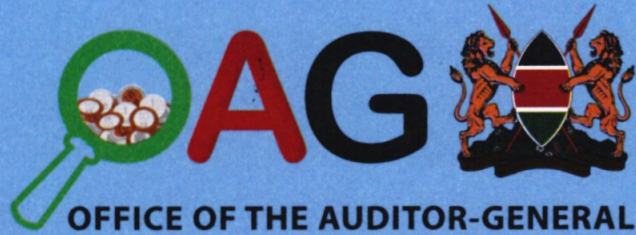
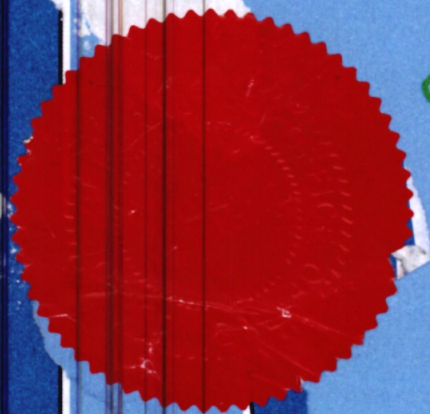


REPUBLIC OF KENYA

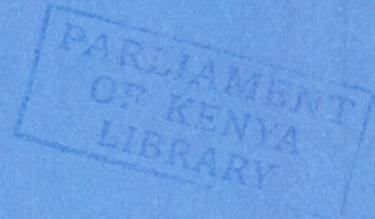


*Enhancing Accountability*



**REPORT**

**OF**



**THE AUDITOR-GENERAL**

**ON**

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DATE	
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COMMITTEE	
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**BOMET WATER AND SANITATION  
COMPANY LIMITED**

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



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**BOMET WATER AND SANITATION COMPANY LIMITED**  
**ANNUAL REPORTS 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)**

**Bomet Water and Sanitation Company Limited**  
**Annual Reports and Financial Statements**  
**For the Year Ended June 30, 2023**

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**Bomet Water and Sanitation Company Limited  
Annual Reports and Financial Statements  
For the Year Ended June 30, 2023**

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**1. Acronyms and Glossary of Terms**

<b><i>ICPAK</i></b>	<i>Institute of Certified Public Accountants of Kenya</i>
<b><i>IFRS</i></b>	<i>International Financial Reporting Standards</i>
<b><i>MD</i></b>	<i>Managing Director</i>
<b><i>PFM</i></b>	<i>Public Financial Management</i>
<b><i>PSASB</i></b>	<i>Public Sector Accounting Standards Board</i>
<b><i>WASREB</i></b>	<i>Water Services Regulatory Board</i>
<b><i>IEK</i></b>	<i>Institution of Engineers of Kenya</i>
<b><i>BCOM</i></b>	<i>Bachelors of Commerce</i>
<b><i>MSC</i></b>	<i>Bachelors of Science</i>
<b><i>CPA</i></b>	<i>Certified Public Accountant</i>
<b><i>CISM</i></b>	<i>Certified Information Security Manager</i>
<b><i>CISA</i></b>	<i>Certified Information Systems Auditor</i>
<b><i>MBA</i></b>	<i>Masters of Business Administrations</i>
<b><i>PHD</i></b>	<i>Doctor of Philosophy</i>
<b><i>OSH</i></b>	<i>Occupational Health and Safety</i>
<b><i>IEBC</i></b>	<i>Independent Election and Boundaries Commission</i>
<b><i>HRMPEB</i></b>	<i>Human Resource Management Professionals Examination Board</i>
<b><i>BOMWASCO</i></b>	<i>Bomet Water and Sanitation Company Limited</i>
<b><i>NAWASSCO</i></b>	<i>Nakuru Water and Sanitation Company Limited</i>
<b><i>KEWASCO</i></b>	<i>Kericho Water Sanitation Company Limited</i>
<b><i>NWCPC</i></b>	<i>National Water Conservation and Pipeline Corporation</i>

**Bomet Water and Sanitation Company Limited  
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**2. KEY BOMET WATER COMPANY LIMITED INFORMATION**

**Background information**

The Bomet water Company was established on **18<sup>th</sup> June 2013** under the Companies Act (**Cap 486**) as a limited Company. The Company is headed by the Board of Directors who is responsible for the general policy and strategic direction of the Company. The Company is domicile in Kenya.

**Principal Activities**

The principal activity of the Company is to offer water services and sanitation to the residents of Bomet County.

**Our vision** is to be a world class water utility.

**Our Mission Statement** is to consistently provide high quality water and sanitation services in a sustainable and cost-effective manner to the delight of our customers.

**Our core values** include; Integrity, Customer focus, Team work, Innovation, Accountability, Transparency, Professionalism.

**Directors**

The Directors who served the Company during the year/period and up to the date of this report was as follows:

<b>Eng John Kipkemoi Cheruiyot – Chairman</b>	<b>Appointed on 03/04/2023</b>
<b>Mr Daniel Kipngetidge Sigei –Member</b>	<b>Appointed on 03/04/2023</b>
<b>Mrs. Daisy Chelangat Rono-Member</b>	<b>Appointed on 03/04/2023</b>
<b>Mr William Kiplangat Bett - Member</b>	<b>Appointed on 03/04/2023</b>
<b>Mrs. Diana Chepkurui Sang –Member</b>	<b>Appointed on 03/04/2023</b>
<b>CPA Erick Kipyegon Chepkwony– Member</b>	<b>Appointed on 03/04/2023</b>
<b>Mr Solomon Kimetto –Member</b>	<b>Appointed on 03/04/2023</b>
<b>Mr John Mark Langat-Member</b>	<b>Appointed on 03/04/2023</b>

**Corporate Secretary**

The Office of County Attorney County Government of Bomet  
P.O Box 19-20400 Bomet.

**Registered Office:**

Bomet Water Company Limited, Bomet Town,  
Kipchamba Road  
P.O. Box 588-20400 Bomet, Kenya.

**Corporate Contacts:**

Telephone: (+254) 0714-900-501  
E-mail: [bomwasco@gmail.com](mailto:bomwasco@gmail.com)  
Website: [www.bometwater.co.ke](http://www.bometwater.co.ke)

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**Corporate Bankers:**

1. Co-operative Bank of Kenya  
Bomet branch,  
P.O Box 501-20400,  
Bomet, Kenya
2. Equity Bank Bomet Branch,  
P.O Box 475-20400  
Bomet, Kenya
3. Postbank Bomet Branch  
P.O Box 30311-00100  
Nairobi, Kenya
4. National Bank of Kenya Bomet Branch  
P.O Box,  
Bomet, Kenya

**Independent Auditors:**






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

**Principal Legal Advisors**

1. The Attorney General  
State law office  
Harambe Avenue  
P.O Box 40112  
City Square 00200  
Nairobi, Kenya.
2. The County Attorney  
County Government of Bomet Law Office  
P.O Box 19-20400 Bomet, Kenya

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**3. THE BOARD OF DIRECTORS**

<b>Photo</b>	<b>Directors &amp; Qualification</b>	<b>Date of Birth and Experience</b>
<p><b>Eng John K. Cheruiyot</b></p> 	<p>BSC. Civil Engineering, IEK, Corporate Governance</p>	<p><b>Date of Birth: 1959</b> Experience: over 33 years working experience gained entirely in the water and sanitation sector i.e. BOMWASCO, NAWASSCO, KEWASCO, Engineer at NWPC</p>
<p><b>Mr Daniel K. Sigei</b></p> 	<p>MSc Information Systems, Bcom and CPA K, CISM, CISA</p>	<p><b>Date of Birth: 1967</b> <b>Experience:</b> over 30 years working experience, including 27 years in Oil &amp; Gas industry Ministry of energy &amp; Industry/Qatar energy as Advisor, Audit &amp; Corporate Governance.</p>
<p><b>Mr. William K. Bett.</b></p> 	<p>Bachelor of arts, Sociology, and Economics, Higher diploma Human Resources</p>	<p><b>Date of Birth: 1970</b> Experience: Over 8 years' experience in Human Resource, Health and Safety at Senior level.</p>
<p><b>Mrs. Daisy Chelangat Rono</b></p> 	<p>PHD in Business ,MBA,Bsc Agricultural Economics</p>	<p><b>Date of Birth: 1968</b> <b>Experience:</b> Fifteen years of professional experience, CECM Bomet County, Constituent Elections Coordinator, Micro Finance officer at K-Rep Development Agency, Extension officer ADRA K</p>
<p><b>Mrs. Diana Chepkurui Sang</b></p> 	<p>Doctorate of Philosophy in Business administration, Diploma in Education Management, MBA project Management, Bachelor of Education (Arts) Mathematics and Geography.</p>	<p><b>Date of Birth: 1974</b> <b>Experience:</b> over 10 years as Principal, Director with Bomwasco, and worked as a presiding officer at IEBC</p>

**Bomet Water and Sanitation Company Limited**  
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Photo	Directors and Qualification	Date of Birth and Experience
<p><b>CPA Erick Kipyegon Chepkwony</b></p> 	<p>MSc in Accounting, CPA-K and Bcom</p>	<p><b>Date of Birth: 1988</b>  <b>Experience:</b> He is the Current CO-Finance CGOB, Over 10 years as Principal Accountant with CGOB and 1 year experience as Accountant Assistant at Chepchabas Cooperative Society.</p>
<p><b>Mr. Solomon Kimetto</b></p> 	<p>MSc OSH, Bsc Environment and Lead Expert</p>	<p><b>Date of Birth:</b>  <b>Experience:</b> He is the current CO-water, sanitation, Environment, Natural Resources and Climate Change.</p>
<p><b>Mr John Mark Langat</b></p> 	<p>Masters of Development studies (MDS), Bachelor of Laws LL.B, Postgraduate, Diploma in Law and Advocate of High Court</p>	<p><b>Date of Birth:</b>  <b>Experience:</b> He is the Current County Attorney CGOB</p>
<p><b>Eng Fredrick Ruto</b></p> 	<p>BSc Water and Environmental Engineering, EBK, IEK, SMC</p>	<p><b>Date of Birth: 1983</b>  <b>Experience:</b> Over 12 years' experience with County Government in the water sector.</p>

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**4. MANAGEMENT TEAM**

<b>Photos &amp; Designation</b>	<b>Management &amp; Qualification</b>	<b>Date of Birth and Experience</b>
<p><b>Ag Managing Director to 31<sup>st</sup> January 2024</b></p> 	<p><b>Eng Fredrick Ruto</b>            BSc Water and Environmental Engineering, EBK,IEK,SMC</p>	<p><b>Date of Birth: 1983</b>  <b>Experience:</b> .Over 12 years' experience with County Government in the water sector.</p>
<p><b>Ag Managing Director From February 2024</b></p> 	<p><b>CPA Benard Kiprotich Ronoh</b>            Bachelor of Commerce Specialisation in Finance. He is also a CPA-K and a Member of ICPA-K. Vast experience in Taxations, Financial and management accounting having attended several trainings organized by KSG, ICPAK, KESRA, DELOITTE, PWC,KESRA and WASPA</p>	<p><b>Date of Birth: 1985</b>  <b>Experience:</b> Over 12 years' experience in accounting field having previously worked with Kenya Tea Development Agency and National Nurses Association of Kenya at a senior accounting position.</p>
<p><b>Ag Technical Services Manager</b></p> 	<p><b>Mr. Milton Kipkoech Kitur.</b>            Diploma in Water technology and trained NRW Expert. Trained as a technical teacher from KTTC and currently BOM chairperson in schools.</p>	<p><b>Date of Birth:1976</b>  <b>Experience:</b> Acting Technical and operation manager. Over 5 years of teaching experience and over 10 years in water sector</p>
<p><b>Human Resource and Administration Manager</b></p> 	<p><b>Mr. Gilbert Metet</b>            Bachelor of Business Administration Specialisation in Human Resource Management, He is also member of HRMPEB and holder of senior management from KSG</p>	<p><b>Date of Birth:1988</b>  <b>Experience:</b> Over 3 years' experience with County Government of Bomet under ministry of Administration, served for 8 years with NPS.</p>
<p><b>Ag Finance Manager W.e.f From 1<sup>st</sup> February 2024.</b></p> 	<p><b>CPA Charles Tonui</b>            Bachelor of Business Management. He is also a CPA-K and a Member of ICPA-K.</p>	<p><b>Date of Birth: 1980</b>  <b>Experience:</b> Over 11 years' experience in accounting field having previously worked with municipal council, County Government of Bomet and BOMWASCO.</p>

**Bomet Water and Sanitation Company Limited**  
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<p><b>Head of internal Audit</b></p> 	<p><b>CPA Richard Messi</b>          Bachelor Business Management          Specialisation in Banking and          Finance. He is also CPA-K and          member of ICPAK</p>	<p><b>Date of Birth:</b> 1976  <b>Experience:</b>          Over 10 years' experience in          accounting and audit in Dairy          and Water Sector. Worked at          various position with Bomet          Water Company as Financial          accountant, Business          Development Manager and          credit controller.</p>
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**Bomet Water and Sanitation Company Limited**  
**Annual Reports and Financial Statements**  
**For the Year Ended June 30, 2023**

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**5. CHAIRMAN'S STATEMENT**

I take this immense pleasure at this opportunity to present to you the Annual Reports and financial statements for the period ended **30<sup>th</sup> June 2023**.

**Operating Environment**

The African countries are dealing with multiple shocks, including the effects of the COVID-19 pandemic, disruptions to global supply chains due to Russia's prolonged invasion of Ukraine and a tightening of global financing conditions. These shocks have reduced the continent's real GDP growth from **4.8** percent in 2021 to **3.8** percent in 2022. However, African economies remain resilient, with average growth projected to stabilize at **4.1** percent in 2023–24. The growth outlook is subject to significant downside risks, including i) subdued global growth weighing on Africa's exports, persistence of tight global financial conditions exacerbating debt servicing costs; ii) significant losses and damages due to frequent extreme weather events exacerbating fiscal pressures; iii) the prolongation of Russia's invasion of Ukraine, which is increasing global uncertainty; and iv) persistent disruptions to global supply chains. Other factors include elevated geopolitical risks due to upcoming national elections in some countries. There is therefore urgency to fast-track climate action and green transitions to drive the continent's inclusive and sustainable development. . *Source : (African Economic Outlook (AEO) 2023).*

**Outlook and risks**

Despite the confluence of multiple shocks, the African region is projected to grow at the second-fastest rate in the world in 2023-24, demonstrating the resilience of its economies. The dynamics of Africa's macroeconomic fundamentals remain mixed and considerable challenges remain. A mix of short -term and medium- to long-term policies are needed to accelerate and sustain the growth momentum in Africa. Africa offers the private sector trillion-dollar investment opportunities in climate and green growth sectors. Private climate finance flows in Africa (US\$4.2 billion over 2019/2020) are six times lower than mobilized public climate finance (US\$25.3 billion). Several transformative policy actions can be leveraged to mobilize more private sector financing for climate and green growth in Africa. Africa is a continent of abundant natural resources such as oil and gas, minerals, land, sunshine, wind, and biodiversity, although it's actual value is poorly measured and remains largely untapped. International multilateral agreements such as the Paris Agreement and the Convention on Biological Diversity provide new opportunities for African countries to tap into climate resources and carbon markets as well as those for genetic materials and biodiversity. Harnessing African's enormous natural resources requires concrete policies and actions by different stakeholders. *Source : (African Economic Outlook (AEO) 2023).*

**Climate change issues and policy options**

Kenya's economy is highly dependent on the natural resource base, and thus is highly vulnerable to climate variability and change. Rising temperatures and changing rainfall patterns, resulting in increased frequency and intensity of extreme weather events such as droughts and flooding, threaten the sustainability of the country's development. In order to safeguard sustainable development, the Government of Kenya has developed this National Climate Change Framework Policy to provide a clear and concise articulation of overall response priorities to climate variability and change.

Kenya has shown commitment to protect the climate system for the benefit of the present and future generations by supporting the United Nations Framework Convention on Climate Change (UNFCCC) process, ratifying the Kyoto Protocol in 2005, and contributing to continental and regional climate change initiatives. Further, the country's Constitution has set out a legal commitment to attain ecologically sustainable development; hence providing a firm basis to address the challenge of climate change while striving to attain the development goals set out in Kenya Vision 2030.

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Climate change adversely impacts key sectors that are important to the economy and society: Environment, Water and Forestry; Agriculture, Livestock and Fisheries; Trade; Extractive industries; Energy; Physical Infrastructure; Tourism; and Health.

**Performance Review**

The Company has continued to expand the services in an effort to reach more customers in our coverage as laid in our five-year strategic plan. Last year, we held various Board meetings which met the threshold of the required minimum of yearly meetings. We played our oversight and policy making roles. Therefore, I stand here to inform you that the business of the Company was executed with due diligence; always ensuring that the interests of the shareholder and those of the community, were taken care of. The company began implementation of its second strategic plan 2021-2026. This plan will concentrate on putting the company on a growth path. The plan comes at a critical time where the operating landscape is being shaped by emerging socio-economic, political and unforeseen situations/conditions. The plan is expected to help navigate the company during calm and turbulent times and emerge successful in achieving its objectives.

**Financial performance**

During the year under review, the company reported a dropped in turnover by 5.7 percent from Kshs 104,304,683 to Kshs 98,357,451. The decrease in turnover is attributed to high rainfall received during the year. The Company deployed 1000 PAYGO smart water meters within Sotik and Bomet Town which yielded sharp increase in both the billing and collection of revenues within the two areas. The Company continued to receive subsidies from the County Government of Bomet to a tune of Kshs.83 million. The total costs increase from Kshs 199,466,724 to Kshs 220,661,779 representing 10 percent. This was occasion by high inflation that push up the cost of production.

The operation & maintenance cost recovery increased from 65% to 43% during the period due to expired Tariff. Revenues generated are still low and the company continued to rely heavily on County Government to cover some cost of operations.

**Challenges**

The main challenges facing the Company are the high level of Non- Revenue Water which arose due to flat-rate connections, and leaks and bursts due to dilapidated water infrastructure, Continuous power disruptions, increment in cost of operation due to devaluation of Kenya currency, low water coverage, low revenue collection efficiency due expired water tariff, low financial sustainability because of low O & M coverage. The year being an electioneering period the management of WSPS is affected due to its affiliation directly or indirectly with County Government. This is threat to independence of water companies as envisaged in water Sector reforms initiated in the last decade. There is need for clarity on the existing legislations to shield the water companies from political interference from quotas. Moreover the roles of the institution in the water and sanitation sector such as WWDA, CG, WASREB, WRA and WSPs need to be clarify in a wider context in the legal framework. Finally, the WSPs should improve their overall financial management including prudent internal controls AND investment in management of NRW aimed at improving revenue collections to attract funding from public and private commercial lenders for their expansion of water and sanitation infrastructure.

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**Future Outlook**

BOMWASCO implemented 2021-2026 strategic plan and realization of its goal and objectives will begin to manifest itself within the short term horizon. In addition, the Company has initiated the process of for application for new tariffs which reflects cost recovery. The Company has also put in place ambitious programme to ensure 100% metering of all consumers through signing of MOU with the State Ministry of Water and Sanitation and Digitization of its services to improve on operational efficiencies. We continue to count on the support of all our stakeholders to achieve the vision of our company. We look forward to operationalized gravity Bomet-Mulot through the National Government which is currently at 40% completion, the Chebangang' water project through Partnership of The Kenya Red Cross Society and County Government of Bomet as well as the numerous interventions within the Department of Water and Irrigation of Bomet County Government. Through these projects, the company is expected to finally achieve its goals of self-sustainability provision of water services to all, and contribute towards the achievement of the National Governments Bottom-Up Agenda of ensuring an accelerated access to clean, safe water and Sanitation Services as well as SDGs and vision 2030.

From the aforementioned, indeed the future of the company is bright.

**Conclusion**

Bomet Water and Sewerage Company is a Company that is guided by core values of providing services to its people. We strive to achieve the satisfaction of everyone through better services by ensuring fair distribution of water resources because we recognize that water is a constitutional right to every citizen. Over the years, Bomwasco has undergone several stages of development and it continues to develop especially in the infrastructure of water and sewer systems in order to ensure efficiency and to meet the needs of all clients as it seeks to be the leading Company locally and regionally.

We know that every little effort count, especially when magnified by the scale of our regional operations and workforce. Just as we know, to make a truly meaningful impact, sustainability efforts have to be continuous and long term. Here at Bomwasco we are fully committed to responsible business and environmental stewardship.

The Board and Management will continue to work together to strengthen the Company's internal controls and enterprise risk management, promote a culture of integrity and strive for highest ethical business standards.

As the Chairman of the board, I am committed to providing leadership and oversight to the amazing team at Bomwasco, who have continued to work diligently and exhibited resilience in challenging times as well as all partners, shareholders and the Government for their continued support during the period.

Lastly, I thank my fellow Board members and urge them to work zealously in the best interest of the Company.

Thank you for being a part of the Bomwasco family. You are special, and we value you.

**THANK YOU, AND GOD BLESS US ALL**

  
.....  
**Mr JOHN CHERUIYOT**  
**CHAIRMAN, BOARD OF DIRECTORS**

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**6. REPORT OF THE MANAGING DIRECTOR**  
**INTRODUCTION**

Bomet Water and Sanitation company ltd prepared this annual report to fulfil its obligation of providing information on performance to the licensee, the water regulator, the Government of Kenya, and the stakeholders. In the period covered by the financial report, there was regular provision of water and sanitation services save for minor interruptions occasioned by power outages, power fluctuations, and general breakdowns.

**Financial review.**

During the year 2022 /2023, the company turnover dropped from Kshs 104,304,683 to Kshs 98,357,451 representing 5.7 percent decrease due to Power outages and Malfunctioned aged meters. There was a decrease in subsidies received from the County Government of Bomet from Kshs 115,314,225 to Kshs 83,000,000 representing 28 percent. The total costs increased from Kshs 199,466,724 to Kshs 220,661,779 representing 10 percent increased. This was occasion by high inflation that push up the cost of production

The operation & maintenance cost recovery decreased from 65% to 43% during the period due to expired Tariff in used. Revenues generated are still low and the company continued to rely heavily on County Government to cover some cost of operations.

**Customer focus.**

To ensure effective and efficient services delivery, the company will continue to focus on a high level of service delivery and communication directly and frequently with customers. The company shall meet customers' needs by protecting their rights to adequate water, safe and reliable water and sanitation services.

The company will focus on operational efficiencies by digitizing its systems and updating the customer database for smooth services delivery and embracing technology .the Company will continue to build capacity of staff at all levels to deliver on their responsibilities.

**Water Quality.**

To ensure our customers get quality water services, Bomet Water will continue to tests water quality regularly prior and after treatment to ensure water meets standards both internally and externally.

All testing is done with accredited laboratories. The results of testing are published. All the tests carried out during the period passed the minimum threshold of the national water quality standards.

**Technical Operations.**

During the period the company produced **2,048,124 m<sup>3</sup>** of water compared to **3,504,344 m<sup>3</sup>** FY 2021/2022. This was an decrease of **42%** due to power disconnection during the year under review A total of over **23.2 km** of pipeline extension was constructed within the coverage area by Department of Water and Water Sector Trust Fund.

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The Company water supply hours stood at an average of **12** hours in all water schemes, and non-revenue water during the period was **63%** compared to **64%** in FY **2021/2022** a reduction by **1%**. In order to address non-revenue water, the company through Department of Water has signed a Memorandum of Understanding (MOU) with the state Ministry of Water and Sanitation to ensure **100%** metering of all consumers.

Over the year cost of production has continued to rise and the company in pursuit for its sustainable supply, it has put in place measures to cut down on cost of production by implementing gravity fed water systems. The following projects which are gravity fed are in advance stage of implementation that is ; Bomet Mulot Water project which will decommission Bomet Water Supply, Longisa and Sigor Water Supply, this will result in an increment in customer base and eliminate the cost of power in the respective schemes. Also, the CGOB in conjunction with Kenya Red Cross Society is constructing Chebangang water supply which is 100% gravity. Through National Government plans are in advance stage to Launch Bosto Water Supply, which will supply water to at least 66% water coverage in Bomet County. These project also be matched with existing water network in Konoin, Bomet Central, Sotik and partially Chepalungu sub- National government also plans to launch Bosto Water Supply which will cover at least **66%** area coverage of the county of Bomet.

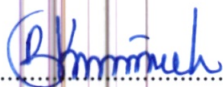
To boost sanitation services, the company has continued to sensitize business community to connect their premises with existing sewer networks in Bomet Town and at same time offers exhausting services in areas without sewer networks. The Company has entered into an MOU with private exhauster vendors to boost exhausting services. Through the Department of Water, a designed for Sotik Sewerage plan has been done and county is in the process of sourcing for potential financier to implement the project.

Through partnership with WSTF, the Company has built Public Sanitation Facility at Ndanai market to boost sanitation within Bomet County.

**Conclusion**

On behalf of and that of Board of Directors and Management, let me express our gratitude to the Sector Development Partners for the financial & technical support in general and in particular to the County Government of Bomet, WWDA, WSTF, WASREB and Dig deep (Africa) for the support your extended to the company throughout the year. I also wish to express my gratitude to all our staffs who worked tirelessly and shown commitments to ensure successful provision of water and sanitation services to our customers.

We strongly affirmed our commitment to be a world class water utility in provision of water sanitation services to delight of our customers.



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**Mr. Benard Ronoh**  
**Ag MANAGING DIRECTOR**

**Bomet Water and Sanitation Company Limited**  
**Annual Reports and Financial Statements**  
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**7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FINANCIAL YEAR 2022/2023**

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government Company’s performance against predetermined objectives.

Bomet water company Limited has strategic pillars and objectives within its Strategic Plan for the FY 2022/2023. These strategic pillars are as follows: Development of water and sewerage infrastructure, Operational efficiency and customer service, financial sustainability, institutional capacity, corporate governance

Bomet water company Limited develops its annual work plans based on the above Five (5) pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The company achieved its performance targets set for the FY 2022/2023 period for its Five (5) strategic pillars, as indicated in the diagram below:

<b>Theme</b>	<b>Objective</b>	<b>Strategy</b>	<b>Achievements</b>
<b>Water and sewerage infrastructure development</b>	Increase water supply coverage from 20% to 66% by 2026	Improve production of water in existing water supply schemes	20%
		Expand distribution network and construction of storage reservoirs	
		Rehabilitate and upgrade existing water treatment plants to increase capacity	
		Augment /develop treatment plants in all the water supply schemes	
		Rehabilitate Itare water supply to achieve its original design capacity	
		Takeover community water projects	
	O & M cost coverage over 100%	To achieve O & M cost recovery through efficient delivery of services and solid billing and collections performance in line with WASREB performance indicators	43%
	Increase sanitation coverage from the current 68% to 90%	Develop sewer network for a new sewer system in Bomet and other towns	68%

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<b>Operational efficiency and customer service</b>	To improve hours of water supply from 12 hours to 16 hours by 2024	Redesign distribution networks and replace old dilapidated networks	12
		Improve reliability of water supply	
	Reduction of non-revenue water from 63.8% to 40 % by 2026	Install master, zonal and consumer meters	63.8%
		Procure leak detector equipment	
		Block mapping of the water reticulation system using GIS	
		Accurate meter reading	
	To improve water quality to KEBS standards by end of 2022	Strengthen non-revenue water reduction unit (water loss control unit)	
		Replace filter media	Achieved
	Establish and improve customer satisfaction levels to above 70%	Build and equip a central water laboratory and equip all the existing site labs in all schemes	
		Set up an efficient customer care unit	72%
<b>Financial sustainability</b>	Increase monthly revenue billed from Kshs 6 million to Kshs 13 million by 2024	Establish customer satisfaction levels and meet 70% target at minimum	
		Increase new connections	6.2 M
		Meter customers with a flat rate	
		Eliminate illegal connections	
		Ensure accurate & timely meter readings	
		Revive dormant accounts	
	Improve collection efficiency from 85% to 90%	Service/ replace malfunctioning meters	
		Diversify and increase sources of revenue	77%
	Establish baseline billing efficiency and increase it to 100%	Diversify revenue collection points and payment modes	95%
		Collect current and old debts/arrears	
	Adhere to meter reading cycle		
	Establish billing efficiency through computerized finance system		

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	Implement a sound financial management system by 2024	Install an integrated financial management system	Implemented
	Strengthen procurement systems	Adherence to procurement policy and budgets	Adhered
<b>Institutional Capacity</b>	Attract, develop, motivate and retain highly qualified and disciplined staff	Align staff establishment with the needs of the company	Achieved
		Strengthen staff capacity (staff development)	
		Enhance employee satisfaction	
		Enhance staff welfare	
		Implement the HR policy	
	Improve company visibility and image	Marketing, branding through company uniforms, ID's, Signage and advertisements, CSR activities.	Achieved
	Construct and furnish company office		
	Procure motor vehicle.		
	Create a conducive environment friendly for idea generation.		
	Achieve staff productivity ratio and personnel O&M cost	To increase connections and revenue	11
<b>Corporate Governance</b>	Enhance good corporate governance	To strengthen capacity of the board on corporate governance	Achieved

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**8. CORPORATE GOVERNANCE STATEMENT**

The corporate governance structure ensures that we act with high standards of corporate behavior and in the best interests of our stakeholder. The Board of Directors has the authority to perform the functions and determine the policies that control the trust activities. The Board is responsible for our overall corporate governance and approves strategic directions and budgets. On the other hand, the management ensures that all statutory requirements are complied with, internal control systems are in place and operate effectively; in addition, the management ensures that board decisions are fully implemented. The structure of the Board is as per the corporate governance guidelines issued by the Water Services Regulatory Board. The Board of Directors comprises 9 members; 3 from the County Government of Bomet (Department of Water, Finance and legal department), 5 from each Sub-county and Managing Director who is Secretary to the Board. The Managing Director sits in the board as a full-time director and as a Board Secretary. The Directors are appointed for terms of up to three years and are eligible for re- appointment for another final term of three years. The Directors have broad range of skills and experience. The Board has three committees namely; Technical and strategic Committee, Finance & Human Resource Committee and Audit Committee. Any issue(s) outside the above committees may be handled by specially constituted Ad Hoc committee, made by a resolution of the Board of Directors including its membership & role. The Board, in consultation with management, develops strategic direction for the annual and long-term period. The board also prepares for the Annual General Meeting and determines the agendas in which annual audited accounts are presented. At its regular meetings, the Board considerations include:

- Technical performance & capital investment projects
- Finance and HR progress quarterly reports and budget approval
- Audit reviews and quarterly reports.

Other considerations include approval of policies & amendments thereof. Bomet Water Company Ltd is committed to the values and principles of good corporate governance. Good corporate governance requires that the board of directors must govern the company with integrity and enterprise in a manner which entrenches and enhances the mandate it has.

**Composition of the Board of Directors**

The Board is chaired by Eng John Cheruiyot. He chairs the Board meetings giving direction during Board meetings. We have three committees namely; Technical and strategic chaired By Director Daniel Sigei, Finance and Human Resource committee chaired by Director William Bett and audit committee chaired by Director Daisy Rono.

**Number of board meeting**

During the year the, the board held the following meetings;

<b>Committees</b>	<b>Number of meetings Held</b>
Audit committee	3
Finance and Human Resource meetings	3
Technical and Strategic meetings	3
Full board Meetings	3
<b>Total</b>	<b>12</b>

**Board Remunerations**

**Kshs 2,192,350** was paid as Board sitting, Transport, Lunch allowances, Honoraria and training costs during the year.

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**9. MANAGEMENT DISCUSSION AND ANALYSIS COMMERCIAL PERFORMANCE**

During the year, the number of customer connections increased by 387 connections. This was due to marketing and pipeline expansion undertaken. The Company also managed to bill customers a total of **Kshs 98,357,451** million and collected total revenue of **Kshs 75,269,812** representing collection efficiency of **77%**. During the year, there was an increase in total expenditure from **Kshs 199,466,724** to **Kshs 220,661,779** representing an increase of **Kshs 21,195,055** and translating to **10%** increase. This was occasion by high inflation that push up the cost of production.

**OPERATIONAL PERFORMANCE**

During the period, the company was able to produce **2,048,124** cubic meters of water from water production facilities. Out of these, **1,307,517** cubic meters was sold. The water produced was of high-quality meeting WHO standard as recommended by the regulator. As indicated above, the Non-Revenue Water during the period was **63%** which is a decrease from **65%** the previous financial year due to the use of PAYGO smart meters within Bomet and Sotik area.

In order to secure future water demand, Bomet-Longisa-Mulot gravity water project with a designed capacity of 17,000 cubic meters per day is at 30% completion. This project once completed, it will increase coverage and reduce cost of production as it is a gravity fed system and covers wider area.

**HUMAN CAPITAL**

The Company requires highly skilled manpower and adequate systems, equipment and administrative resources. The Company formulated strategies of enhancing staff capacity and welfare in order to attract and retain staff, build their skills, and motivate them to exploit their full potential in realizing the goals and objectives of the company. The company formulated and implemented policies and procedures to facilitate this process. Training and capacity building of staff was done on continuous basis based on organizational development and individual needs. The company also intend to acquire the necessary office space to comfortably accommodate the staff and equip them with necessary tools in order to improve service delivery and strengthen operational efficiency. Critical to this is the need for the company acquired, implemented and maintained the necessary and appropriate Information Communication and Technology (ICT) system. In addition, the company focused on improving its visibility and enhancing its corporate image to better position it as a high-class water service provider.

**CUSTOMER SERVICES.**

The Company embraced technology, ensure adequate and effective communication internally and externally, and strengthen staff capacity at all levels to deliver on their responsibilities. The Company also set up an efficient customer care unit.

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**10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

**i. Sustainability strategy and profile**

In order to improve on operational efficiencies, the Management is focusing on sustainable projects and in processing of reviewing its Tariff to be cost recovery. In addition, the Company is digitizing its operations for efficient service delivery and Cost reduction. The gravity fed system, are in advance stage of implementation includes; Bomet Mulot Water project which will decommission Bomet Water Supply, Longisa and Sigor Water Supply, this will result in an increment in customer base and eliminate the cost of power in the respective schemes. Also, the CGOB in conjunction with Kenya Red Cross Society is constructing Chebangang water supply which is 100% gravity.

Through National Government plans are in advance stage to Launch Bosto Water Supply, which will supply water to at least 66% water coverage in Bomet County. The Scheme will supply water to existing water network in Konoin, Bomet Central, Sotik and partially Chepalungu sub-Counties.

**ii. Environmental performance**

The African countries are dealing with multiple shocks, including the effects of the COVID-19 pandemic, disruptions to global supply chains due to Russia's prolonged invasion of Ukraine and a tightening of global financing conditions. These shocks have reduced the continent's real GDP growth from 4.8 percent in 2022 to 3.8 percent in 2023.

**iii. Employee welfare**

The hiring process is clearly outlined in our HR Manual. We also consider the constitution -2010 Chapter six on Integrity of the office holders as we recruit.

The hiring process in BOMWASCO we begin by need analysis to identify the gaps that are there in the company the board of management approves the vacancies and they are advertised as per the law. Interview is conducted and gender is observed in recruitment process. We also encourage PWD to apply and also check on regional balancing. Every year we Conduct stakeholders meeting. These is a platform to get feedback from our key stake holders and reactions to our service. Among the attendees we have: Regulators such as WASREB, Our suppliers, Bank representatives, our customers.

For the staff we hold regular meetings and an annual AGM.

Training need assessment is carried at departmental level every financial year, training caps both at individual level, section or unit are identified a budget is allocated for the same and a training calendar is set. Training evaluation is done quarterly after training to ascertain effectiveness.

Staff that have acquired skills in their field either by going to school to further their studies or by learning the skills at work are considered in the internal adverts for the vacancies that arise in the company.

Through our performance management system, we are able to set targets of different time lines (daily, Weekly monthly quarterly and annually) via our ERP system these enables us to be able to quantify the productivity of our staff via appraising as per the timelines mentioned prior these ensure that the best performers are rewarded via monetary or promotions and worst performance are taken via counselling through our welfare docket, retrained and worst scenario demoted.

The Company has an operational OSH policy. The management established a committee that audits and reports OSH occurrence sits responsible for training and communication to staff on OSH related issues. Different departments are trained often on OSH.

**iv. Market place practices**

The Company intends to carry out the following;

**a) Responsible competition practice.**

The Company ensures responsible competition practices with issues like anti- corruption, responsible political involvement, fair competition and respect for competitors

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

The Company maintains good business practices, treats its own suppliers responsibly by honoring contracts and

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respecting payment practices.

**c) Responsible marketing and advertisement**

The Company maintain ethical marketing practices.

**d) Product stewardship**

The Company safeguard consumer rights and interests

**v. Corporate social responsibility statement/Community Engagement**

The Company recognizes that it has responsibilities to all stakeholders which include the interests of customers, suppliers and employees and the community; the need for company's relationships with customer, suppliers and others and the impact of its operations on the local communities and the surrounding environment where it operates. Customers are highly regarded and valued and their contribution to the Company is highly respected.

**Environmental performance**

The Company relies on the environment which provides water which is produced, treated and transmitted via pipeline to respective customers. On sewer management, the sewerage system is still new and has not yet discharge effluent to the environment. The water treatment plant uses certified chemicals in dosing system. A well-managed environment is the key to human kind survival and the BOMWASCO shall endeavor to play its role.

**Community Engagements**

The company recognizes co-existence with others and hence it has been actively involved in activities and social events occurring within its area of jurisdiction. Bomet water acknowledges its responsibility to the society in its capacity as a corporate citizen. Consequently, it endeavors to play an active role in water issues in the county. In the year under review Bomwasco provided water tanker services to schools, health facilities and public functions at areas outside the gazette area of jurisdiction at an affordable rate. The company also visited children's home.

**The Customer**

Efficient delivery of services to our customer is one of the crucial areas of the Company's operations. The hours of water supply range from 12 to 16-hour service per day. The interruptions were minimal. Customer service is an area of high priority as the Company is cognizant of the importance of the customer in the service delivery process and indeed to its overall performance. The Company is therefore committed to effective communication with the customers and sensitizing them on key issues in the management of water resource especially at the consumption point.

Though the company has not fully met needs of unserved customers, the company has endeavored to extend service using its own resources and has even mobilized funds from donors to extend service to customers.

**Employee welfare**

The Company recognizes that health, safety and training, play a key role in ensuring that our employees committed to responsibility in the workplace and a working environment in which personal and employment rights are upheld. Effective policies and procedures are aligned with Company needs and the promotion of good communication processes, to assist timely and consistent delivery of relevant information to employees.

The Company provides equal opportunity for all employees and job applicants. It has in place policies covering issues such as performance management, training and family friendly policies. E.g., Compassionate Leave, Paternity Leave. The employees of the Company are active players of various teams which compete locally and nationally.

**Stakeholders**

The company actively encourages open communication with stakeholder. Principally through the board, the company endeavors to establish and maintain healthy relationships with its institutional stakeholders by holding regular consultations on issues requiring stakeholder participation as enshrined in the Constitution of Kenya 2010.

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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 principal activities of the Company are that of the provision of water and sanitation services to residents of Bomet County.

**II. Results**

The results of the Company for the year ended **June 30, 2023** are set out on page **1-22**

**Directors**

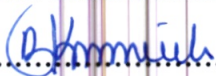
The members of the Board of Directors who served during the year are shown on **page (vi-vii)** in accordance with Regulation of the company's Articles of Association.

**III. Auditors**

The Auditor General is responsible for the statutory audit of the company in accordance with Article **229** of the Constitution of Kenya and the Public Audit Act **2015** to carry out the audit of Bomet Water Company Limited for the year/period ended **June 30, 2023**.

By Order of the Board

**Mr. Benard Ronoh**

  
.....

Dated..... **26/9/2023** .....

**Ag Managing Director/Secretary to the Board**

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**12. STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Section 164 (b) of the Public Finance Management Act 2012 and (Section 14 of the state corporation Act), require the Directors to prepare financial statements in respect of the company, which give a true and fair view of the state of affairs of the company at the end of the financial year/period and the operating results of the company for that year/period. 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.

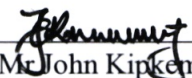
The Directors are responsible for the preparation and presentation of the company's financial statements, which give a true and fair view of the state of affairs of the company for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate 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 company; (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.

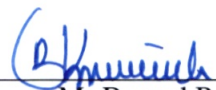
The Directors accept responsibility for the company's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the Companies Act. 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's financial statements as well as the adequacy of the systems of internal financial control.

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**

Bomet Water and Sanitation Company Limited financial statements were approved by the Board on **26<sup>th</sup> September, 2023** and signed on its behalf by:

  
\_\_\_\_\_  
Mr John Kipkemoi Cheruiyot  
**Chairman of the Board**

  
\_\_\_\_\_  
Mr Benard Ronoh  
**Ag Managing Director**

# REPUBLIC OF KENYA



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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON BOMET 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 Bomet Water and Sanitation Company Limited set out on pages 1 to 28, which comprise of the statement of financial position as at 30 June, 2023 the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the

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

provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Bomet 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 Companies Act, 2015, and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Material Uncertainty Related to Going Concern**

The statement of profit or loss and other comprehensive income reflects a loss of Kshs.30,614,823 resulting to reduction in retained earnings from Kshs.90,852,027 to Kshs.60,237,204. Further, the statement of financial position reflects trade and other receivables of Kshs.230,154,220 out of which Kshs.204,047,908 or 88% remained uncollected for over 120 days. This is an indication of the existence of material uncertainty which casts doubt on the Company's ability to continue to operate as a going concern and meet its obligations as and when they fall due.

In the circumstances, the continued ability of the Company to continue to operate is dependent on continued County Government support.

#### **2. Unsupported Operating Revenue**

The statement of profit or loss and other Comprehensive income reflects an amount of Kshs.98,357,451 in respect of operating revenues and as disclosed in Note 6 to the financial statements. The revenue was supported with invoice bills generated from the Enterprise Resource Planning (ERP) systems. However, the invoices did not show the receipt number, consumer account number, amount paid and categories of income.

In the circumstances, the accuracy and completeness of the operating revenue amount of Kshs.95,832,251 could not be confirmed.

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

The statement of financial position reflects of trade and other receivables balance of Kshs.230,154,220 as disclosed in Note 16 to the financial statements. However, review of the supporting schedule revealed a balance of Kshs.227,629,320 resulting in an unexplained and unreconciled variance of Kshs.2,424,900. Further, the schedule includes a balance of Kshs.204,047,908 which has remained outstanding for more than one year and the Management has not demonstrated any measures taken to recover the long outstanding debts. In addition, no provisions were provided for bad and doubtful debts.

In the circumstances, the accuracy, completeness and recoverability of the trade and other receivables balance of Kshs.230,054,220 could not be confirmed.

#### **4. Inaccuracies in Trade and Other Payables**

The statement of financial position reflects trade and other payables balance of Kshs.191,083,015 as disclosed in Note 18 to the financial statements. However, review of the supporting schedule revealed a balance of Kshs.190,300,424 resulting in an unexplained and unreconciled variance of Kshs.782,591. Further, included in trade payables is the balance of Kshs.111,620,241 in respect of arrears of staff salaries which were outstanding for more than 8 months.

In addition, the balance excludes a balance of Kshs.25,073,379, payable to Kericho Water and Sanitation Company, due to a deed of transfer dated 11 September, 2018 between its subsidiary, Tililbei Water Company and Bomet Water Company.

In the circumstances, the accuracy, completeness and fair statement of trade and other payables balance of Kshs.190,300,424 could not be confirmed.

#### **5. Unsupported Board Expenses**

The statement of profit or loss and other comprehensive income reflects Board expenses amounting to Kshs.2,192,350 as disclosed in Note 10 to the financial statements. However, review of the supporting documents revealed board expenses totalling Kshs.1,576,350 resulting to an unexplained and unreconciled variance of Kshs.616,000. Further, the appointment letters to the Board members were not provided for audit review.

In the circumstances, the accuracy and completeness of the Board expenses amount of Kshs.2,192,350 could not be confirmed.

#### **6. Unsupported Staff Welfare Expense**

The statement of profit or loss and other comprehensive income reflects staff cost of an amount of Kshs.83,873,372 which includes an amount of Kshs.1,086,440 in respect of staff welfare and as disclosed in Note 8 to the financial statements. However, review of the supporting schedule presented for audit review revealed that the payments totalling to Kshs.822,750 were made to individual staff and the expenditure was not supported documents including payment vouchers.

In the circumstances, the accuracy and completeness of the expenditure of an amount of Kshs.822,750 in respect of staff welfare could not be confirmed.

#### **7. Unsupported Expenditure on Water Chemicals**

The statement of profit or loss and other comprehensive income reflects general and operations expenses of an amount of Kshs.111,367,436 which includes an amount of Kshs.9,134,045 in respect of chemicals and as disclosed in Note 9 to the financial statements. However, expenditure totalling Kshs.4,084,949 was not supported with documents including Local Purchase Orders (LPOs), counter receipt and issue vouchers and stores ledger cards.

In the circumstances, the accuracy and completeness of the expenditure of an amount of Kshs.9,134,045 in respect of chemicals could not be confirmed.

#### **8. Unsupported Expenditure on Maintenance Costs**

The statement of profit or loss and other comprehensive income reflects maintenance expenses costs of an amount of Kshs.9,598,815, which includes amounts of Kshs.1,919,992, Kshs.1,257,775, Kshs.1,987,599 and Kshs.4,066,042 in respect of infrastructure network, motor vehicle and cycles, ICT and plant and equipment and as disclosed in Note 11 to the financial statements. However, the expenditure was not supported with expenditure returns, pre and post inspection reports detailing the nature and extent of repairs carried out.

In the circumstances the accuracy and completeness of maintenance costs amounting to Kshs.9,598,815 could not be confirmed

#### **9. Unsupported Value of Assets from Kamureito Community Water Project**

The statement of financial position reflects an amount of Kshs.69,054,350 in respect property, plant and equipment and as disclosed in Note 13 to the financial statements which includes net book value of Kshs.3,726,301 in respect of Kamureito community water project taken over for management by Bomet Water and Sanitation Company in September, 2013. Review of documents revealed that the Company inherited a loan balance of Kshs.3,726,301 from a commercial bank which was outstanding in the books of Kamureito as at 28 January, 2015 which was equated by management to the value of assets transferred to the Company from Kamureito. However, no details of assets transferred and valuation report was provided for audit to confirm the value of assets transferred.

In the circumstances, the accuracy and the fair value of Kamureito assets balance of Kshs.3,726,301 could not be confirmed.

#### **10. Unsupported Additions of Water Meters**

The statement of financial position reflects property, plant and equipment balance of Kshs.69,054,350 which includes balance of Kshs.22,866,950 in respect of water meters and as disclosed in Note 13 to the financial statements. Review of documents revealed that the Company purchased water meters at a cost of Kshs.16,383,310 during the year. However, the additions were not supported with payment vouchers, procurement documents list of customer applications for new meters and replacement and distributions for connections.

In the circumstances, the accuracy and completeness of the water meters balance of Kshs.16,383,310 could not be confirmed.

#### **11. Unsupported Intangible Assets**

The statement of financial position reflects intangible assets balance of Kshs.17,314,255 as disclosed in Note 14 to the financial statements which includes additions during the year amount of Kshs.23,390,469. However, the additions were not supported with

documents including payment vouchers, procurement plans and were not included in the fixed assets register.

In the circumstances, the accuracy and completeness of the intangible asset balance of Kshs.17,314,255 could not be confirmed.

## **12. Undisclosed Inventory Balance**

The statement of financial position reflects a Nil balance in respect of inventories as disclosed in Note 15 to the financial statements. However, review of the automated stock system of the Enterprise Resource Planning (ERP) system revealed that as at 30 June, 2023, the inventories balance of Aluminum sulphate, Calcium hypochlorite and Soda Ash, all totalling to Kshs.6,179,829 were in stock but were not included in the financial statements. Further, the Company did not determine the volume of water in their treatment plants and the volume of water extracted, natural sources and boreholes.

In the circumstances, the completeness of the Nil balance in respect of inventories could not be confirmed.

## **13. Unsupported Deferred Income**

The statement of financial position reflects a balance of Kshs.22,438,105 in respect of deferred income as disclosed in Note 24 to the financial statements. However, review of the supporting documents revealed that the details of deferred income relates to funds received between 2016 and 2018 into the Water Service Trust Fund project accounts which were not regularized in the books of accounts. Further, the incomes were not supported with budgets and finance agreement.

In the circumstances, the accuracy and completeness of the balance of Kshs.22,438,105 in respect of inventories could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Bomet Water and Sanitation Company Limited Management in accordance with ISSAI 130 on the 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**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final total revenue budget and actual on comparable basis of Kshs.275,991,476 and Kshs.190,046,956 respectively resulting to an underfunding of Kshs.85,944,520 or 45% of the budget. The underfunding could have affected the planned activities and may have impacted negatively on service delivery to the public.

My report is not modified in respect of these matters.

## **Key Audit Matters**

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

## **Other Matter**

### **Unresolved Prior Year Matter**

The Prior year audit issue remained unresolved as at 30 June, 2023. Management did not provide reasons for the delay in resolving the prior year audit issues contrary to the approved template by the Public Sector Accounting Standards Board and firmed by The National Treasury's Circulars.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on the Lawfulness and Effectiveness in Use of Public Resource 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. Use of Outdated Tariff Structure**

Review of the Company's tariff structure in use relates to the period between 01 July, 2016 to 30 June, 2020 that was published in Kenya Gazette Notice No.958 of 03 February, 2017. However, the Company has continued using the tariffs despite having lapsed four (4) years ago contrary to Section 72 of Water Act, 2016 which requires Water Services Regulatory Board (WASREB) to evaluate and recommend water and sewerage tariffs to the County water services providers and approve the imposition of such tariffs in line with consumer protection standards.

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

#### **2. Non-Revenue Water**

Review of the water production statement revealed that the Company had total water production of 2,048,124 cubic meters (m<sup>3</sup>) of water out of which only 739,605 m<sup>3</sup> were billed to customers. Therefore, 1,308,519 m<sup>3</sup> of water was not billed to customers representing Non-Revenue Water of 63% of the water produced which is 38% above the allowable loss of 25% of Non-Revenue Water allowable by WASREB guidelines. The loss of the water produced may have resulted in loss of sales estimated at Kshs.89,962,768.

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

### **3. Unpaid Capital for Ordinary Shares**

The statement of financial position reflects ordinary share capital amount of Kshs.100,000. The County Government of Bomet was issued with 100,000 shares at a price of Kshs.1 each in 2014. However, the shares have not been paid for contrary to Section 360(1)(2) of the Company Act, 2015 (1) which states that a subscriber to the memorandum of a public company who takes shares of the company as a result of an undertaking given in the memorandum shall pay for the shares, and any premium on the shares, in cash.

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

### **4. Staff Cost**

#### **4.1 Unsustainable Wage Bill**

The statement of profit or loss and other comprehensive income reflects an amount of Kshs.83,873,372 in respect of staff cost and as disclosed in Note 8 to the financial statements which is 87% of the operating income. Further, review of the payroll revealed that members of staff had not been paid salary arrears amounting to Kshs.111,620,241, dating back to eight (8) months. However, this is contrary to Regulation 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the limit shall not exceed thirty-five (35) percent of the County Government's total revenue.

#### **4.2 Employees Acting for More Than Six Months**

Review of documents revealed that an amount of Kshs.117,600 was paid to one officer who had been acting as a technical and operations Manager for close to seven and a half (7 & 1/2) years together with the Managing Director who had been acting for sixteen months since September, 2022. This is contrary to Section 14(1) of PSC HR Policies May, 2016, which provides that acting allowance will not be payable to an officer for more than six (6) months.

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

Review of the staff payroll data revealed that the Company had one hundred and seventy-three (173) employees out of which one hundred or 100% belong to the dominant ethnic community. This was contrary to Section 7(1) of the National Cohesion and Integration Act, 2008 which provides that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff, and no public establishment shall have more than one third of its staff from the same ethnic community.

#### **4.4 Non-Approval of the Company Salary Structure**

Review of the records in support of the rates used in the payment of salaries revealed that the salaries structure was not approved by the Board of Directors. The Management explained that the salary structure in use was based on the review for County Government employees by the Salaries and Remuneration Commission (SRC) vide circular Reference

No. SRC/TS/JE/CG/3/33/6 VOL.II (30) of 08 July, 2020 which did not match with the salary scales.

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

## **5. Non-Remittance of Statutory Deductions**

Review of documents revealed that the Company had a balance of Kshs.58,373,430 in respect of non-remitted statutory deductions to the National Social Security Fund, National Hospital Insurance Fund, Laptrust, Lapfund and PAYE amounting to Kshs.3,098,976, Kshs.148,352, Kshs.46,271,590, Kshs.4,327,424 and Kshs.4,527,088 respectively.

In the circumstances, the Company risks incurring significant interest costs and penalties associated with delays in settling statutory deductions.

## **6. Delay in Project Completion**

The statement of financial position reflects property, plant and equipment balance of Kshs.69,054,350 which includes a balance of Kshs.32,274,347 in respect of capital work-in-progress as disclosed in Note 13 to the financial statements. The capital work in progress included four (4) projects implemented during the year. However, audit verification of the projects on 25 January, 2024 revealed that three (3) projects were behind schedule on their completion dates. They included Kapkwen pipeline at a contract sum of Kshs.10,938,950, elevated pressure tank at a cost of Kshs.4,860,630 and Ndanai public sanitation facility at a cost of Kshs.4,933,373.

In the circumstances, the delay in completing the projects adversely affects the services provided to the public.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 comply, 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and 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 the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 2330. The Standards require that I plan and perform

the audit to obtain assurance about whether effective processes and systems of internal controls, 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 Board of Directors**

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and for maintaining effective 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 and for its assessment of the effectiveness of internal control, risk management and 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 non-compliance. 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 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

14 May, 2024

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**14. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023**


	Notes	2022/2023	Restated- 2021/2022
<b>REVENUES</b>		<b>Kshs</b>	<b>Kshs</b>
Operating Revenues	6	98,357,451	104,304,683
Grant incomes	7	91,689,505	126,530,552
<b>Total Revenues</b>		<b>190,046,956</b>	<b>230,835,235</b>
<b>Expenses</b>			
Staff Costs	8	83,873,372	87,347,324
General and Operations expenses	9	111,367,436	92,906,798
Board Expenses	10	2,192,350	3,417,300
Maintenances Expenses	11	9,598,815	11,986,324
Depreciation and Amortization	12	13,629,806	3,808,978
<b>Total Expenses</b>		<b>220,661,779</b>	<b>199,466,724</b>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>(30,614,823)</b>	<b>31,368,511</b>
<b>INCOME TAX EXPENSE/(CREDIT)</b>		-	-
<b>PROFIT/(LOSS)AFTER TAXATION</b>		<b>(30,614,823)</b>	<b>31,368,511</b>

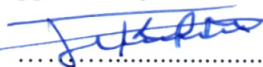
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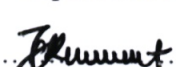
**15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

	Notes	2022/2023	Restated- 2021/2022
		Kshs	Kshs
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	13	69,054,350	47,950,569
Intangible assets	14	17,314,255	2,580,913
<b>Total Non-Current Assets</b>		<b>86,368,605</b>	<b>50,531,482</b>
<b>Current Assets</b>			
Inventories	15	-	6,251,155
Trade and receivable	16	230,154,220	229,822,194
Bank and cash balances	17	686,322	-4,837,092
<b>Total Non-Current Assets</b>		<b>230,840,542</b>	<b>231,236,257</b>
<b>TOTAL ASSETS</b>		<b>317,209,147</b>	<b>281,767,739</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Ordinary share capital	20	100,000	100,000
Capital reserve	21	39,354,043	39,354,043
Retained earnings	23	60,237,204	90,852,027
<b>Capital and Reserves</b>		<b>99,691,247</b>	<b>130,306,070</b>
<b>Non-Current Liabilities</b>			
<b>Total Non-Current Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	18	191,083,015	124,938,728
Deferred Income	24	22,438,105	22,438,105
Borrowings	26	1,303,791	1,391,847
Refundable customers deposits	25	2,692,989	2,692,989
<b>Total Current Liabilities</b>		<b>217,517,900</b>	<b>151,461,669</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>317,209,147</b>	<b>281,767,739</b>

The Financial statements were approved by the Board on 26<sup>th</sup> September 2023 and signed on its behalf by:

  
 Mr Benard Ronoh  
 Ag Managing Director

  
 Mr Charles Tonui  
 Ag Finance Manager  
 ICPAK M/NO 26286

  
 Mr John Cheruiyot,  
 Board Chairman

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

	<b>Ordinary share Capital</b>	<b>Restated-Retained Earnings</b>	<b>Capital Reserves</b>	<b>Restated - Total</b>
<b>At June 30, 2021</b>	<b>100,000</b>	<b>59,483,516</b>	<b>39,354,043</b>	<b>98,937,559</b>
As at July 1 <sup>st</sup> 2021	100,000	59,483,516	39,354,043	98,937,559
Surplus for the year-Restated		31,368,511		31,368,511
<b>At June 30, 2022-Restated</b>	<b>100,000</b>	<b>90,852,027</b>	<b>39,354,043</b>	<b>130,306,070</b>
<b>As at July 1<sup>st</sup> 2022-Restated</b>	<b>100,000</b>	<b>90,852,027</b>	<b>39,354,043</b>	<b>130,306,070</b>
<b>Surplus/(deficit) for the year</b>		<b>(30,614,823)</b>	<b>-</b>	<b>(30,614,823)</b>
<b>At June 30, 2023</b>	<b>100,000</b>	<b>60,237,204</b>	<b>39,354,043</b>	<b>99,691,247</b>

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**17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2022-2023	Restated - 2021-2022
		Kshs	Kshs
<b>Cash Flows From Operating Activities</b>			
<b>Receipts</b>			
Operating Revenue	6	98,357,451	104,304,683
Grants	7	91,689,505	126,530,552
<b>Total Receipts</b>		<b>190,046,956</b>	<b>230,835,235</b>
<b>Payments</b>			
Staff Costs	8	83,873,372	87,347,324
General and Operation Expenses	9	111,367,436	92,906,798
Board Expenses	10	2,192,350	3,417,300
Maintenance	11	9,598,815	11,986,324
<b>Total Payments</b>		<b>207,031,973</b>	<b>195,657,746</b>
<b>Net Cash Used In Operating Activities</b>		<b>-16,985,017</b>	<b>35,177,489</b>
<b>Effects of Changes in working Capital</b>	19	<b>71,974,360</b>	<b>-28,541,050</b>
<b>Net Cash From/(Used In) Operating Activities</b>		<b>54,989,343</b>	<b>6,636,439</b>
<b>Cash Flows from Investing Activities</b>			
Purchase Of Property, Plant And Equipment (PPE)	13	-26,075,460	-4,590,276
Purchase Of Intangible Assets	14	-23,390,469	-2,598,941
<b>Net Cash From/(Used In) Investing Activities</b>		<b>-49,465,929</b>	<b>-7,189,217</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>5,523,414</b>	<b>-552,778</b>
<b>Cash And Cash Equivalents At Beginning Of Year</b>		<b>-4,837,092</b>	<b>-4,284,314</b>
<b>Cash And Cash Equivalents At End Of The Year</b>		<b>686,322</b>	<b>-4,837,092</b>

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**18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 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	%
<b>Revenue</b>						
Operating Revenue	154,500,000	-	154,500,000	98,357,451	56,142,549	57%
Grants	121,491,476	-	121,491,476	91,689,505	29,801,971	33%
<b>Total Revenue</b>	<b>275,991,476</b>	<b>-</b>	<b>275,991,476</b>	<b>190,046,956</b>	<b>85,944,520</b>	<b>45%</b>
<b>Expenses</b>						
Staff Costs	73,500,000	-	73,500,000	83,873,372	(10,373,372)	-12%
Board Expenses	5,500,000	-	5,500,000	2,192,350	3,307,650	151%
General and operations Expenses	124,550,000	-	124,550,000	111,367,436	13,182,564	12%
Maintenance	18,500,000	-	18,500,000	9,598,815	8,901,185	93%
Depreciation and amortization	-	-	-	13,629,806	(13,629,806)	-100%
Finance costs		-		-	-	-
<b>Total Recurrent Expenses</b>	<b>222,050,000</b>	<b>-</b>	<b>222,050,000</b>	<b>220,661,779</b>	<b>1,388,221</b>	<b>1%</b>
<b>Profit or Loss</b>	<b>53,941,476</b>	<b>-</b>	<b>53,941,476</b>	<b>(30,614,823)</b>	<b>84,556,299</b>	<b>-276%</b>
<b>Capital Expenditure</b>	<b>53,791,476</b>	<b>-</b>	<b>53,791,476</b>	<b>49,465,929</b>	<b>4,325,547</b>	<b>9%</b>
<b>Total Expenditure</b>	<b>275,841,476</b>	<b>-</b>	<b>275,841,476</b>	<b>270,127,708</b>	<b>5,713,768</b>	<b>2%</b>

**Notes:**

1. Drop in revenue was occasioned by water disconnection for bulk water to Kericho due to non-payment of their water bills. Continuous power disconnection by KPLC during the year also affected revenue.
2. Our budget for grant from CGOB was based on monthly budget of 8.3M translating to 99.6m for the year. We however received Kshs 83M hence a deficit of Kshs 16.6M
3. Reduced number of board meeting due to low revenue efficiency.
4. Increase electricity cost due to increased fuel costs and review of tariffs.

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**19. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

The Bomet water Company was established on 18 June 2013 under the Companies Act (Cap 486) as a limited Company. The Company is headed by the Board of Directors who is responsible for the general policy and strategic direction of the Company. The Company is domicile in Kenya.

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, or where assumptions and estimates are significant to the financial statements, are disclosed.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Company. The figures are rounded to the nearest Kenyan shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, Water Act 2016 and the Company's Act Cap 486, and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

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**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 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. <i>The Company does not issue insurance contracts. / The company is an insurance company.</i>	Effective for annual periods beginning on or after 1 <sup>st</sup> January 2023.
IAS (International Accounting Standards) 8- Accounting Policies, Errors, and Estimates	The amendments, applicable to annual periods beginning on or after 1st January 2023, introduce a definition of ‘accounting estimates’ and include other amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.	The amendments are effective for annual reporting periods beginning on or after January 1, 2023.
Amendments to IAS 1 titled Disclosure of Accounting Policies (issued in February 2021)	The amendments, applicable to annual periods beginning on or after 1st January 2023, require entities to disclose their <b>material</b> accounting policy information rather than their <b>significant</b> accounting policies.	The amendments are effective for annual periods beginning on or after January 1, 2023.
Amendments to IAS 12 titled Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (issued in May 2021)	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 to equal taxable and deductible temporary differences.	The amendments are effective for annual periods beginning on or after January 1, 2023.

The Directors have assessed the applicable standards and amendments. Based on their assessment of impact of application of the above, they do not

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expect that there will be a significant impact on the company's financial statements. Or the following has been assessed to be significant for the company and has been addressed as follows.

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

**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 Company 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 Company provides about liabilities arising from loan arrangements for which an Company's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the Company 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***

The Company did not early – adopt any new or amended standards in year 2022/2023

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal 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 Bomet Water and Sanitation Company Limited expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company 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 Bomet water and sanitation company limited delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.
- ii. Grants from County Government** are recognized in the year in which the Bomet water and sanitation company limited 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 realized 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 lease agreements.
- vi. Other income** is recognized as it accrues.

**b. In-kind contributions**

In-kind contributions are donations that are made to the Bomet water and Sanitation company Limited in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, Bomet water and Sanitation company Limited 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.

**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-evaluation 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.

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

Increases in the carrying amounts of assets arising from re-valuation are credited to other comprehensive income. Decreases that offset previous increases in the carrying amount of the same asset are charged against the revaluation reserve account; all other decreases are charged to profit or loss in the income statement.

Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from the disposal with the net carrying amount of the items, and are recognized in profit or loss in the income statement.

**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 costs of on-going 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>Years</b>	<b>Rates</b>
Plant, Machinery and equipment	5	20.0%
Motor vehicles, including motor cycles	4	25.0%
Computers and related equipment	3	33.3%
Office equipment	8	12.5%
Furniture and fittings	8	12.5%
Water meters	8	12.5%
Building	40	2.5%

A full year's depreciation charge is recognized both in the year of asset purchase and in the year of asset disposal.

Items of property, plant and equipment are reviewed annually for impairment. Where the carrying amount of an asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognized so that the asset is written down immediately to its estimated recoverable amount.

**e. Intangible assets**

Intangible assets comprise purchased computer software licenses, which are capitalized on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortized over the estimated useful life of the intangible assets from the year that they are available for use, usually over three years.

**f. Amortisation and impairment of intangible assets**

Amortisation is calculated on the reducing balance basis over the estimated useful life of computer software over a period of three years.

All computer software is 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 so that the asset is written down immediately to its estimated recoverable amount.

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

**g. Inventories**

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

**h. Trade and other receivables**

Trade and other receivables are recognized at fair values 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.

**i. Taxation**

**i. Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Company operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance.

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.

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

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.

**j. Deferred tax**

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

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the 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.

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 Company and the same taxation authority.

**k. Borrowing costs**

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

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

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.

**m. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imp rest and advances to authorized officers and which were not surrendered or accounted for at the end of the financial year.

**n. Borrowings**

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

**o. 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 Company or not, less any payments made to the suppliers.

**p. Retirement benefit obligations**

Bomet Water operates a defined contribution scheme for all full-time employees from July 1, 2015. The scheme is administered by an in-house team and is funded by contributions from both the company and its employees. The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at 15% of Basic and Hose allowance per employee per month.

**q. Provision for staff leave pay**

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

**r. Budget information**

The original budget for FY 2022-2023 was approved by the County Assembly. 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 Bomet water upon receiving the respective approvals in order to conclude the final budget.

Bomet Water 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 financial performance, 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.

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

**s. 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.

**t. Comparative figures**

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

**u. Subsequent events**

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

**v. Provision for bad and doubtful debts**

Provision for bad and doubtful debts is recognized in the income statement at annual rates to be determined by the management from time to time.

**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.

State all judgements, estimates and assumptions made: e.g.

**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 from 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
- Changes in the market in relation to the asset

**c. Provisions**

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

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

**6. Operating Revenue**

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Water Sales	86,227,673	97,029,391
Sewerage Services	7,031,126	7,275,292
Billing for other Services*	5,098,652	-
	<b>98,357,451</b>	<b>104,304,683</b>

**7. Grants from County Government of Bomet and Other Donors**

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Subsidy-County Government of Bomet	83,000,000	115,314,225
WSTF-CLSG	-	11,216,327
PEWAK Funding	393,575	-
WSTF-UPC 8 <sup>th</sup> Call-Ndanai PSF and Kapkwen Pipeline	8,295,930	-
	<b>91,689,505</b>	<b>126,530,552</b>

**Analysis of grants received**

<b>Name of the Company sending the grant</b>	<b>Amount recognized in the Statement of Comprehensive Income</b>	<b>Amount deferred under deferred income</b>	<b>Amount recognized in capital fund.</b>	<b>Total grant income during the year</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
CGOB	83,000,000	-	-	83,000,000	83,000,000
PEWAK Funding	393,575	-	-	393,575	393,575
WSTF-UPC 8 <sup>th</sup> Call	8,295,930	-	-	8,295,930	8,295,930
<b>Total</b>	<b>91,689,505</b>	<b>-</b>	<b>-</b>	<b>91,689,505</b>	<b>91,689,505</b>

**8. STAFF COSTS**

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Gross Salaries and allowances	73,957,614	77,166,168
Casual Workers' wages	471,030	620,669
Employers Contributions to social security schemes	1,268,062	720,478
Employers Contribution to pension Schemes	6,489,776	6,616,874
Provisions for Leave pay	497,500	10,000
Staff welfare	1,086,440	2,143,235
Nita Contributions	102,950	69,900
<b>Totals</b>	<b>83,873,372</b>	<b>87,347,324</b>

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The average number of employees at the end of the year was:	2022/2023	2021/2022
Permanent employees – Management	5	5
Permanent employees – Unionisable	131	134
Temporary and contracted employees	33	33
<b>Total</b>	<b>169</b>	<b>172</b>

**9. General and Operating Expenses**

	2022/2023	2021/2022
	<b>Kshs</b>	<b>Kshs</b>
Chemicals	9,134,045	4,275,161
Electricity	84,666,030	69,185,287
Fuel, Oil, Lubricants and Gases	3,915,727	3,001,667
Communication Services and Supplies	489,370	933,632
Printing and Stationeries	166,052	9,227
Domestic Travelling and subsistence	2,909,700	4,328,767
Publicity & Advertisement	115,766	562,900
Rent and Rates	324,000	580,552
Staff Training and Subscription Expenses	-	554,310
Office supplies	157,487	332,749
Insurance	757,479	757,479
Professional fees	7,000	8,369
Audit fees	348,000	348,000
Legal fees	834,000	600,000
Uniform and Protective Clothing	-	250,500
Nema Dumping fee & KEBs Levy	105,000	105,000
Licensing and levies	6,811,660	5,470,853
Laboratory Expenses	110,520	324,811
Bank charges	515,600	1,277,534
	<b>111,367,436</b>	<b>92,906,798</b>

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**10. Board Expenses**

	<b>2022/2023</b>	<b>Restated- 2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Directors emoluments	2,192,350	3,417,300
	<b>2,192,350</b>	<b>3,417,300</b>

**11. Maintenances costs**

	<b>2022/2023</b>	<b>Restated - 2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Infrastructural Network	1,919,992	4,011,213
Motor vehicles and Cycles	1,257,775	2,808,083
ICT	1,987,599	2,376,897
Repairs of office equipment and computers	-	5,776
Buildings	244,107	255,200
Grounds	123,300	182,072
Plant and equipment	4,066,042	2,347,083
	<b>9,598,815</b>	<b>11,986,324</b>

**12. Depreciation and Amortisation**

		<b>2022/2023</b>	<b>Restated- 2021/2022</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>a. Depreciation</b>	Water Meter	3,266,707	250,009
	Plant and Machinery	250,762	313,453
	Computers and Equipment	390,150	584,348
	Office furniture, Fittings and Equipment	132,385	151,297
	Land	-	-
	Motorcycle	178,912	238,549
	office building and Perimeter wall	103,507	113,856
	Motor vehicles	650,256	867,009
<b>b. Amortisation</b>	Billing and Accounting software	8,657,127	1,290,457
		<b>13,629,806</b>	<b>3,808,978</b>

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**13. Property, Plant and equipment**

	Water meters	Plant and Equipment	Computer & Related Equipment	Office Equipment & Fittings	Land	motorcycle	buildings	Motor vehicles	Capital WIP-WSTF projects	Kamureito	Totals
<b>COST OR VALUATION</b>											
At July 1, 2021	8,197,316	2,765,871	3,723,569	1,795,875	951,440	1,930,129	4,589,834	8,220,529	22,582,197	3,726,301	58,483,061
Additions-Restated	4,379,500	56,897	153,879	-	-	-	-	-	-	-	4,590,276
Disposals	-	-	-	-	-	-	-	-	-	-	-
At June 30 <sup>th</sup> ,2022	<b>12,576,816</b>	<b>2,822,768</b>	<b>3,877,448</b>	<b>1,795,875</b>	<b>951,440</b>	<b>1,930,129</b>	<b>4,589,834</b>	<b>8,220,529</b>	<b>22,582,197</b>	<b>3,726,301</b>	<b>63,073,337</b>
<b>DEPRECIATION</b>											
At July 1, 2021											
	2,576,460	1,255,505	2,122,649	585,501	-	975,934	335,703	4,752,495	-	-	12,604,247
Charge for the year	250,009	313,453	584,348	151,297	-	238,549	113,856	867,009	-	-	2,518,521
Accumulated Depreciation as at June,30 <sup>th</sup> 2022-Restated	2,826,469	1,568,958	2,706,997	736,798	-	1,214,483	449,559	5,619,504	-	-	15,122,768
Net Book values as at June 30, 2022-Restated	9,750,347	1,253,810	1,170,451	1,059,077	951,440	715,646	4,140,275	2,601,025	22,582,197	3,726,301	47,950,569
<b>COST OR VALUATION</b>											
At July 1, 2022	12,576,816	2,822,768	3,877,448	1,795,875	951,440	1,930,129	4,589,834	8,220,529	22,582,197	3,726,301	63,073,337
Additions	16,383,310								9,692,150		26,075,460
Disposals	-	-	-	-	-	-	-	-	-	-	-
At June 30 <sup>th</sup> ,2023	<b>28,960,126</b>	<b>2,822,768</b>	<b>3,877,448</b>	<b>1,795,875</b>	<b>951,440</b>	<b>1,930,129</b>	<b>4,589,834</b>	<b>8,220,529</b>	<b>32,274,347</b>	<b>3,726,301</b>	<b>89,148,797</b>
<b>DEPRECIATION</b>											
At July 1, 2022	2,826,469	1,568,958	2,706,997	736,798	-	1,214,483	449,559	5,619,504	-	-	15,122,768
Charge for the year	3,266,707	250,762	390,150	132,385	-	178,912	103,507	650,256	-	-	4,972,679
Accumulated Depreciation as at June,30 <sup>th</sup> 2023	6,093,176	1,818,720	3,097,147	869,183	-	1,393,395	553,066	6,269,760	-	-	20,094,447
Net Book values as at June 30, 2023	<b>22,866,950</b>	<b>1,004,048</b>	<b>780,301</b>	<b>926,692</b>	<b>951,440</b>	<b>536,734</b>	<b>4,036,768</b>	<b>1,950,769</b>	<b>32,274,347</b>	<b>3,726,301</b>	<b>69,054,350</b>

**13b. Assets received from Lake Victoria South Water Works Development Agency (LVSWWDA)**

According to the Service Provider Agreement (SPA) Clause 24 schedule (F) pages 73 signed on 1 September, 2014 between Lake Victoria South Water Board (LVSWSB) and Bomet Water Company Limited, the various assets which included hydraulic structures, plant, motor vehicles, furniture and fittings were handed over to Bomet Water Company. These assets did not form part of the above disclosed assets due to lack of ownership documents while others are fully depreciated as disclosed under (Annex IV page31-39)

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**14. Amortisation of intangible assets**

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>COST:</b>		
At July 1	7,766,525	5,167,584
Additions	23,390,469	2,598,941
Disposals	-	-
<b>At June 30</b>	<b>31,156,994</b>	<b>7,766,525</b>
<b>AMORTISATION:</b>		
At July 1	5,185,612	3,895,155
Charge for the year	8,657,127	1,290,457
Disposals	-	-
Impairment loss	-	-
<b>At June 30</b>	<b>13,842,739</b>	<b>5,185,612</b>
<b>NET BOOK VALUE:</b>		
<b>At June 30</b>	<b>17,314,255</b>	<b>2,580,913</b>

**15. Inventories**

	<b>2022/2023</b>	<b>Restated-2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Water Treatment Chemicals	-	-
Store at Cost	-	6,251,155
	-	<b>6,251,155</b>

**16. Trade and other receivables**

	<b>2022/2023</b>	<b>Restated-2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Trade and receivables	230,054,220	213,748,372
Other receivables	-	15,973,822
County Government of Bomet	100,000	100,000
	<b>230,154,220</b>	<b>229,822,194</b>

**As at June 30, the ageing analysis of the gross trade receivables was as follows:**

	<b>2022/2023</b>	<b>Restated-2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Less than 30 days	4,248,471	5,850,601
Between 30 and 60 days	5,569,315	9,043,230
Between 61 and 90 days	3,699,479	6,211,970
Between 91 and 120 days	10,063,847	5,960,033
Over 120 days	206,573,108	202,756,360
<b>Total</b>	<b>230,154,220</b>	<b>229,822,194</b>

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This refers to amounts due from customers within the entire water schemes, Tililbei water and sanitation company ltd, Bowers, Exhauster and County Government of Bomet.

**17. Bank and cash balances.**

Bank	Account number	Account type	Branch	2022/2023	2021/2022
				Kshs	Kshs
Postbank	744130011847	Collection account	Bomet	56,005	67,250
Equity	1220262810176	Collection account	Bomet	66,591	76,528.80
Mpesa	825330	Collection account	Bomet	54,395	68,956
NBK	01020243145500	Revenue account	Bomet	-	6,054,81
	01020143146700	Salaries account	Bomet	4,949.75	2,280
	01520243146200	Directors emoluments	Bomet	12,210	13,770
Cooperative bank	01136357146200	Main Revenue account	Bomet	234,070	-
	01136357146201	Operation account	Bomet	252,519	-5,072,631.56
	01136357146202	Subsidy account	Bomet	5582.09	619.63
	01136357146203	Deposit account	Bomet	-	-
<b>Totals</b>				<b>686,321.84</b>	<b>-4,837,092.13</b>

**18. Trade and other payables**

As at June 30<sup>th</sup> 2023 the trade and payables to creditors and suppliers stood at **Kshs.191, 083,015**

	2022/2023	Restated- 2021/2022
	Kshs	Kshs
Lake Victoria South Water works Development Agency-LVSWWDA	7,435,949	7,071,949
Water Resource Authority (WRA)	6,666,685	6,269,082
Water Services Regulatory Board (WASREB)	18,026,796	15,083,592
Kenya Power & Lightning Company Limited (KPLC)	13,035,523	5,294,694
Staff salaries and Deductions.	111,620,241	63,907,707
Retentions-WSTF Projects	2,308,295	-
Other payables	31,989,526	27,311,704
	<b>191,083,015</b>	<b>124,938,728</b>

**19. Effects of changes in working capital**

	Notes	2022/2023	Movements	Restated- 2021/2022
		Kshs		Kshs
Inventories	15	-	6,251,155	6,251,155
Trade and receivable	16	230,154,220	-332,026	229,822,194
Trade and other payables	18	191,083,015	66,144,287	124,938,728
Borrowings	24	1,303,791	-89,056	1,391,847
<b>Totals</b>		<b>422,541,026</b>	<b>71,974,360</b>	<b>362,403,924</b>

**20. Ordinary Share Capital**

Authorized: 100,000 ordinary shares of Kshs.1 par value each.....kshs100, 000

**21. Capital reserve.**

The capital reserve refers to debtors that were there on 1<sup>st</sup> September when the Company began operation of Kshs 39,354,043

## 22. Related party disclosures

### a. Water Service Regulatory Board (WASREB)

WASREB is the regulator of the water sector. The company also pays 4% of the monthly water sales collections as regulatory Levy.

### b. Water Resources Management Authority (WARMA)

WARMA charges 50 cents for every cubic meter of raw water abstracted from the river from all the schemes

### c. Lake Victoria South Water Works Development Agency (LVSWWDA)

The company pays used to 4% of the monthly revenue collections as a regulatory levy to LVSWWDA prior to Water Act 2016. This has since been scrapped after operationalization of the Act.

## 23. Retained Earnings

The retained earnings represent amounts available for distribution to the Bomet Water and Sanitation Company's shareholders. Undistributed retained earnings are utilised to finance the company's business activities.

## 24. Deferred Incomes

These refers to incomes receives from development partner (WSTF) for construction of pipeline extension to Chebunyo Market and Toilets within pro-poor area within urban poor. Once this projects are commissioned, it shall be capitalized under their respective asset categories. Breakdown is shown below;

DATE	NUM	DONOR	PROJECT	BANK	2022-2023	2021-2022
22/02/2016	95RR	Receipt from WSTF	Chebunyo project	Cooperative bank-WSTF Chebunyo	7,133,285.90	7,133,285.90
03/06/2016	96RR	Receipt from WSTF	Chebunyo project	Cooperative bank-WSTF Chebunyo	7,018,020.40	7,018,020.40
28/02/2017	125	Receipt from WSTF	Chebunyo project	Cooperative bank-WSTF Chebunyo	3,229,549.40	3,229,549.40
14/11/2019	126	Bomwasco	UPSU Project	COOPERATIVE-WSTF UPSUP PROJECT	3,000.00	3,000.00
15/11/2019	127	Receipt from WSTF	UPSUP project	COOPERATIVE-WSTF UPSUP PROJECT	3,537,975.00	3,537,975.00
07/08/2020	128	Receipt from WSTF	UPSUP project	COOPERATIVE-WSTF UPSUP PROJECT	1,516,275.00	1,516,275.00
		<b>TOTAL</b>			<b>22,438,105.70</b>	<b>22,438,105.70</b>

## 25. Refundable Customers Deposits

This refers to the amount received from the customers during registration stage that will be available to be refunded to the customers in case the customers intends to discontinue using our water. This amount is refundable upon all the requirements contain in commercial policy and procedures are met. The amount was approved by the board to be used to service salary payments and must be refunded.

	2022-2023	2021-2022
Refundable customers deposits	2,692,989	2,692,989

## 26. Borrowing

This represents the amount borrowed to finance acquisition of Smart Water meters. The amount borrowed was repayable within in a period of 2 years. The initial amount borrowed was **Ksh 2,761,000** but the current balance as at the close of the year was **Kshs 1,303,791** as supported by bank confirmation letter

## 27. 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 minimize 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

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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

**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.

**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 Company'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 optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The company's Finance Department 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.

**iv. 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.

**i. 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 possible 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.

**v. 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 mainly from interest rate movements on the company's deposits.

**i. Management of interest rate risk**

To manage the interest rate risk, management has endeavored to bank with institutions that offer favorable 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.

**28. Incorporation**

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

**29. Events After the Reporting Period**

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

**30. Currency**

The financial statements are presented in Kenya Shillings (Kshs).

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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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

**Basis for Qualified Opinion**

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue</b>	<b>Status:</b>	<b>Timeframe:</b>
1.0	<p><b>Grant incomes</b>                      The Statement of Profit or loss and other comprehensive incomes reflects grant income of <b>Kshs 126,530,552</b>. However, the grant agreements were not provided for audit. Further, the amount includes <b>Kshs 11,216,327</b> in respect of infrastructural development which should have been matched against the accruing assets.                      In the circumstance, the accuracy and fair statement of grant income of <b>Kshs 11,216,327</b> for the year ended 30 June 2022 could not confirmed.</p>	<p>The grant from the County government of Bomet is a commitment by the County to its residence to subsidize the cost of water. This is in line with the fact Water is a basic right hence its affordability is key in achieving it. During application of water tariff in 2017, the County committed to monthly subsidy of Kshs 8.3m that will gather for electricity bills and staff salaries. Attached is approved gazette notice dated 3<sup>rd</sup> February 2017 number 635 showing approved tariffs having factor subsidy from County Government.</p> <p>The grant of <b>Kshs 11,216,327</b> was from Water Sector Trust Fund which was a conditional liquidity grant with strict conditions on what was supposed to cover. Attached is a copy of the agreement for your</p>	MD	Ongoing	2024

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DATE	DESCRIPTION	ASSET/NO	MODEL	SUPPLIER	DATE OF ACQ	LOCATION	COND
30/6/2014	Stool	LVSWSB/BMT/FUR/01/035	Wooden	Locally made	5/1/2003	Lab	Good
30/6/2014	Ordinary chair with cushion	LVSWSB/BMT/FUR/01/036	Wooden	Locally made	5/1/2003	Lab	Good
30/6/2014	Drawing chair	LVSWSB/BMT/FUR/01/037	Steel	Ministry HQ	00/00/1992	Lab	Fair
30/6/2014	Office desk 3 drawers	LVSWSB/BMT/FUR/01/038	Wooden	Ministry HQ	7/1/2004	O&M Section	Fair
30/6/2014	Office table	LVSWSB/BMT/FUR/01/039	Wooden	Ministry HQ	7/1/2004	O&M Section	Fair
30/6/2014	Office table	LVSWSB/BMT/FUR/01/040	Wooden	Ministry HQ	7/1/2004	O&M Section	Fair
30/6/2014	Arm chair with soft seat	LVSWSB/BMT/FUR/01/041	Wooden	Ministry HQ	7/1/2004	O&M Section	Fair
30/6/2014	Ordinary chair	LVSWSB/BMT/FUR/01/042	Wooden	Locally made	2/18/1997	O&M Section	Fair
30/6/2014	Ordinary chair	LVSWSB/BMT/FUR/01/043	Wooden	Ministry HQ	7/1/2004	O&M Section	Fair
30/6/2014	Chair with cushion	LVSWSB/BMT/FUR/01/044	Wooden	Kirulex furniture	4/24/1997	O&M Section	Good
30/6/2014	Cabinet 4 drawers	LVSWSB/BMT/FUR/01/045	Steel	Ministry HQ	09/10/1992	O&M Section	Good
30/6/2014	Ordinary table	LVSWSB/BMT/FUR/01/047	Wooden	Locally made	2/18/1997	Personnel	Fair
30/6/2014	Cupboard	LVSWSB/BMT/FUR/01/048	Wooden	Locally made	2/18/1997	Personnel	Fair
30/6/2014	Cabinet 4 drawers	LVSWSB/BMT/FUR/01/049	Steel	Farmers stationers	8/10/2003	Personnel	Good
30/6/2014	Bookshelf	LVSWSB/BMT/FUR/01/050	Wooden	Ministry HQ	7/1/2004	Personnel	Good
30/6/2014	Office chair	LVSWSB/BMT/FUR/01/051	Wooden	Locally made	2/18/1997	Personnel	Fair
30/6/2014	Office table	LVSWSB/BMT/FUR/01/052	Wooden	Locally made	2/18/1997	Personnel	Good
30/6/2014	Office desk 3 drawers	LVSWSB/BMT/FUR/01/053	Wooden	Locally made	2/18/1997	Personnel	Good
30/6/2014	Bookdrawer	LVSWSB/BMT/FUR/01/054	Wooden	Locally made	2/18/1997	Personnel	Good
30/6/2014	Office chair with cushion	LVSWSB/BMT/FUR/01/055	Wooden	Kirulex furniture	4/24/1997	Personnel	Good
30/6/2014	Office chair with cushion	LVSWSB/BMT/FUR/01/067	Wooden	Ministry HQ	7/1/2004	Mechanical section	Fair
30/6/2014	Office desk 3 drawers	LVSWSB/BMT/FUR/01/068	Wooden	Kirulex furniture	6/12/1997	Mechanical section	Fair
30/6/2014	Office desk 3 drawers	LVSWSB/BMT/FUR/01/069	Wooden	Kirulex furniture	6/12/1997	Electrical section	Fair
30/6/2014	Ordinary chair	LVSWSB/BMT/FUR/01/070	Wooden	Locally made	2/18/1997	Electrical section	Fair
30/6/2014	Ordinary table	LVSWSB/BMT/FUR/01/071	Wooden	Kirulex furniture	4/24/2004	Customer care desk office	Good
30/6/2014	Office table	LVSWSB/BMT/FUR/01/073	Wooden	Ministry HQ	7/1/2004	Development section	Good
30/6/2014	Office desk 3 drawers	LVSWSB/BMT/FUR/01/074	Wooden	Kirulex furniture	6/12/1997	Development section	Good
30/6/2014	Cupboard	LVSWSB/BMT/FUR/01/075	Wooden	Locally made	2/18/1997	Development section	Good
30/6/2014	Arm chair with soft seat	LVSWSB/BMT/FUR/01/076	Wooden	Ministry HQ	7/1/2004	Development section	Fair

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30/6/2014	Drawing board	LVSWSB/BMT/FUR/01/077	Steel	Ministry HQ	7/1/2004	Development section	Good
30/6/2014	Drawing board	LVSWSB/BMT/FUR/01/078	Steel	Ministry HQ	00/00/1992	Development section	Good
30/6/2014	Drawing chair	LVSWSB/BMT/FUR/01/079	Steel	Ministry HQ	00/00/1992	Development section	Fair
30/6/2014	Arm chair	LVSWSB/BMT/FUR/01/081	Wooden	Ministry HQ	7/1/2004	Customer care	Fair
30/6/2014	Arm chair with soft seat	LVSWSB/BMT/FUR/01/087	Wooden	Ministry HQ	7/1/2004	Sigor division water office	Good
30/6/2014	Office desk	LVSWSB/BMT/FUR/01/088	Wooden	Ministry HQ	7/1/2004	Sigor division water office	Good
30/6/2014	Office desk	LVSWSB/BMT/FUR/01/089	Wooden	Locally made	-	Sigor division water office	Good
30/6/2014	Arm chair	LVSWSB/BMT/FUR/01/090	Wooden	Locally made	-	Sigor division water office	Good
30/6/2014	Arm chair	LVSWSB/BMT/FUR/01/091	Wooden	Locally made	-	Sigor division water office	Good
30/6/2014	Office table	LVSWSB/BMT/FUR/01/092	Wooden	Ministry HQ	7/1/2004	Chepalungu water supply	Good
30/6/2014	Office desk	LVSWSB/BMT/FUR/01/093	Wooden	Locally made	-	Chepalungu W/S	Fair
30/6/2014	Office chair with soft seat	LVSWSB/BMT/FUR/01/094	Wooden	Ministry HQ	7/1/2004	Chepalungu W/S	Fair
30/6/2014	Ordinary office chair	LVSWSB/BMT/FUR/01/095	Wooden	Ministry HQ	7/1/2004	Chepalungu W/S	Fair
30/6/2014	Office table	LVSWSB/BMT/FUR/01/096	Wooden	Ministry HQ	7/1/2004	Chepalungu W/S	Fair
30/6/2014	Office chair	LVSWSB/BMT/FUR/01/097	Wooden	Ministry HQ	7/1/2004	Longisa	Fair
30/6/2014	Office desk	LVSWSB/BMT/FUR/01/098	Wooden	Ministry HQ	7/1/2004	Longisa	Fair
30/6/2014	Computer chair	LVSWSB/BMT/FUR/01/100	Wooden	purchase	6/21/2007	BMT	Good
30/6/2014	Executive chairs	LVSWSB/BMT/FUR/01/101	Wooden	Office Patrol	6/21/2007	BMT	Good
30/6/2014	Filling cabinet	LVSWSB/BMT/FUR/01/102	Steel	Office Patrol	6/21/2007	BMT	Good
30/6/2014	Office chair	LVSWSB/BMT/FUR/01/103	Locally made			STK office	Good
30/6/2014	Office chair	LVSWSB/BMT/FUR/01/104	Locally made			STK office	Good
30/6/2014	Office table	LVSWSB/BMT/FUR/01/105	Wooden	Ministry HQ		STK office	Good
30/6/2014	In&Out tray	LVSWSB/BMT/FUR/01/106	Wooden	Ministry HQ		STK office	Good
30/6/2014	Office table	LVSWSB/BMT/FUR/01/107	Wooden	Ministry HQ		STK office	Good
30/6/2014	Computer chair	LVSWSB/BMT/FUR/01/108				STK office	Good
30/6/2014	Office table	LVSWSB/BMT/FUR/01/109				STK office	Good
30/6/2014	Office chair	LVSWSB/BMT/FUR/01/110	Wooden	Ministry HQ		STK office	Good
30/6/2014	Office chair	LVSWSB/BMT/FUR/01/111	Locally made			STK office	Good
30/6/2014	In & Out tray	LVSWSB/BMT/FUR/01/112		Ministry HQ		STK office	Good
30/6/2014	The cabinet	LVSWSB/BMT/FUR/01/113		Ministry HQ		STK office	Good
30/6/2014	The cabinet	LVSWSB/BMT/FUR/01/114		Ministry HQ		STK office	Good
30/6/2014	Shelve	LVSWSB/BMT/FUR/01/115		Ministry HQ		STK office	Good
30/6/2014	chair	LVSWSB/BMT/FUR/01/116				STK office	Good
30/6/2014	Table	LVSWSB/BMT/FUR/01/117				STK office	Good
30/6/2014	Table	LVSWSB/BMT/FUR/01/118				STK office	Good

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<b>ASSET REGISTER - BUILDINGS</b>							
<b>DATE</b>	<b>DESCRIPTION</b>	<b>ASSET/NO</b>	<b>MODEL</b>	<b>DATE</b>	<b>LOCATION</b>	<b>CAPA</b>	<b>COND</b>
30/06/2014	pump house	LVSWSB/BMT/BLD/01/001	Masonry	1956	Bomet intake	5*4M	Fair
30/06/2014	pump house	LVSWSB/BMT/BLD/01/002	Masonry	1956	Bomet Treatment	5*8M	Fair
30/06/2014	Area manager office	LVSWSB/BMT/BLD/01/003	Masonry	1956	Bomet w/s	8*5M	Fair
30/06/2014	Water offices	LVSWSB/BMT/BLD/01/004	Masonry	1956	Bomet w/s	18*5m	Fair
30/06/2014	Laboratory	LVSWSB/BMT/BLD/01/005	Masonry	1956	Bomet w/s	9*5m	Fair
30/06/2014	UNI-HUT Staff houses	LVSWSB/BMT/BLD/01/006	Iron sheet		Bomet w/s	-	Fair
30/06/2014	Toilet	LVSWSB/BMT/BLD/01/007	Masonry	2000	Bomet w/s	-	Fair
30/06/2014	Toilet/Bathroom	LVSWSB/BMT/BLD/01/008	Masonry	1956	Bomet w/s	4*2m	Fair
30/06/2014	UNI-HUT Staff houses	LVSWSB/BMT/BLD/01/009	Iron sheet		Bomet w/s	-	Fair
30/06/2014	Main store	LVSWSB/BMT/BLD/01/010	Masonry	2000	Bomet w/s	-	Good
30/06/2014	UNI-HUT Chemical store	LVSWSB/BMT/BLD/01/011	Iron sheet		Bomet w/s	-	Fair
30/06/2014	UNI-HUT Chemical store	LVSWSB/BMT/BLD/01/012	Iron sheet		Bomet w/s	-	Fair
30/06/2014	Offices	LVSWSB/BMT/BLD/01/013	Timbered		Bomet w/s	13*5m	Fair
30/06/2014	UNI-HUT building store	LVSWSB/BMT/BLD/01/014	Iron sheet		Bomet w/s	-	Fair
30/06/2014	UNI-HUT Staff houses	LVSWSB/BMT/BLD/01/015	Iron sheet		Bomet w/s	-	Fair
30/06/2014	UNI-HUT Staff houses	LVSWSB/BMT/BLD/01/016	Iron sheet	1990	Bomet w/s	-	Fair
30/06/2014	pump house	LVSWSB/BMT/BLD/01/045	Masonry	1956	Bomet intakes	5*4M	Fair
30/06/2014	pump house	LVSWSB/BMT/BLD/01/046	Masonry	1956	Bomet treatment	5*8M	Fair
30/06/2014	Engineers office	LVSWSB/BMT/BLD/01/047	Masonry	1956	Bomet w/s	8*5M	Fair
30/06/2014	Water offices	LVSWSB/BMT/BLD/01/048	Masonry	1956	Bomet w/s	18*5m	Fair
30/06/2014	Laboratory	LVSWSB/BMT/BLD/01/049	Masonry	1956	Bomet w/s	9*5m	Fair

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30/06/2014	UNI-HUT Staff houses	LVSWSB/BMT/BLD/01/050	Iron sheet		Bomet w/s	-	Fair
30/06/2014	Toilet	LVSWSB/BMT/BLD/01/051	Masonry	1912	Bomet w/s	-	Fair
30/06/2014	Toilet/Bathroom	LVSWSB/BMT/BLD/01/052	Masonry	1868	Bomet w/s	4*2m	Fair
30/06/2014	UNI-HUT Staff houses	LVSWSB/BMT/BLD/01/017	Iron sheet	1990	Bomet w/s	-	Fair
30/06/2014	intake pump house	LVSWSB/BMT/BLD/01/020	Masonry	1997	Longisa intake	4*5m	Fair
30/06/2014	pump house	LVSWSB/BMT/BLD/01/021	Masonry	1978	Sigor w/s intake	8*5M	Fair
30/06/2014	Store	LVSWSB/BMT/BLD/01/022	Masonry	1978	Sigor w/s intake	Round	Good
30/06/2014	Staff quarters	LVSWSB/BMT/BLD/01/023	Masonry	1978	Sigor w/s intake	20*7m	Good
30/06/2014	Laboratory Store	LVSWSB/BMT/BLD/01/024	Masonry	1978	Sigor w/s intake	4*7m	Fair
30/06/2014	Main store	LVSWSB/BMT/BLD/01/025	Timber/Iron sheet	1978	Sigor	16*5m	Fair
30/06/2014	pump house	LVSWSB/BMT/BLD/01/036	Masonry	2004	Chepalungu intake	5*4m	Fair
30/06/2014	pump house	LVSWSB/BMT/BLD/01/037	Masonry	1978	Chepalungu high li	9*7m	Fair
30/06/2014	Unit hut (store)	LVSWSB/BMT/BLD/01/038	Masonry	1974	Chepalungu	Round	Fair
30/06/2014	Single staff quarters	LVSWSB/BMT/BLD/01/039	Masonry	1974	Chepalungu	14*4M	Fair
30/06/2014	Double staff quarters	LVSWSB/BMT/BLD/01/040	Masonry	1974	Chepalungu	28*4M	Fair
30/06/2014	Pump house	LVSWSB/BMT/BLD/01/041	Masonry	1998	Ndanai Dam	5*4M	Fair
30/06/2014	pump house	LVSWSB/BMT/BLD/01/042	Masonry	1998	Ndanai Dam	3*3M	Fair
30/06/2014	chmical store	LVSWSB/KON/01/42	Masonry		Itare		good
30/06/2014	laboratory	LVSWSB/KON/01/43	Masonry		Itare		good
30/06/2014	staff quarters	LVSWSB/konoin/01/44-51	Masonry		Itare		good
.. ..	Water office	LVSWSB/konoin/01/52	Masonry		Mogogosiek		good
.. ..	pump houise	LVSWSB/konoin/01/53	Masonry		Itare		good
.. ..	Water office	LVSWSB/stk/01/54	Masonry		Sotik		good
.. ..	Treatment works	LVSWSB/stk/01/55	Masonry		Sotik		good
.. ..	Staff quarters (4no.)	LVSWSB/stk/01/56	Masonry		Sotik		good
.. ..	chmical store/Lab	LVSWSB/stk/01/57	Masonry		Sotik		good
.. ..	pump houise	LVSWSB/stk/01/58	Masonry		Sotik		good

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ASSET REGISTER - PIPELINE							
DATE	DESCRIPTION	MODEL	DATE OF ACQ	LOCATION	CAPA	COND	REMARKS
30/06/2014	Rising main from intake to treatment works	G.I pipe 2 1/2	1956	Bomet W/S	Appr 0.3k	Old	Needs rehabilitation
30/06/2014	Rising main from intake to treatment works to storage tank	Prc/GI 4"	1998&2005	Bomet W/S	Appr2.2km	Good	-
30/06/2014	Rising main from intake to treatment works to storage tank	Aspestror(A/C)3"	1956	Bomet W/S	Appr1.5km	Poor	Needs rehabilitation
30/06/2014	Distribution line network from storage tank	Aspestror G.I&PVC3"		Bomet W/S	Appr8km	Fair	Requires additional line
30/06/2014	Rising main	PVC/GI 4 "	1995	Longisa w/s	Appr2.2km	Fair	-
30/06/2014	Distribution line	G.I/PVC2"	1998	Longisa w/s	Appr0.4km	Good	Needs expansion
30/06/2014	Rising main from intake to treatment works to storage tank	G.I pipe2"		Longisa sec.w	Appr3km	Operational	Needs expansion
30/06/2014	Rising main from intake to treatment works to storage tank	GI/PVC6"	1978	Sigor w/s	Appr 5km	Fair	-
30/06/2014	Distribution line network	6" upvc	1978	Sigor w/s	Appr 4km	Fair	Some of the line are dry
30/06/2014		4" upvc		Sigor w/s	15km	Good	
30/06/2014		3"		Sigor w/s	13 km	Good	
30/06/2014		2"		Sigor w/s	11 km	Good	
30/06/2014	Rising main from intake to treatment works to storage tank	G.I/PVC6"	1972	Chepalungu w	Appr 3km	Fair	Needs rehabilitation
30/06/2014	Distribution line network	8" UPVC		Chepalungu w	2KM	Good	
30/06/2014	.. ..	G.I/PVC6"	1974	Chepalungu w	Appr 16 k	Fair	Some of the line are dry
30/06/2014	.. ..	4" pvc		..	20km	good	
30/06/2014	.. ..	3" pvc		..	25km	Good	
30/06/2014	.. ..	2" pvc		..	14km	Good	
30/06/2014	Rising main from intake to treatment works to storage tank	2" *1" G.I	1998	Ndanai w/s	Appr 0.25k	Operational	-
30/06/2014	Distribution line network	3" pvc	1998	Ndanai w/s	Appr 2.4 k	Fair	Needs expansion
30/06/2014		2"pvc			5.5km		
30/06/2014	Rising main Sotik from intake to treatment	6" pvc		Sotik	3.5km	good	
30/06/2014	Distribution network	4" pvc		Sotik	0.5km	good	
30/06/2014		3" pvc		Sotik	6.5km		
30/06/2014		2" pvc		Sotik	3.5km		
30/06/2014	Rising man Kamureito	6" pvc		kamureito w/s	2.5km	fair	prone to burst
30/06/2014	Distribution network	4" pvc		chebole	7km	good	
30/06/2014		3" pvc		chebole	10.5km		
30/06/2014		2" pvc		chebole	appr. 10km		
30/06/2014	Raising main konoin	6" class E		Simoti	3km	Good	prone to burst
30/06/2014	..	12" DI & pvc class D		Saseta	2.5km	Good	
30/06/2014	Raw water rising main	14" UPVC			0.25km	Good	
30/06/2014	Distribution network	18"UPVC Class B		konoin	2.7KM	Good	
30/06/2014	Distribution network	16' .. ..		konoin	3.8KM	Good	
30/06/2014	Distribution network	14"		konoin	0.5KM	Good	
30/06/2014	Distribution network	12"		konoin	2.7KM	Good	
30/06/2014	Distribution network	10"		konoin	5.5KM	Good	

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<b>ASSETS REGISTER - LAB EQUIPMENTS</b>							
<b>DATE</b>	<b>DESCRIPTION</b>	<b>ASSET'S NO.</b>	<b>MODEL</b>	<b>SUPPLIER</b>	<b>SERIAL NO</b>	<b>LOCATION</b>	<b>CONDITION</b>
30/06/2014	CONTROL PANEL	LVSWSB/KONOIN/LIT/PL/032	Spring scale balance		2no.	konoin	good
30/06/2014		LVSWSB/KONOIN/LIT/PL/033	Weighing scale		2no.		needs service
30/06/2014		LVSWSB/KONOIN/LIT/PL/034					good
30/06/2014	LAB EQUIPMENT	LVSWSB/KONOIN/LIT/LAB/001	Lavibond comparator		1No.		good
30/06/2014		LVSWSB/KONOIN/LIT/LAB/002	Laviboard discs		4No.		good
30/06/2014		LVSWSB/KONOIN/LIT/LAB/003	Flasks		13No.		good
30/06/2014		LVSWSB/KONOIN/LIT/LAB/004	Jars		11No.		good
30/06/2014		LVSWSB/KONOIN/LIT/LAB/005	Stapped bottle		12No.		good
30/06/2014		LVSWSB/KONOIN/LIT/LAB/006	Bureti		5No.		good
30/06/2014		LVSWSB/KONOIN/LIT/LAB/007	Beakers 600ML		5No.		good
30/06/2014		LVSWSB/KONOIN/LIT/LAB/008	Flasks		2No.		good
30/06/2014		LVSWSB/KONOIN/LIT/LAB/009	G. funnel		4No.		good
30/06/2014		LVSWSB/KONOIN/LIT/LAB/010	Pipettes(all sizes)		66No.		good
30/06/2014		LVSWSB/KONOIN/LIT/LAB/011	Stapped funnel		1No.		good
30/06/2014		LVSWSB/KONOIN/LIT/LAB/012	..		1No.		good
30/06/2014		LVSWSB/KONOIN/LIT/LAB/013	Beakers 1000MLS		1No.		good
30/06/2014		LVSWSB/KON/LIT/LAB/014	Beakers 500MLS		1No.		good
30/06/2014		LVSWSB/KON/LIT/LAB/015	Test pipette		3No.		good
30/06/2014		LVSWSB/KON/LIT/LAB/016	Bod bottles		8No.		good
30/06/2014		LVSWSB/KON/LIT/LAB/017	Spattula		1No.		good
30/06/2014		LVSWSB/KON/LIT/LAB/018	Turbidity metre SSC big		1		good
30/06/2014		LVSWSB/KON/LIT/LAB/019	Services scatter natch		1		good
30/06/2014		LVSWSB/KON/LIT/LAB/020	Fiber STW(15KG)				good
30/06/2014		LVSWSB/KON/LIT/LAB/021	Burette 100ml		2no.		good
30/06/2014		LVSWSB/KON/LIT/LAB/022	Burette 50ml		5no.		good

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DATE		ASSET/No	MODEL	S/No	DATE OF ACQU	LOC	CAPA
30/06/2014	Motor	LVSWSB/BMT/PL/01/027	Catco	PY 200 2-2-2	6/25/1997	Longisa intake	40HP
30/06/2014	Motor	LVSWSB/BMT/PL/01/028	Electrum	85541 IDA	6/25/1997	Longisa intake	40HP
30/06/2014	Control pannel	LVSWSB/BMT/PL/01/029	Composite combated	-	6/25/1997	Longisa intake	450 volts
30/06/2014	Boster pump	LVSWSB/BMT/PL/01/032	Groundhogs	B33500003P19434	7/3/1995	Longisa treatment	
30/06/2014	Switch starter	LVSWSB/BMT/PL/01/033	Mem	-	6/12/1995	Longisa treatment	
30/06/2014	Fire Extinguish 9ltrs water carbon	LVSWSB/BMT/PL/01/092			12/15/2008	Longisa w/s	
30/06/2014	Fire Extinguish 9ltrs water carbon	LVSWSB/BMT/PL/01/092			12/15/2008	Longisa w/s	
30/06/2014	Switch starter	LVSWSB/BMT/PL/01/034	-		6/11/1997	Sigor w/s intake	-
30/06/2014	Switch board	LVSWSB/BMT/PL/01/035	Comone control unit		6/25/1997	Sigor w/s intake	-
30/06/2014	HRC 6/1 lister pettier	LVSWSB/BMT/PL/01/036	lister-pettier	36002H7HL6A001	6/30/1997	Sigor w/s intake	
30/06/2014	Centrifugal pump	LVSWSB/BMT/PL/01/037	KSB MOVI	6174553	6/30/1997	Sigor w/s intake	
30/06/2014	Electrical motor	LVSWSB/BMT/PL/01/038	Brown boveri	519280	6/11/1997	Sigor w/s intake	7.5KM
30/06/2014	Centrifugal pump	LVSWSB/BMT/PL/01/039	Ajax elite	970097		Sigor intake (lowlift)	10HP
30/06/2014	Electrical motor	LVSWSB/BMT/PL/01/040	Catco	DY132-52-2		Sigor intake (lowlift)	-
30/06/2014	Electrical motor	LVSWSB/BMT/PL/01/041	Crompton greaves	XNADT-33312		Sigor intake (lowlift)	75HP
30/06/2014	Multi-stage pump	LVSWSB/BMT/PL/01/042	Capran	NMV-5026	6/30/1997	Sigor intake (lowlift)	75HP
30/06/2014	Electrical motor	LVSWSB/BMT/PL/01/043	Catco	-	6/30/1997	Sigor intake (lowlift)	75HP
30/06/2014	Multi-stage pump	LVSWSB/BMT/PL/01/044	Rotos	50088/5		Sigor intake (lowlift)	75HP
30/06/2014	Switch starter	LVSWSB/BMT/PL/01/046	-	-		Sigor w/s intake	75HP
30/06/2014	Electric control panel intake	LVSWSB/BMT/PL/01/051	3phase	-	1997	Chepalungu intake	3phase
30/06/2014	Electronic motor	LVSWSB/BMT/PL/01/052	DY2-13252-2 catco	25	-	Chepalungu intake	10HP
30/06/2014	Centrifugal pump	LVSWSB/BMT/PL/01/053	PSEC/ACC4CP southern cross	16F-2004-A1	12/6/2004	Chepalungu intake	10hp
30/06/2014	Electric motor	LVSWSB/BMT/PL/01/054	DY2-132- 52-2 catco	29	5/25/2004	Chepalungu intake	10HP
30/06/2014	Centrifugal pump	LVSWSB/BMT/PL/01/055	ESEC/A/CC40P southern cross	16F2004A09	5/25/2004	Chepalungu intake	10HP
30/06/2014	Electric storage starter	LVSWSB/BMT/PL/01/056	star Delta	-	25/05/0000	Chepalungu intake	500V
30/06/2014	Control pannel	LVSWSB/BMT/PL/01/057	3 Phase	-	6/30/1997	Chepalungu intake	500V
30/06/2014	Electrical motor	LVSWSB/BMT/PL/01/059	catco	-	8/2/2004	Chepalungu w/s	40HP
30/06/2014	Electrical motor	LVSWSB/BMT/PL/01/060	ASEA	-	6/25/2005	Chepalungu intake	75HP
30/06/2014	Electric motor	LVSWSB/BMT/PL/01/062	Crompton greaves	-	5/26/2005	Chepalungu intake	40HP

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DATE	ITEM DESCRIPTION	ASSET NUMBER	MODEL	SUPPLIER	DATE OF REF	LOCATION	DEPT	CUST	CAPA	COND
30/06/2014	Storage tank	LVSWSB/BMT/HS/01/0 36	Masonry		5/26/1998	D/no 2 Ndanai w/s	Water	SCWO	100m3	Good
30/06/2014	Storage tank	LVSWSB/BMT/HS/01/0 38	Masonry			Gelegele w/s supply	Water	SCWO	75m3	Fair
30/06/2014	Sedimentation tank	LVSWSB/BMT/HS/01/0 39	Steel			Moi siongiroi Girls sec sch	Water	SCWO	4m	Good
30/06/2014	Pressure filter	LVSWSB/BMT/HS/01/0 40	Steel			Moi siongiroi Girls sec sch	Water	SCWO	1m	Good
30/06/2014	Pressure filter	LVSWSB/BMT/HS/01/0 41	Steel			Moi siongiroi Girls sec sch	Water	SCWO	1m	Good
30/06/2014	Sedimentation tank	LVSWSB/BMT/HS/01/0 42	Steel			Moi siongiroi Girls sec sch	Water	SCWO	4m	Good
30/06/2014	Elevated steel tank	LVSWSB/BMT/HS/01/0 43	Steel	Warren enterprises It	6/4/1995	Moi siongiroi Girls sec sch	Water	SCWO	100m	Good
30/06/2014	Underground tank	LVSWSB/BMT/HS/01/0 44	Masonry		1995	Moi siongiroi Girls sec sch	Water	SCWO	100M	Fair
30/06/2014	Storage tank	LVSWSB/BMT/HS/01/0 50	Masonry		2008	Siongiroi	Water	SCWO	150m	Good
30/06/2014	Mixing unit	LVSWSB/BMT/HS/01/0 46	Masonry		2008	Chepalungu	Water	SCWO	2.5m	Good
30/06/2014	Kentank	LVSWSB/BMT/HS/01/0 47	Masonry		2008	Chepalungu	Water	SCWO	3m	Good
30/06/2014	Dozer	LVSWSB/BMT/HS/01/0 48	Masonry		2008	Chepalungu	Water	SCWO	0.2m	Good
30/06/2014	Storage tank	LVSWSB/BMT/HS/01/0 49	Masonry		2008	(Kapsirich)	Water	SCWO	150m3	Good
30/06/2014	Itare treatment works	LVSWSB/bmt/konoin/50	Masonry			konoin/ itare	Water	SCWO	400m3	Good
30/06/2014	Itare treatment works	LVSWSB/bmt/konoin/51	Masonry			konoin/ itare	Water	SCWO	225m3	Good
30/06/2014	Storage tank	LVSWSB/bmt/konoin /052	Masonry			Simoti	Water	SCWO	100m3	Good
30/06/2014	Storage tank	LVSWSB/bmt/konoin/053	Masonry			Ruseya	Water	SCWO	100m3	Good
30/06/2014	Storage tank	LVSWSB/bmt/konoin/054	Masonry		1980	Simoti	Water	SCWO	50m3	Good
30/06/2014	Storage tank	LVSWSB/bmt/konoin/055	Masonry			Saseta	Water	SCWO	1300m3	Good
30/06/2014	Filtration tanks 6no	LVSWSB/bmt/konoin/056	Masonry			Itare	Water	SCWO		Good
30/06/2014	Backwashing tank	LVSWSB/bmt/konoin/057	Masonry			itare	Water	SCWO		Good
30/06/2014	clear water tank	LVSWSB/bmt/konoin/058	Masonry				Water			Good
30/06/2014	Sedimentation tank 4no.	LVSWSB/bmt/konoin/059	Masonry			itare	Water	SCWO		Good
30/06/2014	Storage tank	LVSWSB/bmt/konoin/060	Masonry			Chebirbelek	Water	SCWO	180m3	Good
30/06/2014	Storage tank	LVSWSB/bmt/konoin/061	Masonry			Kapletundo	Water	SCWO	225m3	Good
30/06/2014	Storage tank	LVSWSB/bmt/konoin/062	Masonry		2012	Kamungei	Water	SCWO	100m3	Good
30/06/2014	Storage tank	LVSWSB/bmt/konoin/063	Masonry		2011	kimawit	Water	SCWO	100m3	Good
30/06/2014	Storage tank	LVSWSB/bmt/sotik/064	Masonry			Sotik	Water	SCWO	150m3	Good
30/06/2014	Storage tank	LVSWSB/bmt/sotik/065	Masonry		2012	Sotik	Water	SCWO	100m3	Good
30/06/2014	Storage tank	LVSWSB/bmt/sotik/066	Masonry		2011	Sotik	Water	SCWO	100m3	Good
30/06/2014	Storage tank	LVSWSB/bmt/sotik/067	Masonry		2014	Chebilat	Water	SCWO	100m3	Good
30/06/2014	Storage tank	BMT/Kamureito/068	Masonry		2009	Kamureito	Water	SCWO	150m3	Good
30/06/2014	Storage tank	BMT/Kamureito/069	Masonry		2010	Kamureito	Water	SCWO	100m3	

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**APPENDIX IV: ASSETS RECEIVED FROM LAKE VICTORIA SOUTH WATER WORKS DEVELOPMENT AGENCY (LVSWWDA).**

ASSET REGISTER - HYDRAULIC STRUCTURES										
DATE	ITEM DESCRIPTION	ASSET NUMBER	MODEL	SUPPLIER	DATE OF	REF NLOCATION	DEPT	CUST	CAPA	COND
30/06/2014	Suction sump	LVSWSB/ BMT/HS/01/	Masonry	-	1956	Intake works Bmt w/s	Water	SCWO	15m3	Fair
30/06/2014	Clear water sump	LVSWSB/BMT/HS/01/O 02	Masonry	-	1956	Treatment works Bmt w/s	Water	SCWO	35m3	Fair
30/06/2014	Filtration tank	LVSWSB/BMTHS/01/0 03	Masonry	-	2003	Treatment works Bmt w/s	Water	SCWO	20m3	Fair
30/06/2014	Sedimentation tank	KVSWSB/BMT/HS/01/0 04	Masonry	-	1956	Treatment works Bmt w/s	Water	SCWO	28m3	Fair
30/06/2014	Chemical mixing chambe	LVSWSB/BMT/HS/01/0 07	Masonry	-	1956	- Treatment works Bmt w/s	Water	SCWO	2m3	Fair
30/06/2014	Backwash tank	LVSWSB/BMT/HS/01/0 08	Plastic	Jos-hydrctec	9/23/2002	DN 08 Treatment works Bmt w/s	Water	SCWO	6m3	Good
30/06/2014	Storage tank	LVSWSB/BMT/HS/01/0 09	Masonry	-	1956	- Bmt W/S	Water	SCWO	100m3	Fair
30/06/2014	CFU	LVSWSB/BMT/HS/01/010	Masonry	-	2008	BMT W/S	Water	SCWO		Good
30/06/2014	CFU	LVSWSB/BMT/HS/01/011	Masonry	-	2008	BMT W/S	Water	SCWO	100m	Good
30/06/2014	Intake sump	LVSWSB/BMT/HS/01/0 13	Masonry	AT-do express	1997	Lgs W/S intake	Water	SCWO	100M3	Fair
30/06/2014	Main storage tank	LVSWSB/BMT/HS/01/0 21	Masonry	At do express	1997	LgsW/S treatment works	Water	SCWO	100m3	Fair
30/06/2014	Clear water sump	LVSWSB/BMT/HS/01/0 22	Masonry	Action aid kenya		Sigor W/S intake	Water	SCWO	75m3	Good
30/06/2014	Filter unit	LVSWSB/BMT/HS/01/0 23	Masonry	Akirop Eng	1997	Sigor W/S intake	Water	SCWO	60m3	Fair
30/06/2014	Coagulation basin	LVSWSB/BMT/HS/01/0 24	Masonry	Directlabourteam		Sigor W/S intake	Water	SCWO	640m3	Fair
30/06/2014	Backwash tank	LVSWSB/BMT/HS/01/0 25	Masonry	Directlabourteam		Sigor W/S intake	Water	SCWO	50m3	Fair
30/06/2014	Storage tank	LVSWSB/BMT/HS/01/0 26	Masonry	Directlabourteam	1979	Sgor W/S Kipkeikei	Water	SCWO	250m3	Good
30/06/2014	Break pressure tank	LVSWSB/BMT/HS/01/0 27	Masonry	Directlabourteam	1979	Sigor W/S Kipkeikei line	Water	SCWO	4m3	Good
30/06/2014	Main storage tank	LVSWSB/BMT/HS/01/0 28	Masonry	Directlabourteam	1979	Sigor Water Supply	Water	SCWO	350m3	Good
30/06/2014	Break pressure tank	LVSWSB/BMT/HS/01/0 29	Masonry	Directlabourteam	1979	Sigor W/S Lelaitch line	Water	SCWO	4m3	Good
30/06/2014	Storage tank	LVSWSB/BMT/HS/01/0 30	Masonry	Directlabourteam	1979	Sigor W/S lelaitch	Water	SCWO	200m3	Good
30/06/2014	Break pressure tank	LVSWSB/BMT/HS/01/0 31	Masonry	Directlabourteam	1979	Sigor W/S main line	Water	SCWO	4m3	Good
30/06/2014	Storage tank	LVSWSB/BMT/HS/01/0 32	Masonry	-	1974	Cpg w/s	Water	SCWO	300m3	Fair
30/06/2014	Intake sump	LVSWSB/BMT/HS/01/0 33	Masonry	-	2004	Cpg w/s intake works	Water	SCWO	10m3	Fair
30/06/2014	Rain water smp	LVSWSB/BMT/HS/01/0 34	Masonry	-	1974	Cpg w/s intake works	Water	SCWO	300m3	Fair
30/06/2014	Storage tank	LVSWSB/BMT/HS/01/0 35	Plastic	Kentainers ltd	5/26/1998	D/no 2Ndanai w/s supply	Water	SCWO	15m3	Good

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**APPENDIX III-PROJECTS IMPLEMENTED BY BOMET WATER COMPANY LIMITED**

**Projects**

Projects implemented by the Water Services Trust Fund Funded by development partners.

	<b>Project title</b>	<b>Project Number</b>	<b>Donor</b>	<b>Period/ duration</b>	<b>Donor commitment</b>	<b>Separate donor reporting required as per the donor agreement (Yes/No)</b>	<b>Consolidated in these financial statements (Yes/No)</b>
1.	Kapkwon Pipeline Extension	08W/BOMET/BOMET/42	WSTF	9 MONTHS	19,862,063	YES	NO
2.	Ndanai PSF	08S/BOMET/BOMET/16	WSTF	9 MONTHS	6,199,219	YES	NO

**Status of Projects completion**

	<b>Project</b>	<b>Total project Cost</b>	<b>Total expended to date</b>	<b>Completion % to date</b>	<b>Budget</b>	<b>Actual</b>	<b>Sources of funds</b>
1.	Kapkwon Pipeline Extension	19,862,063	7,492,626	38%	19,862,063	7,492,626	WSTF
2.	Ndanai PSF	6,199,219	2,199,524	35%	6,199,219	2,199,524	WSTF

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**APPENDIX II: INTER-COMPANY TRANSFERS**

	<b>COMPANY NAME: BOMET WATER COMPANY LIMITED</b>			
	<b>Break down of Transfers from the County Government of Bomet</b>			
	<b>FY 2022/2023</b>			
<b>a.</b>	<b>Recurrent Grants</b>			
	<b>Actual Amount received</b>	<b>Bank Statement Date</b>	<b>Amount (Kshs)</b>	<b>Indicate the FY to which the amounts relate</b>
	8,300,000	07/10/2022	8,300,000	2022/2023
	8,300,000	28/11/2022	8,300,000	2022/2023
	8,300,000	16/12/2022	8,300,000	2022/2023
	8,300,000	30/12/2022	8,300,000	2022/2023
	8,300,000	31/01/2023	8,300,000	2022/2023
	8,300,000	21/02/2023	8,300,000	2022/2023
	8,300,000	20/03/2023	8,300,000	2022/2023
	8,300,000	02/05/2023	8,300,000	2022/2023
	8,300,000	24/05/2023	8,300,000	2022/2023
	8,300,000	10/06/2023	8,300,000	2022/2023
	<b>83,000,000</b>		<b>83,000,000</b>	

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	<p>includes an amount of Kshs.5, 329,213 in respect to Infrastructural Network and Kshs 2,808,083 in respect to Motor vehicles and cycles.</p> <p>The following unsatisfactory issues were noted during audit.  The repairs and maintenance were not supported with pre and post inspection reports. Purchase of tires amounting to Kshs 822,284 were not supported with inspection and acceptance report. No requisitions were attached in support of procurement of tires of Kshs 822,284.</p>	<p>Purchase of tires amounting to Kshs 822,284 were supported with inspection and acceptance report as attached.</p> <p>Requisitions were attached in support of procurement of tires of Kshs 822,284 as per the attached.</p>			
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Sign.  .....  
**Ag Managing Director**

Sign.  .....  
**Chairman of the Board**

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9.0	<p><b>Non-Revenue Water</b>  During the year under review the company produced 3,352,582 cubic meters(M3) of water ,out of which 1,189,210 cubic meters were billed to customers at a total cost of Kshs.91,379,705.32.The balance of 2,163,372 cubic meters or approximately 65% of the total volume represented unaccounted for water(UFW) .According to the WASREB guidelines, this quantity is 40% above allowable loss of 25%. The abnormal loss of 65% of the water produced may have resulted in loss of sales estimated at Kshs.165,252,900 when an average tariff of 75 of Kshs.75per cubic meters is applied (2021/2022) compared to Kshs.35,737,153.07 for 2020/2021 with a slight decline of Kshs.13,517,278.07 but which still above the acceptable level. No explanation has been given for persistent water loss.</p>	<p>The overall Non-Revenue Water (NRW) currently stands at 65%. During FY2020/21. The company has however continued to implement NRW programs these programs include operationalization of NRW unit and upscaling the lesson learns from the PEWAK Programme done within Bomet Water scheme to other schemes. The adopted set acceptable water loss (NRW) is indeed 25%. The company has instituted measures to curb such losses  Increases Metering ratio from the current 51%.  Timely and accurate meter reading to capture all registered customers through pick pay ERP  Line patrols along main and submains to identify potential leaks to control physical losses.  Metering flat rate customers who are huge consumers.  Creation of DMAs in areas and schemes.  Framework agreement between County and State Ministry of Water and irrigation on NRW reduction within Bomet County was signed in December 2022</p>	MID/TSM/CFM	Continuous	Ongoing
10.0	<p><b>Maintenance Cost</b>  The statement of profit and loss and other comprehensive income reflects maintenance expenses of Kshs 13,304,324 (2021 – Kshs. 20,949,911) under note 11 in the financial statements. This balance</p>	<p>The repairs and maintenance were supported with pre and post inspection reports as per attached.</p>	TSM	Continuous	Ongoing

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	In the circumstance, the accuracy and fair statement of trade and other payables of Ksh.124, 129,576 as at 30 June 2022 could not be confirmed.				
7.0	<b>Customer Deposits</b> The statement of financial position reflects customer deposits of Ksh 2,692,989. However the list of deposits, account number and amount paid each were not provided for audit. Further, the deposits account has a nil balance at the close of the year. In the circumstance, the accuracy, completeness and existence of the customer deposits of Ksh 2,692,989 as at 30 June 2022 could not be confirmed	Attached is bank statement showing customers list with respective payments for deposits and date of payments.	CFM	Closed	2023
8.0	<b>Lack of approved Current Tariff Rates</b> The Company has been operating with water tariff approved by the Water Services Regulatory Authority approved vide Gazette Notice Number 958 for water tariff structure for the financial year 2016/2017 to 2019/2020 which expired, approximately two years ago and the management has not sought approval of new tariffs. This is contrary to section 72 of the Water Act, 2016 which requires WASREB is to evaluate and recommend water and sewerage tariffs to the County water services providers and approve the imposition of such tariffs in line with consumer protection standards. The Management is in breach of the Law.	As per Water 2016, the company is required to apply for operation license prior to application of Regular Tariff review. Bomet water has begun the process of applying for license and in final stage. We have made payment for performance guarantee which is a final stage before issuing the license. We are currently going through training on tariff review and we expect to complete the process by June 2024.	MD/CFM/ TSM	Ongoing	2024

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4.0	<p><b>Trade and other Receivables</b></p> <p>The statement of financial position reflects trade and other receivables balances of Kshs 229,822,194 of which Kshs 15,973,822 was in respect of withholding VAT claims, VAT claim forms and correspondences from KRA Was not provided for audit review.</p> <p>In the circumstances, the accuracy, completeness and fair statement of trade and other receivables of Kshs 229,822,194 as at 30 June 2022 could not be confirmed</p>	Kshs 15,973,822 relates to Vat on procured items during the last two quarter of the year 2021-2022. The common practice for lodging VAT claim is that the supplier of goods and services must have received its payment and must be less than one year old. This therefore implies the company is within this timeframe as far as lodging the claim is concern.	CFM	Ongoing	2024
5.0	<p><b>Borrowings</b></p> <p>The statement of financial position reflects borrowings of Kshs 1,391,847 comprising of community water project loan of Kshs 443,373 and bank loan for insurance payment of Kshs 948,475. However, the loan agreement and insurance policy were not provided for audit</p>	Kamureito community water project was taken over by the Company through department of water and all assets and liabilities were taken over as well. One of these liabilities were the outstanding construction loan with Sidian Bank formally KREP Bank. Loan agreement between Sidian Bank and the Company was executed as attached and loan repayment schedule provided to that effect. We have attached insurance policy for the IPF and board resolution authorizing the same transaction between Cooperative Bank and the Bank.	MD/CFM	Ongoing	2024
6.0	<p><b>Trade and other payables.</b></p> <p>The statement of financial position reflect trade and other payable of Ksh 124,129,576 of which Ksh.28,424,623 are in respect of long outstanding operating and license fees. Further, the trade and other payables movement schedule was not provided for audit.</p>	We have attached payable movement schedules for LVSW/WDA, WASREB and WRA for your review. All payables has a movement schedule showing the receipts, payment and running balances.	CFM	Ongoing	Continuous

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		in-depth understanding. Kshs 2,070,000 was for purchase of water meters whereas the balance was to cover recurrent expenditure due to low revenue caused by outbreak of COVID-19 Pandemic			
2.0	<p><b>Unsupported Expenditure</b>  The statement of profit or loss and other comprehensive income reflects general and operating expenses of Kshs 92,906,798. However, the amount includes chemicals of Kshs 4,275,161, Domestic travelling and subsistence of Kshs 4,328,767 and maintenance costs of Kshs 4,011,213 all totaling Kshs 12,615,141 were not supported with procurement records, expenditure returns and maintenance pre and post inspection reports.</p> <p>Under the circumstances, the accuracy, propriety and fair statement of general and operations expenses of Kshs 12,615,141 for the year ended 30 June 2022 could not be confirmed</p>	Supply of water treatment chemicals for FY 2022-2022 was a tender awarded to Pan Africa Chemicals Ltd for the supply of water treatment chemicals for a period of two years. The expenditure was properly supported by the following documents: Contract agreement, LPOs, invoices, GRNs, inspection reports. For Domestic travels and subsistence allowances, the payment were supported by participants Invites, travelling documents, attendance register and back to office reports. Maintenances costs were supported by inspections reports as well as good return register in case of parts replacements	P.O	Closed	2023
3.0	<p><b>Inventories</b>  The statement of financial position reflects inventories of Kshs 6,251,155. However, the stock sheet were not provided for audit. Further, the amount also excludes water stock.</p> <p>In the circumstances accuracy and fair statement of inventories amount of Kshs 6,251,155 as at 30 June, 2022 could not be confirmed.</p>	During the year under review, the Company acquired an elaborate ERP system with stock control system. This system monitors stock movements in terms of receipts, issues and stock balances as well as stock re-order levels. This will cover both assets as well as consumable items	P.O	Closed	2023