

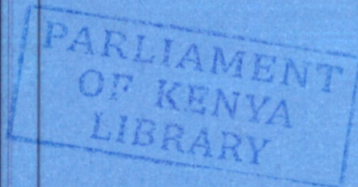
REPUBLIC OF KENYA



Enhancing Accountability

PAPERS LAID		REPORT
DATE	2/5/2024	
TABLED BY	Deputy Majority Leader.	
COMMITTEE		
CLERK AT THE TABLE	Cherop.	OF

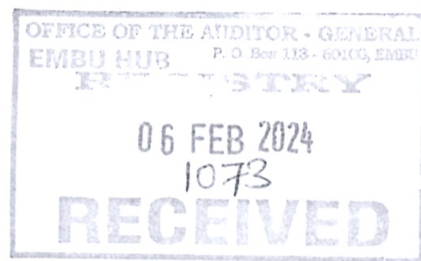
THE AUDITOR-GENERAL



ON

**EMBU WATER AND SANITATION
COMPANY LIMITED**

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



EMBU WATER AND SANITATION COMPANY LTD

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2023

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

EMBU WATER AND SANITATION COMPANY
Annual Reports and Financial Statements
For the year ended June 30, 2023

EMBU WATER AND SANITATION COMPANY
Annual Reports and Financial Statements
For the year ended June 30, 2023

Table of Contents

	Page
1. ACRONYMS AND GLOSSARY TERMS.....	iii
2. KEY COMPANY INFORMATION	iv
3 THE BOARD OF DIRECTORS	vii
4 KEY MANAGEMENT TEAM.....	xi
5. CHAIRMAN'S STATEMENT	xiii
6. REPORT OF THE MANAGING DIRECTOR	xiv
7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FINANCIAL YEAR 2022/2023.....	xvii
8. CORPORATE GOVERNANCE STATEMENT	xxii
9. MANAGEMENT DISCUSSION AND ANALYSIS.....	xxvii
10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING.....	xxix
11. REPORT OF THE DIRECTORS.....	xxxiii
12. STATEMENT OF DIRECTORS' RESPONSIBILITIES.....	xxxiv
13. REPORT OF THE INDEPENDENT AUDITORS FOR THE FINANCIAL STATEMENTS OF EMBU WATER AND SANITATION COMPANY.....	xxxvi
14. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2023.....	1
15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023.....	2
16. STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2023.....	3
17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2023.....	4
18. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR PERIOD ENDED 30TH JUNE 2023.....	5
19. NOTES TO THE FINANCIAL STATEMENTS.....	6
APPENDIX II: PROJECTS IMPLEMENTED BY THE COMPANY	47

EMBU WATER AND SANITATION COMPANY
Annual Reports and Financial Statements
For the year ended June 30, 2023

1. ACRONYMS AND GLOSSARY TERMS

AGM	Annual General Meeting.
CDF	Community Development Fund.
CSR	Corporate Social Responsibility.
EWASCO	Embu Water and Sanitation Company.
GIS	Geographic Information Systems
GoK	Government of Kenya.
ICT	Information Communication Authority.
ICT	Information Communication Technology
IFRS	International Financial Reporting Standards.
IPSAS	International Public Sector Accounting Standards Board.
JICA	Japanese International Co-operation
KURA	Kenya Urban Roads Authority.
KWS	Kenya Wildlife Service.
MD	Managing Director.
NEMA	National Environment Management Authority.
NGOs	Non-Governmental Organizations.
NRW	Non-Revenue Water.
NSSF	National Social Security Fund
PFM	Public Financial Management Act.
PSASB	Public Sector Accounting Standards Board.
TWWDA	Tana Water Works Development Agency.
VAT	Value Added Tax.
WASREB	Water Services Regulatory Board.
WRA	Water Resource Authority.
WSP	Water Service Provider.
W.S.T. F	Water Sector Trust Fund.
WRUA	Water Resource Users Association.

EMBU WATER AND SANITATION COMPANY
Annual Reports and Financial Statements
For the year ended June 30, 2023

2. KEY COMPANY INFORMATION

BACKGROUND INFORMATION

Embu Water and Sanitation Company (EWASCO) was incorporated as a private company limited by ordinary share capital by the Embu Municipal Council in March 2003. It was established under the companies Act Cap 486 and fully owned by the defunct Embu Municipal Council. The Company became operational in July 2005. The company is now wholly owned by the Embu County Government, with a mandate of providing water and sanitation services within Embu County serving four constituencies namely: Manyatta, Runyenjes, Mbeere South and Mbeere North and parts of Kirinyaga County. At County Level, the Company is represented by the Chief Officer of Finance and Chief Officer of Water & Irrigation who together with the board of Directors are responsible for the general policy and strategic direction of the Company. The Company is domiciled in Kenya, Embu County with its head office at Embu town and satellite offices at: Kanyuambora, Ena, Gachoka, and Kiritiri.

Principal Activities

The principal activities of the company are the provision of water and sanitation services within the area of jurisdiction.

The Vision of the company

Safe water and sanitation services to the satisfaction of our customers.

The Mission of the Company

To provide quality, adequate, affordable and sustainable water and sanitation services through eco-friendly technologies

Core Objectives

The core objectives of EWASCO are:

1. Development of water supply infrastructure;
2. Development of sewerage infrastructure;
3. Operation and rehabilitation/maintenance of the water and sewerage infrastructure;
4. Sourcing, treatment, transmission and distribution of water;
5. Waste Water collection, conveyance and treatment; and
6. Financial and operations management (billing, revenue collection, human resource, ICT and efficient application of financial resources).

Directors

The Directors who served the Company during the period were as follows:

S/N	Name	Designation	Description
1	FCPA John N. Nyaga	Chairman	Appointed on 3 rd May 2023
2	Dr Winnie Gacugu Njeru	Director	Appointed on 26 th February 2021
3	Rev. Mercy Muringo Njagi	Director	Appointed on 26 th February 2021
4	CPA Edwin Mukundi Njururi	Director	Appointed on 26 th February 2021
5	CPA Damiano Muthee	Director	Retired on 24 th February 2023
6	Mr Vimal Chadha	Director	Retired on 3 rd March 2023
6	Eng. Richard Mbogo	Director	Retired on 24 th February 2023
7	Mr James Njeru Mubothi	Director	Appointed on 3 rd May 2023
8	Prof. Johannes Njagi Njoka	Director	Appointed on 26 th February 2021

EMBU WATER AND SANITATION COMPANY
Annual Reports and Financial Statements
For the year ended June 30, 2023

9	Rt Rev. Dr. Samuel Nginyi	Director	Retired on 3 rd March 2023
10	Cannon John M. Gichangi	Director	Appointed on 3 rd May 2023
11	Maureen Mukami Muriithi	Director	Appointed on 11 th January 2023
12	CPA Paul N. Thiga	Director	Appointed on 11 th January 2023
13	CPA Dickson Kinyua Njiru	Ag Managing Director	Acted up to 25 th May 2023
14	Eng. James Njue Njeru	Managing Director	Appointed on 26 th May 2023

Corporate Secretary

Mr. Gikuhi Kiana
P.O. Box 1271-10100
NYERI, KENYA

Registered Office

EWASCO Building,
Off Embu-Meru Road,
P.O. Box 2142,
EMBU. KENYA.

Corporate Headquarters

EWASCO Building,
Off Embu-Meru Road,
P.O. Box 2142,
EMBU. KENYA

Corporate Contacts

Telephone: 068-31156
E-mail: info@embuwater.co.ke
Website: www.embuwater.co.ke

Corporate Bankers

Co-operative Bank of Kenya
P.O. Box 1337 -60100
EMBU, KENYA

Equity Bank
P.O. Box 1994-60100
EMBU, KENYA

Post Bank
P.O. Box 30311-60100
EMBU

Kenya Commercial Bank
P.O. Box 75-60100
EMBU, KENYA

Independent Auditors

EMBU WATER AND SANITATION COMPANY
Annual Reports and Financial Statements
For the year ended June 30, 2023

Auditor General

Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

Principal Legal Advisers

Njeru Ithiga Advocates
P.O Box 1768-60100
Embu

Ahmednasir Abdullahi Advocates LLP
P.O Box 57731-00200
Nairobi

Kabathi and Company Advocates
P.O Box 21413 -00100
Nairobi

Ireri & Company Advocates
P.O Box 1268-00200
Nairobi

Alosa Advocates LLP
P.O Box 8375 – 00100
Nairobi

Wesonga, Mutembei & Kigen Advocates
P.O Box 22912-00100,
Nairobi-Kenya.