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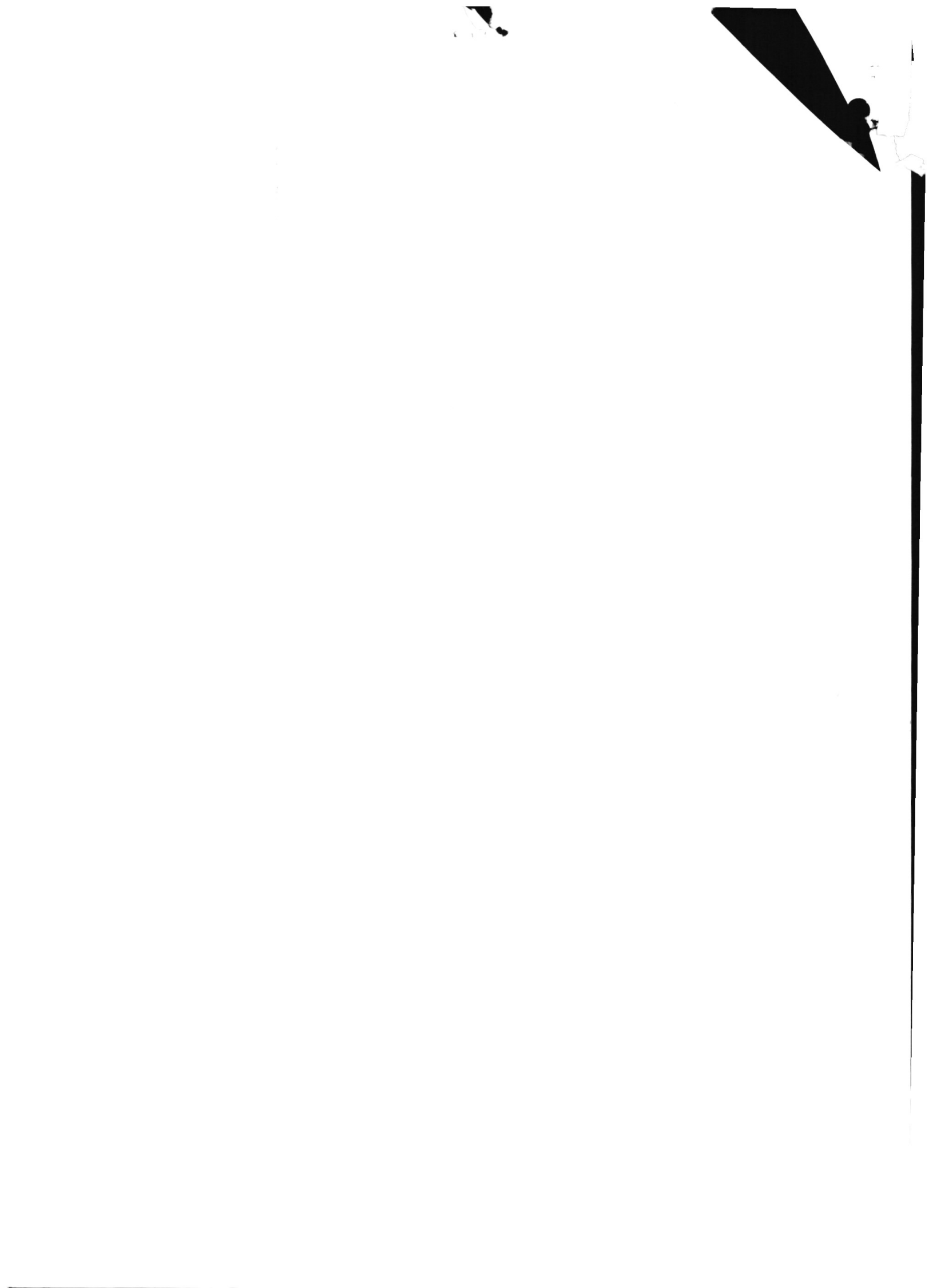
OF

THE AUDITOR-GENERAL

		PAPERS LAID
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KIKUYU WATER COMPANY LIMITED

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





OFFICE OF THE AUDITOR GENERAL
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KIKUYU WATER COMPANY LIMITED

ANNUAL REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2023**

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

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1. Acronyms and Glossary of Terms

AWWDA	Athi Water Works and Development Agency
KWCL	Kikuyu Water Company Ltd
ICPAK	Institute of Certified Public Accountants of Kenya
IFRS	International Financial Reporting Standards
MD	Managing Director
PFM	Public Financial Management
WASREB	Water Services Regulatory Board

2. Key Entity Information

Background information

Kikuyu Water Company Ltd (KWCL) was incorporated under the Companies Act (Cap. 486) on 10th March 2006 and was appointed by Athi Water Services Board (a state corporation) as an agent for the provision of efficient and effective water and sewerage services within Kikuyu Township and its environs. It is currently owned by County Government of Kiambu.

Principal Activities

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

- To supply the town of Kikuyu together with the neighborhood and its environs, with water and to carry on business of water and sewerage works and to manage the assets belonging to Athi Water Services Board and the assets shall not be subject to any resolution of the Company or that of the Council
- To exercise overall control over the sources and supply of water and in particular, to conserve, redistribute and to augment those water resources, including sinking boreholes, to make, build and construct, lay down and maintain reservoirs, waterworks, cisterns, culverts, filter-beds, main and other pipe and appliances, to execute and do all works and things necessary or convenient for obtaining, storing, selling, delivering, measuring and distributing water, or otherwise for the purposes of the Company.
- To provide and distribute a constant supply of potable water for commercial, industrial and domestic purposes.

Directors

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

Directors Name	Position	Date of Appointment
1. Eng. Kamunyu Kahenya	Chairman	2022
2. Mr Ndungu Wa Munywe	Member	2018
3. Jennifer Kanini Musyoki	Member	2018
4. Mrs Esther Wambui Gacheru	Member	2022
5. Mr, Richard Njogu Ndungu	Member	2022
6. Mr, Charles N. Gikonyo	Member	2022
7. Mr William Nyanjui Kimani	Member	2022
8. Jane Murage	Managing Director	2014

Corporate Secretary

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

Registered Office

Kikuyu Water Ltd Main office, Kikuyu Township
P. O. Box 313-00902, Kikuyu.
Tel: 0728578098

KWCL Headquarters

Kikuyu Water Ltd Main office, Kikuyu Township
P. O. Box 313-00902, Kikuyu.
Tel: 0728578098

KWCL Contacts

Kikuyu Water Ltd Main office, Kikuyu Township
P. O. Box 313-00902, Kikuyu.
Tel: 0728578098

KIKUYU WATER COMPANY LIMITED
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

KWCL Bankers

Kenya Commercial Bank-Kikuyu Branch

P. O. Box 148-00902, Kikuyu.

Tel: +254-66-33046 Fax: +254-66-33246

Equity Bank (K) Limited-Kikuyu Branch

P. O. Box 1707-00902, Kikuyu.

Tel: +254-66-31071 Fax: +254-66-31072

Family Bank Limited

P.O Box 75145, Nairobi

Tel: +254-335003 Fax 337231

Kenya Post Office Savings Bank

P.O Box 30311-00100, Nairobi

Tel 020-2229551 Fax 0202229186

Safaricom Limited

P.O Box 66827 – 00800, Nairobi

Tel: 020 – 4273272/0722003272

Independent Auditors

Office of Auditor General

Anniversary Towers, University Way

P.O. Box 30084

Nairobi, Kenya

Principal Legal Advisers

The Attorney General

State Law Office



Harambee Avenue





P.O. Box 40112

City Square 00200

Nairobi, Kenya

3. The Board of Directors

	<p>1. Name: Eng. Kamunyu Kahenya (Representing the Community) 2. Position: Chairman (Independent Director) 3. DoA; 2022 4. Qualification: Bsc. Civil Engineering Hons.(1979) UoN, Msc. Project Management (2017) University of Liverpool. 5. Work Experience: Managing Director EngConsult Ltd- Consulting Engineers (2004 to present), Managing Partner – EngConsult, Consulting Engineers, Director EngConsult(Pty) Ltd, Botswana (1991-2003), Principal Partner, EngConsult, Consulting Engineers(1982 – 1991)</p>
	<p>1. Name: Esther Wambui Gacheru (Representing Professionals) 2. Position: Independent Director (Chairlady Audit and Risk Committee) 3. DoA : 2022 4. Qualification: Masters of Tax and Customs Administration (Taxation), Bcom(Finance) UoN, CPA(K) 5. Work Experience: Senior Accountant – Kenya Animal Genetics Resources Centre(September 2019 to present), Senior Internal Auditor – Kenya Animal Internal Auditor Centre (December 2008 – August 2019), Accountant 1 – Kenya Animal Genetics Resources Centre (March 2016 – December 2008), School Bursar Muhu Secondary School (March 2005 – February 2006), Accountant Kenya College of Accountancy (May 2002 – April 2003), Accountant Institute of Certified Public Accountants (ICPAK) (August 1999 – March 2002).</p>
	<p>1. Name: Richard Njogu Ndung'u (Representing Business Community) 2. Position: Independent Director(Chairman Finance, ICT,HR and Admin Committee) 3. DoA : 2022 4. Qualification: CPA II, Diploma Business Administration 5. Work Experience: Principal Consultant Brentwrich Capital Ltd (2009 to present), Financial Controller 1992 – June 2000 Shuttle Air Services Ltd, Accounts Assistant Southern Credit Banking Corporation Ltd, Kyu Garments (K) Ltd.</p>
	<p>1. Name: Charles Gikonyo 2. Position: Executive Director 3. Date of Birth: 1977 4. Date of Appointment: 29TH JULY 2020 5. Qualifications: <ul style="list-style-type: none"> • BA Government & Public Administration • Certified Public Secretary • Chartered Institute of Purchasing & Supplies (UK) 6. Experience <ul style="list-style-type: none"> • Previously practiced as a Certified Public Secretary. Current Chief Officer – Administration & Public Service </p>

	<p>1.Name: William Nyanjui Kimani 2.Position: Executive Director 3.DoA: March 2022 4.Qualifications: Msc. Business Administration (Finance), BBA (Accounting & Finance), CPA (K) 5.Work Experience: COF & Economic Planning, County Government of Kiambu (2019 – date), Chief Officer Administration County Government of Kiambu (Dec 2018 – June 2019), Director Administration, Principal Administration Officer (May 2017 – Nov 2018) – County Government of Kiambu, FM PUEA Mt Kenya University (Jan 2010 -April 2017), FM Limuru Milk Processors (Mar 2007 – Dec 2009), Chief Accountant New Baron and Leveque International & Kenana Distributors (Feb 2007 – March 2002)</p>
	<p>1. Name: Jennifer Kanini Musyoki 2. Position: Executive Director 3. DoA: 29th July 2020 4: Qualification: MBA (Strategic Management); BSc Civil ENG 5: Work Experience:A Water & Sanitation Engineer in planning and design of urban and rural water and sanitation infrastructure; formulating national and county government water and sanitation policies, strategies and plans; conducting out technical assessments, socio-economic studies and surveys with H.P. Gauff Ingenieure, GIZ International Water Stewardship programme and Authentic Living Int. Co. Ltd. Currently working as the Chief Officer in the Department of Water, Environment, Energy and Natural Resources.</p>
	<p>1.Name: Jacqueline Wangari Murigi 2.Position: Company Secretary 3.DoA April 2023 4. DoB: 28th November 1989 5. Qualification: LLB (Catholic University of East Africa) Masters Degree in Public Policy and Admin KU, Diploma in HRM, a registered CS and CPM 6.Work Experience: An advocate of the high court with over seven years'. Served in the County Government of Kiambu in various capacities; Legal Counsel Legislative Drafting, Senior Legal Counsel and subsequently Director Legal Services in the Office of the County Secretary. Currently, She serves as the Director – Legal Services in the Department of Water & Sanitation supporting the Board of Directors in offering Company Secretarial Services as a qualified Certified Secretary.</p>
	<p>Jane Wanjiru Murage - The Manager Director</p> <p>Jane Murage holds a BSC in Water & Environmental Engineering (Egerton University) Diploma in Water Technology (KEWI) She is responsible of monitoring and assessing management's performance Ensuring that the company complies with the legal and governance framework of the company Ensuring institutional transformation in accordance with corporate strategy</p>

4. Key Management Team

**Jane Wanjiru Murage - The Manager Director**

Jane Murage holds a BSC in Water & Environmental Engineering (Egerton University) Diploma in Water Technology (KEWI)
She is responsible of monitoring and assessing management's performance

Ensuring that the company complies with the legal and governance framework of the company

Ensuring institutional transformation in accordance with corporate strategy

**CPA Daniel Karangatha Muiruri -Finance & Administration Manager**

Holds a B.COM Finance (U.o.N) and is a CPAK assist in development of current and long-term goals as well formulating policies and procedure

Production of financial report. Oversees implementation of accounting and financial management system and oversees all the accounting function including; cash flow management, revenue collection, payroll and budgeting

**Paul Gichuki-Technical Manager**

Holds a Bachelor of Science in Water and Environmental Engineering from Egerton University and a Certificate in Environmental Impact Assessment and Env. Audit from Jomo Kenyatta University of Agriculture and Technology and is responsible for heading the Technical Department

**Jeniffer Chebet – Internal Auditor**




She holds a Bachelor of commerce in marketing

She ensures that there is a strong control environment to prevent fraud.

Ensuring compliance with laid down internal controls

-preparing audit reports for the Board Audit & risk committee.

-setting internal audit programs and systems which are risk based

	<p>Stephen Mwangi Nderi- Procurement Officer. Holds a Bachelor of Commerce Finance Option from KCA University and a Diploma in Purchasing and Supplies from Kenya Institute of Management. Ensures that the procurement function is run in line with the Public Procurement and Disposal Act.</p>
	<p>David Kimani-Commercial Officer He holds a Bachelors of Commerce in Finance and is a CPA(k) He formulates a work plan for daily commercial operation Ensure Monthly cycles and correct bills are produced accordingly</p>
	<p>1.Name: Jacqueline Wangari Murigi 2.Position: Company Secretary 3.DoA April 2023 4. DoB: 28th November 1989 5. Qualification: LLB (Catholic University of East Africa) Masters Degree in Public Policy and Admin KU, Diploma in HRM, a registered CS and CPM 6.Work Experience: An advocate of the high court with over seven years'. Served in the County Government of Kiambu in various capacities; Legal Counsel Legislative Drafting, Senior Legal Counsel and subsequently Director Legal Services in the Office of the County Secretary. Currently, She serves as the Director – Legal Services in the Department of Water & Sanitation supporting the Board of Directors in offering Company Secretarial Services as a qualified Certified Secretary.</p>

5. Chairman's Statement

I am pleased to present the annual financial report for the fiscal year ending on June 30, 2023. As a company, we have worked diligently to fulfill our mission of providing water and sanitation services to the communities in Kikuyu and Kabete sub-counties of Kiambu County.

During this fiscal year, KWCL has actively pursued strategic objectives outlined in our plan, including expanding coverage, ensuring financial and operational sustainability, and enhancing customer satisfaction. I'm delighted to report that our sewage project, funded by the African Development Bank, is now 98% complete, with ongoing customer connections. Additionally, the company has achieved positive growth in areas such as expanding our customer base by 10%, improving revenue collection, enhancing billing efficiency, ensuring operational stability, and strengthening governance practices, despite facing significant challenges along the way.

During the financial year, KWCL incurred a loss before tax of **Ksh 21,990,251** million compared to a surplus of **Kshs 54,270,704** in the previous financial year. This loss was partially offset by grants income of **Ksh 81,066,109** received from the National and County Governments.

Notably, some of these challenges are being addressed through partnerships with stakeholders such as the County Government of Kiambu and Athi Water Service Board.

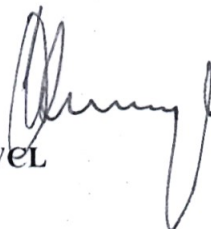
Looking ahead, the challenges before us require significant system improvements and the creation of new ones. I firmly believe that, with the collaboration of our stakeholders, we can effectively address them.

As you are all aware, access to water and sanitation is a fundamental human right enshrined in the Constitution; therefore, we must strive to improve our operations and systems to fulfill our mandate. In this regard, our primary focus areas for improving our services include:

- Boosting revenue through water sales and sewerage services.
- Reducing non-revenue water to increase water sales.
- Enhancing staff productivity.
- Expanding water coverage and reliability.
- Strengthening partnerships with existing Self-Help Water Projects.
- Successfully implementing and completing ongoing and upcoming projects.

Furthermore, I would like to express my gratitude to my esteemed fellow board members for their unwavering support and valuable contributions to the company. I also extend my appreciation to our dedicated management and staff for their commitment and resilience. To our invaluable development partners, your continuous support is deeply appreciated. Lastly, I thank our loyal customers and stakeholders for their unwavering support and assure them of our commitment to improving the quality of our services.

Eng. Kamunyu Kahenya



Company's Chairman KWCL

6. Report of The Managing Director

Ladies and gentlemen,

I am delighted to present the financial report for the fiscal year ending on June 30, 2023. Throughout this year, our company has made remarkable strides toward achieving our strategic objectives, which encompass:

1. Expanding water coverage.
2. Achieving financial sustainability.
3. Enhancing operational efficiency and institutional strengthening.
4. Significantly elevating customer satisfaction.
5. Integrating cross-cutting issues into our operations.

However, this year posed a significant challenge as we experienced a 65% increase in our power bills compared to the previous fiscal year, significantly impacting our profitability.

Despite these formidable challenges, our company has achieved several notable milestones:

1. **Solarization of 4 Boreholes at Ondiri:** We successfully solarized four boreholes at the Ondiri Wellfield with generous financial support from Athi water development agency. These four boreholes have a combined solar power rating of **242.80kWp**. In sunny weather conditions, this project has the potential to reduce the production costs of these specific boreholes by up to 30%. The continued solarization of boreholes is poised to further reduce production costs and enhance our profitability.
2. **Kikuyu Sewerage Project:** This ambitious project encompassedd the installation of a 44km sewer line, construction of Kikuyu water offices, drilling of four boreholes, and the laying of 27km of water pipeline. Currently, the project stands at an 98% completion rate, with sewer customer connections actively underway.
3. **Uthiru Water Supply Project:** The project scope included drilling and equipping one 20m³/hr yielding borehole at Uthiru Primary, installing a 48m³ elevated tank at Uthiru Primary, and laying 17km of assorted distribution networks in the Uthiru area. This undertaking is set to boost our daily water supply by 400m³. I am pleased to report that this project has reached a successful 100% completion rate, with customer connections currently ongoing
4. **Ondiri Gichuru-Kanjeru Supply Project:** Financed through the Water Sector Trust Fund, this project involved laying an 8km distribution main from Kikuyu to Wangige via Kanjeru and Chura. I am proud to announce that this project has reached a 100% completion rate, with customer registration currently in progress.

This fiscal year, KWCL experienced a loss before tax of Ksh 21,990,251 million, in compared to the previous year's surplus of Kshs 54,270,704. This loss primarily resulted from increased operational costs, including the growing number of boreholes, and higher power bills coupled with the general high inflation rate. Nevertheless, we want to reassure our stakeholders of our unwavering commitment to efficient project management, aimed at reducing operational expenses and maximizing revenue collection.

We are dedicated to addressing significant challenges as we strive for long-term sustainability, which include:

1. **Power Bills:** High power expenses pose a substantial threat to our business sustainability, as Kikuyu Water Company heavily relies on borehole pumping for water production. This challenge was amplified in the latter half of the year due to increased water demand during the pandemic, coupled with reduced revenue collection, as explained earlier.
2. **Non-Revenue Water:** The presence of multiple road construction projects in Kikuyu and Kabete sub-counties presented considerable challenges, particularly when distribution mains were damaged, resulting in significant water losses and a high level of Non-Revenue Water (NRW).
3. **Irregular Power Supply:** Interruptions in water supply occurred due to irregular power supply, leading to the failure of some pumps and motors, necessitating replacements.

The Way Forward:

To overcome these challenges, we commit to remain steadfast in enhancing our current systems, building new ones, and focus on key pillars such as ongoing borehole solarization, tariff renewal, staff development, and water infrastructure investment. These crucial initiatives will necessitate capital investment, requiring ongoing resource mobilization to achieve sustainable operations. Our commitment to this path remains unwavering.

Appreciation:

I want to sincerely thank the County Government of Kiambu, Athi Water Services Board, Water Services Regulatory Board, Water Sector Trust Fund, Constituency Office-Kikuyu and Kabete, our valued customers, and especially the University of Nairobi Kikuyu Campus, Alliance Boys High School, our dedicated suppliers, and bankers for their unwavering support and loyalty. Your support is deeply appreciated, and we are committed to continually improving our services.

In conclusion, I express my profound gratitude to the Board of Directors, Management, and Staff of Kikuyu Water for their dedication, unwavering commitment, and exceptional teamwork. Without them, our journey would not have been possible. Together, we will overcome future challenges and continue serving our community with excellence.

Jane Murage



Managing Director KWCL

KIKUYU WATER COMPANY LIMITED
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

7. Statement of Performance Against Predetermined Objectives for FY 2022/2023

Section 164 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the County government entity's performance against predetermined objectives.

KIKUYU WATER COMPANY has 3 strategic pillars and objectives within its Strategic Plan for the FY 2018/2019-2022/2023. These strategic pillars are as follows:

- Pillar 1: Increased access to safe water and reliable sanitation services
- Pillar 2: Efficient and enhanced water supply and sewerage service delivery
- Pillar 3: Strengthened institutions & developed capacity for KWCL and partners

Kikuyu water Company develops its annual work plans based on the above 3 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. KWCL achieved its performance targets set for the FY 2022/2023 period for its 3 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Activities	Key Performance Indicators	Achievements
Pillar 1: Increased access to safe water and reliable sanitation services	Increase access to safe water supply by approx. 60% in 5 years.	Operationalisation of 5 Twin boreholes and solarisation of 4 Twin boreholes	No. of rehabilitated and operational boreholes	Operationalisation of 5 Twin borehole and Riu 4 Solarisation 4 Twin
	Increase access to sewerage for Kikuyu Town and its environs safe sanitation public places	Development of sewer line at Kikuyu, Kidfarmaco, Thogoto, and Kinoo	No. of sewer line laid in kilometres. No. of sewer connections made.	50.2km sewer laid. 136 sewer connections done
Pillar 2: Efficient and enhanced water supply and sewerage service delivery	Develop policies, strategies and road maps for facilities taken over from CBOs	Audit to determine the condition of assets and water infrastructure.	Audits conducted.	On Going
		Develop technical policy and assets management policy	No. of policies approved by the board.	On Going
	Develop operational guidelines, manuals, tool kits etc.	Development of guideline manual	No. of manuals developed	7
	Support to rural water facilities			
	PPPs to enhance efficiencies and infrastructure coverage	Pipeline rehabilitation and upgrading	Length of pipeline rehabilitated or upgraded	25KMS
		Pipeline extensions	Length of pipeline extension works.	60KMS
Enhance O&M	Develop and implement a maintenance schedule of water supply infrastructure	No. of operational schedules developed	1	
Pillar 3: Strengthened institutions & developed capacity for KWCL and partners	Assets & management	New asset identification (fixed & movable) and valuation	Update of the assets register	Ongoing
	Enhance HR Management	Undertake study to establish staff training needs and capacity gaps; annual updates	Performance appraisal developed and implemented.	Staff appraisal done

	through appraisals		
	Implement recommendations of staff training and capacity development	No. of staff training conducted. Attended Trainings	15
	Procure and install computer based Human Resource Information System (HRIS)	Installation of the HRM System	Done
Operational policies, strategies, guidelines, manuals and certifications	Develop/customize available national policies and develop guidelines (Gender; EHS; HR training and development; HR management; Corporate Social Responsibility; Procurement and Disposal; Disability; Anti-Corruption etc.); Board Members Induction Packages (and guidelines)	No. of Developed manuals and guidelines	
	Staff induction guideline and process		
	Develop/customize performance management systems and establish performance contracting framework	Performance appraisals developed for all staff.	Developed
	ISO Certification and compliance	ISO certification	
	Establish integrity assurance/Risk mitigation systems		
	Water Safety (WS) Plans		
	Enhance communication	Development and implementation of communication strategy Customer	Developed strategy.
	satisfaction survey and implementation of findings	No. of survey conducted and recommendations highlighted	8 Surveys have been conducted in 8 supply zones of Karai scheme.
Resource mobilization	Proposal development, investor conferences, donor coordination etc.	No. of proposals developed and sent to financiers.	5

8. Corporate Governance Statement

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

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

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

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

Composition of the Board of Directors

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

Conflict of Interest

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

Role and Responsibilities of the Board

The Board provides leadership and strategic direction to the Kikuyu Water Company Ltd. Their main responsibilities are:

- Establishing the short and long-term goals of the Company and strategic plans to achieve those goals
- Ensuring preparation of the annual and half-year financial statements
- Approval and review of the annual budgets
- Setting and periodically reviewing key performance indicators and management performance
- Ensuring that Kikuyu Water Company Ltd has adequate systems of internal controls
- Ensuring that Kikuyu Water Company Ltd has adequate risk management plans to ensure business continuity

Role of Chairman of the Board of Directors

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

Managing Director

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

Directors Training and Development

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

Board Work plan and Meetings

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

KIKUYU WATER COMPANY LIMITED
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

Board Meetings Agenda Financial Year 2022/2023

	MEETING	DATES	AGENDAS & BOARD MEETINGS FY 2022 – 2023
1	FULL BOARD		
	1 st Special	7 th July, 2022	<ol style="list-style-type: none"> 1. Reading and confirmation of the previous minutes of meeting held on 10th May, 2022 2. Report of Finance, ICT, HR & Administration Committee 3. Adoption of the workplan Financial Year 2022/2023
	1 st Full Board	22 nd September, 2022	<ol style="list-style-type: none"> 1. Confirmation of the Full Board Committee report held on 7th July, 2022 2. Adoption and approval of Finance, ICT, HR & Administration Committee report 3. Adoption and approval of Audit and Risk Committee report 4. Adoption and approval of Technical Committee report
	2 nd Full Board	22 nd December, 2022	<ol style="list-style-type: none"> 1. Confirmation of the full board committee held on 22nd September, 2022 2. Adoption and approval of report of Finance, ICT, HR & Administration Committee report 3. Adoption and approval of report Technical Committee report 4. Adoption and approval of report Audit and Risk committee report
	3 rd Full Board	13 th February 2023	<ol style="list-style-type: none"> 1. Confirmation of the full board committee held on 22nd December, 2022 2. Adoption and approval of report of Finance, ICT, HR & Administration Committee 3. Adoption and approval of report of Technical Committee 4. Adoption and approval of report Audit and Risk Committee
	4 th Full Board	7 th June, 2023	<ol style="list-style-type: none"> 1. Confirmation of the full board committee meeting held on 13th February, 2023 2. Adoption and approval of report Finance, ICT, HR and Administration Committee 3. Adoption and approval of report Technical Committee 4. Adoption and approval of report Audit and Risk Committee
	Full Board Field Visit	20 th June, 2023 21 st June, 2023	<ol style="list-style-type: none"> 1. Visit to Thogoto, Riu, Karai Day, Kamangu, Ondiri, Kanyariri, King'eero Police tank and Ruku. 2. Field visit – Nyathuna springs, Nyathuna tanks, Gikuni, Muguga old tanks, Kiambaa.
2	FINANCE		
	1 st Finance, ICT, HR & Administration Committee	15 th September, 2022	<ol style="list-style-type: none"> 1. Confirmation of the Finance committee meeting minutes held on 22nd June, 2022 2. Presentation of financial reports Financial Year 2021/2022 3. Presentation of Staff performance report & training

KIKUYU WATER COMPANY LIMITED
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

		<p>programs Financial Year 2021/22</p> <ol style="list-style-type: none"> 4. Reports on disciplinarys 5. Request to engage three casuals to help start sewer connections
2 nd Finance, ICT, HR & Administration Committee	18 th November, 2022	<ol style="list-style-type: none"> 1. Confirmation of the Finance minutes held on 15th September, 2022 2. Presentation of articles of association for the Company 3. Presentation of procurement plan 4. Kikuyu Water tariff reviews 5. Quarter one progress report 6. Managing Director terms of service
3 rd Finance, ICT, HR & Administration Committee	7 th February, 2023	<ol style="list-style-type: none"> 1. Reading and Confirmation of the finance committee minutes held on 18th November, 2022 2. Presentation of the 2nd quarter cumulative report Financial Year 2022/2023 3. Presentation of procurement report half year Financial Year 2022/23 4. Presentation of proposed budget review Financial Year 2022/23 5. Presentation of proposed budget Financial Year 2023/24
4 th Finance, ICT, HR & Administration Committee	23 rd May, 2023	<ol style="list-style-type: none"> 1. Reading and confirmation of the finance committee minutes held on 7th February, 2023 2. Nomination of Acting Chair Finance Committee 3. Advisory and regulatory framework letter from WASREB 4. Presentation of 3rd quarter cumulative financial report Financial Year 2022/23 5. KRA withholding tax obligation Financial Year 2015/2018 6. Presentation of 3rd quarter cumulative financial report Financial Year 2022/23 7. Presentation of 3rd quarter commercial report Financial Year 2022/23 8. Presentation of Human resources and performance evaluation report Financial Year 2022/23 for contractual staff 9. Presentation of procurement report 3rd quarter Financial Year 2022/23
1 st Special Finance, ICT, HR & Administration Committee	30 th May, 2023	<ol style="list-style-type: none"> 1. Presentation of supplementary budget 2. Presentation of KRA withholding tax obligation Financial Year 2015/18 3. Presentation of Human resources reports and performance evaluation reports Financial Year 2022/23 for contractual staff 4. Presentation of HR reports and performance evaluation report Financial Year 2022/2023 5. Presentation of procurement report 3rd quarter Financial Year 2022/23
3	TECHNICAL COMMITTEE	
1 st Technical Committee Meeting	1 st September, 2023	<ol style="list-style-type: none"> 1. Confirmation of the Technical Committee report held on 14th May, 2023.

KIKUYU WATER COMPANY LIMITED

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

			<ol style="list-style-type: none"> 2. Approve the targets for year with reference to the Strategic plan, investment plan and SPA 3. Consider the financial performance report for the 2021/22 KPI 4. Approve 2022/23 performance contract for the Managing Director and Line Managers in Technical Department 5. Technical Progress report.
	2 nd Technical Committee Meeting	25 th November, 2023	<ol style="list-style-type: none"> 1. Confirmation of the technical committee minutes held on 1st September, 2023 2. Presentation of the 1st quarter technical report
	3 rd Technical Committee Report	26 th January, 2023	<ol style="list-style-type: none"> 1. Confirmation of the technical committee minutes held on 25th November, 2023 2. of the 2nd quarter report Financial Year 2022/23
	4 th Technical Committee Report	19 th May, 2023	<ol style="list-style-type: none"> 1. Confirmation of the technical committee meeting minutes held on 26th January, 2023 2. Presentation of the 3rd quarter report
4	RISK AND AUDIT		
	1 st Risk and Audit Committee Meeting	18 th August, 2023	<ol style="list-style-type: none"> 1) Confirmation of minutes of the Risk & Audit Committee Meeting held on 10th May, 2022 2) Approve 2022/23 company risk management framework 3) Approve auditors workplan.
	2 nd Risk and Audit Committee Meeting	18 th December, 2023	<ol style="list-style-type: none"> 1. Confirmation of the minutes of the Risk and Audit Committee meeting held on 18th August, 2023. 2. Presentation of the 1st quarter internal Risk and Audit report
	3 rd Risk and Audit Committee Meeting	9 th February, 2023	<ol style="list-style-type: none"> 1. Confirmation of the meeting of the risk and audit committee held on 18th December, 2023 2. Presentation of 2nd quarter internal risk and audit report
	4 th Risk and Audit Committee Meeting	26 th May, 2023	<ol style="list-style-type: none"> 1. Confirmation of minutes of the previous risk and audit committee meeting held on 9th February, 2023 2. Presentation of 3rd quarter internal risk and audit report

9. Management Discussion And Analysis

The company's operational and financial performance

During the financial year KWCL made a loss before tax for the year of Ksh 21,990,251 million compared to a surplus of Kshs 54,270,704 during the previous financial year. The profit was occasioned by Grants income from the National and County Government of Ksh 81,066,109. Operational cost also increased due to increase in the number of boreholes, staff cost as a result of annual salary increment and power costs

Company's compliance with statutory requirements

KWCL complied with statutory requirement i.e payment of NHIF, NSSF, PAYE, WIBA and contribution to pension schemes. Nevertheless, we have arrears in other statutory obligations like lease fee, regulatory levy, abstraction levy to WARMA and audit fee

Major risks facing the company

We continue to depend on boreholes to supply water to customers under our jurisdiction incurring high electricity bills which poses a challenge on the continues dependence on Kenya power.

Material arrears in statutory/financial obligations

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

- | | |
|----------------------|-----------------|
| 1. Lease Fee to AWSB | Kshs 24,106,488 |
| 2. Regulatory Levy | Kshs 23,625,715 |
| 3. Abstraction Levy | Kshs 2,915,421 |

The company's financial probity and serious governance issues

The company does not have any financial probity or any governance issues, since the company has risk management in place and adequate internal controls.

KIKUYU WATER COMPANY LIMITED
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

Development Projects

We have tabulated our development projects in terms of status, effects and proposed intervention.

No	Proposed Capital Work	STATUS	IMPACT	PROPOSED INTERVENTION	BUDGET
1	Drilling and equipping of a borehole at twin site and laying of pipeline to serve kamangu area.	Complete	Increase water service levels and area of coverage.	Partner with Kiambu county government for development.	21,000,000
2	Kinoo- uthiru Phase I involving pipework, 1No. 108m ³ elevated steel & metering	Ongoing	Increase water service levels and adequate storage facilities	Partner with AWWDA	Already budgeted under sewer project
3	Construction of Kikuyu Sewerage project	Ongoing	improved sanitation	Works on going, project 82% complete.	662,000,000
4	Non-Revenue Water Reduction Initiatives	ongoing	Increase in billing efficiency hence more revenue	Invest highly in reduction NRW and also partner with Kiambu County Government.	13,000,000
5	Distribution network for Uthiru ward	Ongoing	Increase in coverage	Partner with Kiambu County Government and AWWDA. 80% done.	15,000,000
6	Distribution network for Kinoo ward	Ongoing	Increase coverage	Partner with Kiambu County government	25,000,000
7	Rukubi Kanyariri water supply	Ongoing	Increase coverage	Partner with Kiambu County Government	5,000,000
8	Augmentation Ondiri Maaihii water project	Complete	Improve reliability	Partner with Kiambu County Government	4,500,000
9	Kanjeru water project	Ongoing	Improve coverage	Partner with Water Fund (WSTF)	16,400,000
10	Solarization of Twin boreholes	Ongoing	Lower production cost	Partner with AWWDA	32,200,000
11	Rugita water supply	Ongoing	Increase coverage	Partner with AWWDA	Under sewer project
12	Rungiri Kanyongo pipeline	Design ongoing	Increase coverage	Partner with Kiambu County Government	15,000,000

10. Environmental Social Responsibility Statement/Sustainability Reporting

KIKUYU WATER COMPANY exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on 3 strategic pillars: putting the customer first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

i) Sustainability strategy and profile –

According to the strategic plan 2018-2023 the pillars for sustainable service delivery are:

- Professionalization of community management.
- Recognition and promotion of alternative service provider options.
- Monitoring service delivery and sustainability
- Harmonisation and coordination
- Support to service providers
- Capacity support to service authorities
- Learning and adaptive management
- Asset management.
- Financing to cover all life cycle cost
- Regulation of small rural service providers.

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

- Unreliable power supply on multiple times, we were temporarily unable to produce water due to low/high voltages or no power at all. This greatly affected our supply. Further, the power surges on a number of times lead to the failure of some pumps and motors that eventually had to be replaced.
- High power bills. Kikuyu Water Company predominately produces its water from boreholes. This implies that all water production through pumping which results to very high-power bills. To address these two issues, the company explored for alternative power sources; solar installations, which has partly been installed in two boreholes in Rui Karai and Thogoto. Proposals have been done to get more funding for similar projects

ii) Environmental performance

Being a water service provider, KWCL has been intensively involved in the conservation of the water catchments in its areas of jurisdiction and its environs.

KWCL in the year 2019/2020 become an active member of the ONKARU WRUA which is responsible for the conservation of Ondiri, Karai and Rungiri catchments areas. Further, KWCL has a major interest in the conservation of Ondiri swamp.

The swamp serves as a major recharge zone for the Athi aquifer, which is the major aquifer where KWCL abstracts water from. Through WRA and the Friends of Ondiri Forum, KWCL has been involved in; tree planting activities, cleaning of the swamp area, fencing of the swamp and public education forums among others in the bid to conserve the swamp.

Further, KWCL will develop catchment conservation strategy in its technical policy to ensure continuity of conservation efforts.

In the year 2019/2020, through the Kenya satellite town projects, construction of the KIWACO sewer line began. By 30th June 2023, the project was 98% complete.

iii) Employee welfare

The company has developed a HR manual policy that guides on contracting and employee welfare.

The policy includes strategy on implementation of the OSHA; act of 2007. Further the company has insured its employees with WIBA.

iv) Market place practices-

a) Responsible competition practice.

Kikuyu water operates within its area of jurisdiction as guided by the WASREB operating license further the company acknowledges the existence of community-based water service providers in its area of jurisdiction and supports them.

KWCL is fully owned by the County Government of Kiambu, and engages with the county government through the county government's department of Water and environment. Further, the company answers to the County assembly committee of finance in an annual basis

b) Responsible Supply chain and supplier relations

Kikuyu Water Company has developed the Procurement Policy Manual that guides purchasing and disposing at the company. The policy also guides the annual development of the Procurement plan in which process the suppliers are pre-qualified to ensure fair completion in its procurement

c) Responsible marketing and advertisement

Our tariff is developed by WASREB the government body mandated to give guidelines on the same

d) Product stewardship

Kikuyu Water Company complies to the KEBS guidelines for standards of drinking water. Further WASREB gives guidelines for water quality testing and reporting which KWCL adheres to. Water Quality results of samples from our borehole sources are submitted to WASREB. This serves to safeguard the quality of our product.

v) Community Engagements.

KWCL carries out CRS on an annual basis. The company is involved in the take over and facilitation of failed community projects in an aim to ensure that communities that do not get water services start getting the services. During the pandemic period, KWCL constructed hand washing water points at strategic points in Kikuyu and Kabete sub counties and provided the community with free water and soap. Further, KWCL was involved in multiple actions in the fight against the spread of COVID 19.

11. Report of The Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the company affairs.

i) Principal activities

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

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

ii) Results

The net loss before tax for the year of Ksh 21,990,251 million and has been added to the retained earnings. The results for the year are set out fully on pages 1 to 36 in the financial statements.

iii) Dividends

KWCL has not declared dividends for the year ended 30th June 2023


iv) Directors

The members of the Board of Directors who served during the year are shown on page v in accordance with Regulation of the company Articles of Association.

v) Auditors

The Auditor General is responsible for the statutory audit of KWCL in accordance with the Section 15 of the Public Finance Management (PFM) Act, 2012. The company's auditors, Office of Auditor General continue in the office in accordance with public Audit Act 2015

By Order of the Board


Jacqueline Wangari Murigi
Corporate Secretary

Kiambu
Date: 29/9/2023

12. Statement of Directors' Responsibilities

Section 164 of the Public Finance Management Act, 2012 and the Companies Act, require the Directors to prepare financial statements in respect of the company, which give a true and fair view of the state of affairs of the company at the end of the financial year and the operating results of the company for the year. The Directors are also required to ensure that the company keeps proper accounting records which disclose with reasonable accuracy the financial position of the company. The Directors are also responsible for safeguarding the assets of the company.


The Directors are responsible for the preparation and presentation of the company's financial statements, which give a true and fair view of the state of affairs of KWCL for and as at the end of the financial year ended on 30th June 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the company; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

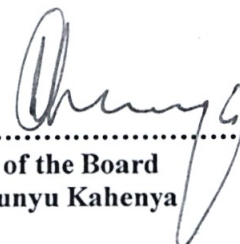
The Directors accept responsibility for the company's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act and the Company's Act. The Directors are of the opinion that the company's financial statements give a true and fair view of the state of company's transactions during the financial year ended 30th June 2023, and of the KWCL financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the KWCL, which have been relied upon in the preparation of the company's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

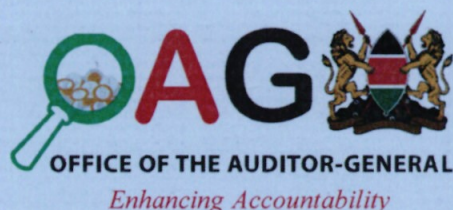
KWCL financial statements were approved by the Board on 29th September 2023 and signed on its behalf by:

Signature.....
Managing Director
Jane Murage

Signature.....
Chairman of the Board
Eng. Kamunyu Kahenya

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KIKUYU WATER COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines, and manuals and whether public resources are applied in a prudent, efficient, economic, transparent, and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient, and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kikuyu Water Company Limited set out on pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant

Report of the Auditor-General on Kikuyu Water Company Limited for the year ended 30 June, 2023

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 the Kikuyu Water Company Limited as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) and comply with the Public Finance Management Act, 2012, the Companies Act, 2015 and the Water Act, 2016.

Basis for Qualified Opinion

1. Failure to Disclose Material Uncertainty in Relation to Going Concern

The statement of financial position reflects total current assets balance of Kshs.96,412,103 against total current liabilities balance of Kshs.156,891,152 resulting in a negative working capital of Kshs.60,479,049 as at 30 June, 2023. This material uncertainty casts significant doubts on the Company's ability to continue as a going concern. As a result, the above matter indicates that the Company is technically insolvent and may not be able to meet its current obligations as and when they fall due.

2. Unexplained Variance in Customer Deposits

The statement of financial position and Note 26 to the financial statements reflects customer deposits balance of Kshs.26,188,424. However, the bank statement for deposit account reflects a balance of Kshs.493,201 leading to an unreconciled variance of Kshs.25,695,223. Management explained that the Company had borrowed an amount of Kshs.25,500,000 from the customer deposits to fund Company development projects. However, Board approval for the borrowings was not provided for audit. Further, customers deposit listing indicating the respective customers and the amounts owed to them was not provided for audit.

In the circumstances, the accuracy and completeness of customer deposits balance of Kshs.26,188,424 could not be confirmed.

3. Misstated Trade and Other Receivables Balance

The statement of financial position and Note 20 to the financial statements reflects trade and other receivables balance of Kshs.86,168,481 net of provision of bad and doubtful debts. However, the supporting schedule provided for audit reflects a balance of Kshs.75,698,887 resulting to unreconciled variance of Kshs.10,469,594. Further, the debtors listing and aging analysis, provision for bad and doubtful receivable ledger and debt policy were not provided for audit.

In addition, the balance of Kshs.86,168,481 increased from the prior year balance of Kshs.84,141,342 by Kshs.2,027,139. However, there was no documentary evidence provided in form of correspondences with the customers showing efforts made by Management to recover the outstanding amounts from the debtors.

In the circumstances, the accuracy, completeness and recoverability of the trade and other receivables balance of Kshs.86,168,481 could not be confirmed.

4. Long Outstanding Trade and Other Payables Balance

The statement of financial position and Note 25 of the financial statements reflects trade and other payables balance of Kshs.130,702,728. The balance includes lease fees payable to Athi Water Works Development Agency and regulatory fees payable to Water Services Regulatory Board of Kshs.24,106,488 and Kshs.18,262,872 respectively which have remained long outstanding in the books of the Company.

In the circumstances, the accuracy and presentation and disclosure of long outstanding payables balance of Kshs.42,369,360 could not be confirmed.

5. Non-Disclosure of Water Inventory

The statement of financial position and Note 19 to the financial statements reflects inventories balance of Kshs.8,437,171 which includes pipes and fittings, chemicals and water meters. However, Management did not disclose the undetermined opening and closing water inventory held in the reservoirs and volume of water in the distribution system in the financial statements. In addition, there was no documentary evidence provided to show that Management measured the water volume in the water treatment plant, reservoirs and distribution systems.

In the circumstances, the accuracy and completeness of the inventory balance of Kshs.8,437,171 could not be confirmed.

6. Unsupported Ordinary Share Capital Balance

The statement of financial position and Note 22 to the financial statements reflects ordinary share capital of Kshs.100,000 as at 30 June, 2023 in respect of share capital which constitute 5000 authorized ordinary share capital of Kshs.20 par value each all of which is issued and fully paid. The Company is fully owned by the County Government of Kiambu, however, the share certificate relating to the paid-up share capital was not provided for audit verification.

In the circumstances, the accuracy of the share capital and ownership of the Company could not be confirmed.

7. Inconsistency in Water Production and Consumption Records

The statement of profit or loss and other comprehensive income and Note 6 to the financial statements reflects operating revenue totalling Kshs.143,979,914. Review and analysis of the water billing and connection reports revealed that 9,582 customers were billed, however review of the connection report indicated that out of the billed customers, 701 customers had been disconnected from water supply but were still billed. Further, the connection report provided for audit indicated 9,805 active customers, out of which only 8881 customers were billed. The balance of 924 customers were not billed for revenue collection yet they had active status.

In addition, the water production report reflects total water production of 2,855,139M³ from 35 boreholes. Recalculation of the production revealed water production of 2,845,437M³ hence production variance of 9,702M³. Monthly readings data provided for 35 boreholes

reflects total consumption of 2,581,228M³ hence non-metered water production of 264,209M³ costed at Kshs.17,966,212. The billing report reflects water consumption of 1,782,178M³ against meter reading supply from 35 boreholes of 2,581,228M³ hence unconsumed water of 799,050M³ costed at Kshs.54,355,400. Further, out of the 35 boreholes, 16 boreholes are not producing water and no effort has been put in place to operationalize them despite high demand for water within Kabete and Kikuyu Constituencies.

In the circumstances, the accuracy and completeness of the operating revenue amounting to Kshs.143,979,914 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kikuyu Water Company Limited Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects approved budgeted revenue of Kshs.239,130,575 and actual revenue of Kshs.186,941,520 resulting to an under collection of Kshs.52,189,055 or 22% of the budgeted amounts. Further, the statement reflects approved budgeted capital expenditure of Kshs.16,325,774 against actual expenditure of Kshs.22,402,968 resulting to an over-expenditure of Kshs.6,077,194 or 37% of budgeted amounts.

The under-funding and over expenditure may have affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Audit Matters

In the audit report of the previous year, several issues were raised. However, Management has not resolved the prior year matters as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Procurement of Maintenance Services

The statement of profit or loss and other comprehensive income and Note 13 to the financial statements reflects maintenance expenses amounting to Kshs.14,536,569. Review of ledgers and sampled payment vouchers for plant and equipment, buildings, motor vehicles, ICT and office repairs and maintenance expenses revealed that the Company procured goods, works and services valued at Kshs.3,590,651 using direct procurement without justification. This was contrary to Section 74 of the Public Procurement and Asset Disposal Act, 2015 which requires that direct procurement be used when there is only one supplier of goods, services or works without reasonable alternative or substitute and when there is urgency which makes other procurement methods impractical.

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

2. Failure to Remit Statutory Deductions

The statement of financial position and Note 25 of the financial statements reflects trade and other payables balance of Kshs.130,702,728. Included in the balance are corporation tax of Kshs.1,200,000 and staff pension contributions of Kshs.14,279,513 all totalling Kshs.15,479,513 that had not been remitted to the respective Government agencies within the due dates.

This was contrary to Regulation 22(2)(a) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officers to comply with any tax, levy, duty, pension, commitments, and audit commitments as may be provided for by legislation.

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

3. Irregular Recruitment of Casuals

The statement of profit or loss and other comprehensive income and Note 10 to the financial statements reflects staff cost of Kshs.66,479,275 out of which Kshs.498,618 was incurred on casuals wages during the year under review. However, the needs assessment report for employment of casual workers, annual recruitment plans approved by the Board, process followed in identifying and recruiting the casual employees and attendance registers signed by casuals indicating check in and check out time were not

provided for audit. This was contrary to Section 129(1) of the Water Act, 2016 which states that every body corporate established under this Act shall cause to be kept all proper books and records of account of the income, expenditure, assets and liabilities.

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

4. Non-Compliance with Minimum Requirements on Employee Ethnic Composition

Review of employee records and staff data matrix for Kikuyu Water Company Limited revealed that the dominant ethnic community employed by the Company as at 30 June, 2023 constituted 84% of the total population of 102 staff members. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community.

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

5. Lack of Gazettement of Board of Directors

Review of the financial statements for the year ended 30 June, 2023 revealed that the Company had seven (7) directors of which six (6) directors were appointed in the year 2022 and one (1) director was appointed in the year 2020. However, no evidence was provided to show that the Board of Directors had been gazette as directed by the Mwongozo Code of Governance. This was contrary to Section 4 Part iii of Mwongozo Code of Governance January, 2015 which states that the Corporation Secretary will ensure that a record of the appointment letter, gazette notice and written acceptance by the Board Member are kept in the personal file of the Board Member.

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

6. Inconsistencies in Customer Billing and Meter Reading

Analysis of the billing report revealed that seventy-one (71) customers were billed a total amount of Kshs.1,021,310. However, review of the billing report revealed that details of customer meter number were not included in the report. In addition, analysis of the billing report provided for audit revealed that 4,908 customers were billed a total amount of Kshs.8,930,399 yet their current meter reading for water was zero. This was contrary to Paragraph 5.2.1 of the Company's Financial Management System Manual, 2022 which requires that all customers be fitted with meters and meter reading be done monthly.

In the circumstances, Management was in breach of the Company's Financial Management System Manual.

7. Excess Non-Revenue Water

The statement of profit or loss and other comprehensive income and Note 6 to the financial statements reflects operating revenue of Kshs.143,979,914. Review of revenue records revealed that the Company produced a total of 2,837,290 cubic meters (m³) of water out of which 1,731,476 cubic meters (m³) of water was billed to customers. The difference of 1,105,814 cubic meters (m³) represents unaccounted for water being 39%

of the total water produced which is 14 percentage points above the allowable loss of 25% set by WASREB Guidelines. The unaccounted for water may have resulted into loss of sales estimated at Kshs.75,195,352 based on the average selling price of Kshs.68 per cubic meter (M³) of water.

The significant level of non-revenue water is an indication of lack of effectiveness in the use of public resources and, may impact negatively on the Company's profitability and its long-term sustainability.

8. Use of Unapproved Water Sales Tariff

The statement of profit or loss and other comprehensive income and Note 6 to the financial statements reflects operating revenue of Kshs.143,979,914. Review of revenue records revealed that the Company billed customers for water supplied amounting to Kshs.134,071,114. However, it was noted that Management had applied the existing tariffs which expired on 30 June, 2013. No explanation or evidence was provided indicating that the Company sought extension of the approved rates billed to water consumers during the financial year under review. This was contrary to Section 72(1)(b) of the Water Act, 2016 which states that the powers and functions of the Regulatory Board shall be to evaluate and recommend water and sewerage tariffs to the County water services providers and approve the imposition of such tariffs in line with consumer protection standards.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter 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 overall governance were not effective.

Basis for Conclusion

Lack of IT Strategic Plan and Tested Emergency Procedure

Review of Information Technology (IT) Policy revealed that the Company did not have an approved IT strategic plan. Without IT strategic plan, the organization IT goals may not contribute to the Company's strategic objectives. Further, there was no formal, documented and tested emergency procedure in place. In case of an emergency, the

personnel involved might not be aware of what is expected from them which may lead to business interference.

In the circumstances, it was not possible to ascertain how the Company planned to achieve its Information Technology strategic objectives.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Kenyan Companies Act, 2015, I report based on the 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 my audit;
- (ii) In my opinion, adequate accounting records have been kept by the Company, so far as appears from the examination of those records; and
- (iii) The Company's financial statements are in agreement with accounting records and returns.

Responsibilities of Management and 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless Management is aware of the intention to liquidate the Company or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public money is applied in an effective manner.

The Board of Directors is responsible for overseeing the Company's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Company policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Company to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


 FCPA Nancy Gatirunga, CBS
AUDITOR-GENERAL

Nairobi

06 May, 2024

KIKUYU WATER COMPANY LIMITED

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

14. Statement of Profit or Loss and other Comprehensive Income For The Year Ended 30th June 2023


	Note	2022-2023	2021-2022
		Kshs	Kshs
Revenue			
Operating Revenue	6	143,979,914	136,348,063
Grants Income	7	42,961,606	81,066,109
Other Income	8		2,500,000
Finance income	9		-
Total Revenue		186,941,520	219,914,172
Expenses			
Staff Costs	10	66,479,275	56,631,969
General and Operations expenses	11	119,011,065	82,860,586
Board Expenses	12	2,419,943	2,040,300
Maintenance Expenses	13	14,536,569	17,672,820
Depreciation and Amortization expenses	14	6,387,505	6,377,339
Finance Costs	15	97,414	60,454
Total Expenses		208,931,771	165,643,468
Profit/(Loss) Before Taxation		(21,990,251)	54,270,704
Income Tax Expense/(Credit)	16		
Profit/(Loss) After Taxation		(21,990,251)	54,270,704


KIKUYU WATER COMPANY LIMITED ANNUAL
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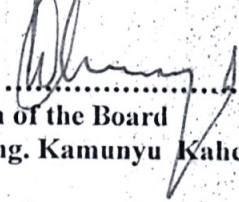
15. Statement Of Financial Position As At 30th June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
ASSETS			
Non-Current Assets			
Property, plant and equipment	17	74,783,746	58,585,005
Intangible assets	18	372,075	555,335
Total Non-Current Assets		75,155,821	59,140,340
Current Assets			
Inventories	19	8,437,171	1,312,630
Trade and Other receivables	20	86,168,481	84,141,342
Bank and cash balances	21	1,806,451	4,477,184
Total Non-Current Assets		96,412,103	89,931,156
TOTAL ASSETS		171,567,924	149,071,496
EQUITY AND LIABILITIES			
Capital and Reserves			
Ordinary share capital	22	100,000	100,000
Capital reserve	23	349,000	349,000
Retained earnings	24	14,227,772	36,218,023
Capital and Reserves		14,676,772	36,667,023
Current Liabilities			
Trade and other payables	25	130,702,728	89,502,951
Customer Deposits	26	26,188,424	22,901,525
Deferred Income			-
Total Current Liabilities		156,891,152	112,404,476
TOTAL EQUITY AND LIABILITIES		171,567,924	149,071,496

The financial statements were approved by the Board on 29th September 2023 and signed on its behalf by:

Signature 
 Managing Director
 Name: Jane Murage

Signature 
 Head of Finance
 Name: CPA Daniel K. Muiruri
 ICPAK M/NO : 20879

Signature 
 Chairman of the Board
 Name: Eng. Kamunyu Kahenya

KIKUYU WATER COMPANY LIMITED
 ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30TH 2023

16. Statement of Changes In Equity For The Year Ended 30th June 2023

	Notes	Ordinary share capital	Capital reserve	Retained earnings	Total
As at July 1, 2021		100,000	349,000	(17,148,792)	(16,699,792)
Profit for the year		-	-	54,270,704	54,270,704
Prior year Adjustment for Expensed Inventory		-	-	(903,889)	(903,889)
At June 30, 2022		100,000	349,000	36,218,023	36,667,023
As at July 1, 2022		100,000	349,000	36,218,023	36,667,023
Profit for the year		-	-	(21,990,251)	(21,990,251)
Prior year Adjustment for Expensed Inventory		-	-	-	-
At June 30, 2023		100,000	349,000	14,227,772	14,676,772

17. Statement of Cash Flows for the Year Ended 30th June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash Flows from Operating Activities			
Receipts			
Operating Revenue		142,901,966	115,510,897
Non-Operating Revenue		-	-
Other Income		-	2,500,000
Finance Income		-	-
Grants		42,961,606	81,066,109
Customer Deposits		3,286,899	3,348,421
Total Receipts		189,150,471	202,425,427
Payments			
Staff Costs		55,330,371	51,787,503
Board Expenses		2,482,278	2,040,300
General and Operation Expenses		91,060,557	110,445,160
Maintenance		17,995,102	18,732,053
Finance Costs/Standing Order		2,547,414	2,260,454
Refund of Customer Deposit		2,500	
Total Payments		169,418,222	185,265,470
Net Cash From/ (Used In) Operating Activities	27	19,732,249	17,159,957
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment (PPE)		22,402,986	15,699,712
Net Cash From/ (Used In) Investing Activities		22,402,986	15,699,712
Cash Flows from Financing Activities			
Net Cash From/ (Used In) Financing Activities			-
Increase/(Decrease) In Cash and Cash Equivalents		(2,670,737)	1,460,245
Cash and Cash Equivalents at Beginning of Year		4,477,184	3,016,939
Effects of Foreign Exchanges Rate Fluctuations			-
Cash and Cash Equivalents at End of The Year		1,806,447	4,477,184

18. Statement of Comparison of Budget and Actual Amounts For the Period Ended 30th June 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	2022-2023	2022-2023	2022-2023	2022-2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Xxx%
Revenue						
Operating Revenue	181,250,000	(31,978,238)	149,271,762	143,979,914	(5,291,848)	96.45%
Grants	23,858,813	66,000,000	89,858,813	42,961,606	(46,897,207)	47.81%
Finance Income						
Other gains						
Total Revenue	205,108,813	34,021,762	239,130,575	186,941,520	(52,189,055)	78.18%
Expenses						
Staff Costs	55,307,619	9,460,000	64,767,619	66,479,275	1,711,656	102.64%
Board Expenses	5,470,000	(2,980,000)	2,490,000	2,419,943	(70,057)	97.19%
Admin General , O & M Expenses	114,380,139	20,310,043	134,690,182	134,763,068	72,886	100.05%
Admin fee and Regulatory Levy	6,332,000	(800,000)	5,532,000	5,172,071	(359,929)	93.49%
Finance costs	200,000	-	200,000	97,414	(102,586)	48.71%
Total Recurrent Expenditure	181,689,758	25,990,043	207,679,801	208,931,771	1,251,970	100.60%
Profit or Loss	23,419,055	8,031,719	31,450,774	(21,990,251)	(53,441,025)	69.92%
Capital Expenditure	22,885,774	(6,560,000)	16,325,774	22,402,968	6,077,194	137.22%
Total Expenditure	204,575,532	19,430,043	224,005,575	231,334,739	7,329,164	103.27%
Payment of Arrears						
Regulatory Levy Arrears	-	-	-	-	-	-
Lease fees	-	-	-	-	-	-
Pension Arrears	6,558,281	(4,058,281)	2,500,000	-	(2,500,000)	-
Accrued staff costs	3,875,000	-	3,875,000	3,875,000	-	100%
Payment of Electricity	14,000,000	-	14,000,000	12,473,343	(1,526,657)	89.10%
Repaying Customer Deposit	2,400,000	-	2,400,000	2,450,000	50,000	102..08%
Total Arrears	26,833,281	(4,058,281)	22,775,000	18,798,343	(3,976,657)	82.54%

Budget notes**1. Revenue**

Our budget total revenue was Ksh 207.6 million. We achieved Ksh 186.9 million achieving utilization of 78.18%. This was mainly contributed by a Ksh 42.9 million Grant from the county government and National Government through WSTF for settlement of electricity bills and Kanjeru Water Project

2. Expenditure**a. Staff expenses**

Our budgeted staff cost was Ksh 64.7 million and we utilized Ksh 66.4 million for the financial year, this was a utilization of 106.64%.

b. Admin, General, O & M Expenses

Our Budgeted expenses were Ksh 134.6 million and we utilized 134.7 million. This cost increased due to required maintenance of new supply areas including Karai, Nyakumu, Ondiri Maihii, Wangingi etc These increased operations also affected the vehicle maintenance.

Operational costs have increased mainly due to operationalization of Twin, Riu Nderi and Wangigi boreholes. Riu Nderi borehole has supplied water in Karai area, Rusigiti, Teachers, Nyakumu, Nairobi Ndogo, Nderi, Gando and Kieri. Wangigi borehole has supplied water to the area around Wangigi Hospital and Kibichiku area Water supply to these areas had led to a lot of repairs of the pipeline and rehabilitation of some of the areas and others required extension in order to serve the residents. Other new projects also increasing this cost are Ondir Maihii, Kanjeru and Rugita.

c. Board Expenses

Our budgeted board cost was Ksh 2.4 million. We have spent Ksh 2.4 million as at the June 2023

d. Finance Cost

Our budgeted cost was Kshs 200,000 and our actual utilization was Ksh 97,414. This relates to expense paid as commission to WASREB performance guarantee.

e. Capital Expenditure

Our Budget was Kshs 16.3 million and our actual utilization was Kshs 22.4. Include under this is working in progress of Kanjeru water projects Civil works of Kshs 12.7 million WSTF Grant.

f. Payment of Arrears

We had budgeted to pay Ksh 22.7 million of our arrears and our actual achievement was Kshs 18.37%, achieving a utilization of 82.54%. Electricity arrears were Kshs 14 million and we paid Kshs 12.4 million achieving a utilization of 89.1%. Accrued staff costs achieving a utilization of 100% and repayment of customer deposit 102.08%.

19. Notes To the Financial Statements

1. General Information

Kikuyu Water Company Ltd (KWCL) was incorporated under the Companies Act (Cap. 486) on 10th March 2006 and was appointed by Athi Water Works Development Agency (AWWDA a state corporation) as an agent for the provision of efficient and effective water and sewerage services within Kikuyu Township and its environs. It is currently owned by County Government of Kiambu.

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 entity'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 in Note 5

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Kikuyu Water Company Ltd

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

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

i. New and amended standards and interpretations in issue and effective in the year ended 30 June 2023.

Title	Description	Effective Date
IFRS 17 Insurance Contracts (issued in May 2017)	The new standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. <i>The Company does not issue insurance contracts.</i>	Effective for annual periods beginning on or after 1 st January 2023.
IAS (International Accounting Standards) 8-	The amendments, applicable to annual periods beginning on or after 1st January 2023, introduce a definition of 'accounting estimates' and include other	The amendments are effective for annual reporting periods

Title	Description	Effective Date
Accounting Policies, Errors, and Estimates	<p>amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.</p> <p><i>(entity to state the effect of amendments on their financial statements for the year ended.)</i></p>	beginning on or after January 1, 2023.
Amendments to IAS 1 titled Disclosure of Accounting Policies (issued in February 2021)	<p>The amendments, applicable to annual periods beginning on or after 1st January 2023, require entities to disclose their material accounting policy information rather than their significant accounting policies.</p> <p><i>(Entity to state whether this has brought about changes to the accounting policies disclosed)</i></p>	The amendments are effective for annual periods beginning on or after January 1, 2023.
Amendments to IAS 12 titled Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (issued in May 2021)	<p>The amendments, applicable to annual periods beginning on or after 1st January 2023, narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.</p>	The amendments are effective for annual periods beginning on or after January 1, 2023.

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

KIKUYU WATER COMPANY LIMITED
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

Notes to the Financial Statements (Continued)

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

- i. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

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 IAS 1 titled Non-current Liabilities with Covenants (issued in October 2022)	The amendments, applicable to annual periods beginning on or after 1st January 2024, improve the information an entity provides about liabilities arising from loan arrangements for which an entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.

iii) **Early adoption of standards**

KWCL did not early – adopt any new or amended standards in year 2023.

Notes to the financial statements (continued)**4. Summary of Significant Accounting Policies**

The principle accounting policies adopted in the preparation of these financial statements are set out below:

a) Revenue recognition

Revenue is measured based on the consideration to which the entity expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The entity recognizes revenue when it transfers control of a product or service to a customer.

- i) **Revenue from the sale of goods and services** is recognized in the year in which the *KWCL* delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.
- ii) **Grants from National Government** are recognized in the year in which *KWCL* 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 lease agreements.
- vi) **Other income** is recognized as it accrues.

b) In-kind contributions

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

Notes To The Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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.

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

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

d) Depreciation and impairment of property, plant and equipment

Freehold land and capital work in progress are not depreciated. Capital work in progress relates mainly to the cost of ongoing but incomplete works on buildings and other civil works and installations.

Depreciation on property, plant and equipment is recognised in the income statement on a Reducing Balance 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:

Plant and machinery & water meters	10%
Motor vehicles, including motor cycles	25%
Computers and related equipment	33%
Office equipment, furniture and fittings	10%
Land and Building	2.5%

A Pro Rated depreciation charge is recognized both in the year of asset purchase and in the year of asset disposal.

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

Notes To The Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 Reducing Balance 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) Amortisation and impairment of intangible assets

Amortisation is calculated on the Reducing Balance basis over the estimated useful life of computer software of three years.

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 recognised so that the asset is written down immediately 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.

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.

Notes To The Financial Statements (Continued)

4. Summary of Significant Accounting Policies (Continued)

i) Fixed interest investments (bonds)

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

j) Quoted investments

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

k) Unquoted investments

Unquoted investments stated at cost under non-current assets, and comprise equity shares held in other Government owned or controlled entities.

l) Inventories

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

m) Trade and other receivables

Trade and other receivables are recognized at amortized cost less allowances for any uncollectible amounts. These are assessed for impairment on a continuing basis. A 5% 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.

n) Taxation

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.

Notes To The Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

n) Taxation (Continued)

Current income tax (Continued)

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 Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and

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.

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.

Notes To The Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

n) Taxation (Continued)

Deferred tax (Continued)

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.

o) 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.

p) 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 the Central Bank of Kenya and at various Commercial Banks at the end of the reporting period. For the purposes of these financial statements, cash and cash equivalents also include short term cash interests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

q) 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 amortised cost using the effective interest rate method. Amortised 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 capitalised as part of the cost of the project.

Notes To The Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

r) Trade and other payables

Trade and other payables are non-interest bearing and are carried at amortised 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.

s) Retirement benefit obligations

The Company and employees contribute to the National Social Security Fund, a statutory pension scheme. This is a defined contribution scheme registered under the National Social Security Act. Furthermore the employees contribute 7.5% of staff basic pay towards a defined contribution pension scheme (Laptrust Umbrella Retirement Fund) and the company contributes 15% to the same scheme.

t) Provision for staff leave pay

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

u) 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 recognised in profit or loss.

v) Budget information

The original budget for FY 2022-2023 was approved by the Board of Directors in January 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations as per note 17 for the 2022-2023 budget following the governing body's approval.

The entity's budget is prepared on a basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, and the budget is prepared on an accrual basis. The amounts in the financial statements were recast in accrual 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.

Notes To The Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

u) Budget information (Continued)

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 financial performance has been presented under these financial statements.

w) Service concession arrangements

The Entity 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 Entity 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 Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

x) Comparative figures

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

y) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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. KWCL 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 KWCL. Such changes are reflected in the assumptions when they occur.

5 Significant Judgements and Sources of Estimation Uncertainty (Continued)

Useful lives and residual values

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

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

Provisions

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

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.

KIKUYU WATER COMPANY LIMITED
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

Notes to the Financial Statements (Continued)

6. Operating Revenue

	2022-2023	2021-2022
	Kshs	Kshs
Water sales	134,071,114	127,828,563
Sewer Connection Fees	1,152,500	-
New Connection Fees	6,542,500	6,866,500
Exhauster Charges	2,213,800	1,653,000
Total	143,979,914	136,348,063

7. Grants Income

	2022-2023	2021-2022
	Kshs	Kshs
Operational grants from Government entities (WSTF)	10,559,096	34,704,546
National/County	25,250,000	
Capital grants amortised	-	
Donations from County Governments	6,138,741	46,361,563
In Kind contribution/donations from other agencies	1,013,769	
Total	42,961,606	81,066,109

Analysis of grants received from the Government

Name of the Entity sending the grant	Amount recognized in the Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	Insert Current FY KShs
WSTF	10,559,096	-	-	10,559,096	-
County Government	6,138,741	-	-	6,138,741	-
Total	16,697,837	-	-	16,697,837	-

8. Other Incomes

	2022-2023	2021-2022
	Kshs	Kshs
Sale of Tender	-	
Fine and penalties	-	
Compensation for Land/ damage	-	2,500,000
Insurance compensation	-	
Miscellaneous income (specify)	-	
Total	-	2,500,000

9. Finance Income

	2022-2023	2021-2022
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	-	

10. Staff Costs

	2022-2023	2021-2022
	Kshs	Kshs
Gross Salary and Allowances	58,333,104	48,472,702
Casual workers' Wages	498,618	1,056,910
Medical insurance schemes	-	-
Employer's contributions to social security schemes	655,360	220,000
Employer's contributions to pension scheme	4,763,000	3,979,362
Provisions for Leave pay	-	1
Staff Bonus	-	669,960
Fringe Benefit tax	-	-
Staff welfare	2,229,193	2,233,035
Other allowances	-	-
Total	66,479,275	56,631,969
The average number of employees during the year	97	97

KIKUYU WATER COMPANY LIMITED
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

11. General and Operations Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Chemicals	58,890	-
Electricity	89,014,612	53,917,450
Fuel, oil, lubricants, and gases	4,974,985	3,501,216
Uniform and protective clothing	127,310	263,250
Telecommunication	1,119,968	1,085,010
Postage and courier	9,450	9,450
Office Electricity (Tokens)	-	37,880
Insurance	239,906	489,604
Rent and Rates	132,000	486,028
Printing & Stationeries	471,173	282,166
Domestic Traveling and subsistence	4,809,645	6,293,676
Staff training and development	2,721,254	1,881,120
Bank Charges	164,949	189,936
Mpesa Charges	-	15,593
Security services	2,819,326	2,055,000
Publicity and advertising	91,680	30,471
Audit fees	1,413,393	912,617
Legal fees	205,949	75,510
Performance Reward Systems	1,406,929	811,089
Licensing and levies (WASREB & WARMA)	6,921,666	6,389,567
Sports, recreation and Team Building	-	990,680
Stakeholder's Expenses	83,529	-
Donations/CSR	229,810	547,995
Membership to Professional Associations	176,500	255,150
Covid 19 Mitigation	-	211,495
Billing & Support Services	1,273,900	737,489
Water Quality Testing	176,656	191,000
Water Source Management	-	105,080
Conservation expenses	101,859	80,040
Provision for doubtful debts	135,100	615,883
Others (General Office running expenses)	130,626	399,141
Total	119,011,065	82,860,586

12. Board Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Chairman Honoraria	158,542	-
Sitting allowances	2,261,401	1,803,900
Travel and accommodation	-	236,400
Total Board Expenses	<u>2,419,943</u>	<u>2,040,300</u>

13. Maintenance Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Plant and Equipment	571,328	121,274
Buildings	427,745	40,040
Infrastructural networks	10,945,918	14,671,143
Motor vehicles	1,450,316	1,698,450
ICT	951,516	785,268
Office Repairs & Maintenance	189,746	356,645
Total Maintenance Expenses	<u>14,536,569</u>	<u>17,672,820</u>

14. Depreciation and Amortization Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, plant, and equipment	6,204,245	6,103,816
Intangible assets	183,260	273,523
Total Depreciation and Amortization	<u>6,387,505</u>	<u>6,377,339</u>

15. Finance Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest expense on bank overdrafts and Commissions	97,414	60,454
Total	<u>97,414</u>	<u>60,454</u>

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 ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

16. Income Tax Expense/(Credit)

INCOME TAX COMPUTATION	
PIN: P051185406T	
for to the year ended 30/6/2023	
	Kshs
Operating Profit/Loss as per financial statements	-21,990,251
ADD BACK:	
Provision for bad debts	135,100
Depreciation / Amortization	6,387,505
Total	6,522,605
Adjusted Operating Profit	-15,467,646
DEDUCT:	
Industrial Building Allowances	15,723
Wear and tear Allowance	6,236,643
Donations from county govt/ WSTF/other donors not subject to tax	42,961,606
Adjusted Business Profit	-64,681,618
Adjusted Business Profit/loss BF	0
Tax on business income: @ 30%	-19,404,485
ADD	
Tax on interest income: @30%	0
Total Tax Liability	-19,404,485
Less: paid	0
Tax credit C/F	-19,404,485



17. Property, Plant and Equipment

a. Property, Plant and Equipment

	Motor vehicles/ Cycles	Office Furniture & Fittings	Computers Office Equipment & Phones	Plant and machinery	Pipes & Water Meters	Land Buildings and Civil Works	Tools	Capital Working in progress	Total
Cost or Valuation									
At July 1, 2022	5,089,300	1,430,461	6,201,528	36,374,151	32,552,098	3,514,215	115,810	-	85,277,563
Additions	-	-	449,020	2,988,448	3,797,540	-	220,614	14,947,364	22,402,986
Total Non-Current Assets at cost 30/06/2023	5,089,300	1,430,461	6,650,548	39,362,599	36,349,638	3,514,215	336,424	14,947,364	107,680,549
Depreciation									-
At July 1, 2022	3,736,613	665,001	3,437,409	12,772,539	5,968,715	61,883	50,399	-	26,692,559
Charge for the year	338,172	76,546	599,730	2,544,419	2,494,160	87,949	63,268	-	6,204,244
Impairment Loss	-	-	-	-	-	-	-	-	-
Eliminated on Disposal	-	-	-	-	-	-	-	-	-
At June 30, 2023	4,074,785	741,547	4,037,139	15,316,958	8,462,875	149,832	113,667	-	32,896,803
Net Book Value At June 30, 2023	1,014,515	688,914	2,613,409	24,045,641	27,886,763	3,364,383	222,757	14,947,364	74,783,746

Note; A list of assets owned by Kiambu County Government and AWWDA is annexed. Page 41

Property, Plant and Equipment (Continued)

	Motor vehicles/ Cycles	Office Furniture & Fittings	Computers Office Equipment & Phones	Plant and machinery	Pipes & Water Meters	Land Buildings and Civil Works	Tools	Total
Cost or Valuation								
At July 1, 2021	5,089,300	979,611	4,528,311	33,648,990	26,192,904	1,339,565	55,060	71,833,741
Additions	-	450,850	1,673,217	2,725,161	6,359,194	2,174,650	60,750	13,443,822
Total Non-Current Assets at cost June 30, 2022	5,089,300	1,430,461	6,201,528	36,374,151	32,552,098	3,514,215	115,810	85,277,563
Depreciation								-
At July 1, 2021	3,285,717	617,778	2,922,205	10,342,934	3,377,021	19,829	23,258	20,588,742
Charge for the year	450,896	47,223	515,203	2,429,605	2,591,694	42,054	27,141	6,103,816
Impairment loss	-	-	-	-	-	-	-	-
Eliminated on disposal	-	-	-	-	-	-	-	-
At June 30, 2022	3,736,613	665,001	3,437,408	12,772,539	5,968,715	61,883	50,399	26,692,558
Net Book Value At June 30, 2022	1,352,687	765,460	2,764,120	23,601,612	26,583,383	3,452,332	65,411	58,585,005

Notes To The Financial Statements (Continued)

17 b. Property, Plant and Equipment at Cost

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Motor Vehicles/ Cycles	5,089,303	4,074,785	1,014,515
Office Furniture and Fittings	1,430,461	741,547	688,914
Computer and equipment and Phones	6,650,548	4,037,139	2,613,409
Plant and Equipment	39,362,599	15,316,958	24,045,641
Pipes and Water meters	36,349,638	8,462,875	27,886,763
Land & Building & Civil Works	18,461,579	149,832	18,311,747
Tools	336,424	113,667	222,757
Total	107,680,549	32,896,803	74,783,746

18. Intangible Assets

	2022-2023	2021-2022
	Kshs	Kshs
Cost		
At July 1 st	1,680,000	1,528,000
Additions		152,000
Disposals		-
At June 30 th	1,680,000	1,680,000
Amortization		
At July 1 st	1,124,665	815,142
Charge for the year	183,260	273,523
Disposals		-
Impairment loss		-
At June 30 th	1,307,925	1,124,665
Net Book Value At June 30th	372,075	555,335

KIKUYU WATER COMPANY LIMITED
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

Notes To The Financial Statements (Continued)

19. Inventories

	2022-2023	2021-2022
	Kshs	Kshs
Stationery	88,060	117,075
Electricals	33,900	0
Water fittings	472,945	932,105
Water meters	3,084,000	199,500
Pipes	4,562,680	60,560
Tools	83,086	-
Chemicals	112,500	3,390
Total	8,437,171	1,312,630

20. Trade and Other Receivables

	2022-2023	2021-2022
	Kshs	Kshs
Trade receivables	109,970,729	107,268,735
Other receivables (WASREB Performance Guarantee)	2,000,000	2,539,755
Gross trade and other receivables	111,970,729	109,808,490
Provision for bad and doubtful receivable	25,802,248	(25,667,148)
Net trade and other receivables	86,168,481	84,141,342

21. Cash and Cash Equivalents

	2022-2023	2021-2022
	Kshs	Kshs
Commercial banks		
KCB - Main Revenue A/C 1102658111	154,621	49,782
Equity - 0570292031078	35,548	738,614
KCB - Expenditure A/C 1102947962	29,747	13,406
KCB - Customer Deposit A/C 1102639648	493,201	3,378,366
Post Bank Kenya	31,790	63,090
Family Bank 102000004731	16,368	13,592
Mpesa	619,365	220,003
Family Bank WSTF Expense AC 102000035220	331	331
Family Bank WSTF 8 Kanjeru 102000038542	425,480	
	1,806,451	4,477,184

Notes To The Financial Statements (Continued)

22. Ordinary Share Capital

	2022-2023	2021-2022
	Kshs	Kshs
Authorized:		
5000 ordinary shares of Kshs.20 par value each	100,000	100,000
Issued and fully paid:		
5000 ordinary shares of Kshs.20 par value each	100,000	100,000

23. Capital Reserves

Capital Reserve; the initial capital as shown is equal to the debtors inherited during the formation of KWCL

24. Retained Earnings

The retained earnings represent amounts available for distribution to the KWCL shareholders. Undistributed retained earnings are utilised to finance the KWCL business activities.

25. Trade and Other Payables

	2022-2023	2021-2022
	Kshs	Kshs
Trade payables	4,094,262	8,175,189
Accrued expenses	123,816,601	78,596,529
Revenue received in advance	1,423,865	1,363,233
Other payables	1,368,000	1,368,000
Total	130,702,728	89,502,951

KIKUYU WATER COMPANY LIMITED
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

Notes To The Financial Statements (Continued)

26. Customer Deposits

	2022-2023	2021-2022
	Kshs	Kshs
Opening Balance	22,901,525	19,553,104
Add: deposits received during the year	3,286,899	3,348,421
Closing Balance	26,188,424	22,901,525

27. Notes To The Statement of Cash Flows

Cash flow Statement	Notes	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Profit/ (loss) before tax		(21,990,251)	54,270,704
Adjustment for:			
Depreciation		6,204,244	6,103,816
Amortization		183,260	273,523
Provision for Bad Debts		135,100	615,883
Cash Generated from Operations		(15,467,647)	61,263,926
Changes in Working Capital			
Increase in Inventories		(7,124,541)	(193,382)
Increase in Trade and other receivables		(2,162,239)	(14,857,421)
Increase (Decrease) in Trade and other payables		41,199,777	(32,401,587)
Increase/(Decrease) in Prepayments			-
Increase in Customer Deposits		3,286,899	3,348,421
Net cash from operating activities		19,732,249	17,159,957

Notes To The Financial Statements (Continued)

28. Related Party Disclosures

Government of Kenya

The company is wholly owned by County Government of Kiambu- incorporated in Kenya, which owns 100% of the company's shares.

(a) Athi Water Services Board

Athi water Services board is a state corporation under the ministry of water, environment and natural resources incorporated under state corporation act Cap (446) with the mandate of asset development within Nairobi and Kiambu counties. Kikuyu Water Company is appointed as an agent of AWSB as one of the Water service providers (WSPs) tasked with the management of asset and liabilities as negotiated through a services provision agreement (SPA). The company is supposed to pay a fixed administration levy to AWSB as indicated in the regular tariff which was approved by the Regulator (WASREB).

(b) County Government of Kiambu

The company is wholly owned by the County Government of Kiambu which owns 100% of the company's shares. The company is supposed to pay a fixed monthly lease fee to the county Government of kiambu as determined in the regular tariff approved by the regulator (WASREB) at ksh 2000 per month.

(c) Water Services Regulatory Board

The company operates under water sector regulator that is Water services regulatory board. The company has signed a Service Provision Agreement (SPA) with the regulator through AWWDA and is supposed to pay a regulatory levy to WASREB on monthly basis at 4% of all revenues generated. The regulator is also supposed to approve water and sanitation tariff at interval of three years or as need be.

(d) Water Resources Management Authority

The company is obligated under the water act of 2002 to pay water resources management authority on monthly basis a levy of 50cts per cubic meter of water produced.

(e) Remuneration for directors' and key management compensation

The remuneration for directors' and other members of key management during the year were as follows

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	2022-2023 Kshs	2021-2022 Kshs
(A) Athi Water Works and Development Agency		
Balances brought forward	24,106,488	24,106,448
Administrative Fee payable to AWSB	-	-
Balance Carried down as at 30th June	24,106,488	24,106,488
(B) County Government Of Kiambu		
Balances brought forward	168,000	168,000
County Government of Kiambu	-	-
Balance Carried down as at 30th June	168,000	168,000
(C) Water Services Regulatory Board		
Balances brought forward	18,262,872	14,682,187
Regulatory levy payable to WASREB	5,572,382	5,142,685
Payments during the year	209,539	(1,562,000)
Balance Carried down as at 30th June	23,625,715	18,262,872
(D) Water Resources Management Authority		
Balances brought forward	3,566,137	3,469,255
Adjustments	-	-
Regulatory levy payable to WARMA	1,349,284	1,246,882
Payments during the year	2,000,000	(1,150,000)
Balance Carried down as at 30th June	2,915,421	3,566,137
(E) Directors Remuneration		
Board allowances	2,419,943	2,040,300
Remuneration of key Management	8,707,608	7,496,424
Total as at 30th June	11,127,551	9,536,724

Notes To The Financial Statements (Continued)

29. Financial Risk Management

The KWCL activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

(i) Credit risk

KWCL is exposed to credit risk which is the risk that the debtors will cause a financial loss to the company by failing to discharge an obligation. Credit risk arises mainly from customer deposits held in the form of bank balances or short-term deposits, and the cash held at revenue collection points with various institutions like M-Pesa platform, Equity bank Ltd, Family Bank Ltd and Post bank of Kenya Ltd.

The company does not have significant concentrations of credit risk posed by collection agents or banks since the financial institutions possess high credit quality and hence the risk of default is low. Cash deposits are maintained with credible financial institutions

The company's accounts receivable is generated mainly from the water sale. Majority of these sales are in accounts receivable which generally are short term for a period not exceeding 30 days. 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.

Notes To The Financial Statements (Continued)

Financial Risk Management (Continued)

(i) Credit risk (Continued)

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables from billing to customers transactions	107,268,735	69,899,804	25,667,148	-
Receivables from other transactions	2,539,755	2,539,755	-	-
Bank balances	4,477,184	4,477,184	-	-
Total	114,285,674	76,916,743	25,667,148	
At 30 June 2023				
Receivables from billing to customers transactions	109,970,729	84,168,481	25,802,248	-
Receivables from other transactions	2,000,000	2,000,000	-	-
Bank balances	1,806,451	1,806,451	-	-
Total	113,777,180	87,974,932	25,802,248	

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

The company has significant concentration of credit risk on amounts due from water consumers

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 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.

Notes To The Financial Statements (Continued)

Financial Risk Management (Continued)

(ii) Liquidity risk management (Continued)

	3 month	6 months	9months	Total
	Kshs	Kshs	Kshs	Kshs
At 30th June 2022				
Trade payables and other payables	25,134,825	4,314,913	4,388,010	33,837,748
Provisions? Lease & regulatory fees	1,602,740	1,608,364	42,724,393	45,935,497
Deferred income	-	-	-	0
Employee benefit obligation	5,047,998	624,565	4,057,143	9,729,706
Total	31,785,563	6,547,842	51,169,546	89,502,951
At 30th June 2023				
Trade payables and other payables	46,269,329	343,450	14,716,652	61,329,431
Provisions, Lease & regulatory fees	1,598,704	1,748,556	47,300,364	50,647,624
Deferred income				
Employee benefit obligation	6,588,939	1,944,715	10,192,019	18,725,673
Total	54,456,972	4,036,721	72,209,035	130,702,728

(iii) Market risk

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

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

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

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

Notes To The Financial Statements (Continued)

Financial Risk Management (Continued)

a) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The entity 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.

b) 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.

Notes to The Financial Statements (Continued)

Financial Risk Management (Continued)

iv) Capital Risk Management

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

	2022-2023	2021-2022
	Kshs	Kshs
Trade and other payables (note 14)	130,702,728	89,502,951
Less: cash and short-term deposits	1,806,451	4,477,184
Net debt	128,896,277	85,025,767
Equity	171,567,924	149,071,499
Gearing ratio	0.75	0.57

30. Incorporation

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

31. Events After The Reporting Period

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

32. Currency

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

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Appendix 1: Progress on Follow up of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
(2.0) Non-Remittance of Statutory Deductions	<p>The statement of Profit and Loss and other comprehensive income and Note 10 to the financial statements reflects staff costs totalling Kshs 56,631,967. Included in the expenditure is Kshs 3,979,362 relating to employer's contributions to pension scheme and Kshs 220,000 in respect of the employer's contributions to social security schemes. However, records of remittances of the deductions effected on employee's salaries to the various statutory beneficiary institutions were not provided for audit review.</p>	<p>Due to financial constraints we have not been able to pay statutory obligations to the related institutions. This was mainly due to lack of major capital investment in Kikuyu relating to water supply. However, in the last two years investments have been made including boreholes in Kikuyu and Karai complete with raising mains and water tanks which has increased the amount of water supplied improving our billing and revenue collection. A sewer system to serve Kikuyu Town and Thogoto has also been developed and we expect the project to be handed over before the end of the financial year 2022/2023. We are also in the process of reviewing our tariff which we expect to implement before the end financial year 2022/2023. With this we will be able to meet our recurrent expenditure as well as pay statutory deductions and other</p>	Daniel Muiruri	Pending	F/Y 2023/2024

Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
(7) Failure to disclose material uncertainty in relation to going concern	The statement of financial position reflects total current assets balance of Kshs 89,931,156 while the total current liabilities balance was Kshs 112,404,476 resulting in a negative working capital of Kshs 22,473,320 or a ratio of 0.8. Working Capital is used to measure a Company's ability to meet its short-term obligations that are due within a year. A working capital of less than 1 indicates that the Company would not have funds to meet its short-term obligations if they were to fall due at once.	<p>outstanding debts.</p> <p>Included in current liabilities is Kshs 24.1 Million relating to AWWDA an amount that accumulated as lease fee for projects that are not being used by KWCL. Key to note also is that KWCL has been using an old tariff gazette in 2010 2011 that has led to reduced billing amount over the years giving KWCL challenges in meeting its operational costs hence the accumulated loses, however we are in the process of reviewing our tariff and we expect to have a reviewed tariff in this financial year. To ensure the company is able to meet its obligations when they fall due the company's management is doing the following,</p> <ul style="list-style-type: none"> To reduce operational costs, mainly electricity bills we have opted to use solar to run our Boreholes and we have two boreholes already running in Thogoto, Karai and Ondiri. Development of a new tariff in order to meet our current and expected future costs Adoption of a new billing system that allows us to read our meters using phones by taking photos to reduce erroneous bills. Continuous extension of our water 	MD	In Progress	In Progress

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>supply to areas that are not served.</p> <ul style="list-style-type: none"> Enforcement of the NRW Team to work on reduction of non-revenue water in conjunction with the GIS team to help in mapping of all our connections. 			
(3). Unaccounted for water	<p>Review of the records revealed that the Company total water production for the year was 2,493,757 m³ from the 4 production stations. However, only 1,533,733 m³ of water was billed during the year under review, resulting to NRW of 960,024 m³ or 38% which is 13% over and above the allowable loss of 25% in accordance with the WASREB guidelines. The NRW represents a loss of Kshs 14,714,127 in earnings for the Company at the average rate of Kshs 83 per m³</p>	<p>The non-revenue water being both physical and commercial losses, the company has invested heavily in rehabilitation of water systems, storage tanks and addressing leaks and bursts in order to address technical losses. In addition, the company has dedicated a full pledged non -revenue water team so as to maximise on reduction of non-revenue. Also, the company has ensured 100 % metering of customers in order to address the same while buying quality meters and installing them to new customers. However, during the financial year under review the company lost considerable amounts of water during construction of road in Kikuyu town and peripheral estates. However, the 38% is still above the allowable thresholds and the company is committed to bringing it to further down.</p>	Peter Nganga	In Progress	In Progress

No	Proposed Capital Work	Status	Impact	Proposed Intervention	Budget
1	Drilling and equipping of a borehole at twin site and laying of pipeline to serve kamangu area.	Complete	Increase water service levels and area of coverage.	Partner with Kiambu county government for development.	21,000,000
2	Kinoo- uthiru Phase I involving pipework, 1No. 108m ³ elevated steel & metering	Ongoing	Increase water service levels and adequate storage facilities	Partner with AWWDA	Already budgeted under sewer project.
3	Construction of Kikuyu Sewerage project	Ongoing	improved sanitation	Works on going, project 82% complete.	662,000,000
4	Non-Revenue Water Reduction Initiatives	ongoing	Increase in billing efficiency hence more revenue	Invest highly in reduction NRW and also partner with Kiambu County Government.	13,000,000
5	Distribution network for Uthiru ward	Ongoing	Increase in coverage	Partner with Kiambu County Government and AWWDA. 80% done.	15,000,000
6	Distribution network for Kinoo ward	Ongoing	Increase coverage	Partner with Kiambu County government	25,000,000
7	Rukubi Kanyariri water supply	Ongoing	Increase coverage	Partner with Kiambu County Government	5,000,000
8	Augmentation Ondiri Maaihii water project	Complete	Improve reliability	Partner with Kiambu County Government	4,500,000
9	Kanjeru water project	Ongoing	Improve coverage	Partner with Water Fund (WSTF)	16,400,000
10	Solarization of Twin boreholes	Ongoing	Lower production cost	Partner with AWWDA	32,200,000
11	Rugita water supply	Ongoing	Increase coverage	Partner with AWWDA	Under sewer project
12	Rungiri Kanyongo pipeline	Design ongoing	Increase coverage	Partner with Kiambu County Government	15,000,000

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Appendix 2: Assets owned by Kiambu County Government and AWWDA

Borehole Name	Location	Ownership	Sub County	Abstraction yield (m ³ /hr)	Casing Diameter	Status	Power	Reservoir Capacity	Remark
Booster Station Kikuyt	Kikuyu town	KCG	Kikuyu	24m ³ /hr	6"	Operational	15kW	Ground: 350m ³ 2NO Elevated steel tank each 108m ³ Elevated concrete: 45m ³	Masonry tanks to be retired
Kabuthi	Thogoto	KCG	Kikuyu	14m ³ /hr	6"	Operational	7.5kW	90m ³	
Thogoto 1	Thogoto	KCG	Kikuyu	24m ³ /hr	6"	Operational	15kW	48m ³	
Thogoto 2	Thogoto	KCG	Kikuyu	32m ³ /hr	6"	Operational	15kW		
Maiahii (rutara)	Mai ai ihii	KCG	Kikuyu		6"	retired	7.5kW	Masonry: 200m ³ Elevated plastic: 10m ³ , 30m ³ , 30m ³	retired
Kanyethi	Mai ai ihii	KCG	Kikuyu	20m ³ /hr	6"	Suspended	11kW	30m ³	Turbid
Lusigeti	Lusigeti	KCG	Kikuyu	7m ³ /hr	6"	Retired	7.5kW	45m ³ and 90m ³	
Nachu	Nachu	KCG	Kikuyu	4m ³ /hr	6"	Standby	7.5kW	Each 45m ³	
Nyakumu	Nyakumu	KCG	Kikuyu	6m ³ /hr	6"	Suspended	7.5kW	Each 45m ³	
Kamangu A	Kamangu	KCG	Kikuyu	5m ³ /hr	6"	Decommissioned	7.5KW		
Kamangu B	Kamangu	KCG		5m ³ /hr	6'	Retired	5.5 kW	Masonry: 45m ³	
Kanyanjara	Kanyanjara	KCG	Kikuyu	10m ³ /hr	6"	Suspended	15kW	48m ³	LIWASCO
Nduma	Nduma	KCG	Kikuyu	14m ³ /hr	6"	Operational	15kW		
Muguga B	Muguga	KCG	Kikuyu	15m ³ /hr	6"	Operational	15kW	108m ³	
Muguga A	Kiambaa	KCG	Kikuyu	31m ³ /hr	6"	Decommissioned	22kW	48m ³	KENHA
Cura	Cura	KCG	Kabete	11m ³ /hr	6"	retired	11kW	250m ³	
Nyathuna	Nyathuna	KCG	Kabete	7m ³ /hr	6"	Operational	9.2kW	Masonry each	

								225m ³	
								Elevated steel 48m ³	
Ruku B	Ruku	KCG	Kabete	14m ³ /hr	6"	Operational	15kW	48m ³	
Ruku A	Ruku	KCG	Kabete	15m ³ /hr	6"	Operational	11kW	Onsite: 450M ³ Wangige: 90m ³	
Gikuni	Gikuni	KCG	Kabete	5m ³ /hr	6"	Operational	5.5kW	90m ³ and 250m ³	
Karura	Karura	KCG	Kabete	10m ³ /hr	6"	Suspended	11kW	70m ³	Power me
Dagoretti	Dagoretti	AWWDA	Kikuyu		6"	Under Market		48m ³	Communi
Kiawanugu	Kiawanugu	AWWDA	Kabete	10m ³ /hr	6"	Standby	7.5kW		
Ndongoro	Ndongoro	KCG	Kabete	31m ³ /hr	6"	Under School	18.5kW	48m ³	
Kanyariri	Kanyariri	KCG	Kabete	7m ³ /hr	6"	Operational	5.5 kW	10m ³	
Muthiga	Kikuyu	KCG	Kabete	10m ³ /hr	6"	Operational	7.5kW	2 Plastic 15m ³ each 24m ³ Masonry	
Twin	Kikuyu	KCG	Kikuyu	48m ³ /hr	6"	Standby	15kW	Ground: 350m ³ 2NO Elevated steel tank each 108m ³ Elevated concrete: 45m ³	
Twin Gichuru	Kikuyu	AWWDA	Kikuyu	50m ³ /hr & 60m ³ /hr	8" & 10"	Operational	22kW 30kW		
Twin Island	Kikuyu	AWWDA	Kikuyu	45m ³ /hr & 85m ³ /hr	8" & 10"	Operational	22kW 30kW	Each 108m ³	
Riu B	Karai	KCG	Kikuyu	42m ³ /hr &	6"	Operational	15kW		
Riu A	Karai	KCG	Kikuyu	58m ³ /hr	8"	Operational	18.5kW		
Riu C	Karai	AWWDA	Kikuyu	50m ³ /hr	6"	Operational	30kW	108m ³	

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RIU D	Karai	KCG	Kikuyu	50m ³ /h	10"	Non-operational	30kw		Needs equippin operation.
Campus	Kikuyu	AWWDA	Kikuyu	61m ³ /hr	6"	Operational	22kW		
Ondiri 1	Kikuyu	KCG	Kikuyu	35m ³ /hr	6"	Operational	22kW	Steel tank :48m ³ Masonry tanks: 75m ³	
Ondiri 3	Kikuyu	AWWDA	Kikuyu	45m ³ /hr	10"	Operational	37kW		
Thamanda	Thamanda	KCG	Kikuyu	14m ³ /hr	6"	Operational	11kW		
Kamangu	Kikuyu	KCG	Kikuyu	5m ³ /hr	6"	Retired	30kW	96m ³	
Ondiri police post	Kikuyu	AWWDA	Kabete	45m ³ /h	8"		30KWh		Equipping process u way
Muguga Market	Muguga	AWWDA	Kabete	45m ³ /h	6"		30KWh		Equipping process underwa
Rugitta	Kikuyu	AWWDA	Kabete	45m ³ /h	6"		30KWh		Equipping process under-w:

MOTOR VEHICLES

N O	Registration No	Owner	Engine No	Chasis No	Year of Reg	Make	Color	Model	Status
1	KAY 253L	KIWACO	WLAT766 814	MNBBSFE407 W634175	2006	FORD	WHITE	RANGER	GROUND D Returned to AWWDA
2	KBG 833C	AWWDA				CHAVLORET	WHITE	OPTRA	GROUND D Returned to AWWDA
3	KBG 959C	AWWDA	QD322782 44	2220097944		NISSAN	WHITE	HARD BODY	OPERATIO NAL
4	KBG 426C	AWWDA		BAVFM657L8 SA01327	2008	MISTUBISHI FUSO	WHITE	FM657	OPERATIO NAL
5	KBK 670Q	AWWDA				FORD	WHITE	RANGER	OPERATIO NAL
6	KBV 218J	AWWDA				TOYOTA HILUX	GREY	HILUX	OPERATIO NAL

MOTOR CYCLES

1	KBG 626C	AWWDA				SUZUKI	WHITE		GROUND D Returned to AWWDA
2	KAV 992E	AWWDA	E387E0031 80	LBPKE095570 070696	2006	YAMAHA	RED	YBR	GROUND D Returned to AWWDA
3	KAW 389Z	AWWDA			2006	YAMAHA	RED	YBR	GROUND D Returned to AWWDA

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