

REPUBLIC OF KENYA



PARLIAMENT
OF
KENYA
LIBRARY

KENYA NATIONAL AUDIT OFFICE

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NYAHURURU WATER AND SANITATION
COMPANY LIMITED**

**FOR THE YEAR ENDED
30 JUNE 2014**



**NYANDARUA WATER AND
SANITATION COMPANY LTD**

FINANCIAL STATEMENT FOR

THE YEAR ENDED

30TH JUNE 2014

**NYAHURURU WATER & SANITATION COMPANY LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

<u>TABLE OF CONTENTS</u>	Page
Corporate information	1
Board of Directors	2
Management Team	2
Chairman's Statement	3
Report of the Managing Director	4
Corporate Governance Statement	5
Corporate Social Responsibility Statement	6
Report of the Directors	7
Statement of Directors' Responsibility	8
Report of the Independent Auditors	9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash flows	13
Summary of Significant Accounting Policies	14
Notes to the Financial Statements	15 - 19
Tax Computation	20
Appendix	21

NYAHURURU WATER & SANITATION CO. LTD
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

CORPORATE INFORMATION

BACKGROUND INFORMATION

Nyahururu Water & Sanitation Company Limited was established by the Water Act 2002 on 18th February 2002. The company is incorporated in Kenya under the Companies Act. Cap 486 of the laws of Kenya. At cabinet level the company is represented by the Cabinet Secretary for Water, Environment and Natural Resources who is responsible for the general policy and direction of the water sector.

PRINCIPAL ACTIVITIES

The principal activity of the company is to provide water and sanitation services to Nyahururu Town and its environs.

DIRECTORS

The directors and the management team who served the company during the year are shown in page 2 below.

CORPORATE SECRETARY

Mr. Richard Gikuhi Kiana
P.O. Box 1271-10100
Nyeri.

REGISTERED OFFICE

Nyahururu Water & Sanitation Company Ltd.
Hekima Building -Kenyatta Avenue,
P.o Box 952-20300
Nyahururu Kenya.

CORPORATE CONTACTS

Telephone: 065-2032774
Email: Nyahuwasco@yahoo.com
Website: www.nyahuwasco.co.ke

CORPORATE BANKERS

Cooperative Bank of Kenya Ltd
Nyahururu Branch
P.O.Box 307-20300
Nyahururu.

Equity Bank Ltd
Nyahururu Branch
P.O.Box 1048-20300
Nyahururu.

INDEPENDENT AUDITORS




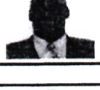




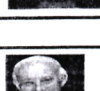

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O Box 30084 - GPO 00100
Nairobi, Kenya

PRINCIPAL LEGAL ADVISER





Njeri Wamithi & Co. Advocates
KCB Building ,Nyahururu
P.O Box 506-20300,
Nyahururu, Kenya

**NYAHURURU WATER & SANITATION CO. LTD
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

BOARD OF DIRECTORS

<i>Director's Name</i>		<i>Date Of Appointment</i>	<i>Key Qualifications and Work Experience</i>
Chege Gakuhi		June 2014	Bachelor of Law (LLB)
Director			An advocate of the high court
Githua Karangu		June 2014	MSC Psychology and Counselling
Director			Vice chair Laikipia County Public Service Commission
Wilfred Kimotho		January 2012	Higher Dip. Theology
Director			The chairman of 4NTE Sacco
Walter Ogwindo		January 2014	BSC Economics
Director			An Economist at the National Treasury
John Kahwai		June 2014	O- Level. Civic Leader 15 Years
Director			Business man for over 20years
Jane W. Wahome		January 2012	O-Level
Director			A Rep. of Special interest groups.
Grace Wanjiru		June 2014	Business woman
Director			A Rep. of Jua Kali Artisan's association
Grace Nyambura		January 2012	P1
Director			Manager Amazing grace schools Nyahururu.
Catherine Njoroge		June 2014	Bachelor of Law.
Director			County legal adviser
Bishop Luigi Piayaro		Joined: July 2010	BSC Theology
Chairman		Left : November 2013	Retired Catholic Bishop

MANAGEMENT TEAM

<i>Manager's Name</i>		<i>Area of Responsibility</i>	<i>Qualifications</i>
Bernard Mwaura Mbuthia		Managing Director	BSC Information Science
James Macharia Mugo		Commercial Manager	CPA
Peter Kareithi Mwangi		Technical Manager	Masters In Project Management
Evelyne Mueni Muema		Human Resource Officer	BSC Human Resource Management

**NYAHURURU WATER & SANITATION COMPANY LIMITED.
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

CHAIRMAN'S STATEMENT

It is a great honour for me to present to you the company's performance report for the year ended 30 June 2014. It gives me a lot of pleasure to inform you that the company's leadership and staff under the capable guidance of the Board delivered another year of good performance despite operating in a very challenging environment.

Company's Performance:

The company recorded reasonable growth and good performance in key areas during the year. This performance was made possible by the diligent execution of our budget, strategic and business plans.

I am pleased to inform you that during the year, the company managed to expand the water treatment and sewerage treatment plants to increase capacity through the ADB funded project.

During the year, the company laid pipes to connect Asian Quarters - a previously unserved area to our sewer trunk network.

The company also managed to lay a dedicated water pipeline to Rumuruti township through the ADB funded project.

Corporate Governance:

During the year under review, the Board continued to provide strategic direction with dedication despite the numerous challenges encountered.

In line with provisions of the Corporate Governance Guidelines, two directors retired but were re elected. Further on, a casual vacancy that arose after promulgation of the new constitution was filled. This exercise was conducted through a stakeholders' participation process.

Way Forward:

The company has clear strategies in place to ensure continued growth year on. These strategies are guided by an emphasis on effective corporate governance principles, promotion of competence in the human resource and strategic partnerships with our stakeholders.

With these strategies in place, we will ensure that our mandate of providing high quality water and sanitation services is executed in the most efficient, economical and effective manner.

Conclusion:

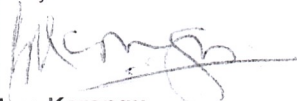
In conclusion ladies and gentlemen, I wish to sincerely thank the management and staff for delivering impressive results under a challenging environment.

I also wish to appreciate my fellow Board members for their devotion, commitment and remaining steadfast during the challenging times. This has greatly contributed to the improved performance of the company.

Finally to all our members and stakeholders, on behalf of the Board, Management and staff we most sincerely thank you for your continued support to this great organization. We are grateful for the confidence you have shown in the team that serves you.

With your continued support and belief, we commit ourselves to delivering even better results in the coming years.

Thank you all.



**Githua Karangu
B.O.D. Chairman**

**NYAHURURU WATER & SANITATION COMPANY LIMITED.
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

REPORT OF THE MANAGING DIRECTOR

I am pleased to present to you the company's annual performance report for the year ended 30 June 2014. During the year, the company performed reasonably well despite facing numerous challenges. We continued living our purpose of providing high quality services (water and sanitation) to our customers in the most efficient and cost effective manner.

Financial Review:

During the year the company's posted a deficit of kshs 7.29 Million an improvement from a deficit of kshs 9.88 Million posted in the previous year (2012/13).

The gross turnover or the total revenue generated increased from Kshs 93.1 Million to kshs 101.6 million due to improved efficiency in billing for services and revenue collection process.

The total operating expenses however shot up from kshs 102.4 million (2012/13) to kshs 108.5 million in the year 2013/2014. This increase in costs was caused by among other reasons; a rise in power costs due to multiple pumping, a rise in chemical costs due to inflation and increased production.

In addition, the company recorded growth in its customer base by connecting 450 new customers to its network during the year.

Future Outlook:

The company in its strategic plan for the period 2014-2019 has earmarked several key projects to help improve on the company's fortunes. These include the following:

- (i). Relocate the water abstraction site to a less polluted location downstream to cut down on chemical costs.
- (ii). Set up a mini-hydro or biogas power station for power generation. This will help cut down power costs.
- (iii). Setting up a water bottling plant to boost our revenue.
- (iv). Acquire ISO certification.

For this vision to become a reality, a lot of support both financial and otherwise is required from the Government (National and County), stakeholders and development partners.

Conclusion:

I wish to take this opportunity to sincerely thank the Board for the guidance and oversight provided during the year despite facing numerous challenges.

To all our customers and other stakeholders thank you for your unwavering trust, support and healthy partnership. You are a great companion.

To my colleagues and members of staff, I am grateful for your commitment, dedication and sacrifice. I am honoured to be your team leader.

With your continued support and unity of purpose, we are better positioned to face tomorrow and to deliver better results in the coming years.

Thank you.



Bernard Mwaura
Managing Director

NYAHURURU WATER & SANITATION COMPANY LIMITED.

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

CORPORATE GOVERNANCE STATEMENT

The company is governed by the Board of Directors whose conduct is guided by the articles and memorandum of association. These are further complemented by the Corporate governance guidelines from the Water Services Regulatory Board (WASREB).

Board Composition:

The board of directors draws its membership from various stakeholder groups namely; business community, professionals, special interest groups, national government, county government, schools & institutions, rural scheme representatives among others.

The company has 9 (nine) board members who represent each of the above stakeholder groups. The company has a succession plan at the board level where board members retire by rotation upon expiry of their contracts or can either be re-elected by the shareholders during the AGM as provided for (guided) by the Articles and Memo of the company

Board Committees:

The board of directors has established three (3) functional committees to assist in the execution of its responsibilities. The board has delegated its authority to the committees with specific terms of reference. These committees are;

- (i) Technical Committee
- (ii) Finance and administration committee
- (iii) Audit, risk and governance committee

Meetings:

The various sub-committees meet once per quarter to deliberate on issues requiring the board of directors' intervention before tabling their reports in the full board meetings.

Full board meetings are held twice per year.

Annual General Meeting:

The company held its AGM in June 2014.

Remuneration:

The directors do not earn any fees but receive sitting allowances during meetings. To motivate the directors and enlighten them on any new developments in the sector, the company organizes an annual workshop for the directors on corporate governance.

Board Evaluation:

Performance of the Board is monitored and evaluated annually. This is done through the signing of performance contracts and annual evaluation of performance against the set targets. Further the conduct of the directors is guided by the code of ethics provided for all directors.

During the year, the company was ranked number one and awarded a trophy by transparency international for promoting and sustaining good corporate governance.

**NYAHURURU WATER & SANITATION COMPANY LIMITED.
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Corporate social responsibility is a role that the management of the company embraces as part of giving back to the community. This role is a major ingredient in nurturing and fostering unity of purpose between the company and the public that it serves. The company through the human resource & administration department has set up a CSR team to spearhead all the social responsibility functions and projects.

During the financial year 2013/2014, the company participated in several social responsibility functions as it bid to achieve its social obligations in the society. These functions were marked by extending a helping hand to various institutions and homes for special cases, destitutes and HIV patients as explained below:

The company participated in Annual Nyahururu hospice walk during the year to assist the community raise money to assist community members suffering from chronicle diseases like cancer and HIV /AIDS. The company gave a donation of Kshs 10,000 as well as clean water to the event participants.

The company has also partnered with Talithakum children home for orphans who are HIV positive in various different ways. The company has subsidized water and sewer charges for the institution. Further, the company during the year bought stationeries and food stuffs for the home worth kshs 10,000

During year the company also visited Kimaru special school and donated clean water for use by the school during the dry season. In addition, the company distributed food stuffs and reading materials worth Ksh 10,000.

The company through its CSR team also visited Kwanjiku special school; an institution for persons suffering from cerebral palsy and donated consumables and other goods to the institution worth Ksh 10,000 during the year.

The company through Northern water services board, gave a donation of kshs 10,000 to the Westgate survivors' fund as part of its national social responsibility.

During the year, the company also donated kshs 10,000 to the committee organising the World's AIDS day fete.

**NYAHURURU WATER & SANITATION COMPANY LIMITED
REPORT OF THE DIRECTORS,
FOR THE YEAR ENDED 30 JUNE 2014**

The directors submit their report together with the audited financial statements for the year ended June 30, 2014 which show the state of affairs of the company.

PRINCIPAL ACTIVITY

The principal activity of the company continues to be provision of Water supply and sanitation services within Nyahururu Municipality.

RESULTS

The results for the year are set out on page 5.

DIVIDENDS

The directors do not recommend payment of any dividend.

DIRECTORS

The Directors who held office as at 30th June 2014 are shown on page 2. One director Bishop Luigi Paiyairo resigned from the Board during the year.

AUDITORS

The Auditor General is responsible for the statutory audit of the company in accordance with the provisions of Article 229 of the constitution of Kenya and Section 14 of the Public Audit Act, 2003.

By Order of the Board

Director


..... 2014

**NYAHURURU WATER & SANITATION COMPANY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 30 JUNE 2014**

The Law requires the Directors to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year. It also requires the Directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company. The Directors are also responsible for safeguarding the assets of the company.

The Directors accept responsibility for the annual financial statements that have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the Company's Act.

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

Approval of the Financial Statements

The company's financial statements were approved by the board of directors onday of.....,2014 and signed on its behalf by:

.....
..... **Director**

Bernard Mwaura **Managing Director**

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
Email: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NYAHURURU WATER AND SANITATION COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Nyahururu Water and Sanitation Company set out on pages 10 to 23, which comprise the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 14 of the Public Audit Act, 2003. 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15 (2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229 (7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion

on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1. Customer Deposit

As similarly reported in the period 2012/2013, the water deposit balance of Kshs.15,681,466 as at 30 June 2014 was not supported with necessary documents. Further, the Company's customer deposit account balance as at 30 June 2014 as indicated by the bank statement reflected a balance of Kshs.1,640,235 resulting to unreconciled and unexplained difference of Kshs.14,041,231.

In the circumstances, the completeness and accuracy of the water deposit balance of Kshs.15,681,466 as at 30 June 2014 could not be confirmed.

2. Capital Reserves

As similarly reported in 2012/2013 financial year, the capital reserves balance of Kshs.79,864,749 as at 30 June 2014 was not supported with adequate records. Further, no explanatory notes to the financial statements were provided to support the balance.

Consequently, it has not been possible to confirm the accuracy and validity of the capital reserves balance of Kshs.79,864,749 as at 30 June 2014.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Nyahururu Water and Sanitation Company as at 30 June 2014, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with Water Act 2002, and the Companies Act, Cap 486 of the Laws of Kenya.

Emphasis of Matter

1. Sustainability

During the year under review, the Company recorded a loss of Kshs.7,291,911 (2012/2013 loss of Kshs.9,883,341), which increased the accumulated water loss from

Kshs.10,888,371 to Kshs.18,180,281 as at 30 June, 2014. Further, the current liabilities balance of Kshs.46,219,746 as at 30 June 2014 exceeded the current assets balance of Kshs.40,013,971, resulting in a negative working capital of Kshs.6,205,775, an indication that the company may be experiencing difficulties in meeting its obligations as and when they fall due. The Company's financial position therefore appears precarious, and its continued sustainability as a going concern is dependent upon continued support from the Government.

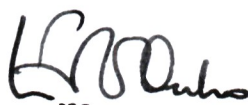
2. Unaccounted for Water

I draw attention to Note 14(a) to the financial statements which reflects the total revenue from water sales. During the year under review, the company produced 2,149,103 cubic meters (m³) of water. However, out of this volume, only 1,098,405 was billed to customers. The balance of 1,050,698m³ or approximately 49% of the total volume produced represented unaccounted For Water (UFW) which is 24% over and the allowable loss of 25% in accordance with Water Service Regulatory Board Guidelines. The UFW of 24% may have resulted in loss of sales estimated at Kshs.15,181,535. The significant lever of the UFW may negatively impact on the Company's profitability and its long term sustainability. My opinion is not qualified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies Act, Cap 486 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, proper books of account have been kept by the Company, so far as appears from my examination of those books; and,
- (iii) The Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

05 October 2015

NYAHURURU WATER & SANITATION COMPANY LIMITED				
STATEMENT OF COMPREHENSIVE INCOME				
FOR THE YEAR ENDED 30 JUNE 2014				
		2014	BUDGET	JUNE
		2014	2014	2013
Revenues	Notes	Kshs	Kshs	Kshs
Sales (total billings)	14 (a)	95,343,837	118,890,054.00	85,754,994
Chemical Subsidies	14 (b)	453,750	-	2,493,725
Other Income	14 (c)	5,846,611	8,553,857.00	4,882,837
Total Revenues		101,644,198	127,443,911.00	93,131,556
Operating Costs				
Direct Cost of sales	15(a)	17,940,366	21,366,554.00	21,305,564
Administrative Expenses	15(b)	24,571,659	32,101,276.00	16,235,955
Operations and maintenance	15(c)	13,809,228	16,036,354.00	14,627,975
Personnel Costs	15(d)	52,140,234	53,154,269.00	50,270,690
Total operating expenses		108,461,487	122,658,453	102,440,183
Operating Surplus/ (Deficit)		(6,817,289)	4,785,458	(9,308,628)
Finance costs	15(e)	474,623	480,000.00	574,713
Net (deficit)/surplus		(7,291,911)	4,305,458	(9,883,341)

NYAHURURU WATER & SANITATION COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

		JUNE 2014 KSHS	JUNE 2013 KSHS
<u>ASSETS</u>			
Non Current Assets			
Properties, plant and equipments	1	67,990,242	68,852,751
		<u>67,990,242</u>	<u>68,852,751</u>
Current Assets			
Inventories	3	2,743,051	3,202,793
Receivables	4	34,248,985	31,934,159
Cash & cash equivalents	6	3,021,935	4,367,259
		<u>40,013,971</u>	<u>39,504,212</u>
Less: Current Liabilities			
Trade Creditors & Others	7(a)	28,490,581	25,343,360
Overdrawn cashbook balance	7(b)	2,047,699	-
Water Deposits	8	15,681,466	13,937,225
		<u>46,219,746</u>	<u>39,280,585</u>
Net Current Assets/ (Liabilities)		<u>(6,205,775)</u>	<u>223,627</u>
TOTAL ASSETS		<u>61,784,468</u>	<u>69,076,378</u>
<u>EQUITY & LIABILITIES</u>			
Share Capital	9	100,000	100,000
Revenue Reserves	10	(18,180,281)	(10,888,371)
Capital Reserves		79,864,749	79,864,749
TOTAL EQUITY & LIABILITY		<u>61,784,468</u>	<u>69,076,378</u>

The financial statements set on pages 10 to 21 were approved by the Board of Directors on, 2014 and signed on its behalf by:

..... Director

Bernard Mwaura Managing Director

NYAHURURU WATER & SANITATION COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Share Capital	Capital Reserves	Revenue Reserves	Totals
	Kshs	Kshs	Kshs	Kshs
Balance at 1 July 2012	100,000	79,864,749	(1,005,030)	78,959,719
Net profit/(loss) After Tax	-	-	(9,883,341)	(9,883,341)
Balance at 30 June 2013	100,000	79,864,749	(10,888,371)	69,076,378
Balance at 1 July 2013	100,000	79,864,749	(10,888,371)	69,076,378
Net profit/(loss) After Tax	-	-	(7,291,911)	(7,291,911)
Balance at 30 June 2014	100,000	79,864,749	(18,180,282)	61,784,467

NYAHURURU WATER & SANITATION COMPANY LIMITED
STATEMENT OF CASHFLOWS
FOR YEAR ENDED 30 JUNE 2014

		JUNE 2014	JUNE 2013
	Notes	Kshs	Kshs
Cash flows from Operating activities			
Net loss/profit before Tax		(7,291,911)	(9,883,341)
Adjustments for:			
Depreciation		3,095,559	3,479,391.1
Prior year adjustment			
Net cash generated from Operating Activities		(4,196,352)	(6,403,950)
Changes in working capital			
Increase in Inventories		459,744	797,870
Increase in Receivables		(2,314,826)	8,023,839
Increase in Water deposits		1,744,241	1,465,377
Decrease in Creditors & Accruals		3,147,221	3,341,560
Changes in working capital		3,036,381	13,628,646
Cash flows from Investing activities			
Purchase of property and equipments	1	(2,233,050)	(2,108,060)
Net cash generated from investing activities.		(2,233,050)	(2,108,060)
Net cash inflow/(outflow)		(3,393,022)	5,116,637
Cash & Cash equivalents at the beginning of the year		4,367,259	(749,377)
Decrease/Increase during the year		(3,393,023)	5,116,636
Cash & Cash equivalents at the end of the year	6 & 7(b)	974,236	4,367,259

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of Compliance and Basis for Preparation

The financial statements cover a period of 12 months from July 2013 to June 2014 and have been prepared under the historical cost basis.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Financial Reporting Standards (IFRS). 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 financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the company and all values are rounded to the nearest thousand (Kshs'000).

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

Adoption of new accounting policies and amendments to the IFRS during the year had no effect on the financial statements of the company.

Use of Estimates and Judgements: Preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect application of accounting policies, reported amounts and disclosures.

The estimates and assumptions are reviewed on an ongoing basis.

2. Revenue Recognition

Revenue is recognised at the fair value of consideration received or expected to be received in the ordinary course of the company's activities and when specific criteria have been met for each of the company's activities as described below:

- (i). **Revenue from the sale of goods and services** is recognised in the year in which the company delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.
- (ii). **Chemical subsidies from National Government** are recognised in the year in which the entity actually receives such grants.

3. Plant, Property and Equipment

(i) **All categories of plant, property and equipment** are initially stated at cost less accumulated depreciation and impairment losses.

(ii). **All the Company Assets** are held by Northern Water Services Board as per the SPA.

(iii). **Intangible Assets:** they comprise of computer software licenses which are capitalized on the basis of costs incurred to acquire and to bring

to use the specific software. These costs are amortised over the useful life of the intangible asset from the year they are available for use, usually over three years.

4. Depreciation of Plant, Property and Equipment

Depreciation is calculated on the reducing balance method to write off their cost over their estimated useful life. The annual rates in use are:

a). Plant and Machinery	12.5 years
b). Motor vehicles, including motor cycles	4 years
c). Computers and related equipment	3 years
d). Office equipment, furniture and fittings	12.5 years

5. Inventories

Inventories are stated at lower of cost and net realizable value. The cost of inventories comprises purchase price, applicable taxes, transportation and handling charges, and is determined on the moving average price method

6. Trade and other receivables

Trade and other receivables are recognised at fair values less allowances for any uncollectible amounts. An estimate is made of the doubtful debts at the rate of 30% of the aged debtors outstanding over three years. Bad debts are written off after all efforts at recovery have been exhausted.

7. Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash at bank and also short term cash imprests to authorised public officers which were not surrendered or accounted for at the end of the financial year.

9. Trade and Other Payables

Trade and other payables include contractual value of consideration to be paid in future in respect of goods and services supplied, less any payments to the suppliers, outstanding fees and levies and unremitted payroll liabilities.

10. Provision for Staff Leave Pay

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

11. Comparative figures

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

12. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2014.

TAHURURU WATER & SANITATION COMPANY LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

FINANCIAL RISK MANAGEMENT POLICIES:

The company's financial risk management objectives and policies are detailed below:

a. Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset and liability are disclosed in the notes to the financial statements.

b. Financial risk management objectives

The water company's activities expose it to a variety of risks including credit, market and liquidity risks. The company's overall risk management strategy seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk and drafting guidelines on the management of these risks.

c. Credit Risk Management

The water company's credit risk is mainly attributable to its liquid funds with financial institutions. However, the liquid funds with financial institutions is low because the counter parties are banks with high credit ratings.

The financial assets are fully performing as the company continues to enjoy services secured by this balance.

d. Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the water company. The company has set up an appropriate liquidity risk management framework for the short, medium and longterm funding requirements.

The company manages the liquidity risk by maintaining banking facilities and through continuous monitoring of forecast cashflows as well as actual cashflows.

e. Market Risk

The water company takes on the exposure to market risk, which is the risk that changes in market prices will affect the company's surplus. Such changes in market prices cause fluctuations to the cashflows of the company and are generally caused by changes in interest rates.

Market risk monitoring is done by the management in conjunction with the Board of directors.

Market risk exposures are measured by sensitivity analysis and appropriate management measures instituted.

NYAHURURU WATER & SANITATION COMPANY LIMITED
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2014

NOTES TO THE FINANCIAL STATEMENTS

1. PROPERTY, PLANT AND EQUIPMENT.

	Sewer & water system	Motor Vehicles	Furniture, Fittings & Equipments	Computer Equipment	Tools	Office Design	Generator	Total
	2.5%	25.0%	12.5%	30.0%	33.3%		25.0%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
COST								
At 1st July 2012	81,612,796	5,904,720	3,189,064	6,678,780	3,300,747	20,000	1,591,756	102,297,863
Additions	1,392,800		138,560	488,700	88,000			2,108,060
At 30 June 2013	83,005,596	5,904,720	3,327,624	7,167,480	3,388,747	20,000	1,591,756	104,405,923
DEPRECIATION								
At 1st July 2012	17,955,659	4,560,424	1,866,463	4,320,884	2,450,117	-	920,234	32,073,780
Charge For the Period	1,626,248	336,074	182,645	853,979	312,564	-	167,881	3,479,391
At 30 June 2013	19,581,908	4,896,498	2,049,108	5,174,863	2,762,680	-	1,088,114	35,553,172
NET BOOK VALUE								
At 1st July 2012	63,657,137	1,344,297	1,322,601	2,357,896	850,630	20,000	671,522	70,224,083
At 30th June 2013	63,423,688	1,008,222	1,278,516	1,992,617	626,067	20,000	503,642	68,852,751

Movement Schedule 2013-2014	Sewer & water system	Motor Vehicles	Furniture, Fittings & Equipments	Computer Equipment	Tools	Office Design	Generator	Total
	2.5%	25.0%	12.5%	30.0%	33.3%		25.0%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2013	83,005,596	5,904,720	3,327,624	7,167,480	3,388,747	20,000	1,591,756	104,405,923
Additions	1,774,000	-	92,250	366,800	-	-	-	2,233,050
At 30 June 2014	84,779,596	5,904,720	3,419,874	7,534,280	3,388,747	20,000	1,591,756	106,638,973
DEPRECIATION								
At 1st July 2013	19,581,908	4,896,498	2,049,108	5,174,863	2,762,680	-	1,088,114	35,553,172
Charge For the Period	1,629,942	252,055	171,346	707,825	208,480	-	125,910	3,095,559
At 30 June 2014	21,211,850	5,148,554	2,220,454	5,882,688	2,971,161	-	1,214,025	38,648,731
NET BOOK VALUE								
At 1st July 2013	63,423,688	1,008,222	1,278,516	1,992,617	626,067	20,000	503,642	68,852,751
At 30th June 2014	63,567,746	756,166	1,199,420	1,651,592	417,586	20,000	377,731	67,990,242

(ii) Depreciation rates applicable

Generator	25%
Computer equipments	30%
Furniture, fixtures and fittings	12.5%
Tools	33.3%
Office Equipment	12.5%
Water & sewer system	2.5%

2. RELATED PARTIES

The company relates to the National Government through the Ministry of Water & Irrigation which sets policy guidelines. Further on, the company draws its shareholders from the Laikipia County Government who participate in the AGM. In addition, the company is licensed, monitored and supervised by Northern Water Services Board

Key Management Compensation: The remuneration of the company employees and other key management during the year were as follows:

	2013/2014 kshs	2012/2013 kshs
Personnel Costs	52,140,234	50,270,690
Directors Allowances	1,266,000	502,850

NYAHURURU WATER & SANITATION COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2014

	<u>2014</u> KSHS	<u>2013</u> KSHS
3. INVENTORIES		
Stationery	443,615	398,761
Cleaning	21,145	23,695
Chemicals	622,441	543,680
Staff tea	1,550	9,792
Fittings	1,654,300	2,226,865
Closing inventory totals	<u>2,743,051</u>	<u>3,202,793</u>
4. RECEIVABLES		
Opening balance	23,555,499	35,401,355
Add: Total billings	95,343,837	85,754,994
Less: Total collections	<u>(95,434,982)</u>	<u>(97,600,850)</u>
Total Trade Receivables	<u>23,464,354</u>	<u>23,555,499</u>
Sundry Debtors(marmanet)		
Provision for doubtful debts	-	(925,441)
Prepayments and others (5)	10,784,631	9,304,101
Total receivables	<u>34,248,985</u>	<u>31,934,159</u>
5. PREPAYMENTS & OTHERS		
(a). Prepayments		
Insurance	-	900,191
Leave allowance	-	461,521
Office rent	70,000	70,000
	<u>70,000</u>	<u>1,431,712</u>
(b). Others		
Deposit-kenha	161,300	161,300
Loans & Advances	-	121,616
Outstanding VAT Claim	10,553,331	7,589,473
	<u>10,714,631</u>	<u>7,872,389</u>
Grand Total	<u>10,784,631</u>	<u>9,304,101</u>
6. CASH & CASH EQUIVALENTS		
Cash in Hand	381,700	281,427
Fixed Deposit investment	1,000,000	1,000,000
Equity Bank	1,640,235	1,904,353
Cooperative Bank (Current Account)	-	1,181,479
Totals	<u>3,021,935</u>	<u>4,367,259</u>
7(a). TRADE AND OTHER PAYABLES		
Lease fees and conservancy	6,385,341	6,515,513
Trade creditors	9,779,770	5,483,098
payroll deductions	3,384,542	10,542,396
External auditors	1,578,000	1,114,000
Casual wages	108,505	18,775
Rent	150,000	330,000
Gratuity	548,251	400,735
Other accruals - agm expenses	300,000	306,500
St. martins hospital	-	80,841
Warma	1,256,172	551,502
TOTAL	<u>28,490,581</u>	<u>25,343,360</u>
7 (b). OVERDRAWN CASHBOOK BALANCE		
Cooperative Bank (Current Account)	2,047,699	-
Totals	<u>2,047,699</u>	<u>-</u>

NYAHURURU WATER & SANITATION COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2014

	<u>2014</u> KSHS	<u>2013</u> KSHS
8. WATER DEPOSITS		
Opening balance	13,937,225	12,471,848
Collected	2,326,250	1,980,400
Paid \Refunded	(582,009)	(515,023)
	<u>15,681,466</u>	<u>13,937,225</u>

9. SHARE CAPITAL

Authorised Share Capital: 5,000 Ordinary Shares @ Kshs.20	100,000	100,000
Issued and fully Paid-up : 5,000 Ordinary Shares @ Kshs.20	100,000	100,000

10. REVENUE RESERVES

Constitute of the sum of accumulated deficits and surpluses over the years.

Balance at 1st july	(10,888,371)	(1,000,030)
Prior year adjustment	-	-
Net Profit/(loss) After Tax	(7,291,911)	(9,883,341)
Balance at 30th june	<u>(18,180,282)</u>	<u>(10,888,371)</u>

11. CAPITAL RESERVES

Constitute the reconciling difference between assets and liabilities during handover from the municipal council to the company.

	79,864,749	79,864,749
	<u>79,864,749</u>	<u>79,864,749</u>

12. INSTITUTIONAL CAPACITY GRANT

The following items were received from Northern Water Services Board during the year:

<u>Item Description</u>	<u>Quantity</u>	<u>Value</u>
(i).Meters: Volumetric Water Meters (Various sizes)	7,367	45,970,000.00
:Prepaid Water Meters.	300	6,000,000.00
(ii). Office Furniture & fittings were supplied		
(iii). Laboratory equipments		4,176,998.75

13. ADB Funded Project

The ADB funded project for the rehabilitation of Water and Sewer treatment works and distribution networks was completed during the financial year.

The assets were handed over to Northern water services board the assets holders as per the SPA

Contract Data

	KSHS
Water Component - (NWSB/ICB/CW/006/2011-2012)	791,339,008.00
Sewerage Component - (NWSB/ICB/CW/007/2011-2012)	451,708,024.00
Total Contract Amount	<u>1,243,047,032.00</u>

14. REVENUE (TURNOVER)

(a). Total Billings for the year	95,343,837	85,754,994
(b). Chemical Subsidies for the year	453,750	2,493,725
c). Other Income for the year	5,846,611	4,882,837
	<u>101,644,198</u>	<u>93,131,556</u>

NYAHURURU WATER & SANITATION COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2014

	BUDGET		VARIANCE	
	2014	2013/14		2,013
	ksh	ksh		ksh
15(a) DIRECT COST OF SALES				
Chemicals costs	9,211,708	11,177,640	82%	8,769,849
Electricity-technical	8,723,658	10,188,914	86%	12,535,715
TOTAL COST OF SALES	17,940,366	21,366,554	84%	21,305,564
15(b) Administrative Expenses				
Advertising tenders	814,347	750,000	92%	173,014
abstraction fees	1,157,720	1,585,000	73%	983,326
assets lease fees	6,158,641	7,208,334	85%	5,489,450
wasreb (1%)	1,008,135	1,016,442	99%	840,838
audit fees	464,000	464,000	100%	464,000
legal fees	761,182	850,000	90%	424,000
professional fees	783,274	1,000,000	78%	1,085,340
Full board allowances	488,000	500,000	98%	204,000
Directors' functions & workshops	703,000	750,000	94%	173,850
Sub committee Allowances	75,000	180,000	42%	125,000
donations	35,530	50,000	71%	97,130
Office water & lighting	611,479	772,000	79%	300,705
Consumables	9,860	20,000	49%	-
Entertainment costs	267,983	360,000	74%	197,507
Licenses and Permits	173,270	210,000	83%	445,988
Cleaning materials	404,953	500,000	81%	419,283
Internet Charges	156,397	160,000	98%	249,188
mobile phone cards	164,350	180,000	91%	154,300
staff tea	324,616	330,000	98%	329,172
transport costs	174,280	200,000	87%	170,575
Other expenses-staff medical checkup	18,350	30,000	61%	-
Periodicals and magazines	118,590	120,000	99%	97,730
Printing & stationery	1,775,792	2,000,000	89%	1,664,573
Rent	1,200,000	1,200,000	100%	1,100,000
Security costs	3,225,800	3,676,000	88%	2,478,100
functions,workshops & seminars	1,897,580	2,809,500	68%	1,952,026
Sports & equivalents	1,972,410	2,000,000	99%	1,422,108
Training	334,720	500,000	67%	45,200
membership and subscriptions	323,500	350,000	92%	258,119
Postage and Delivery	234,857	250,000	94%	234,792
Telephone	106,546	120,000	89%	267,645
Lunch allowance	946,770	1,000,000	95%	517,426
Night out allowance	544,590	600,000	91%	830,144
Provision-Agm expenses	300,000	360,000	83%	330,000
VAT Claimable	(2,963,858)	-	-	(7,589,473)
Total Administrative Expenses	24,571,659	32,101,276	77%	16,235,955
15(c) Operations and maintenance				
motor vehicles fuel	872,669	1,000,000	87%	1,401,351
Exhausting-tractor/truck fuel	802,714	900,000	89%	553,756
Building repairs	395,878	400,000	99%	251,268
Computer repairs	124,100	166,809	74%	162,018
Insurance costs	2,154,882	2,329,398	93%	3,403,522
electric repairs	102,220	120,000	85%	240,815
Equipment repairs	213,288	230,147	93%	173,706
Manholes repairs	83,000	100,000	83%	3,500
Water pumps repairs	15,200	40,000	38%	174,826
repair & maintenance - (Marmanet)	955,493	1,000,000	96%	1,158,130
repair materials (pipelines repair)	1,965,925	2,000,000	98%	1,218,713
casual wages tech	770,830	900,000	86%	713,019
motor vehicle repairs	894,252	1,000,000	89%	947,706
Automobile Expense - Other	-	-	-	35,508
Exhauster Repairs-tractor /truck	775,475	850,000	91%	254,065
Uniforms	587,733	1,000,000	59%	456,881
Provision for doubtful debts	-	-	-	-
Depreciation Charge provision	3,095,559	4,000,000	-	3,479,391
Total Operation & Maintenance	13,809,228	16,036,354	86%	14,627,975
15(d) Personnel Costs				
Christmas bonus	194,000	200,000	97%	227,000
Admin leave allowance	295,311	295,311	100%	620,729
Comm leave allowance	355,612	355,612	100%	403,371
marmanet leave allowance	113,843	113,843	100%	82,328
Leave allowance (Tech)	518,840	518,840	100%	372,479
Nssf contribution-Emp. Cont.	242,200	242,200	100%	144,800
Provident Fund-Emp. Cont.	2,232,475	2,232,475	100%	2,206,813
Marmanet pension-Emp. Cont.	507,133	507,133	100%	350,126
Gratuity	988,102	988,102	100%	952,614
Casual wages -adm	60,375	100,000	60%	3,975
Casual wages -comm	449,520	500,000	90%	151,726
Casual wages -marmanet	143,951	375,000	38%	117,894
Lunch & Night out Allowance(Exhausting)	132,935	140,000	95%	56,375
Cash handling allowance	197,800	220,000	90%	252,300
Deot control allowances	74,180	78,000	95%	90,450
extraneous allowances	341,220	345,000	99%	381,790
marmanet staff allowances	38,940	50,000	78%	5,280
Salaries & wages	45,253,796	45,892,752	99%	43,850,940
Provision for accrued leave	-	-	-	-
Total Personnel Costs	52,140,234	53,154,269	98%	50,270,690
15(e) Finance costs				
Bank charges	474,623	480,000	99%	574,713
GRAND TOTAL	108,936,109	123,138,453	88%	103,014,897

NYAHURURU WATER & SANITATION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

BUDGET

(Appendix 1)	2014	2013/14	2013
Turnover			
Billings	KSHS	KSHS	KSHS
July 2013	7,537,005	7,850,159	7,103,064
Aug 2013	8,562,927	8,616,704	7,571,684
Sep 2013	7,932,929	8,459,904	7,402,985
Oct 2013	8,289,790	9,387,425	7,664,432
Nov 2013	8,594,319	9,897,560	8,130,017
Dec 2013	8,077,190	10,433,203	7,690,041
Jan 2014	8,212,908	10,995,628	7,610,286
Feb 2014	8,425,127	11,586,174	7,641,091
Mar 2014	8,667,106	11,206,248	7,621,999
Apr 2014	8,847,305	11,857,325	7,594,020
May 2014	9,067,152	12,540,956	7,320,277
June 2014	9,365,830	13,258,768	8,376,549
LESS: Conservancy	(6,235,750)	(7,200,000)	(5,971,450)
Annual Billing	95,343,837	118,890,054	85,754,994
other income			
Rent	262,150.00	300,000.00	226,400.00
Bank Charges	-	21,049.00	550.00
Commission on conservancy	155,893.75	127,114.85	148,926.75
disconnection on request	-	2,520.00	-
Exhauster charges	1,979,500.00	2,465,968.40	1,634,500.00
mileage	1,229,627.00	652,680.00	921,410.00
Miscellaneous income	278,640.00	120,297.80	295,924.00
penalty & fines	-	295,400.00	17,191.00
reconnection charges	-	179,900.00	-
sale of application forms	-	-	-
sale of drums	14,500.00	39,757.20	22,350.00
sale of water	453,650.00	530,110.00	230,585.00
Meter rentals	-	-	-
search fee	5,500.00	2,450.00	4,750.00
sewer connection charges	154,000.00	750,000.00	87,500.00
revenue stamps	-	-	-
sewer inspection charges	55,000.00	250,000.00	24,500.00
unblocking fees	32,250.00	39,410.00	32,250.00
water connection charges	1,201,400.00	2,500,000.00	1,200,000.00
Government Subsidy	453,750.00	-	2,493,725.00
Tender sales	24,500.00	277,200.00	36,000.00
Total Other Income	6,000,060.75	8,553,857.25	7,376,561.75
Total income	101,644,197.75	127,443,910.89	93,131,555.75

NYAHURURU WATER & SANITATION COMPANY LIMITED
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2014

16. TAX COMPUTATION

	2014	2013
	<u>KSHS</u>	<u>KSHS</u>
TAXATION		
This is calculated on taxable profit at 30%		
Profit/(loss) as per accounts	(7,291,911)	(9,883,341)
ADD:		
Prior Year Adjustment	-	-
Depreciation	3,095,559	3,095,559
Less: wear & tear	(3,095,559)	(3,095,559)
Adjusted tax profit (loss)	(7,291,911)	(9,883,341)
Profit (loss) b/f	(10,888,371)	(1,005,030)
Loss c/f	(18,180,282)	(10,888,371)
Corporation Tax Payable @30%	-	-

**NYAHURURU WATER AND SANITATION COMPANY LTD
BILLING SCHEDULE FOR THE FINANCIAL 2011/2012**

MONTH	W/CHARGES	S/CHARGES	M/RENT	CONSERVANCY	BILLING
JULY-011	5,139,586.72	2,349,735	170,500.00	430,500.00	8,090,322
AUG-011	4,873,798.80	2,250,369	171,300.00	420,100.00	7,715,568
SEPT-011	5,074,283.95	2,407,458	166,550.00	415,350.00	8,063,642
OCT-011	5,125,613.00	2,408,082	175,650.00	425,400.00	8,134,745
NOV-011	5,075,231.80	2,381,130	182,050.00	410,900.00	8,049,312
DEC-011	5,306,543.00	2,431,616	179,698.00	425,800.00	8,343,657
JAN-012	5,324,417.30	2,418,291	186,350.00	415,000.00	8,344,055
FEB-012	5,245,021.80	2,381,141	188,450.00	430,500.00	8,245,113
MAR-012	5,178,202.60	2,367,520	180,600.00	423,100.00	8,149,423
APRIL-012	4,919,783.30	2,295,600	195,200.00	440,350.00	7,850,933
MAY-012	5,158,892.00	2,457,009	198,250.00	450,600.00	8,264,751
JUNE-012	4,862,162.60	2,287,795	199,200.00	441,050.00	7,790,208
TOTAL-KSHS	61,283,537	28,435,747	2,193,798	5,128,650	97,041,732

LESS: CONSERVANCY
TOTAL

5,128,650
91,913,081

7

<u>costs</u>		
expenditure	KSHS	KSHS
abstraction fees	982,212.50	982,307.00
advertising	473,914.20	330,368.00
Asset lease fee	4,990,430.91	4,451,902.24
regulatory fee	908,164.75	302,283.57
audit fee	400,000.00	400,000.00
ab-traction/ormy	378,030.00	332,117.00
fuel-vehicle	1,456,660.73	1,948,270.00
mv repairs-vehicles	947,556.97	1,626,673.80
auto expense-other	35,658.46	31,816.00
exhauster/tractor repairs	218,556.00	204,933.50
chemical costs	8,769,849.00	8,821,799.40
legal fees	18,000.00	132,000.00
professional fee	1,064,739.90	1,530,793.00
depreciation		
depreciation		3,929,323.00
Full board allowances		303,000.00
Functions & workshops		255,500.00
Sub committee Allowances		240,200.00
Printing & stationery		1,310,782.00
donations		168,794.00
Office water & lighting		303,413.20
Electricity-technical		11,347,309.51
Bank charges		182,733.40
Consumables		8,585.00
Entertainment costs		168,191.00
Licenses and Permits		61,600.00
Insurance		3,086,002.16
Cleaning materials		453,604.47
Internet Charges		306,018.92
mobile phone cards		174,800.00
Periodicals and magazines		83,320.00
Rent		1,080,000.00
Other expenses-staff medical check up		19,008.00
staff tea		360,716.00
transport costs		157,510.00
Provision-Agm expenses		285,000.00
Building Repairs		487,797.60
Computer Repairs		97,280.00
electric repairs		284,893.00
Equipment Repairs		565,363.00
Manholes		39,660.00
Water pumps		120,899.00
repair & maintenance - (Marmanet)		633,324.00
repair materials (pipelines repair)		847,291.00
functions,workshops & seminars		2,390,233.20
Sports & equivalents		2,165,674.20
Training		856,752.00
membership and subscriptions		169,500.00
Staff costs		
bonus	508,500.00	195,000.00
admin leave allowance		165,614.82
comm leave allowance		260,018.52
marmanet leave allowance		72,127.98
Nssf Contribution-Emp. Cont.		104,600.00
Provident Fund-Emp. Cont.		2,074,029.00
marmanet pension-Emp. Cont.		321,916.35
Gratuity		951,264.00
casual wages -adm		447,428.69
casual wages -comm		741,782.71
casual wages -marmanet		705,142.40
Lunch & Night out Allowance(Exhausting)		56,530.00
cash handling allowance		218,800.00
Debt control allowances		89,400.00
Honoraria-		424,315.00
marmanet staff allowances		29,686.50
Salaries & wages(Exc. Tech.)		36,399,928.06
casual wages tech		1,269,337.66
Leave allowance (Tech)		338,303.10
Salaries & wages(Tech.)		
Security costs		2,080,330.00
Lunch allowance		421,945.00
Night out allowance		309,850.00
uniforms -tech		528,938.00
uniforms		131,734.00
Postage and Delivery		183,579.60
Telephone		247,501.39
	21,352,273.44	104,826,342.15
		102,579,969

104,806,201.82 (20,640.33)
(2,246,873.14)

(133,339.56)

NYAHURURU WATER AND SANITATION COMPANY LIMITED
 CREDITORS AND ACCRUALS AS AT 30TH JUNE 2012

KSHS

KSHS

KSHS

LEASE FEES AND CONSERVANCY

WASREB	189,026	
NYAHURURU MUNICIPAL COUNCIL	3,322,592	
NORTHERN WATER SERVICES BOARD	3,333,038	8,844,655

TRADE CREDITORS

NYAHURURU S STATION	1,637,612	
D G S CONTRACTORS	14,000	
DRECOT DRIVING	13,920	
LICHI SECURITY	173,420	
NGARE NYIRO MOTORS	1,216	
STENE VENTURES	24,978	
NYAHURURU CATERING SERVICES	9,248	
LESHAU ENTERPRISES	5,178	
KEL CHEMICALS	24,012	
D T DOBIE	46,177	
COMMISSIONER OF VAT	342,531	
AUTO EXPRESS	7,656	
APRIL ENTERPRISES	6,743	
ANTONY NDERITU	5,472	
RENTOKIL INITIAL	38,586	
WRIGHT LOGISTICS	19,074	
THOMAS GIKONYO	16,000	
SIMON KAMUNYA	29,565	
CMC MOTORS	314,129	
TECHNOLOGY QUEST	39,234	
KARIMA GENERAL MERCHANTS	60,000	
LAIKIPIA HARDWARE	212,871	
NGANGAS GARAGE	124,750	
DOLPHIN SERVICES	3,306	
BROMAK MERCHANTS	87,300	
BERNARD WANJAU	123,457	
TATOO FIRE FIGHTING EQUIPMENT	286,900	
SAMUEL GITHU	34,800	
SAFE ELECTRO ENGINEERING	13,340	
GLYMORE ENTERPRISES	456,655	
LOG IN WEBSHOP	98,000	
WANYONI AUTO GARAGE	40,080	
THOMSON FALLS LODGE	21,027	
TELKOM K LTD	45,084	
STEPHEN MURIITHI	2,855	
SPEAR SUPERMARKET	68,141	
PYREX EAST AFRICA	70,440	
POSTAL CORPORATION	22,093	
PATMAT BOOKSHOP	424,373	
NDIRANGU HARDWARE	107,627	
JOCYPAL SPARES AND TRANSPORTERS	72,557	
HEKIMA HARDWARE	344,781	
HEKIMA BOOKSHOP	295,097	
ORGANIC SOLUTION	568,000	
AMUA WATER SYSTEMS	79,310	
KENYA POWER AND LIGHTING CO LTD	1,230,381	
SEAS MOTORS	75,360	
NYERI WATER COMPANY	58,500	7,796,837

PAYROLL DEDUCTIONS

HELB	4,506	
BRITAK	7,090	
NSSF	15,600	
NHIF	34,420	
PAYE	379,367	
UKULIMA	30,550	
AMEDO CENTRE	9,864	
COOP BANK CHECK OFF	203,530	
EQUITY CHECK OFF	41,077	
FAMILY FINANCE	21,938	
ACCRUED LEAVE	456,822	
KCB	208,020	
PROVIDENT FUND	2,763,062	4,275,846
KNAO		650,000

ACCRUALS

AGM EXPENSES	285,000	
GRATUITY	988,167	
ACCRUED CASUAL WAGES	47,787	
RENT	180,000	1,500,955
WARMA		853,667
OTHER-CONNECTION FEES "ST MARTINS"		80,841