

**o) 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 foreseeable 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.

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

**Summary of Accounting Policies**

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 re-assessed 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.

**p) 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.



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

**Summary of Accounting Policies**

**q) 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.

**r) 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 on 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.

**s) 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.

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

**Summary of Accounting Policies**

**t) Retirement benefit obligations**

The Company operates a defined contribution scheme for all full-time employees from July 1, 2014. The scheme is administered County Pension Fund and is funded by contributions from both the company (@15%) and its employees ( @12.5%). 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.

**u) 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.

**v) Exchange rate differences**

The accounting records are maintained in the functional currency of the primary economic environment in which the entity operates, Kenya Shillings. Transactions in foreign currencies during the year/period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.



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

**Summary of Accounting Policies**

**w) Budget information**

The original budget for FY 2022-2023 was approved by the Board of Directors on 28<sup>th</sup> April 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. 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 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. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Comprehensive income has been presented under section 18 of these financial statements.

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

**Summary of Accounting Policies**

**x) Service concession arrangements**

The Company analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Company recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Company also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**y) Comparative figures**

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

**z) Subsequent events**

No subsequent events

**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.



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

**Summary of Accounting Policies**

**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.
- 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. Additional disclosure of these estimates of provisions is included in Note 29.

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.

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

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

**6. Operating Revenue**

Description	2022-2023	2021-2022
	Kshs	Kshs
Water sales	47,283,165	55,486,200
<b>Total</b>	<b>47,283,165</b>	<b>55,486,200</b>

**7. Grants Income**

Description	2022-2023	2021-2022
	Kshs	Kshs
Capital Grant Income	732,461	732,461
Water Sector Trust Fund	-	9,502,562
<b>Total</b>	<b>732,461</b>	<b>10,235,023</b>

**8. Other Income**

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest Received	-	1,228
Miscellaneous Income (Connection Fee)	1,707,000	2,062,000
KENHA	111,500	2,055,100
WIBA Compensation	7,628	-
Karuri Water	-	23,023
Kiambu Water	-	23,023
Kikuyu Water	-	23,023
Limuru Water	-	23,024
Laser Insurance Broker	-	10,000
Tai Sacco	-	12,000
<b>Total</b>	<b>1,826,128</b>	<b>4,232,421</b>

**9. Finance Income**

This did not apply to the company during the financial year under review.

**10. Other Gains and Losses**

This did not apply to the company during the financial year under review.



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**11. Staff Costs**

Description	2022-2023	2021-2022
	Kshs	Kshs
Staff Salaries and Allowances	20,497,687	18,221,561
Employer's Contributions to Social Security Schemes	220,599	111,800
Employer's Contributions to Pension Scheme	1,699,655	1,598,702
Gratuity Provision	1,356,805	801,840
Medical Expenses	1,053,714	1,563,839
Casual Wages	60,600	331,263
Staff Welfare	362,420	375,360
<b>Total</b>	<b>25,251,478</b>	<b>23,004,366</b>

**12. General and Operations Expenses**

Description	2022-2023	2021-2022
	Kshs	Kshs
Chemicals	1,075,728	620,874
Electricity - Operational	8,188,162	7,948,422
Fuel and Lubricants.	2,283,575	1,559,348
Bulk Water Supply	20,696,192	24,303,220
Water Quality	380,000	656,000
Staff Protective Gears and Uniform.	50,800	22,800
Telephone Expenses.	339,846	298,594
Postal and Postage.	9,520	9,750
Maintenance of Water Supply	2,340,287	4,209,254
Insurance	278,419	35,199
Rent and Rates	145,200	134,200
Water Use Fee (WRA)	479,084	727,241
Office Electricity	4,645	4,587
Traveling and Accommodation.	3,360,265	2,878,081
Printing & Stationeries	185,340	100,249
Staff Training and Education.	102,396	928,169
Bank Charges	60,018	82,641
Security Services	1,596,510	1,545,700
Billing and Other Support Services	306,567	612,736
Advertising and Publicity.	71,494	87,015
Audit Fees	232,000	232,000
Contribution to Merger Fund	-	936,344
Office Repairs & Maintenance	67,030	21,810
Licensing and Wasreb levies	1,891,327	2,219,448
WASCO Games	12,500	947,760

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Stakeholders Forum	79,680	57,180
Covid 19 Interventions		163,965
CSR	22,150	
General Office Running Expenses	190,937	100,265
Membership to Professional Association	377,675	515,580
Environmental Conservation & Water Source Management	70,000	120,500
Provision for doubtful debts	319,623	2,521,020
Legal	267,628	-
<b>Total</b>	<b>45,484,596</b>	<b>54,599,951</b>

**13. Board Expenses**

Description	2022-2023	2021-2022
	Kshs	Kshs
Board Sitting allowances	1,761,217	1,752,662
<b>Total</b>	<b>1,761,217</b>	<b>1,752,662</b>

**14. Maintenance Expenses**

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance of Plant and Equipment	1,177,124	1,128,806
Maintenance of Buildings and Stations	21,310	155,285
Vehicles Maintenance	535,964	373,760
ICT Costs	263,767	273,146
<b>Total</b>	<b>1,998,165</b>	<b>1,930,997</b>

**15. Depreciation and Amortization Expenses**

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, Plant, and Equipment	2,091,987	1,920,527
<b>Total Depreciation</b>	<b>2,091,987</b>	<b>1,920,527</b>

**16. Finance costs**

This did not apply to the company in the financial year under review.

**17. Income Tax Expense/(Credit)**

This did not apply to the company in the year under review.



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

**18. Earnings Per Share**

This does not apply to Githunguri Water and Sanitation Company Limited.

**19. Dividend Per Share**

No dividends were proposed during the period.

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

**20. Property, Plant and Equipment**

**Property, Plant and Equipment Schedule for the Year Ended 30th June 2022**

<b>2021-2022 COST OR VALUATION</b>	Office Equipments	Computers & Laptops	Furniture & Fittings	Motor Cycle & Vehicle	Plant & Equipments	Buildings	Mobile Phones	Pipes & Meters	Tools	<b>TOTALS</b>
As at 1st July 2021	130,235	2,318,256	407,286	1,301,100	2,771,768	10,691,581	327,200	11,794,280	54,500	<b>29,796,206</b>
Additions				836,400			189,990	1,567,500		<b>2,593,890</b>
Transfers	-	-	-	-	-	-	-	-	-	-
As at 30th June 2022	130,235	2,318,256	407,286	2,137,500	2,771,768	10,691,581	517,190	13,361,780	54,500	<b>32,390,096</b>
<b>DEPRECIATION</b>										
As at 1st July 2021	101,485	1,671,071	295,829	776,408	1,641,094	1,891,283	130,590	2,922,517	52,900	<b>9,483,177</b>
Charge for the Year	3,594	236,100	13,933	131,173	141,334	220,007	64,881	1,108,970	533	<b>1,920,527</b>
As at 30th June 2022	105,079	1,907,171	309,762	907,581	1,782,428	2,111,291	195,471	4,031,487	53,433	<b>11,403,703</b>
<b>NET BOOK VALUE</b>										
As at 30th June 2022	25,156	411,085	97,524	1,229,919	989,340	8,580,290	321,719	9,330,293	1,067	<b>20,986,393</b>
As at 30th June 2021	28,750	647,185	111,457	524,692	1,130,674	8,800,298	196,610	8,871,763	1,600	<b>20,313,029</b>



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

**Property, Plant and Equipment Schedule for the Year Ended 30th June 2023**

<b>2022-2023 COST OR VALUATION</b>	<b>Office Equipments</b>	<b>Computers &amp; Laptops</b>	<b>Furniture &amp; Fittings</b>	<b>Motor Cycle &amp; Vehicle</b>	<b>Plant &amp; Equipments</b>	<b>Buildings</b>	<b>Mobile Phones</b>	<b>Pipes &amp; Meters</b>	<b>Tools</b>	<b>TOTALS</b>
As at 1st July 2022	130,235	2,318,256	407,286	2,137,500	2,771,768	10,691,581	517,190	13,361,780	54,500	<b>32,390,096</b>
Additions							154,788	1,170,000		<b>1,324,788</b>
Transfers	-	-	-	-	-	-	-	-	-	-
As at 30th June 2023	130,235	2,318,256	407,286	2,137,500	2,771,768	10,691,581	671,978	14,531,780	54,500	<b>33,714,884</b>
<b>DEPRECIATION</b>										
As at 1st July 2022	105,079	1,907,171	309,762	907,581	1,782,428	2,111,291	195,471	4,031,487	53,433	<b>11,403,703</b>
Charge for the Year	3,145	158,187	12,192	307,480	123,668	214,507	106,167	1,166,287	355	<b>2,091,987</b>
As at 30th June 2023	108,224	2,065,358	321,954	1,215,061	1,906,096	2,325,798	301,638	5,197,774	53,788	<b>13,495,690</b>
<b>NET BOOK VALUE</b>										
As at 30th June 2023	22,011	252,898	85,332	922,439	865,672	8,365,783	370,340	9,334,006	712	<b>20,219,194</b>
As at 30th June 2022	25,156	411,085	97,524	1,229,919	989,340	8,580,290	321,719	9,330,293	1,067	<b>20,986,393</b>

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

**Valuation**

During the financial year ended 30<sup>th</sup> June 2023 the Company did not do any valuation of any of its assets.

**21. Intangible Assets**

We didn't have intangible asset during the financial year.

**22. Investment Property**

We didn't have investment property during the financial year.

**23. Right-of-use assets**

This was not applicable during the financial year.

**24. Biological Assets**

This was not applicable during the financial year.

**25. Fixed Interest Investments (Bonds)**

This was not applicable during the financial year.

**26. Quoted Investments.**

This was not applicable during the financial year.

**27. Unquoted Investments**

This was not applicable during the financial year.

**28. Inventories**

Description	2022-2023	2021-2022
	Kshs	Kshs
Aluminium Sulphate	75,168	167,708
Chlorine	15,822	77,604
Soda Ash	7,151	14,187
Uniform and protective clothing	-	13,200
Stationery and general stores	20,696	16,256
Water Fittings and Accessories	780,161	1,274,515
<b>Total</b>	<b>898,999</b>	<b>1,563,471</b>



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**28. a) Reconciliation of Impairment Allowance for Inventories**

This did not apply during the financial year.

**29. Trade and Other Receivables**

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Receivables (note (29a))	97,391,362	96,482,136
Deposits and Prepayments	760,609	576,953
<b>Gross trade and other receivables</b>	<b>98,151,971</b>	<b>97,059,089</b>
Provision for bad and doubtful receivable	(34,236,302)	(33,916,679)
<b>Net trade and other receivables</b>	<b>63,915,669</b>	<b>63,142,411</b>

**29. (a) Trade Receivables**

Description	2022-2023	2021-2022
	Kshs	Kshs
Gross Trade Receivables	97,391,362	96,482,136
Provision for Doubtful Receivables	(34,236,302)	(33,916,679)
<b>Net trade receivables</b>	<b>63,155,060</b>	<b>62,565,457</b>

**29. (b) Reconciliation of Impairment Allowance for Trade Receivables**

This did not apply during the financial year.

**29. (c) Staff Receivables**

This did not apply during the financial year.

**29. (d) Reconciliation of Impairment Allowance for Staff Receivables**

This did not apply during the financial year.

**30. Tax Recoverable**

There was no tax recoverable during the financial year.

**31. Short Term Deposits**

This did not apply during the financial year.

**32. Bank and Cash Balances**

	Kshs	Kshs
Cash at bank (32b)	10,679,776	8,513,339
Cash in hand (32c)	171	920
Safaricom Mpesa (32d)	295,308	10,770
<b>Total</b>	<b>10,975,255</b>	<b>8,525,029</b>

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

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

<i>32 (a) Detailed Analysis of Cash and Cash Equivalent</i>			
Financial Institution	Account number	2022-2023	2021-2022
		KShs	KShs
<b>a) Current account</b>			
KCB-Expenditure Cash Book	1105027333	288,038	391,625
<b>Sub- total</b>		<b>288,038</b>	<b>391,625</b>
<b>b) Revenue Accounts</b>			
KCB - Revenue Cash Book	1134860803	165,843	18,645
Equity Bank - Revenue Cash Book	,0930293233664	6,260	185
K-Unity Finance - Revenue Cash Book	00310000002498	445	445
GDC Sacco-Revenue Cash Book	01-1200-080-00469	495	495
<b>Sub- total</b>		<b>173,043</b>	<b>19,770</b>
<b>c) Miscellaneous Account</b>			
KCB-Miscellaneous Cash Book	1105027023	27,034	5,398
<b>Sub- total</b>		<b>27,034</b>	<b>5,398</b>
<b>d) Others(specify)</b>			
KCB - Customers Deposit Cash Book	1105027597	10,191,602	8,096,487
Cash in hand - Petty Cash Book		171	920
Family Bank - Grant Cash Book	,002000037300	60	60
Safaricom M-Pesa - Revenue Collection	Pay bill 905900	295,308	10,770
<b>Sub- total</b>		<b>10,487,141</b>	<b>8,108,237</b>
<b>Grand total</b>		<b>10,975,255</b>	<b>8,525,029</b>

<i>32 (b) Cash at Bank</i>			
KCB Banks-Expenditure Account	1105027333	288,038	391,625
KCB Banks-Revenue Account	1134860803	165,843	18,645
Equity Bank-Revenue Account	,0930293233664	6,260	185
K-Unity Finance Revenue Account	,00310000002498	445	445
GDCS Sacco-Revenue Account	,01-1200-080-00469	495	495
KCB Banks-Miscellaneous Account	1105027023	27,034	5,398
KCB Banks - Customers Deposit	1105027597	10,191,602	8,096,487
Family Bank - Grant Account	,002000037300	60	60
<b>Total</b>		<b>10,679,776</b>	<b>8,513,339</b>

<i>32 (c) Cash in Hand</i>			
Cash in hand - Petty Cash Book		171	920

<i>32 (d) Cash in Hand</i>			
Safaricom M-Pesa - Revenue Account	Pay bill 905900	<b>295,308</b>	<b>10,770</b>



**33. Ordinary Share Capital**

Description	2022-2023	2021-2022
	Kshs	Kshs
<b>Authorized:</b>		
5,000 Ordinary shares of Kshs 20.00 par value each	100,000	100,000
<b>Issued and fully paid:</b>		
2 Ordinary shares of Kshs 20.00 par value each	40	40

**34. Revaluation Reserve**

The revaluation reserve relates to the revaluation of certain items of property, plant and equipment. As indicated in the Statement of Changes in Equity, this is stated after transfer of excess depreciation net of related deferred tax to retained earnings. Revaluation surpluses are not distributable.

**35. Fair Value Adjustment Reserve**

The fair value adjustment reserve arises on the revaluation of available-for-sale financial assets, principally the marketable securities. When a financial asset is sold, the portion of the reserve that relates to that asset is reduced from the fair value adjustment reserve and is recognised in profit or loss. Where a financial asset is impaired, the portion of the reserve that relates to that asset is recognised in profit or loss.

**36. Retained Earnings**

The retained earnings represent amounts available for distribution to the *entity's* shareholders. Undistributed retained earnings are utilised to finance the *entity's* business activities.

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**37. Deferred Tax Liability**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Balance brought forward	<b>8,347,047</b>	<b>9,079,508</b>
Transfers to income statement	732,461	732,461
Balance carried forward	<b>7,614,586</b>	<b>8,347,047</b>

**38. Borrowings**

There was no borrowing during the financial year.

**39. Lease Liability**

There was no lease liability during the financial year.

**40. Provisions**

There were no provisions during the financial year.



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**41. Retirement Benefit Obligations**

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity'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. Other than NSSF the entity also has a defined contribution scheme operated by County Pension Fund. Employees contribute 12% while employers contribute 15% of basic salary & House Allowance. Employer contributions are recognized as expenses in the statement of financial performance within the period they are incurred

**42. Trade and Other Payables**

<b>Trade and Other Payables</b>		
<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Trade payables	205,477,744	176,808,279
<b>Total</b>	<b>205,477,744</b>	<b>176,808,279</b>
<b>As at June 30, the ageing analysis of the gross trade payables was as follows:</b>		
Less than 30 days	5,071,309	4,134,099
Between 30 and 60 days	3,231,944	3,635,458
Between 61 and 90 days	3,619,787	2,733,980
Between 91 and 120 days	3,467,125	2,608,736
Over 120 days	190,087,580	163,696,006
<b>Total</b>	<b>205,477,744</b>	<b>176,808,279</b>

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**43. Refundable Deposits and Prepayments**

**Customer Deposits**

Description	2022-2023	2021-2022
	Kshs	Kshs
Opening Balance	9,832,439	9,035,439
Add: deposits received during the year	600,500	797,000
<b>Closing balance</b>	<b>10,432,939</b>	<b>9,832,439</b>

DEPOSITS		
Description	2022-2023	2021-2022
	Kshs	Kshs
Office Deposit	44,500	44,500
Electricity Deposit	45,980	45,980
Telephone Deposit	28,499	28,499
Fuel Deposit	50,000	50,000
<b>Deposits</b>	<b>168,979</b>	<b>168,979</b>

PREPAYMENTS		
Description	2022-2023	2021-2022
	Kshs	Kshs
Prepaid Insurance	21,095	26,194
Prepaid Medical	568,256	368,427
Prepaid Fuel	2,279	13,354
<b>Prepayments</b>	<b>591,630</b>	<b>407,974.17</b>

**44. Deferred Income**

Description	2022-2023	2021-2022
	Kshs	Kshs
Balance brought forward	8,347,047	9,079,508
Transfers to income statement	732,461	732,461
Balance carried forward	7,614,586	8,347,047

**45. Dividends Payable**

There were no dividends payable during the financial year.

**46. Taxation**

This did not apply.



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47. Notes to The Statement of Cash Flows

Description	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	(26,745,690)	(13,254,859)
Depreciation	2,091,987	1,920,527
Operating profit/(loss) before working capital changes	(24,653,703)	(11,334,332)
<b>Working Capital Changes</b>		
(Increase)/decrease in inventories	664,472	(297,573)
(Increase)/decrease in trade and other receivables	(773,259)	(4,522,271)
Increase/(decrease) in trade and other payables	(28,669,465)	(17,965,195)
Increase/(decrease) in customers deposit	600,500	797,000
<b>Cash generated from/(used in) operations</b>	<b>(52,831,455)</b>	<b>(33,322,372)</b>
<b>(b) Analysis of changes in loans</b>		
<b>(c) Analysis of cash and cash equivalents</b>		
Cash at bank	10,975,084	8,524,109
Cash in hand	171	920
Balance at end of the year	<b>10,975,255</b>	<b>8,525,029</b>

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

**Other Disclosures**

**48. 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.

Other related parties include:

- The County Department in charge of Water
- County Government of Kiambu
- Water works Agencies
- WASREB (Water Services Regulatory Board)
- WRA
- Water Sector Trust Fund
- Key management
- Board of directors
- Limuru Water
- Kiambu Water
- Kikuyu Water
- Karuri Water
- Ruiru Juja Water
- Gatundu Water
- Thika Water

**Transactions with related parties**

	<b>Kshs</b>	<b>Kshs</b>
<b>a) Sales to related parties</b>		
Water sales to County Government Agencies	129,580	272,800
Water sales to Staff	19,855	23,340
<b>Total</b>	<b>149,435</b>	<b>296,140</b>
<b>b) Purchases from related parties</b>		
Purchase of water from Nairobi Water providers	20,696,192	24,303,220
<b>Total</b>	<b>20,696,192</b>	<b>24,303,220</b>
<b>b) Grants from the Government</b>		
Grants from National Govt Agencies KENHA	111,500	2,055,100
Grants from WSTF	-	9,502,562
Grants from Other WSPS	-	92,093
<b>Total</b>	<b>111,500</b>	<b>11,649,755</b>



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**49. Capital Commitments**

There was no capital commitment at the end of the reporting period.

**50. Contingent Assets and Liabilities**

**Contingent Assets** There was no contingent asset during the financial year

**Contingent Liabilities**

CASE NUMBER	PARTIES INVOLVED	DATE CASE STARTED	MATTER AT HAND	STATUS
Civil Appeal No 79 of 2014	GIWASCO & Beatrice Njeri Kamau & 2 others	1 <sup>st</sup> September 2009	Customer arrested and prosecuted over illegal water connection. Claimed the arrest was malicious	Case determined and GIWASCO ordered to pay general damages amounting to Kshs. 3.3million.
ELRC 2208 of 2012	GIWASCO & Robert Njenga	2012	Unfair termination	Case still not determined
ELRCJR/E006/2022	Joseph Mwangi Vs Kiambu County Govt. WASREB & BOD GIWASCO	1 <sup>ST</sup> March 2021	Joseph Mwangi, the Former MD went to court after the non-renewal of contract	Case awaiting judgement
MLSS/LD/IR/4/7/2016	Samuel Gachanja Ndungu & others Vs GIWASCO	July 2016	Unfair termination of Samuel Ndungu and Charles Kaindo	Matter heard by a conciliator who gave recommendations in favor of the terminated staff but the case is still not finalized.

Case PMCC No 40 of 2012. Which was ruled against us requires us to pay a Sum of Ksh.3.3 million this has a significant impact on the financial statements for the year ended June 30, 2023. A Garnishee order was issued halting the company operations

In the opinion of the directors, no provision is required in these financial statements as the liabilities are not expected to crystallize.

**51. 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.

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.

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.



**(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.

**a) Foreign currency risk**

The Company has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

**(iii) Market risk (Continued)**

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

The Company manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

**b) Foreign currency sensitivity analysis**

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

**c) Interest rate risk**

Interest rate risk is the risk that the Company's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises from interest rate movements on the company's deposits.

**i) Management of interest rate risk**

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

**ii) Sensitivity analysis**

The Company analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

**iii) Fair value of financial assets and liabilities**

**a) *Financial instruments measured at fair value***

Determination of fair value and fair values hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- i)** Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- ii)** Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- iii)** Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments



with significant unobservable components. This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

There were no transfers between levels 1, 2 and 3 during the year.

**Financial instruments not measured at fair value**

Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

**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

**52. Incorporation**

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

**53. Events After the Reporting Period**

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

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**20. 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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1	Excessive Unaccounted for Water	The Company has come up with a NRW Reduction Plan, made proposals to the County and AWWDA to fund the purchase of the required equipment and pipes to reduce NRW levels. The Company has also undertaken activities meant to reduce NRW levels such as bursts identified and repaired, meter relocation, meter replacement and maintaining a strict code of conduct that governs the staff while performing their duties to curb malpractices such as setting up illegal connections.	Not Resolved	In progress
2	Irregular Billings/Connection Fees	The Company's tariff is expired and to apply, there has to be a valid license in place, which we applied and held public participation on the license on 25 <sup>th</sup> July 2023 together with WASREB. We are awaiting to be issued with a three-year license,	Not Resolved	January 2024



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		which will enable the Company, apply for the tariff. We are in the data entry and inputting stage for the tariff ready for submission to WASREB.		
3	Unapproved Adjustments on Water Sales	The Company has a Bills Adjustment Committee in place to verify and correct exception reports using either monetary or non-monetary advice as well approve adjustments made.	Resolved	
4	Omission of Water Inventory	Omission of water inventory arises from the fact that we have not metered all our main pipelines, therefore, not in a position to calculate and estimate the quantity of water along the pipelines at any one time. The Company is in the process of procuring bulk meters to meter our main pipeline.	Not Resolved	30 <sup>th</sup> September 2023
5	Unsupported Travelling and Accommodation Expenses	The Company has the summary of the expenditure per month as per the payment vouchers and petty	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		cash vouchers with their supporting documents attached.		
6	Long Outstanding Accounts Payable	The Company is facing financial and cash flow challenges due to low billing resulting to low collections. This has made it difficult for the Company to meet its financial obligations. The Company has come up with measures to improve and increase revenue collection such as setting up zones assigned to specific zonal officers whose target is to collect both current billing and arrears, as well as making proposals on projects that will improve the Company's performance	Not Resolved	Indefinite
7	Undisclosed Material Uncertainty in Relation to Going Concern	The Company is facing serious challenges, which are making it difficult to break even such as high NRW, lack of investment, high cost of operations compared to cost of water. The Company	Resolved	



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		has made proposals to County and AWWDA on projects that will improve the Company's performance and self-sustainability. The Company will also improve its performance through the implementation of the DANIDA Project under AWWDA.		
8	Unresolved Prior Year Audit Matters	The Company has adhered and will continue to adhere and comply with the board template and the National Treasury's Circular, by addressing and reporting on the prior issues in subsequent financial statements.	Resolved.	
9	Lack of Staff Training Need Assessment	The Company lacked a Training Need Assessment Report as required during the period under review. However, owing to financial constraints in the Company, during the period, the Company sponsored officers for technical trainings identified and organized by WASPA. Part of the training fees were met by KEWI and WASPA. The Company did not organize any training due to the cited challenges. The	Not Resolved	In Progress

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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
		management is undertaking a comprehensive Training Needs Assessment for the period 2023-2025 to be tabled to the BOD for approval.		
10	Irregular Payments to Merger Fund	This expenditure had been factored in the budget and approved by the Board for that period under review. The payments made had attached the authorization support documents used to execute those payments. However, the Company does not have that vote head during the current financial year.	Resolved	
11	Irregular Procurement of Billing System	The procurement of the billing system from the supplier was carried out with the intention of harmonizing the billing system of the merged Kiambu County Water Companies, with the aim of creating efficiency and consistency within the newly formed Kiambu County Water and Sewerage Company. The supplier selection was aligned with	Resolved	



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>this objective. taking inspiration from a similar contract between Ruiru- Juja Water and Sewerage Company and the supplier. The contract had a specific start and end date and since then, we have been renewing the contract since we primarily depend on the software for our billing operations. The deviations from standard procurement practices were driven by the larger goal of operational efficiency and service consistency across all regions, and the supplier's continued support was crucial for achieving this objective.</p>		
12	Irregular Payment of Casual Wages	<p>Casuals are engaged on need basis and there is a work plan request from the user department, which is reviewed by the Technical Manager and approved by the Managing Director to support the payments later done to the casuals. Engagement of the casuals</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>was done as per the area where work was being done. The Company is currently filling the master roll, which shows the number of days worked after marking the days.</p>		
13	<p>Irregularities in the Procurement and Operation of Staff Medical Cover</p>	<p>Delays causing setbacks in the procurement process were caused by the unforeseen financial constraints stemming from the COVID-19 pandemic, which had a ripple effect on our routine workflow and approval procedures causing unintended disruptions that had a direct impact on our procurement timeline. The Company did not sign any contract with the underwriter but have the policy document from the underwriter. The tender opening committees and individual bids submitted by our suppliers were availed. A comprehensive evaluation of bidders was done in line with the regulatory mandates and all the documents availed.</p>	Resolved	



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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
14	Failure to Insure Property, Plant and Equipment.	<p>The assets we operate are owned by AWWDA, County Government of Kiambu and Ministry of Water, thus issue of ownership hinders insurance, bearing in mind the principle of insurable interest.</p> <p>For motor vehicles owned by AWWDA, we reimburse the insurance premiums payable to AWWDA.</p> <p>We however insure the assets under the Company's name such as the motorbikes.</p>	Partly Resolved	
15	Irregular Prequalification of Suppliers	<p>The prequalification exercise involved the participation of heads departments from the four water companies with the intention of promoting a comprehensive assessment process. Advertising of the tender was done through a widely circulated newspaper and individual Company websites.</p> <p>However, this might not have been fully aligned with the requirements of the Public Procurement and Asset Disposal Act, 2015, and we will ensure that our advertising methods fully comply with the stipulated regulations and align our practices accordingly.</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
16	Non-Adherence to National Cohesion Requirement on Ethnicity	<p>The Company has in the past recruited locally due to its rural nature and considering local youth graduating from TVET colleges. The financial constraints have inhibited attraction of skilled employees beyond the county for instance, the recruitment of a Senior Engineer where the successful candidates declined employment offer due to low salaries.</p> <p>However, the Company has made efforts to improve the workforce composition through the recruitment and selection process where the one-third rule has been observed.</p> <p>Nation-wide advertisements of jobs are also being done by placing the adverts in nation-wide newspapers to show commitments to diversity and gender equality in the Company.</p> <p>We are also encouraging women and people with disabilities to apply for the jobs to offer equal</p>	Resolved	



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		opportunity to all when it comes to employment.		
17	Imprest Management	During the year under review, the Company was maintaining and operating an Imprest request form where all attachments and surrenders were attached. Imprest warrants and register have been introduced and it is currently being implemented to record Imprest issued and Imprest surrendered by the staff.	Resolved	
18	IT Control Weaknesses	The Company has an ICT Steering Committee with five members comprising of ICT, Technical, HR & Admin, Finance and Commercial Departments. We have a draft ICT Policy ready to be presented to Board for approval and implementation. Currently, the Company has three independent system software for billing, payroll and finance, which are not integrated. However, under the DANIDA project done by AWWDA, we expect to benefit from an ERP System.	Integration of the three system software Not Resolved.	Indefinite

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
19	Lack of a Risk Management Policy	The Company has a draft Risk Management Policy, which is awaiting Approval by the Board of Directors. This will help carry out risk assessment on key areas like expenditure.	Not Resolved	In progress
20	Lack of Internal Audit	The Company has established an Internal Audit Function and has an Audit Committee in place and an Internal Auditor. The Company also has an Internal Audit Charter that was adopted by the Audit Committee and approved by the full Board.	Resolved	

Name

Signature

Managing Director

Date..........



**Appendix II: Proposed and Ongoing Projects to improve the Company Performance.**

To enable us improve water supply provision and to bridge the water demand gap, the company have the following projects which are geared to improve the performance of the company in terms of revenue generation, increase water coverage, reduce operational costs, improve efficiency and reduce non-revenue water which is one of our major challenge. Going concern will also be addressed by implementation of these projects since the company will improve its revenue and start operating on surpluses.

**Kiameru Water Supply.** Capacity is to produce 1,500 cubic meters per day. The project is ongoing and it entails construction of intake and a water treatment plant. However, we don't have distribution pipeline to connect to our pipeline so as to serve customers up to Kwamaiko.

**Danida Project.** The project is at design stage and it entails a water treatment plant (Capacity to produce 5,000 cubic meters per day), water pipeline(139Km), sewerage treatment plant (to treat 5,000 cubic meters of waste water), Sewer pipeline (79 km), office block, 10 boreholes, Tanks (5,000cubic meter). Solar Farm and NRW reduction equipment's.

**Komothai Intake 2.** Capacity to produce 4,500 cubic meters per day. The project entails operationalization of intake two whose pending work is power connection. The other issue installation of water pumps which were vandalized.

**Covid Boreholes.** These boreholes were drilled during Covid Period and includes Ngoci, Mitahato, Gatina, Gathangari and Ikinu. The pending issue is handing over and there was no provision of distribution pipeline.

*There were no Projects implemented by the Company Funded by development partners during the financial year.*

**Appendix III- Inter-Entity Confirmation Letter**

There was none during the financial year.

**Appendix IV: Reporting of Climate Relevant Expenditures**

We did not have any climate relevant expenditure.

**Appendix V: Reporting Disaster Management Expenditure**

We did not have any disaster management expenditure

**Appendix VI: Recording of Transfers from Other Government Entities**

There were no transfers from other entities.

**Appendix VII: Assets listing which we don't own but we manage to generate revenues.**

We manage the following assets to generate revenue. All these assets do not belong to us and we don't have ownership documents like title deeds, logbooks or allotment letters.

County Government of Kiambu, Athi Water Works Development Agency and Ministry of Water are in the process of resolving the issues of ownership and transfer of ownership.

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<b>OFFICE BLOCKS</b>					
<b>S. N O.</b>	<b>LOCATION</b>	<b>L. R. NO.</b>	<b>OWNERSHIP</b>	<b>STATUS</b>	<b>REMARKS</b>
<b>DEFUNCT LOCAL AUTHORITIES</b>					
<b>DEVOLVED FUNCTIONS OF THE NATIONAL GOVERNMENT</b>					
1	WITHIN GITHUNGURI POLICE STATION	GITHUNGURI/GIT HUNGURI/LR 405	CGK	Developed	Office
2	WITHIN KEREITA FOREST		CGK	Developed	Treatment works Gatamaiyu
3	GITHIGA		CGK	Developed	Sanitation Block Done by WSTF
4	KWAMAIKO		CGK	Developed	Sanitation Block Done by WSTF

<b>TREATMENT PLANT, BOREHOLES AND THEIR SITES</b>			
<b>S. NO.</b>	<b>LOCATION</b>	<b>STATUS</b>	<b>OWNERSHIP</b>
<b>DEFUNCT LOCAL AUTHORITIES</b>			
<b>DEVOLVED FUNCTIONS OF THE NATIONAL GOVERNMENT</b>			
1	GITHUNGURI 1- B/HOLE SITE	Developed	CGK
2	GITHUNGURI 2- B/HOLE SITE	Developed	CGK
3	GITHUNGURI 3-B/HOLE SITE	Developed	CGK
4	THAKWA B/HOLE SITE	Developed	CGK
5	KIAIRIA B/HOLE SITE	Developed	CGK
6	KIANJOGU B/HOLE SITE	Developed	CGK
7	Giathieko B/HOLE SITE	Developed	CGK
8	KIRATINA B/HOLE SITE	Developed	CGK
9	MIHUKO B/HOLE SITE	Developed	CGK
10	GITOMBO B/HOLE SITE	Developed	CGK
11	MARIGE B/HOLE SITE	Developed	CGK
12	GATHAITHI B/HOLE SITE	Developed	CGK
13	GITIHA B/HOLE SITE	Developed	CGK
14	KIAWAIGURU B/HOLE SITE	Developed	CGK
15	MATIMBEI DAM SITE	Developed	CGK
16	KOMOTHAI TREATMENT WORKS	Developed	CGK
17	UPPER GITHIGA WATER INTAKE	Developed	CGK
18	MUKUYU DAM	Developed	CGK
19	MIGUTA PUMPING STATION SITE	Developed	CGK



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<b>MOTOR VEHICLES</b>						
<b>No</b>	<b>Registration No.</b>	<b>Engine No.</b>	<b>Chassis No.</b>	<b>Color</b>	<b>Model</b>	<b>Ownership</b>
1	KBG 963C	QD32276936	JNICJUD22Z0097871	WHITE	NISSAN	Under Athi Water
2	KBJ 676E	QD322664818	JNICJUD22Z0093799	WHITE	NISSAN	Under Athi Water
3	KBP 095V			WHITE	FORD RANGER	Under Athi Water
4	KBY 409Q	2KD-A405744	AHTFFRR22GX06084110	GREY	TOYOTA	Under Athi Water

<b>Plant, Machinery and Equipment</b>				
<b>No.</b>	<b>Name/Type</b>	<b>Make</b>	<b>Status/Condition</b>	<b>Remarks/Location</b>
1	GITHUNGURI 1- B/HOLE MOTOR & PUMP	Grundfos	WORKING	WITHIN GITHUNGURI POLICE STATION COMPOUND
2	GITHUNGURI 2- B/HOLE MOTOR & PUMP	Grundfos	WORKING	WITHIN GITHUNGURI POLICE STATION COMPOUND
3	GITHUNGURI 3- B/HOLE MOTOR & PUMP	Grundfos	WORKING	NEXT POLICE STATION
4	THAKWA- B/HOLE MOTOR & PUMP	Grundfos	WORKING	2KM FROM GITHUNGURI TOWN
5	KIAIRIA B/HOLE MOTOR & PUMP	Grundfos	NOT WORKING	KIAIRIA WATER GROUND SITE
6	KIANJOGU B/HOLE MOTOR & PUMP	Grundfos	WORKING	KIANJOGU VILLAGE
7	Giathieko B/HOLE MOTOR & PUMP	Grundfos	WORKING	GAKOE NEXT TO POLICE POST
8	KIRATINA B/HOLE MOTOR & PUMP	Grundfos	WORKING	GWA KARIO
9	MIHUKO B/HOLE MOTOR & PUMP	Grundfos	WORKING	
10	GITOMBO B/HOLE MOTOR & PUMP	Grundfos	WORKING	CATTLE DIP
11	MARIGE B/HOLE MOTOR & PUMP	Grundfos	WORKING	KOMOTHAI POLYTECHNIC
12	WAINGERE B/HOLE MOTOR & PUMP	Grundfos	NOT WORKING	
13	GATHAITHI B/HOLE MOTOR & PUMP	Grundfos	WORKING	GATHAITHI CATTLE DIP

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14	GITIHA B/HOLE MOTOR & PUMP	Grundfos	NOT WORKING	THUKUS AREA
15	MIGUTA ULTRAFILTRATION UNIT		NOT UTILIZED	

ICT EQUIPMENT, COMPUTERS AND COMPUTER ACCESSORIES						
No	Name	Serial No.	Type	Make	Condition	Remarks
1	DESKTOP	26419273453	DEL	DEL	WORKING	AWWDA
2	PRINTER	AGJ3146461	KYOCERA	KYOCERA	OBSOLETE	AWWDA
3	SERVER	C28408948723			WORKING	AWWDA
4	DESKTOP	26419273453	DELL	DELL	WORKING	AWWDA
5	PRINTER		HP	HP	OBSOLETE	AWWDA
6	DESKTOP	RF1203455	DELL	DELL	WORKING	AWWDA
7	UPS				OBSOLETE	AWWDA
8	UPS				OBSOLETE	AWWDA
9	DESKTOP	AWSBC150085	DEL	DEL	WORKING	AWWDA

**Summary of Stock**

GITHUNGURI WATER INVENTORY	
Aluminium Sulphate	75,168
Chlorine	15,822
Soda Ash	7,151
Stationery and general stores	20,696
Water Fittings and Accessories	780,161
<b>TOTAL</b>	<b>898,999</b>

ATHI WATER STOCK - FOR LISTING	
Laboratory Equipment's	729,518
Stationeries	60,000
Electricals	29,350
Water Fittings	2,168,135
<b>TOTAL</b>	<b>2,987,003</b>

<b>TOTAL AS PER STOCK TAKE</b>	<b>3,886,002</b>
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