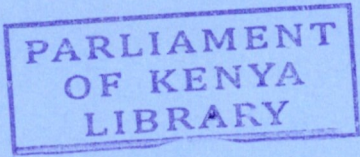
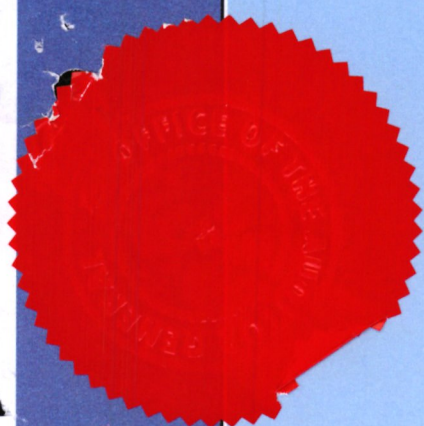
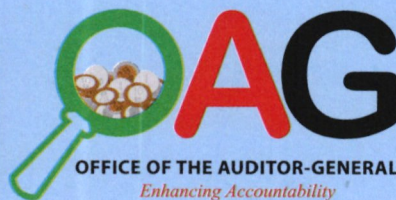


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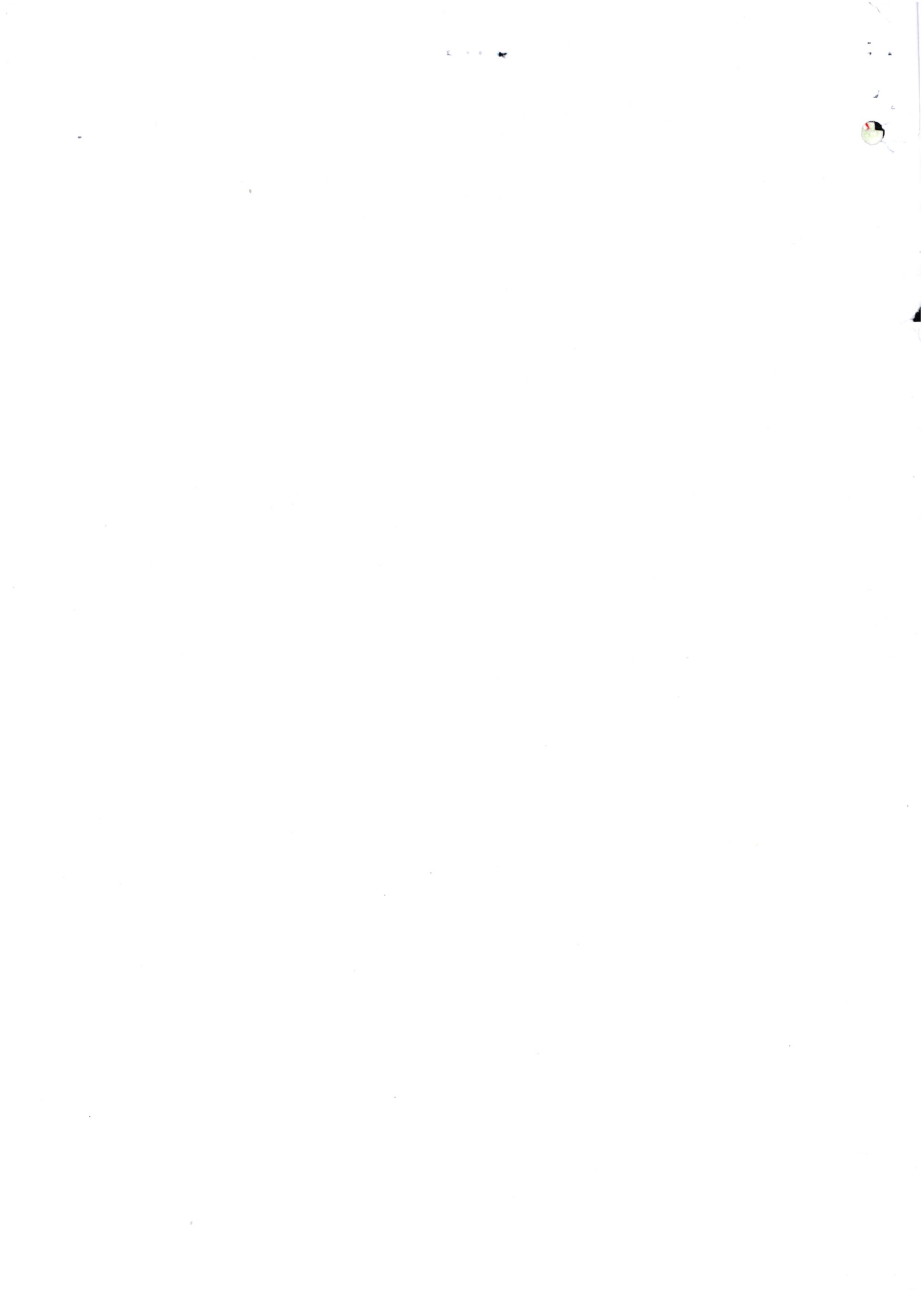
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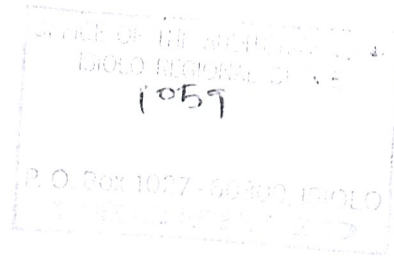
ON

**MARSABIT WATER AND SEWERAGE
COMPANY LIMITED**

**FOR THE YEAR ENDED
30 JUNE, 2025**

PAPERS LAID	
DATE	26/11/25
TABLED BY	J.M.L
COMMITTEE	-
CLERK AT THE TABLE	Belinda





MARSABIT WATER AND SEWERAGE COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

Prepared in accordance with the International Financial Reporting Standards (IFRS) Accounting
Standards

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Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

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Marsabit Water And Sewerage Company Limited
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1. Acronyms and Glossary of Terms

A. Acronyms

ICPAK	Institute of Certified Public Accountants of Kenya
IFRS	International Financial Reporting Standards
MD	Managing Director
PFM	Public Financial Management
PSASB	Public Sector Accounting Standards Board
WASREB	Water Services Regulatory Board
MARWASCO	Marsabit Water and Sewerage Company
WSP	Water Services Provider.
Eng	Engineer
KCB	Kenya Commercial Bank
ALSK	Association of Licensed Surveyors of Kenya
DOB	Date of Birth
FY	Financial Year
O & m	Operation and management
COVID 19	Corona Virus
KPLC	Kenya Power Lighting company
HDPE	High Density Polyethylene
UPVC	unplasticized polyvinyl chloride
SMS	Short messaging services
WHO	World health organization
PPE	Property plant & equipment
LTD	Limited
NBV	Net Book Value
WARMA	Water Resource Management

arsabit Water And Sewerage Company Limited
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B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

2. Key Entity Information

Background information

The company was incorporated in Kenya under cap.486 laws of Kenya.

MARWASCO is fully formed and owned company by the County Government of Marsabit with a mandate of providing water and sewerage services in the entire county. As the company started its operations, it took over O&M and management of water supply facilities from the Sub-County Water Officers.

Its mandate as a Water Services Provider (WSP) for the whole of Marsabit County includes providing water supply and sewerage services in urban and market growth areas, enhancing good governance and performance of rural water supply facilities, increasing access to good quality water and sewerage/safe sanitation, and promoting hygiene and safe sanitation in partnership with other actors and players.

MARWASCO is committed to providing reliable water supply and sewerage services.

Principal Activities

The principal activity of the Company is the provision of water and sewerage services within Marsabit county and its environs.

Vision

“To be the leading Company in provision of water and sewerage services in Kenya”

Mission

“To improve quality of life by providing safe, reliable, adequate, and affordable water and sanitation services through commercially and environmentally sustainable approaches to the satisfaction of our customers and other stakeholders.”

Directors

S no	Name	Designation	Date of appointment
(i)	Eng. Joseph Guyo Halake	Chairman	2024
(ii)	Mr. Godfrey Godana Guyo	Member	2024
(iii)	Mr. Galgallo Sori Gaibo	Member	2024
(iv)	Miss. Asha Bonaya Liban	Member	2024

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

(v)	Mr. Shakhe Stephen Katelo	Member	2024
(vi)	Mrs. Sarah Fure Siko	Member	2024
(vii)	Mrs. Jacinta Lekidayo	Member	2024

Company Secretary

Mr. Stephen Sora Katelo

P.O. Box 69-60500

Marsabit, Kenya

Registered Office

Water Road

P.O. Box 69-60500

Marsabit, Kenya

Corporate Headquarters

P.O. Box 69 – 60500

Marsabit, KENYA

Corporate Contacts

Telephone: (254) 26689803

E-mail: info@marwasco.co.ke

Website: www.marwasco.or.ke

Corporate Bankers

KCB Bank

Marsabit, Branch

392-60500, Marsabit

Independent Auditor

Auditor-General

The Office of the Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

Principal Legal Advisers

The Attorney General

State Law Office and Department of Justice

Harambee Avenue




P.O. Box 40112

City Square 00200




Nairobi, Kenya

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025



3. The Board of Directors

Directors	Details
<p>1. Eng. Joseph Guyo Halake Chairman - Board of Directors</p>  <p>DOB:1958</p>	<p>Eng. Joseph Guyo Halake aged 66, joined the board in 2021. He is a celebrated retired civil servant with over 24 years working experience with the government of Kenya. Voluntarily retired at the age of 50 years from the civil sector. Served government through the Ministry of Lands.</p> <p>He graduated with a Bachelor of Science Degree in Surveying and Photogrammetry in 1984. Holds Master's Degree (M.ENG.) in surveying Engineering from the university of New Brunswick, Canada.</p> <p>Joseph started his career as a secretary to the land Survey Board (2003-2008), Chairman Land Surveyor chapter of the institute of Surveyors of Kenya (ISK) and a letter admitted as a full member of Association of Licensed Surveyors of Kenya (ALSK).</p> <p>Halake also served as Chairperson Organizing Committee of the Centennial Celebration of Survey of Kenya (1903-2003)</p>
<p>2. Mr. Godfrey Godana Guyo Board Member</p>  <p>DOB:1980</p>	<p>Mr. Godfrey Godana aged 44, joined the board in 2021.</p> <p>He has over 14 years extensive experience and expertise in Governance, Capacity Building, Research and Project development.</p> <p>Godana worked as a Deputy Director and head of programs and Deputy Justice and peace Coordinator with Caritas Marsabit.</p>
<p>3. Mr. Galgallo Sori Gaibo Board Member</p>  <p>DOB:1972</p>	<p>Mr Galgallo Sori Gaibo aged 52, is a professional and expert in Project planning and Management. Working experience with over 20 years in both the public and private sector.</p> <p>Holds Bachelor Degree in project planning and management from the university of Nairobi and Masters of Arts in project planning from the same institution.</p> <p>Worked as researcher assistant on quality of care in private clinics by the ministry of health Dept</p>

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025






	<p>of Maria control and also Project officer (PACDEP) Linking Women groups to financial institutions,</p>
<p>4. Miss. Asha Bonaya Liban Board Member</p>  <p>DOB: 2000</p>	<p>Asha Bonaya Liban is a multiple award winner for her contribution to Sustainable Development Goals. Working as a Gender Officer at United States International University (USIU)Africa. She holds a Bachelor's degree in Education (Arts) in Geography and Kiswahili from Karatina University. Additionally, she is a certified Gender specialist from Digital Frontiers Institute and Security Risk Management Professional from International NGO Safety and Security Association (INSSA).</p>
<p>5. Mr. Shakhe Stephen Katelo Board Member</p>  <p>DOB:1976</p>	<p>Mr. Shakhe Stephen Katelo is a holder of a Bachelor of Computer Science and Engineering from National Institute of Technology, University of Burdwan, India. He has long years of work experience spanning over 18 years both with private sector and Government. He is currently serving as Director for ICT at the Department of Water, Environment and Natural Resources of the County Government of Marsabit.</p>
<p>6. Mrs. Sarah Fure Siko Board Member</p>  <p>7. DOB:1988</p>	<p>Mrs. Sarah Fure Siko aged 36 is a civil servant currently working with the County Government of Marsabit.</p> <p>She graduated with Bachelor of Commerce accounting option at KCA university in 2012 and CPA II in 2015. Sarah started her career as Senior Accountant in treasury of County government of Marsabit in 2013 and later joined directorate of internal audit in the same institution in 2020 to date.</p>
<p>8. Mrs. Jacinta Kargiya Lekidayo Board Member</p>	<p>Jacinta joined board in 2021, Aged 31, she is a senior Environmentalist with over 11 years working experience in both public and private sector. Jacinta holds a Bachelor's Degree in Environmental Studies (community Development) from Kenyatta University.</p>

Marsabit Water And Sewerage Company Limited
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 <p>DOB:1993</p>	<p>Began her career back in 2012 as a Independent Electoral and Boundaries Commission (IEBC) as a voter registration clerk, worked with Food for Hungry Kenya as a Nutritional Enumerator, Thika water and Sewerage Company (THIWASCO) as a Data Entry Clerk, Baseline Survey Enumerator with World Vision and Samwell Hall Consultancy as a data collection Enumerator.</p>
<p>9. Stephen Sora Katelo Managing Director/Board Secretary</p>  <p>DOB 1979</p>	<p>Hon Stephen Sora Katelo aged 45 years, Joined MARWASCO on 10th February 2023 as Managing Director. He graduated with a BED Science (Mathematics and computer) in 2009. Stephen was a former Teacher at Buruburu Girls (2004-2013) and Chief Officer in the department of Education, Youths, Sports and skills Development (2013-2017).</p>

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

4. Key Management Team

Managers	Details
 <p>Hon. Stephen Sora Katelo</p>	<p>Managing Director/Board Secretary Holds BED Science (Mathematics and Computer)</p>
 <p>John Halkano Guyo</p>	<p>Technical Service Manager. Holds a Bsc. Environment and Natural Resource.</p>
 <p>Katelo Badolicha</p>	<p>Finance Manager. Holds a degree in Business Administration and Management.</p>
 <p>Guyo Sumure</p>	<p>Human resource manager Holds a Diploma in HRM</p>
 <p>Hussein Kirri</p>	<p>Commercial services manager. Holds a degree in Economics and Statistics</p>

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

5. Chairman's Statement



The annual report and financial statement for the year ending June 30th 2025 are hereby presented, the company has maintained steady growth and stellar financial performance as well as customer base and water infrastructure. Our commitment remains firm in transforming the lives of the community we serve through continuous provision of the services that make a real difference to our customers.

The last twelve months have been characterised by several dynamic factors that have shaped the overall business environment. Our vision, mission and core values are clear as gained to provide water for household domestic use at an affordable tariff.

On the governance front, the impact of devolution has continued to take shape. We got involved in discussing with the county government in funding the implementation of some lines within the scheme area.

Our dedication to our strategy has yielded a relatively fair set of financial results. This is a clear confirmation of our commitment to generating long term value for our stakeholders.

In conclusion, we continue to enjoy the support and goodwill inter alia of the Regulatory Authority, the Board, our clients, suppliers and service providers. I wish to record our appreciation to them all and note that we highly value this relationship.

I also wish to thank and congratulate the management team and staff of the company for the loyalty, dedication and tireless efforts that have made these results possible.

We believe our good relation with customers; stakeholders coupled with good management principals we remain a driving force to our customers in order to execute its mandate.

Surv. Joseph Guyo Halake

Chairman Board of Director

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

6. Report of the Managing Director



The water Act 2016 envisioned reforms in the water sector and which Marsabit Water has tirelessly worked to achieve. The company in conjunction with the County Government has fully taken up the function of water distribution and sanitation services in line with the Constitution of Kenya 2010. We have maintained our record of growth through superior commercial performance across our entire services area. Our customers have rewarded us with loyalty as we have strived to deliver on our promise of a superior customer experience.

Our fairly financial performance has enabled us to continue with substantial investment in our network and other services. Customer satisfaction levels have continued to improve as evidenced by higher usage of our services.

Despite some challenges of inadequate water infrastructure that requires heavy investment that we continue to experience in the year; our total revenue increased from Kshs. 15,459,135 to Kshs 24,153,423 while our customer base continues to increase.

The company in the course of this financial year obtained noticeable milestones in the formulation of the ICT, Human Resource, Procurement and Finance Policies all of which will enable management have a better grip operation. On the same breath the company launched the MARWASCO 2025-2030 Strategic Plan.

Individual and institutional connections remain the key driver, having generated slightly above half of our total miscellaneous revenue. The growth was driven primarily by our number of customers who accessed water services through water bowsers and community kiosks.

Our staffs are the greatest resource and we have an exciting mix of skills in various disciplines blended with wealth of experiences. The average age of our employees is approximately thirty-five years. They are enthusiastic to make certain that we are always in the front. These employees are always ready to roll up their sleeves whenever required to perform specific tasks to ensure that customers' needs are met and our goals achieved.

Strategic priorities

Our goal is to continue transforming the lives of our fellow Kenyans and delighting our customers with great value and services. SMS billing still ongoing on well. That is a mile stone project given the value

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

it has added to the company after it was fully automated. Further the company's migration to cash being paid directly to the bank is remarkable. During the year, we intend to commence the process of MPESA payment integration with the bank to ease reconciliation of our accounts. This will give our customers the opportunity to choose their preferred mode of payment. Our priority this year is growing the number of active connections and making E- payment the preferred mode of payment. This will make a significant contribution to the lives of our customers and accelerate Kenya towards a cash-lite economy.

The customers will get value for their money, since the company during the financial year managed to renew applicable Tariffs Adjustment and the same was gazette.

MARWASCO has continued to be the front runner and this can only be due to the commitment and diligence by the board, management and staff who have worked tirelessly to satisfy our clients, and all stakeholders. I register my appreciation for the support which has made this financial year once again a momentous year for all of us.

Finally, I take this opportunity to MARWASCO stakeholders who through the Board of Directors have offered valuable oversight and support and whose commitment will drive the company to greater height.



Managing Director
Stephen Sora Katelo



**Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025**

7. Statement of Performance Against Predetermined Objectives for FY 2024/2025

Marsabit Water and Sewerage Company Limited (MARWASCO) has five strategic objectives within its strategic plan.

These strategic objectives are;

- Increase access to clean and safe drinking water and sanitation services
- Grow financial and commercial position and viability
- Provide timely, quality and reliable services.
- Strengthen organizational structures and operational processes.
- Strengthen people and communication systems

MARWASCO develops its annual work plan based on the above five strategic objectives.

Assessment of the Board's performance against its annual work plan is done on quarterly basis.

MARWASCO achieved its performance targets set for the FY 2024-2025 period for its five strategic objectives, as indicated in the diagram below;

Strategic Pillar	Objective	Key performance indicator(s)	Activities	Achievements
Meet Sustainable Development Goal 6- Ensure Availability and Sustainable Management of Wate and sanitation for all.	Increase access to clean and safe drinking water and sanitation services	-Increase in water connections -Increase in sewer connections -Increase in coverage	-Extension of water services -Extension of sewer services	-Extended water services by 22km.
Enhance Financial performance and Institutional sustainability	Grow financial and commercial position and viability	-Increase in o & m cost coverage	-Increase in production to increase sales -Checking on operating expenses	-increase in production by 800m ³ -Reduction in the operating expenses
Customer and Stakeholder relationship management	Provide timely, quality and reliable services.	Enhanced services hours	Injecting more water into the system	Increased service hours from 20hrs/day to 22hrs/day

Marsabit Water And Sewerage Company Limited
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Human capital development	Strengthen organizational structures and operational processes.	-Improved company performance -Improved services quality	-Undertake change management training for all staffs and BOD -Develop workplace policies that are flexible and friendly to the staff -Institute the culture of continuous improvement in all departments and promote health competition	-BOD were trained -Staffs were trained on performance management -Human resource, data management and performance management policies under review and development
Performance improvement, monitoring and evaluation	Strengthen people and communication systems	-Good staff performance -Motivated staff -Low staff turn over	-Develop robust performance management systems that reward and celebrate good performance -Conduct periodic staff satisfaction survey and undertake remedial measure as informed by the survey -Develop framework for staff development and retention.	-Performance management policy under development -

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

8. Corporate Governance Statement

Marsabit Water and Sewerage Company is committed to the standard of world class corporate governance practice as set by Regulatory Authority and in accordance with international best practice.

The Board of Directors is responsible for the long-term strategic direction that will ensure the profitable growth of the company whilst being accountable to the stakeholders for legal compliance and maintenance of the highest corporate governance standards and business ethics. The Board formulates policies and strategies that enhance transparency and accountability and seek to conform to set guidelines on Corporate Governance practices provided by the Regulator. The company operates under a wide regulatory and legal control and supervisory framework.

The Board of Directors, duly cognizant of its role in safeguarding stakeholders' interests and ensuring a clean, safe and affordable drinking water for Marsabit residents and its environment, reaffirms its commitment to upholding policies and strategies that enhance transparency and accountability as part of the company's continuing and operations.

Board appointments shall be transparent and competitive so as to ensure the public served has an opportunity to participate in decision-making in-service delivery that affects them. Vacant positions shall be advertised in the media and on the website of the WSP and the criteria set out by WASREB nationally shall be used. An ad hoc nominating committee of the board of directors comprising county and select committee from two or three primary/key stakeholders shall assess applications and ensure that not only is the Leadership and Integrity criteria met but shall perform a background check to ensure the candidates add value to the company. The select committee shall receive the applications, vet them to ensure that they comply to the Fit and Proper Test plus the eligibility criteria and where necessary conduct interviews. The Report of the selection committee shall be submitted to the shareholder who is required as shareholder and function owner to ensure that only persons who add value to the company are appointed. A letter of appointment issued by the county secretary that adheres to the articles of association of the WSP shall be given after ratification of names of the accepted directors at annual general meeting by the shareholder. The letter must contain a termination clause on poor performance and misconduct and ensure that it captures that unless the board is retired due to poor performance a third of the members shall retire every year from the third year. Board members shall serve a maximum of six (6) years based on the approval of the shareholder and on performance issues

Before a board member begins to serve, he/she must be inducted in governance training customized

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

for the water services sector and sign a code of ethics based on the Leadership and Integrity Act 2012 and the Public Officer Ethics Act 2003. The list of ratified board members and the stakeholder group they represent shall be maintained on the website of the WSP and shall be communicated to water Services Regulatory Board (WASREB). It is important that board service is not disrupted by the election cycle and independent oversight must not be compromised by the election cycle.

Board succession and period in office; the shareholder must avoid a situation where all Board members retire at the same time in order to ensure institutional memory. In order to avoid this situation, one third of the Board members other than those from the County Governments, shall retire from office by rotation every year starting from the third year after appointment. The retiring members shall be determined on the basis of those who have served longest and, if they have served for the same period of time, then the retirement will be determined by lot. The retiring members shall be required to reapply for their positions if they are eligible for reappointment. The county water department as function owner is advised to use annual performance evaluation of the board of directors and WSP to assess suitability of reapplying members and the need to make changes to improve performance.

The remuneration of the Directors shall be within the national benchmarks set in the water services sector in reference to ability to pay and shall be by way of sitting allowances only. Any director who, being so requested by the Board of Directors, performs special or extraordinary services on behalf of the company, or who travels outside Kenya for the purpose of discharging his duties may be paid such extra remuneration as the Board of Directors may determine, provided that the rates of such extra remuneration shall be those approved in the sector by the regulator

The roles and functions of the Board of directors include;

- (i) Appointing a Managing Director and senior management team competitively.
- (ii) Borrowing or raising money for the company operations within guidelines issued in the sector.
- (iii) Appointing any company or firm to be Advocate or Advocates of the Company to carry out any legal undertakings of the Company as it may be deemed fit.
- (iv) Implementing of the company's Memorandum and Articles of Association provide guidelines and control the functions of the Company.
- (v) Causing minutes to be made in books.

The Board has an approved charter to guide its operations and functions.

During this year under review the board six committee meetings, two project visits and two full board meetings. All the meetings were well attended.

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

9. Management Discussion and Analysis

Company's operational and financial performance

Water production slightly reduced due to prolonged draught occasioned with periodical heavy rains leading to high turbidity, siltation and frequent pump breakdowns hence low production.

Comprehensive desilting of the intake works at our water sources were carried out aimed at production expansion and normalization. Overall Chemical usage increased slightly due to the poor quality of water however; the quality of treated water was still maintained.

Despite the usual challenges experienced in the year, our total revenue increased from Kshs. 15,459,135 to Kshs 24,153,423 while our customer base continues to increase.

Power supply failure, Pipe Burst & vandalism were attended as reported.

The company is in the process of designing and installation of the new pipeline that can carry high volume of water.

Challenges

- (i) water production failing to meet the demand.
- (ii) Flooding of river intake that submerged our pumps leading to damaged motors.
- (iii) Encroachment by private developer in our water wayleaves.
- (iv) High turbidity during rainy season.
- (v) Vandalism of water and sewerage infrastructure
- (vi) Frequent damages of sewer and water Infrastructure by road, fiber cable and KPLC contractors.
- (vii) Frequent power outages.
- (viii) Siltation of our intakes leading to wearing pump parts and as a result low water production.
- (ix) Old dilapidated pipeline networks, prone to damages.

Opportunities

- (i) Good geographical location.
- (ii) Good public goodwill.
- (iii) High demand for water and sanitation services.
- (iv) High population growth rate within our catchment
- (v) Good regulatory environment
- (vi) Improve in response time to leaks and blockages due to mobilization of the O&M teams

The management is pleased to report that the company's operational efficiency has improved significantly during the period under review.

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

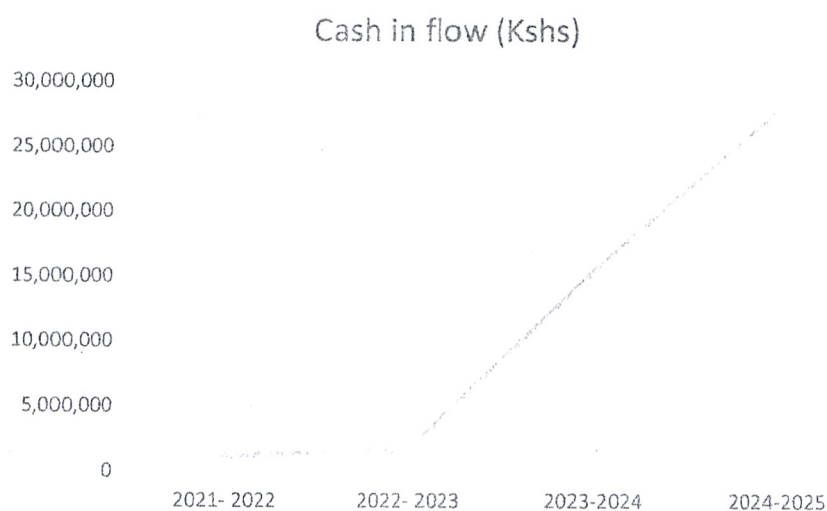
There were over 300 additional clients that were connected for the services. The company has employed latest technologies like extending services using HDPE pipes which are better than UPVC pipes.

The company met its financial obligations without defaulting. The budgetary expectations were met. There was no staff turnover during the year. The company took section heads for refresher training during the period under review. This has really improved staff morale and performance levels.

The company fully complied with statutory requirements, both financial and legal. This excites as the company faces no risk of invalid business operations.

The year was generally a success despite fair challenges as institution.

Comparison of the company's operating revenue for the 4 years is as tabulated below;



Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

10. Environmental And Sustainability Reporting

Marsabit water & sewerage Company Ltd (MARWASCO) exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us deliver our strategy, putting the customer first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organization's policies and activities that promote sustainability.

i) Sustainability strategy and profile -

The company has made deliberate efforts to increase production, reduce non-revenue water, extend water services and employ latest technologies in service delivery to better its performance and sustain delivery of reliable services. Despite adverse climatic changes, MARWASCO has served its clients to satisfaction.

ii) Environmental performance

MARWASCO employs environmentally sustainable approaches in its service delivery. The company has responded to all bursts in the shortest time possible to check on the degradation of its business environment.

Environmental management and coordination act, 1999, world health organization standards and water services regulatory Board (WASREB) standards guide the company in its environmental performance.

iii) Employee welfare

Company employees are its greatest asset. MARWASCO has a good human resource management policy. The policy clearly guides the company on hiring, training, developing, disciplining and rewarding of staffs. It advocates for gender parity in engagement of employees. The policy has best flexibility where; all stakeholders have equal stake in its reviews and improvements.

iv) Market place practices-

a) Responsible competition practice.

MARWASCO handles its clients, suppliers with utmost care. It operates an anticorruption policy. The price of services is regulated to ensure affordability. The clients enjoy best of services and products of highest quality at the most affordable prices.

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

b) Responsible Supply chain and supplier relations

The company meets its obligations as they fall due without fail. The company suppliers enjoy prompt payments for goods delivered as enforced through the company's financial manual.

c) Responsible marketing and advertisement

As a monopoly within its jurisdiction, the company faces zero competition. Its marketing is run inform of public information to the clients on radio shows, public fora, client clinics and bulk SMSs.

d) Product stewardship

Kenya bureau of standards, WHO standards and the regulator's consumer engagement guidelines suffice in ensuring that the company gives the clients best of products.

v) Corporate Social Responsibility / Community Engagements

Marsabit Water and Sewerage Company is committed to the standard of world class Corporate Governance Practice as set by Regulatory Authority and in accordance with international best practice.

During the year under review, the company planted 1100 trees at Manyatta Jillo primary school distributed 500 fruit trees to five community groups. We are happy to report that the community groups are taking good care of those trees. We had successful engagement with our client at paradise inn resort to conduct customer satisfaction workshop on tariff setting with WASREB. In addition, The company has in place a program where water kiosks are managed by women, youth and people with disability where they enjoy a 30% cash back revenue.

The company during the financial year provided water to public schools and vulnerable community members upon request through the local administration.

**Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025**

11. Report Of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the company's affairs.

i) Principal activities

The principal activity of the Company is to provide water and sewerage services within Marsabit Town and its environs.

ii) Results

The results of the company for the year ended June 30, 2025 are set out on page 1- 5 which shows obvious continued growth in the company.

iii) Dividends

There is no dividend recommended for pay out. Under water act 2016, this is a non-profit, public service delivery company

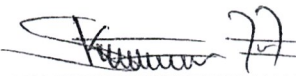
iv) Directors

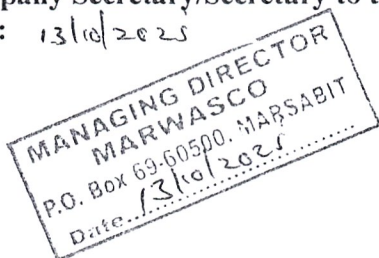
The members of the Board of Directors who served during the year are shown on page v, vi & vii

v) 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.

By Order of the Board


.....
Name Stephen Sava
Company Secretary/Secretary to the Board
Date: 13/10/2025



Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

12. Statement Of Directors' Responsibilities

Section 81 of the public finance management act, 2012 and section 164 of the water act 2016, require the directors to prepare financial statements in respect of Marsabit water and sewerage co. ltd, which give a true and fair view of the state of affairs of the company at the end of the financial year and the operating results of company for the period. The directors are also required to ensure that Marsabit water and sewerage co. ltd keeps proper accounting records which disclose with reasonable accuracy the financial position of the company. The directors are also responsible for safe guarding 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 30th June 2025. These responsibilities include:

- 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
- vi. The directors accept responsibility for the company's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in conformity with international financial reporting standards (IFRS), and in the manner required by the PFM act and the state corporations act.
- vii. The directors are of the opinion that the company's financial statements give a true and fair view of the company's transactions during the financial year ended 30th June 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.
- viii. 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.

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

Statement Of Directors' Responsibilities (Continued)

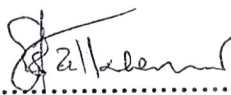
The Directors are of the opinion that the Company's financial statements give a true and fair view of the state of Company's transactions during the financial year ended June 30, 2025, and of the Company's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Company, which have been relied upon in the preparation of the company financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the entity's ability to continue as a going concern

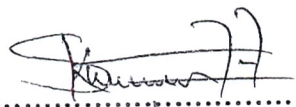
Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The company financial statements were approved by the Board on 15th August 2025 and signed on its behalf by:


.....

Name Joseph Guyo Halake
Chairperson of the Board


.....

Name Stephen Sare
Managing Director



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MARSABIT WATER AND SEWERAGE COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 2025

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 the 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; and,
- 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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 Marsabit Water and Sewerage Company Limited set out on pages 1 to 66, which comprise of the statement of financial

Report of the Auditor-General on Marsabit Water and Sewerage Company Limited for the year ended 30 June, 2025

position as at 30 June, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 Marsabit Water and Sewerage Company Limited as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) and comply with the Companies Act, 2015, the Water Act, 2016 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Undisclosed Property, Plant and Equipment

The statement of financial position and Note 20 to the financial statements reflect property, plant and equipment balance of Kshs.68,219,605. Included in the balance is a Nil balance in respect to land, buildings and plant and machinery. However, audit inspection revealed that the Company is in possession of parcels of land where the head office and water treatment plant are situated, office buildings, and plant and machinery assets, which were not recognized or recorded under the property, plant and equipment.

In the circumstances, the accuracy, completeness and disclosure of the property, plant and equipment balance of Kshs.68,219,605 could not be confirmed.

2. Undisclosed Inventory

The statement of financial position and Note 28 to the financial statements reflect a Nil inventory balance. Further, audit review established that no annual stock take was conducted during the year and Management failed to disclose the value of inventories held at the year-end, including water meters, chemical and laboratory items, uniforms, stationery and other general store items.

In the circumstances, the accuracy and completeness of the inventory Nil balance could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Marsabit Water and Sewerage 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

Going Concern of the Company

The statement of profit or loss and other comprehensive income and Note 11 to the financial statements reflect staff costs balance of Kshs.23,184,832. Included in the amount is Kshs.20,446,992 in respect of salaries for thirty-one (31) substantive staff paid by the County Government of Marsabit and not by the Company. The arrangement indicates that the Company is wholly reliant on the County Government to meet its payroll obligations, raising concerns about its going concern and ability to independently meet its current obligations as they fall due.

In the circumstances, the going concern of the Company is in doubt.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Matters

The following issues raised on Marsabit Water and Sewerage Company Limited in the previous audit report remain unresolved:

1. Lack of Approved Strategic Plan
2. Non – Revenue Water
3. Failure to Provide for Audit Fees
4. Lack of Risk Management Policy
5. Non-Retaining of Customer Deposits

Other Information

The Directors are responsible for the Other Information set out on page iv to xxiii, which comprises the Key Entity Information, The Board of Directors, Key Management Team, Chairman's Statement, Report of the Managing Director, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Company's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is

materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Non–Revenue Water

The statement of profit or loss and other comprehensive income and Note 6 to the financial statements reflects revenue balance of Kshs.24,153,423. Included in the balance is an amount of Kshs.15,953,422 in respect of water sales-billing. Records provided for audit review showed that the Company produced a total of 109,956 cubic meters (M³) of water, out of which only 65,972M³ were billed to the customers. The balance of 43,984M³, or approximately 40% of the water produced with sale price of Kshs.16,098,144 (at the average sale price for the year under review of Kshs.366 per cubic meter) represents the Non-Revenue Water (NRW). This was above the allowable loss of 25% as provided for by Schedule E of the Water Service Regulatory Board (WASREB) Guidelines and if not addressed, may negatively impact on the Company's profitability and its long-term sustainability.

In the circumstances, Management was in breach of the WASREB guidelines.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Non-Retaining of Customer Deposits

The statement of financial position and Note 44 to the financial statements reflect a Nil balance in respect of refundable deposits and prepayments. Records provided including the water meter inventory and the Company's customer base, show that the Company had a total of four hundred and sixty (460) connected meters to customers. However, the Company had not required its connected customers to pay any refundable deposit on the connected water meters. Such deposits would have provided a safeguard against damaged meters and unpaid water bills in the event of account closures.

In the circumstances, the effectiveness of internal controls and risk management on revenue from closed water accounts and outstanding bills could not be confirmed.

2. Failure to Tag Assets

The statement of financial position and Note 20 to the financial statements reflect property, plant and equipment balance of Kshs.68,219,605. Included in the balance is an amount of Kshs.185,281 for office equipment, furniture and fittings and Kshs.71,050 for computers and related equipment. However, audit inspection carried out in the month of September, 2025 of sampled offices revealed that office desks, chairs and desktop computers were not tagged. This is contrary to Regulation 132(2) of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall ensure that processes and procedures both electronic and manual are in place for the effective, efficient, economical and transparent use of the County Government entity's assets.

In the circumstances, the existence and custody of the fixed assets could not be confirmed. The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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

Conclusion

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. The information given in the Directors' report on pages xxii is consistent with the financial statements; and
- iii. The auditable part of the Directors' remuneration report has been properly prepared in accordance with the Companies Act, 2015.

Basis for Conclusion

The Companies Act, 2015 requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Company's compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and the Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the Water 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 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 comply 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 Water 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 November, 2025

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

14. Statement Of Profit or Loss & Other Comprehensive Income for the Year Ended 30 June 2025.

	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue			
Operating Revenue	6	24,153,423	15,459,135
Transfers From County Government	7	12,000,000	19,000,000
Grants from WSTF	8	27,000,000	29,000,000
Finance income	9	-	-
Contributions in Kind from the County Government	10	20,585,832	-
Total Revenue		83,739,255	63,459,135
Expenses			
Staff Costs	11	23,184,832	2,096,100
General and Operations expenses	12(a)	10,843,117	18,310,555
Donor Project Operation Expenses	12(b)	28,050,001	15,022,325
Board Expenses	13	1,800,000	2,669,750
Maintenance Expenses	14	3,555,917	4,198,543
Depreciation and Amortization expenses	15	13,449,022	11,707,742
Provision for Audit Fees	16	208,576	208,576
Total Expenses		81,091,465	54,213,591
Profit/(Loss) Before Taxation		2,647,790	9,245,544
Income Tax Expense/(Credit)	17	-	-
Profit/(Loss) After Taxation			
Earnings Per Share – Basic and Diluted	18	-	-
Dividend per share	19	-	-
Other Comprehensive Income			
Profit/ (Loss) After Taxation			
Surplus or deficit on revaluation of PPE			
Re-measurement of net defined benefit liability			
Fair Value Gain/(Loss) On Investments in Equity Instruments Designated As At FVTOCI (Fair Value Through Other Comprehensive Income)			
Total Comprehensive Income for The Year		2,647,790	9,245,544

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

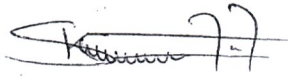
15. Statement Of Financial Position As at 30 June 2025

	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Non-current assets			
Property, plant and equipment	20	68,219,605	67,880,488
Intangible assets	21		
Investment property	22		
Right- of -use assets	23		
Biological assets	24		
Fixed interest investments	25		
Quoted investments	26		
Unquoted investments	27		
Total non-current assets		68,219,605	67,880,488
Current assets			
Inventories	28		
Trade and receivable	29	8,960,104	3,762,917
Tax recoverable	30	-	-
Short-term deposits	31	-	-
Prepayments	32	-	-
Bank and cash balances	33	13,876,093	14,104,858
Total non-current assets		22,836,197	17,867,775
Total Assets		91,055,802	85,748,263
Equity and liabilities			
Capital and Reserves			
Capital/Development Fund	34	81,721,734	81,721,734
Revaluation reserve	35	-	-
Fair value adjustment reserve	36	-	-
Retained earnings		6,465,742	3,817,952
Capital and Reserves		88,187,476	85,539,686
Non-current liabilities			
Deferred tax liability	38	-	-
Borrowings	39	-	-

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

	Note	2024-2025	2023-2024
		Kshs	Kshs
Lease liability	40	-	-
Provisions	41	-	-
Retirement benefits	42	-	-
Total non-current liabilities		-	-
Current liabilities			
Borrowings	39	-	-
Lease liability	40	-	-
Provisions	41	-	-
Retirement benefit obligations	42	-	-
Trade and other payables	43	2,868,326	208,576
Refundable deposits and Prepayments	44	-	-
Deferred income	45	-	-
Dividends payable	46	-	-
Taxation	47	-	-
Total current Liabilities		2,868,326	-
Total Equity and Liabilities		91,055,802	85,748,263

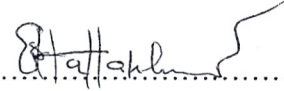
The financial statements were approved by the Board on 15 August 2025 and signed on its behalf by:



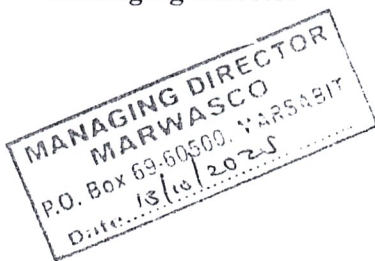
Name Stephen Sora
 Managing Director



Name Saleh Aden
 Head of Finance
 ICPAK M/No: 29230



Name J.G. Halake
 Chairman of the Board



Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

16. Statement Of Changes in Equity for the Year Ended 30 June 2025

	Notes	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/ Development Fund	Total
As at July 1, 2023					(5,427,592)		81,721,734	76,294,143
New capital issued		-	-	-	-	-	-	-
Revaluation gain		-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation		-	-	-		-	-	-
Deferred tax on excess depreciation		-	-	-	-	-	-	-
Fair value adjustment on quoted investments		-	-	-	-	-	-	-
Profit for the year		-	-	-	9,245,544	-	-	9,245,544
Capital/Development grants received during the year		-	-	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings		-	-	-		-	-	-
Dividends paid – prior year		-	-	-	-	-	-	-
Interim dividends paid – current year		-	-	-		-	-	-
Proposed final dividends		-	-	-		-	-	-
As at June 30, 2024		-	-	-	3,817,952		81,721,734	85,539,686
As at July 1, 2024		-	-	-	3,817,952		81,721,734	85,539,686
Issue of new share capital		-	-	-	-	-	-	-
Revaluation gain		-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation		-	-	-	-	-	-	-
Deferred tax on excess depreciation		-	-	-	-	-	-	-
Fair value adjustment on quoted investments		-	-	-	-	-	-	-

**Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025**

Profit for the year	-	-	-	2,647,790	-	-	2,647,790
Capital/Development grants received during the year	-	-	-	-	-	-	-
Transfer of depreciation/amortization from capital fund to retained earnings	-	-	-	-	-	-	-
Dividends paid – prior year	-	-	-	-	-	-	-
Interim dividends paid – current year	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
At June 30, 2025				6,465,742		81,721,734	88,187,476

Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

17. Statement Of Cash Flows for The Year Ended 30 June 2025

	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash Flows from Operating Activities			
Receipts			
Operating Receipts		18,956,234	11,696,218
Transfers from County Government		12,000,000	19,000,000
Grants from WSTF		27,000,000	29,000,000
Finance Income		-	-
Other Income		-	-
Customer Deposits		-	-
Total Receipts		57,956,234	59,696,218
Payments			
Staff Costs		2,599,000	2,096,100
General And Operation Expenses		10,843,117	18,310,555
Donor Project Operation Expenses		28,050,001	15,022,325
Board Expenses		1,800,000	2,669,750
Maintenance Expenses		3,555,917	4,198,543
Finance Costs		-	-
Refund Of Customer Deposits		-	-
Total Payments		46,848,035	42,297,273
Net Cash From/ (Used In) Operating Activities	48	11,108,199	17,398,945
Cash Flows from Investing Activities			
Purchase Of Property, Plant And Equipment (PPE)		(11,336,964)	-3,297,048
Proceeds From Disposal Of PPE		-	
Purchase Of Intangible Assets		-	
Purchase Of Investment Property		-	
Purchase Of Quoted Investments		-	
Proceeds From Disposal of Quoted Investments		-	
Net Cash From/ (Used In) Investing Activities		(11,336,964)	-3,297,048
Cash Flows from Financing Activities			
Proceeds From Issues of New Share Capital		-	
Proceeds From Borrowings		-	
Repayment Of Borrowings		-	
Dividends Paid		-	
Net Cash From/(Used In) Financing Activities		-	
Increase/(Decrease) In Cash and Cash Equivalents		(228,765)	14,101,897
Cash And Cash Equivalents At Beginning of Year	33	14,104,858	2,961
Effects Of Foreign Exchanges Rate Fluctuations			
Cash And Cash Equivalents At End of the Year	33	13,876,093	14,104,858

Marsabit Water And Sewerage Company Limited

Annual Report And Financial Statements For The Year Ended June 30, 2025

18. Statement Of Comparison of Budget & Actual Amounts for The Period Ended 30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=a+b	d	e= c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year*	13,977,675		13,977,675	13,977,675	-	100%
Receipts						
Operating Revenue	26,500,000		26,500,000	24,153,423	2,346,577	91%
Grants from County Government	13,000,000		13,000,000	12,000,000	1,000,000	92%
Grants	-	27,000,000	27,000,000	27,000,000	-	100%
Contributions in Kind from the County Government	20,585,832		20,585,832	20,585,832	-	100%
Total Receipts	74,063,507	27,000,000	101,063,507	97,716,930	3,346,577	97%
Payments						
Staff Costs	23,185,832	-	23,185,832	23,184,832	1,000	100%
Board Expenses	1,900,000	-	1,900,000	1,800,000	100,000	95%
General and operations Expenses	11,000,000	-	11,000,000	10,843,117	156,883	99%
Donor Project Operating Expenses	9,257,675	27,000,000	36,257,675	28,050,001	8,207,674	77%
Maintenance	3,600,000	-	3,600,000	3,555,917	44,083	99%
Depreciation and Amortization & Audit fee	13,700,000	-	13,700,000	13,657,598	42,402	100%
Total Recurrent Expenditure	62,643,507	27,000,000	89,643,507	81,091,465	8,552,042	90%
Capital Expenditure Payments	11,420,000	-	11,420,000	11,336,964	83,036	99%
Total Expenditure	74,063,507	27,000,000	101,063,507	92,428,429	8,635,078	89%
Surplus				5,288,501		

**Marsabit Water And Sewerage Company Limited
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Note: PFM Act section 164(2) ii and iv requires a County Government entity to present appropriation accounts showing the status of each vote compared with the appropriation for the vote and a statement explaining any variations between actual expenditure and the sums voted. IFRS does not require entities complying with IFRS standards to prepare budgetary information because most of the entities that apply IFRS are private entities that do not make their budgets publicly available.

However, for public sector entities, the PSASB (PUBLIC SECTOR ACCOUNTING STANDARDS BOARD) has considered the requirements of the PFM Act, 2012 which these statements comply with, the importance that the budgetary information would provide to the users of the statements and the fact that the public entities make their budgets publicly available and decided to include this statement under the IFRS compliant financial statements.

Budget notes: *Provide explanation of differences between actual and budgeted amounts (10% difference over/ under). Provide an explanation of changes between original and final budget, indicating whether the difference is due to reallocations or other causes.*

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	5,288,501
1	Unutilized funds in the project's accounts	8,587,592
	Closing Cash and Cash Equivalent as per the statement of Cash flows	13,876,093

Marsabit Water And Sewerage Company Limited
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19. Notes To the Financial Statements

1. General Information

Marsabit Water And Sewerage Company Ltd is established by and derives its authority and accountability from Water Act. The Company is wholly owned by the Marsabit County Government and is domiciled in Kenya. The Company's principal activity is - 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 and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025
Notes to the financial statements (continued)

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

i. New and amended standards and interpretations in issue and effective in the year ended 30 June 2025.

Title	Description	Effective Date
Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020, amended in October 2022)	The amendments, applicable to annual periods beginning on or after 1st January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendment to IFRS 16 titled Lease Liability in a Sale and Leaseback (issued in September 2022)	The amendment, applicable to annual periods beginning on or after 1st January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss.	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendments to the Classification and Measurement of Financial Instruments Amendments to IFRS 9 and IFRS 7	The amendments specify: <ul style="list-style-type: none"> i. when a financial liability settled using an electronic payment system can be deemed to be discharged before the settlement date. ii. how to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs; and iii. new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs. 	1 January 2026

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

Marsabit Water And Sewerage Company Limited
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ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

Title	Description	Effective Date
IFRS 18 Presentation and Disclosure in Financial statements	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	The new standard is effective for annual periods beginning on or after January 1, 2027. Earlier application is permitted.
IFRS 19 Subsidiaries without Public Accountability	IFRS 19 Subsidiaries without Public Accountability: Disclosures IFRS 19 Subsidiaries without Public Accountability: Disclosures was issued in May 2024. IFRS 19 permits some subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. These entities apply the requirements in other IFRS Accounting Standards except for their disclosure requirements. Instead, these entities apply the requirements in IFRS 19	An entity may elect to apply this Standard for reporting periods beginning on or after 1 January 2027. 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 entity) did not early – adopt any new or amended standards in year under review.

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

Notes to the financial statements (continued)

4. Summary of 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 the entity expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The entity recognizes revenue when it transfers control of a product or service to a customer.

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

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Notes to the financial statements (continued)

Summary of Accounting Policies

b) In-kind contributions

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

c) Property, plant and equipment

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

d) Depreciation and impairment of property, plant and equipment

Freehold land and capital work in progress are not depreciated. Capital work in progress relates mainly to the cost of ongoing but incomplete works on buildings and other civil works and installations. Depreciation on property, plant and equipment is recognized in the income statement on a straight-line/reducing balance basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use are:

Item	Years	Rates
Freehold Land		0 %
Leasehold Land		0 %
Buildings and civil works	40	2.5%
Infrastructure works	8	12.5%
Plant and machinery	8	12.5 %
Motor vehicles, including motorcycles	4	25 %
Computers and related equipment	3	30 %

Marsabit Water And Sewerage Company Limited
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Office equipment, furniture and fittings	8	12.5 %
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A full year's depreciation charge is recognized both in the year of asset purchase and none in the year of asset disposal. Items of property, plant and equipment are reviewed annually for impairment and accounted for in line with the provisions in the standard.

e) Intangible assets

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

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

f) Amortization and impairment of intangible assets

Amortization is calculated on the straight-line basis over the estimated useful life of the intangible asset. All intangible assets are reviewed annually for impairment. Where the carrying amount of an intangible asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognized and the asset is written down to its estimated recoverable amount.

g) Investment property

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

Marsabit Water And Sewerage Company Limited
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Summary of Accounting Policies

h) Right of Use Asset

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

i) Biological Assets

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

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j) Fixed interest investments (bonds)

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

k) Quoted investments

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

Marsabit Water And Sewerage Company Limited
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Summary of Accounting Policies

l) Unquoted investments

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

m) Inventories

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

n) Trade and other receivables

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

o) Taxation

i) Current income tax

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

Marsabit Water And Sewerage Company Limited
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p) 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 entity and the same taxation authority.

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q) Borrowing costs

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

r) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various Commercial Banks at the end of the reporting period.

Restricted cash

Restricted cash refers to cash and cash equivalent balances that have usage constraints. An entity shall disclose, together with a commentary by management, the amount of significant cash and cash equivalent balances held by the entity that are not available for use by the entity.

s) 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.

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

Trade and other payables

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

t) Retirement benefit obligations

The Company operates a defined contribution scheme for all full-time employees from July 1, 2013. 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 twice employee contribution per month.

u) Provision for staff leave pay

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

v) Exchange rate differences

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

w) Budget information

The original budget for FY 2024-2025 was approved by the Board of Directors. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Company recorded additional appropriations of budget following the governing body's approval. The Company's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

based on the nature of expenses in the statement of profit or loss, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Comprehensive income has been presented under section 14 of these financial statements.

x) Service concession arrangements

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

y) Comparative figures

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

z) Subsequent events

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, 2025.

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b) Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Company.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the assets.

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 41.

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.

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

Notes to the financial statements (continues)

6. Operating Revenue

	2024-2025	2023-2024
	Kshs	Kshs
Water sales-Billing	15,953,422	8,916,420
Sewerage Services- Exhauster	-	240,000
Water Bowser	8,200,000	6,302,715
Total	24,153,423	15,459,135

7. Transfers From County Government

	2024-2025	2023-2024
	Kshs	Kshs
Operational grants from County Government	12,000,000	19,000,000
Recurrent/operational grants from other agencies	-	-
Capital grants amortized	-	-
Donations from County Governments	-	-
In Kind contribution/donations from other agencies	-	-
Total	12,000,000	19,000,000

(Note: For capital/development grants the amount recognized in the statement of comprehensive income should be the depreciation/amortisation equivalents for assets that have been acquired using such capital/development grant as per IAS 20).

[Provide a detailed analysis of grants received from the Government in the table below:]

Name of the Entity sending the grant	Amount recognized in the Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognized in capital fund. KShs	Total grant income during the year KShs	2024-2025 KShs
Finance and Economic planning	12,000,000	-	-	-	12,000,000
Ministry	-	-	-	-	-
Total	12,000,000	-	-	-	12,000,000

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Notes to the financial statements (continued)

8. Grants From WSTF

	<i>2024-2025</i>	<i>2023-2024</i>
	Kshs	Kshs
Grant from Water Sector Trust Fund	27,000,000	29,000,000
Fine and penalties	-	-
Rental income	-	-
Insurance compensation	-	-
Miscellaneous income (specify)	-	-
Total	27,000,000	29,000,000

9. Finance Income

	<i>2024-2025</i>	<i>2023-2024</i>
Description	Kshs	Kshs
Interest income from treasury bonds	-	-
Interest income from treasury bills	-	-
Interest from receivables	-	-
Interest from commercial banks and financial institutions	-	-
Interest on staff loans	-	-
Dividends	-	-
Total	-	-

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

10. Contributions in Kind from the County Government

	<i>2024-2025</i>	<i>2023-2024</i>
Description	Kshs	Kshs
Salaries for MARWASCO staff paid for by the County Government of Marsabit	20,585,832	-
	-	-
	-	-
	-	-
	-	-
Total	20,585,832	-

11. Staff Costs

Description	<i>2024-2025</i>	<i>2023-2024</i>
	Kshs	Kshs
Salaries for MARWASCO staff paid for by the County Government of Marsabit	20,585,832	-
Casual workers' Wages	2,599,000	2,096,100
Medical insurance schemes	-	-
Employer's contributions to social security schemes	-	-
Employer's contributions to pension scheme	-	-
Provisions for Leave pay	-	-
Gratuity provisions	-	-
Fringe Benefit tax	-	-
Staff welfare	-	-
Other allowances	-	-
Total	23,184,832	2,096,100
The Average number of employees during the year	46	-

Marsabit Water And Sewerage Company Limited
Annual Report And Financial Statements For The Year Ended June 30, 2025

12. (a) General and Operations Expenses

	<i>2024-2025</i>	<i>2023-2024</i>
Description	Kshs	Kshs
Chemicals	875,462	4,066,083
Electricity	-	-
Fuel, oil, lubricants, and gases	1,169,180	4,206,274
Bulk water Costs	-	-
Office supplies	595,900	2,144,632
Uniform and protective clothing	-	-
Telecommunication	-	100,000
Printing and production	90,025	-
Water and sewerage	-	-
Insurance	-	-
Rent and Rates	-	-
Hire of Equipment and vehicles	224,000	1,192,000
Claims and compensation	401,326	275,686
Domestic Traveling and subsistence	3,441,500	3,070,700
Foreign travel and accommodation	0	-
Staff training and development	550,180	856,100
Bank Charges	57,814	75,640
Security services	810,000	1,118,600
Agency commissions	-	-
Publicity and advertising	102,000	-
Audit fees	-	-
Legal fees	-	-
Consultancy fees	-	-
Licensing and levies	110,000	103,440
Sports and recreation	-	-
Stakeholders' expenses	-	-
Donations/CSR	-	-
Hospitality expenses	2,395,730	647,800
Research and Development	-	453,600
Conservation expenses	-	-
Provision for doubtful debts	-	-
Tax Return	20,000	-
Total	10,843,117	18,310,555

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Notes to the financial statements (continued)

12.(b) Donors Project Operations Expenses

Description	2024-2025	2023-2024
	KShs	KShs
Travel and Travel Cost	4,094,420	6,280,600
Fuel, Oil, Lubricants and gases	1,500,000	2,144,000
Conference Services	8,175,078	6,172,270
Utilities/stationary	1,139,000	260,050
Communication Costs	324,000	162,000
Water Quality Test	1,800,000	-
Office Petitioning	2,775,000	-
Service for vehicles and Equipment's	999,504	-
Advertisement Cost	300,000	-
Test Pumping	6,934,658	-
Bank Charges	8,341	3,405
Total	28,050,001	15,022,325

13. Board Expenses

Description	2024-2025	2023-2024
	KShs	KShs
Chairman Honoraria	310,000	480,000
Sitting allowances	777,000	1,568,000
Medical Insurance	0	
Induction and Training	0	
Travel and accommodation	713,000	621,750
Other allowances	0	
Total Board Expenses	1,800,000	2,669,750

14. Maintenance Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Plant and Equipment	-	-
Buildings	177,178	
Infrastructural networks	2,736,500	3,950,806
Grounds	-	-
Motor vehicles	489,700	90,948
Software/Subscription	152,539	156,789
ICT (Information Communication Technology)	-	-

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Furniture	-	-
Water Meter maintenance costs	-	-
Maintenance of access roads	-	-
Total Maintenance Expenses	3,555,917	4,198,543

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15. Depreciation and Amortization Expenses

Description	2024-2025	2023-2024
	KShs	KShs
Property, plant, and equipment	13,449,022	11,707,742
Right of Use Assets	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total Depreciation and Amortization	13,449,022	11,707,742

16. Provision For Audit Fees

	2024-2025	2023-2024
Description	Kshs	Kshs
Provision for Audit Fees	208,576	208,576
Others (specify)		
Total	208,576	208,576

17. Income Tax Expense/(Credit)

Current taxation

	2024-2025	2023-2024
	Kshs	Kshs
Current taxation based on the adjusted profit for the year at 30%	-	-
Current tax: prior year under/(over) provision	-	-
Current year deferred tax charge	-	-
Prior year under-provision for deferred tax	-	-
Total	-	-

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Reconciliation of tax expense/ (credit) to the expected tax based on accounting profit

	<i>2024-2025</i>	<i>2023-2024</i>
	Kshs	Kshs
Profit before taxation	-	-
Tax at the applicable tax rate of 30%	-	-
Current tax	-	-
Prior year under-provision	-	-
Tax effects of expenses not deductible for tax purposes	-	-
Tax effects of income not taxable	-	-
Tax effects of excess capital allowances over depreciation/amortization	-	-
Deferred tax prior year over-provision	-	-
Total	-	-

(Provide short appropriate explanations as necessary)

18. Earnings Per Share

The earnings per share is calculated by dividing the profit after tax of by the average number of ordinary shares in issue during the year. There were not dilutive or potentially dilutive ordinary share as at the reporting date.

19. Dividend Per Share

Proposed dividends are accounted for as a separate component of equity until they have been ratified and declared at the relevant Annual General Meeting (AGM). At the AGM to be held before the end of 2025, a final dividend in respect of the year ended June 30, 2025 for every ordinary share of par value of is to be proposed. An interim dividend of for every ordinary share of par value of was declared and paid during the year. This will bring the total dividend for the year.

20. Property, Plant and Equipment

Description	Freehold land	Buildings & civil works	Water & Sewer Infrastructure	Plant and machinery	Motor vehicles, including, motorcycles	Computers & related equipment	Office equipment, furniture & fittings	Capital work in progress	Total
Depreciation rate	0%	2.50%	12.50%	12.50%	25%	30%	12.50%	0%	
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July 2023			62,217,478		14,073,704				76,291,182
Additions	-	-	3,297,048	-	-	-	-	-	3,297,048
Disposals	-	-	-	-	-	-	-	-	0
Transfers/Adjustments	-	-	-	-	-	-	-	-	0
Revaluation Adjustments	-	-	-	-	-	-	-	-	0
As at 30th June 2024	-	-	65,514,526	-	14,073,704	-	-	-	79,588,230
Additions	-	-	13,474,888	-	-	101,500	211,750	-	13,788,138
Disposals	-	-	-	-	-	-	-	-	0
Transfer/Adjustments	-	-	-	-	-	-	-	-	0
Revaluation Adjustments	-	-	-	-	-	-	-	-	0
As at 30th June 2025			78,989,414	0	14,073,704	101,500	211,750	-	93,376,368
Depreciation And Impairment									0
At 1 July 2023		-	-	-	-	-	-	-	0
Depreciation	-	-	8,189,316	-	3,518,426	-	-	-	11,707,742
Impairment		-	-	-	-	-	-	-	0
Transfers/ Adjustments		-	-	-	-	-	-	-	0
As At 30th 2024	-	-	8,189,316	-	3,518,426	-	-	-	11,707,742
Depreciation			9,873,677		3,518,426	30,450	26,469	-	13,449,022
Disposals	-	-	-	-	-	-	-	-	0
Impairment	-	-	-	-	-	-	-	-	0

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Transfer/Adjustment	-	-	-	-	-	-	-	-	0
As at 30 th June 2025			18,062,993		7,036,852	30,450	26,469		25,156,764
Net Book Values									0
As at 30 th June 2024	-	-	57,325,210	-	10,555,278	-	-	-	67,880,488
As at 30 th June 2025			60,926,421		7,036,852	71,050	185,281		68,219,605

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Valuation

Land and buildings were valued by an independent valuer on the basis of valuation. These amounts were adopted on 1st July 2020.

20 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Water & Sewer Infrastructure	78,989,414	18,062,993	60,926,421
Motor vehicles, including, motorcycles	14,073,704	7,036,852	7,036,852
Computers & related equipment	101,500	30,450	71,050
Office equipment, furniture & fittings	211,750	26,469	185,281
Total	93,376,368	25,156,764	68,219,605
Office equipment, furniture, and fittings	-	-	-
	-	-	-

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

	Cost or valuation	Normal annual depreciation charge
Plant and machinery	-	-
Motor vehicles, including motorcycles	-	-
Computers and related equipment	-	-
Office equipment, furniture and fittings	-	-
Total	-	-

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21. Intangible Assets

	<i>2024-2025</i>	<i>2023-2024</i>
	Kshs	Kshs
Cost		
At July 1	-	-
Additions	-	-
Disposals	-	-
At June 30	-	-
	-	-
Amortization		
At July 1	-	-
Charge for the year	-	-
Disposals	-	-
Impairment loss	-	-
At June 30	-	-
Net book value		
At June 30	-	-

[Provide short appropriate explanations as necessary in relation to what constitutes the intangible assets]

22. Investment Property

	<i>2024-2025</i>	<i>2023-2024</i>
	Kshs	Kshs
Opening valuation	-	-
Movements during the year		
Additions	-	-
Disposals	-	-
Fair value gains/(losses)	-	-
Closing valuation	-	-
	-	-
Depreciation (if at cost)		
At July 1 2024	-	-
Charge for the year	-	-
Disposals	-	-
Impairment loss	-	-
At June 30 2025	-	-
Net book value		
At June 30 2025	-	-

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23. Right-of-use assets

	<i>Buildings</i>	<i>Plant</i>	<i>Equipment</i>	<i>Total</i>
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2023	-	-	-	-
Additions	-	-	-	-
As at 30 June 2024	-	-	-	-
Additions	-	-	-	-
As at 30 June 2025	-	-	-	-
Accumulated Depreciation				
As at 1 July 2023	-	-	-	-
Charge for the year	-	-	-	-
As at 30 June 2024	-	-	-	-
Charge for the year	-	-	-	-
As at 30 June 2025	-	-	-	-
Carrying Amount				
As at 30 June 2024	-	-	-	-
As at 30 June 2025	-	-	-	-

24. Biological Assets

	<i>2024-2025</i>	<i>2023-2024</i>
	Kshs	Kshs
Trees in a plantation forest	-	0
Animals: Dairy Cattle, Pigs, Sheep	-	0
Others specify	-	0
Total	-	0

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25. Fixed Interest Investments (Bonds)

	<i>2024-2025</i>	<i>2023-2024</i>
	Kshs	Kshs
Central Bank of Kenya 12.5% 15-Year Bond	-	-
AB Corporate Bond (give details)	-	-
CD Corporate Bond (give details)	-	-
Total	-	-

[The movement in investment during the year is as follows:]

Details	<i>2024-2025</i>	<i>2023-2024</i>
	Kshs	Kshs
Balance at 1 July	-	-
Additions during the year	-	-
Interest accrued during the year	-	-
Investment maturities during the year	-	-
Fair value gain/(loss) – if measured at FVOCI/FVTPL	-	-
Balance at 30 June	-	-

26. Quoted Investments

	<i>2024-2025</i>	<i>2023-2024</i>
	Kshs	Kshs
Opening valuation	-	-
	-	-
Movements during the year	-	-
Additions	-	-
Disposals	-	-
Fair value gains/(losses)	-	-
Closing valuation	-	-

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Name of entity where investment is held	No of shares			Nominal value of shares/purchase price	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	No	No	No	Shs	Current year Shs	Prior year Shs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

27. Unquoted Investments

	2024-2025	2023-2024
	Kshs	Kshs
Cost		
At July 1 2024	-	-
Additions	-	-
Fair value gains/(losses)	-	-
Disposals	-	-
At June 30 2025	-	-
Impairment		
At July 1 2024	-	-
Disposals	-	-
Impairment loss in the year	-	-
At June 30 2025	-	-
Net book value	-	-

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Name of entity where investment is held	No of shares			Nominal value of shares/ purchase price	Value of shares less impairment	Value of shares less impairment
	Direct shareholding	Indirect shareholding	Effective shareholding			
	No	No	No	Shs	Current year Shs	Prior year Shs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
Entity D	-	-	-	-	-	-
	-	-	-	-	-	-

28. Inventories

	2024-2025	2023-2024
	Kshs	Kshs
General stores	-	-
Chemicals & Laboratory items	-	-
Water fittings and Accessories	-	-
Water meters	-	-
Uniform and protective clothing	-	-
Fuel, oil and lubricants	-	-
Motor vehicle spare parts	-	-
Goods in transit	-	-
Stationery and general stores	-	-
Finished goods	-	-
Others specify	-	-
Work in progress	-	-
Less: Impairment of stocks	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

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28. a) Inventory movement details

Description	2024-2025	2023-2024
	KShs	KShs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
Others specify	-	-
At the end of the year	-	-

29. Trade and Other Receivables

	2024-2025	2023-2024
	KShs	KShs
Trade receivables (note (29a))	8,960,104	3,762,917
Deposits and prepayments	-	-
VAT (Value Added Tax) recoverable	-	-
Staff receivables (note 29 (c))	-	-
Other receivables	-	-
Gross trade and other receivables	-	-
Provision for bad and doubtful receivable	(-)	(-)
Net trade and other receivables	8,960,104	3,762,917
Analysed as:		
Short- Term Trade and Other Receivables	-	-
Long- Term Trade and Other Receivables	-	-

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29. (a) Trade Receivables

	<i>2024-2025</i>	<i>2023-2024</i>
	Kshs	Kshs
Gross trade receivables	8,960,104	3,762,917
Provision for doubtful receivables	(-)	(-)
Net trade receivables	8,960,104	3,762,917
As at June 30, the ageing analysis of the gross trade receivables was as follows:		
Less than 30 days	2,193,184	1,103,150
Between 30 and 60 days	2,970,116	461,344
Between 61 and 90 days	1,129,866	547,609
Between 91 and 120 days	360,381	377,015
Over 120 days	2,306,558	1,273,799
Total	8,960,104	3,762,917

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

Description	<i>2024-2025</i>	<i>2023-2024</i>
	KShs	KShs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	(-)	(-)
Written off during the year	(-)	(-)
At the end of the year	-	-

29. (c) Staff Receivables

	<i>2024-2025</i>	<i>2023-2024</i>
	Kshs	Kshs
Gross staff loans and advances	-	-
Provision for impairment loss	-	-
Net staff loans	-	-
Less: Amounts due within one year	-	-
Amounts due after one year	-	-

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

Description	2024-2025	2023-2024
	KShs	KShs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

30. Tax Recoverable

	2024-2025	2023-2024
	Kshs	Kshs
At beginning of the year	-	-
Income tax charge for the year (note 17)	-	-
Under/(over) provision in prior year/s (note 17)	-	-
Income tax paid during the year	-	-
At end of the year	-	-

[Provide short appropriate explanations as necessary]

31. Short Term Deposits

	2024-2025	2023-2024
	Kshs	Kshs
Commercial banks		
Cooperative Bank of Kenya	-	-
Kenya Commercial Bank	-	-
Barclays Bank of Kenya	-	-
Others (specify)	-	-
	-	-

32. Prepayments

Description	2024-2025	2023-2024
	Kshs	Kshs
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others specify	-	-
Total	-	-

33. Bank and Cash Balances

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	<i>2024-2025</i>	<i>2023-2024</i>
	Kshs	Kshs
Cash at bank	13,876,093	14,104,858
Cash in hand	-	-
Mobile money account	-	-
	13,876,093	14,104,858

Detailed analysis of the cash and cash equivalents

		<i>2024-2025</i>	<i>2023-2024</i>
Financial institution	Account number	KShs	KShs
a) Current account			
KCB Current Account	1221258257	636,368	18,081.39
Equity Current Account	1010284374874	310,053	109,101.50
Equity HOAGW4RP	1010284579743	12,929,672	13,977,675
Grand total		13,876,093	14,104,857.89

34. Capital/Development Fund

	<i>2024-2025</i>	<i>2023-2024</i>
	Kshs	Kshs
Capital Fund	81,721,734	81,721,734
	-	-
	81,721,734	81,721,734

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35. Revaluation Reserve

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

36. Fair Value Adjustment Reserve

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

37. Retained Earnings

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

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38. Deferred Tax Liability

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

	<i>2024-2025</i>	<i>2023-2024</i>
	Kshs	Kshs
Accelerated capital allowances	-	-
Unrealized exchange gains/(losses)	-	-
Revaluation surplus	-	-
Tax losses carried forward	-	-
Provisions for liabilities and charges	-	-
Net deferred tax liability	-	-

The movement on the deferred tax account is as follows:

	<i>2024-2025</i>	<i>2023-2024</i>
	Kshs	Kshs
Balance at beginning of the year	-	-
Credit to revaluation reserve	-	-
Under provision in prior year	-	-
Income statement charge/(credit)	-	-
Balance at end of the year	-	-

39. Borrowings

Description	<i>2024-2025</i>	<i>2023-2024</i>
	KShs	KShs
a) External Borrowings		
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-
	-	-
b) Domestic Borrowings		
Balance at beginning of the year	-	-
Domestic borrowings during the year	-	-
Repayments during the year	-	-
Balance at end of the year	-	-
C) Total Balance at end of the period c = a+b	-	-

The analyses of both external and domestic borrowings are as follows:

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	<i>2024-2025</i>	<i>2023-2024</i>
	KShs	KShs
External Borrowings		
Dollar denominated loan from Organization'	-	-
Sterling Pound denominated loan from organization'	-	-
Euro denominated loan from organization'	-	-
Domestic Borrowings	-	-
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
Total balance at end of the year	-	-

Description	<i>2024-2025</i>	<i>2023-2024</i>
	KShs	KShs
Short term borrowings (current portion)	-	-
Long term borrowings	-	-
Total	-	-

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40. Lease Liability

Description	2024-2025	2023-2024
	KShs	KShs
At the start of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

	2024-2025	2023-2024
Maturity analysis	Kshs	Kshs
Year 1	-	-
Year 2	-	-
Year 3	-	-
Year 4	-	-
Year 5	-	-
On wards	-	-
	-	-
Less: unearned interest	-	-
	-	-
Analyzed as:		
Non-Current	-	-
Current	-	-

41. Provisions

Description	Provision for Audit fees	Bonus Provision	Gratuity provisions	Other Provisions	Total
	KShs		KShs	KShs	KShs
Balance at the beginning of the year	-	-	-	-	-
Additional Provisions	-	-	-	-	-
Provision utilized	-	-	-	-	-
Change due to discount and time value for money	-	-	-	-	-
Balance at the end of the year	-	-	-	-	-

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Provisions details

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Portion of Provisions	-	-
Long-term portion of Provisions	-	-
Total	-	-

42. Retirement Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2024-2025	2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current benefit obligation	-	-	-	-	-
Non-current benefit obligation	-	-	-	-	-
Total	-	-	-	-	-

Retirement benefit Asset/ Liability

The entity operates a defined benefit scheme for all full-time employees from the scheme is administered by are the custodians of the scheme. The scheme is based on percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at actuarial valuers. On this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

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Notes to the financial statements (continued)

	2024-2025	2023-2024
	Kshs	Kshs
Discount rates	-%	-%
Future salary increases	-%	-%
Future pension increases	-%	-%
Mortality (Pre- retirement)	-%	-%
Mortality (post-retirement)	-%	-%
Withdrawals	-	-
Ill health	-	-
Retirement	-years	-years

Recognition of Retirement Benefit Asset/ Liability

a) Amounts recognised under other gains/ Losses in the statement of Comprehensive Income

	2024-2025	2023-2024
Description	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial gains/ losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (Specify)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

b) Amounts recognised in the Statement of Financial Position

	2024-2025	2023-2024
Description	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded Status(=a-b)	-	-
Restrictions on asset recognized	-	-
Others	-	-
Net Asset or liability arising from defined benefit obligation	-	-

Marsabit Water And Sewerage Company Limited
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Notes to the financial statements (continued)

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at per employee per month. Other than NSSF the entity also has a defined contribution scheme operated by Pension Fund. Employees contribute while employers contribute of basic salary. Employer contributions are recognized as expenses in the statement of financial performance within the period they are incurred

43. Trade and Other Payables

	2024-2025	2023-2024
	Kshs	Kshs
Audit fee payable	417,152	208,576
Accrued expenses	-	-
Employee payables	-	-
Other payables	2,451,174	-
Total	2,868,326	208,576

Aging Analysis for Trade and other Payables

	2024-2025	% of the total	2023-2024	% of the total
Under one year	2,659,750	93%	208,576	100%
1-2 years	208,576	7%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	2,868,326		208,576	

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44. Refundable Deposits and Prepayments

	<i>2024-2025</i>	<i>2023-2024</i>
	<i>Kshs</i>	<i>Kshs</i>
Customer deposits	-	-
Prepayments by customers	-	-
Retention/Contract deposits	-	-
Others (Specify)	-	-
Total	-	-

Aging Analysis for Refundable Deposits and Prepayments

	2024-2025 Current FY		% of the total	2023-2024 Comparative FY	% of the total
Under one year	-		%	-	%
1-2 years	-		%	-	%
2-3 years	-		%	-	%
Over 3 years	-		%	-	%
Total	-			-	

45. Deferred Income

Description	<i>2024-2025</i>	<i>2023-2024</i>
	KShs	KShs
National/County government	-	-
International funders	-	-
Public contributions and donations	-	-
Total deferred income	-	-

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The deferred income movement is as follows:

	County government	International funders	Public contributions and donations	Total
Balance brought forward	-	-	-	-
Additions	-	-	-	-
Transfers to Capital fund	(-)	(-)	(-)	(-)
Transfers to income statement	(-)	(-)	(-)	(-)
Other transfers	(-)	(-)	(-)	(-)
Balance carried forward	-	-	-	-

46. Dividends Payable

The balance of dividends payable relates to unclaimed dividends, payable to different shareholders. The balances are analyzed in annual amount below.

	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year	-	-
Additional declared during the year	-	-
Paid during the year	-	-
Balance at end of the year	-	-

Dividend Payable analysis

	2024-2025	% of the total	2023-2024	% of the total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

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47. Taxation

	2024-2025	2023-2024
	Kshs	Kshs
At beginning of the year	-	-
Income tax charge for the year -	-	-
Under/(over) provision in prior year/s	-	-
Income tax paid during the year	(-)	(-)
At end of the year	-	-

48. Notes to The Statement of Cash Flows

	2024-2025	2023-2024
	Kshs	Kshs
(a) Reconciliation of operating profit/(loss) to cash generated from/ (used in) operations		
profit or loss before tax	2,647,790	9,454,120
Provision for Depreciation	13,449,022	11,707,742
Amortization		
(Gain)/loss on disposal of property, plant and equipment	-	
Operating profit/(loss) before working capital changes	16,096,812	21,161,862
Working capital changes:		
(Increase)/decrease in inventories	-	
(Increase)/decrease in trade and other receivables	(5,197,187)	(3,762,217)
Increase/(decrease) in trade and other payables	208,576	208,576
Increase/(decrease) in retirement benefit obligations	-	
Increase/(decrease) in provision for staff leave pay	-	
Cash generated from/ (used in) operation.	11,108,201	17,607,521
(b) Analysis of changes in loans		
Balance at beginning of the year		
Receipts during the year	-	
Repayments during the year	-	
Repayments of previous year's accrued interest	-	
Foreign exchange (gains)/losses	-	
Accrued interest	-	
Balance at end of the year		-

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	<i>2024-2025</i>	<i>2023-2024</i>
	Kshs	Kshs
(c) Analysis of cash and cash equivalents		
Short term deposits		-
Cash at bank	13,876,093	14,104,858
Cash in hand	-	(-)
Balance at end of the year	13,876,093	14,104,858
(d) Analysis of interest paid		
Interest on loans	-	-
Interest on bank overdraft	-	-
Interest on lease liabilities	-	-
Interest on loans capitalized	-	-
Balance at beginning of the year	-	-
Balance at end of the year (note 35(b))	(-)	(-)
Interest paid	-	-
		-
(e) Analysis of dividend paid		
		-
Balance at beginning of the year	-	-
2024 dividends paid	-	-
2025 dividends paid	-	-
2025 interim dividends paid	-	-
Balance at end of the year	(-)	(-)
Dividend paid	-	-

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Notes to the financial statements (continued)

Other Disclosures

49. Related Party Disclosures

County Government of Marsabit

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

Other related parties include:

- The County Department in charge of Water
- County Government of Marsabit
- Water works Agencies
- WASREB (Water Services Regulatory Board)
- WARMA
- Water Sector Trust Fund
- Key management
- Board of directors
- Others (specify)

Transactions with related parties

	2024-2025	2023-2024
	Kshs	Kshs
a) Sales to related parties		
Rent Income from govt. agencies	-	-
Water sales to Govt. agencies	3,583,648	-
Interest income from Govt Commercial Banks	-	-
Interest income from T-bills and Bonds	-	-
Others (Specify)	-	-
Total	3,583,648	-
b) Purchases from related parties		
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Bank charges paid to Govt Commercial banks	-	-

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	2024-2025	2023-2024
	Kshs	Kshs
Interest expense to investments by other govt. entities	-	-
Others (specify)	-	-
Total	-	-
b) Grants from the Government		
Grants from National Govt Agencies	27,000,000	29,000,000
Grants from County Government	12,000,000	19,000,000
Contributions in Kind from the County Government	20,585,832	-
Total	59,585,832	48,000,000
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	-	-
Payments for goods and services for	-	-
Total	-	-
d) Key management compensation		
Board Expenses	1,800,000	2,669,750
Compensation to key management	-	-
Total	1,800,000	2,669,750

50. Capital Commitments

Capital commitments at the year- end for which no provision has been made in these financial statements are:

	2024-2025	2023-2024
	Kshs	Kshs
Amounts authorized and contracted for	-	-
Amounts authorized but not contracted for	-	-
Less: Amounts included in Work in progress	(-)	(-)
	-	-

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51. Contingent Assets and Liabilities

Contingent Assets

	2024-2025	2023-2024
	Kshs	Kshs
Contingent assets		
Insurance reimbursements	-	-
Assets arising from determination of court cases	-	-
Reimbursable indemnities and guarantees	-	-
Receivables from other government entities	-	-
Others (Specify)	-	-
Total	-	-

(Give details)

Contingent Liabilities

	2024-2025	2023-2024
	Kshs	Kshs
Contingent liabilities	-	-
Court case against the entity	-	-
Bank guarantees in favor of subsidiary	-	-
Contingent liabilities arising from contracts including PPPs (Public Private Partnership)	-	-
Others (Specify)	-	-
Total	-	-

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

52. 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 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:

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Notes to the financial statements (continued)

(i) Credit risk

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

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

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

	Total amount Kshs	Fully performing Kshs	Past due but not Impaired Kshs	Past due and Impaired Kshs
At 30 June 2025				
Trade Receivables	-	-	-	-
Other Receivables	-	-	-	-
Investments	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Receivables	-	-	-	-
Other Receivables	-	-	-	-
Investments	-	-	-	-
	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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Credit Risk (Continued)

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

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

ii) Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade payables	2,451,174	208,576	208,576	2,868,326
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	2,451,174	208,576	208,576	2,868,326
At 30 June 2024				
Trade payables	-	-	208,576	208,576
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	208,576	208,576

(iii) Market risk (Tailor as appropriate)

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

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

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

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

a) Foreign currency risk

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

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

	Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June Current Year			
Financial assets			
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Financial Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-

Marsabit Water And Sewerage Company Limited
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Net foreign currency asset/(liability)	-	-	-
--	---	---	---

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

	Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June Previous year			
Financial assets			
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Financial Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

b) Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2025 FY			
Euro	10%	-	-
USD	10%	-	-
2024 FY			
Euro	10%	-	-
USD	10%	-	-

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Interest rate risk

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

i) Management of interest rate risk

To manage the interest rate risk, management has 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.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of A rate increase/decrease of 5% would result in a decrease/increase in profit before tax.

iii) Fair value of financial assets and liabilities

a) *Financial instruments measured at fair value*

Determination of fair value and fair values hierarchy

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

- i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.**
This level includes listed equity securities and debt instruments on exchanges.

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- ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1 Kshs	Level 2 Kshs	Level 3 Kshs	Total Kshs
At 30 June 2025				
Financial Assets				
Quoted equity investments	-	-	-	-
Non- financial Assets				
Investment property	-	-	-	-
Land and buildings	-	-	-	-
	-	-	-	-
At 30 June 2024				
Financial Assets				
Quoted equity investments	-	-	-	-
Non- financial Assets				
Investment property	-	-	-	-
Land and buildings	-	-	-	-
	-	-	-	-

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

Financial instruments not measured at fair value

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

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Notes to the financial statements (continued)

iv) Capital Risk Management

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

	2024-2025	2023-2024
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	6,465,742	3,817,952
Capital reserve	81,721,734	81,721,734
Total funds	88,187,476	85,539,686
Total borrowings	-	-
Less: cash and bank balances	13,876,093	14,104,858
Net debt/ (excess cash and cash equivalents)	-	
Gearing	16%	16%

53. Incorporation

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

54. Events After the Reporting Period

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

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20. Appendices

Appendix 1: progress on follow up of auditor recommendations.

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Report on the Financial Statements				
1	Property plant and Equipment	<p>The management confirms that;</p> <p>(i) At the time of audit, the company was in the process of transferring ownership for Motor vehicle registration number KDG 263C which has since been completed, refer to the logbook attached at Appendix 1,</p> <p>(ii) The motor vehicle registration KCJ 230A was donated by USAID and handed over to MARWASCO and the company is currently in the process of transferring ownership.</p> <p>(iii) Further, motor vehicles registration numbers KDA 125P and KDA 126P were donated by Northern Water Works Development Agency and the company is in the process of transferring ownership.</p> <p>(iv) The other assets listed below are under the custody of MARWASCO and owned by the County Executive, Department of Water.</p>	Resolved	
2	Variances between Operating Revenue and Monthly billing records	The operating revenue analysis in note 6 includes water sales. The water sales is a total of both cash and credit sales of 5,153,503 and 3,522,915 respectively totaling to KShs 8,916,420. The figure of KShs 3,522,915 is a trade receivable which cannot be considered within cash collected of Kshs. 11,696,220 as provided	Resolved	
3	Non – Disclosure of water sales Receivables	The Company Operates 8 Community water points for pro-poor initiatives. The water consumption at this pro-poor community points are billed for accountability purposes but payments of Kshs. 7,578,774 was waived by the Company hence not reported as trade receivables.	Resolved	
Budgetary Controls and Performance				
	Budgetary Controls and Performance	The shortfall in budget is attributed to low production as a result of frequent power outages, breakdown of pumps and high non-revenue water. The management	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<i>commits to put in place measures to enhance revenue collection.</i>		
Other Matter				
	Prior Year Unresolved Issues	<i>The management is in agreement with the findings of the auditor and is committed to submission of documents before the relevant committees of the Senate and County Assembly as and when scheduled for appearance.</i>	Resolved	
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES				
1	Lack of Approved strategic plan	<i>The management is in agreement with the auditor's observation and confirms that draft strategic plan has been developed awaiting approval from the board</i>	Resolved	
2	Non Revenue Water	<p><i>The management is in agreement with the auditor's observation and attributes the non-revenue water to;</i></p> <ul style="list-style-type: none"> <i>(i) Aging and dilapidated pipes.</i> <i>(ii) Bursts and leakages due to high pressure.</i> <i>(iii) Damage caused by road tarmacking projects.</i> <p><i>The management has commenced putting in place measures to reduce Non-Revenue Water to the acceptable standards such;</i></p> <ul style="list-style-type: none"> <i>(i) Installation of master and district water meters for accurate measurement.</i> <i>(ii) Replacement of old dilapidated pipes with quality HDPE pipes-26Kilometres.</i> <i>(iii) Prompt response to bursts and leakages and continuous line patrols</i> <i>(iv) Routine crackdown on illegal connections</i> <i>(v) Establishment of NRW unit and capacity building of staffs in handling NRW</i> 	Resolved	
3	Failure to provide for Audit Fees	<i>As at the time of preparing the financial statements for the year ended 30th June 2024, the company did not receive any invoice or communication relating to outstanding fees for audit services from the office of the Auditor General. The management will make adequate provision in the subsequent budget to cater for Audit fee.</i>	Resolved	
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE				
1	Lack of Risk Management Policy	<i>The management is in agreement with the auditor's observation and confirms that a draft risk management policy has been developed awaiting approval by the Board</i>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2	Non retaining of customer deposits	<i>The management has noted the auditor's observation and will put in place measures to correct the concern in order to safeguard the public assets.</i>	Resolved	

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management.
- (iii) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report.

Name *Stephen Sara Katelo*

Signature *[Handwritten Signature]*

Managing Director

Date... *13/10/2025*



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Appendix II: Projects Implemented by the Company
Projects

Projects implemented by the Company Funded by development partners.

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	N/A					
2						

Status of Projects completion

(Summarize the status of project completion at the end of the reporting period, i.e., total costs incurred, stage which the project is etc.)

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	N/A						
2							
3							

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Appendix III- Inter-Entity Confirmation Letter

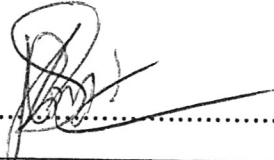
Name of Transferring entity.....WSTF & County Government of Marsabit.....

Name of Beneficiary entity.....Marsabit Water and Sewerage Company Limited.....

Confirmation of amounts received by Marsabit Water Company as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
County Government of Marsabit	11/7/2024	12,000,000		12,000,000	
Water Sector Trust Fund	4/6/2025	27,000,0000		27,000,0000	
Total		39,000,000		39,000,000	

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:
 Name Dabesse Banaya Sign  Date 13/10/2025

Head of Accounts Department - Beneficiary Entity:
 Name Kateto B. Oido Sign  Date 13/10/2025

Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
None									

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Appendix V: Reporting Disaster Management Expenditure

Date:

Entity

None						

(Attach forms from each transferring Government entity.)

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Appendix VI: Recording of Transfers from Other Government Entities

Name of the County/MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Comprehensive income	Capital Fund	Deferred Income	Receivables	Others - must be specific	
County Government of Marsabit	11/7/2024	12,000,000	12,000,000	12,000,000	-	-	-	-	12,000,000
Water Sector Trust Fund	4/6/2025	27,000,000	27,000,000	27,000,000	-	-	-	-	27,000,000
Total		39,000,000	39,000,000	39,000,000	-	-	-	-	39,000,000

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