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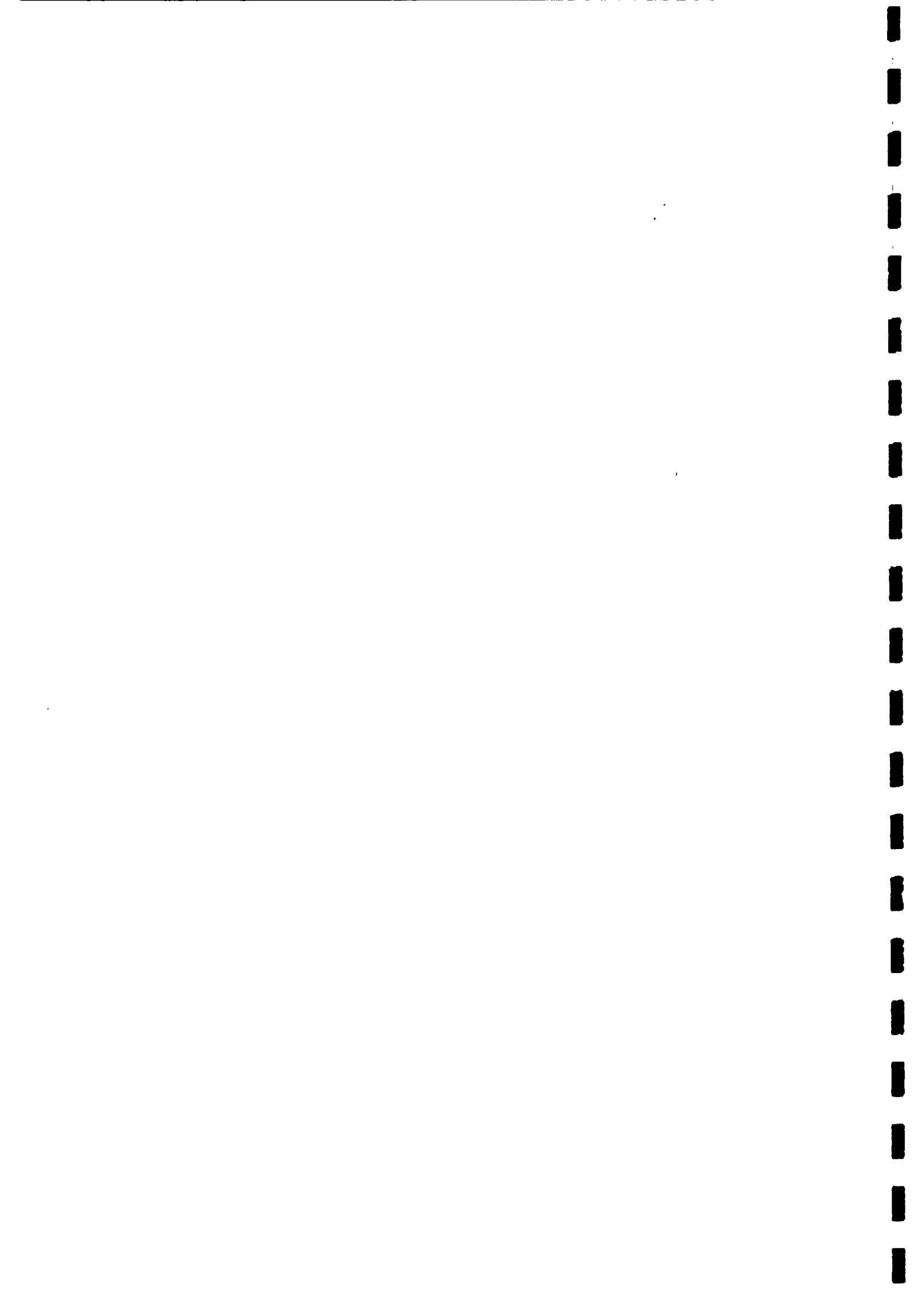
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Press	

KENYA NATIONAL AUDIT OFFICE

**REPORT
OF
THE CONTROLLER
AND AUDITOR-GENERAL**

ON

**FINANCIAL STATEMENTS OF
TANA WATER SERVICES BOARD
FOR THE YEAR ENDED
30 JUNE 2009**





TANA WATER SERVICES BOARD

**ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2009**

**TANA WATER SERVICES BOARD
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009**

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**TANA WATER SERVICES BOARD
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009**

VISION

“To be the model Water Services Board in the African Region”

MISSION

To ensure provision of affordable, reliable and sustainable water and sewerage services by developing facilities and contracting effective Water Services Providers.

CORE VALUES

- a) Strong commitment to the delivery of quality customer service.
- b) Commitment to good governance, transparency and accountability.
- c) Adherence to competence and performance.
- d) Commitment to teamwork, networking and collaborations with others.
- e) Commitment to innovation and continuous learning.
- f) Committed to the welfare of the poor, vulnerable and marginalized groups.

RESULTS FOR THE YEAR

The surplus for the year was ksh.54,361,009 as presented on page 19.

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CORPORATE INFORMATION

BOARD MEMBERS

Mr. Kabuyah Muito	Chairman
Mrs. Mary Njeri Nyoike	Member
Mrs. Raphaela Wangai Njagi	Member
Dr. Leonard Kisovi	Member
Prof. Ciriaka Kithinji	Member
Prof. Geoffrey Mwanza Muluvi	Member
Mr. Benjamin Kaburi Kamuruci	Member
Chairman, Kenya Chamber of Commerce and Industry	
Chairman, Mwea Rice Growers Multipurpose Co-operative Society	
Permanent Secretary or his Representative, Ministry of Water and Irrigation	
Permanent Secretary or his Representative, Office of the Deputy Prime Minister and Ministry of Local Government	
Permanent Secretary or his Representative, Office of the Deputy Prime Minister and Ministry of Finance – Treasury	
Eng. Moses. M. Naivasha	Chief Executive Officer and Secretary to the Board

SENIOR MANAGEMENT

Eng. Moses M. Naivasha	Chief Executive Officer
Eng. Philip G. Gichuki	Technical Services Manager
Mr. Timothy W. Kibaki	Planning and Strategy Manager
Mr. Nicholas M. Kanyeke	Finance Manager
Ms. Lucy D. Kihamba	Human Resource & Administration Manager

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ESTABLISHMENT

The Board was incorporated in Kenya under the Water Act 2002, legal notice No. 1329 of February 2004

OFFICES

Registered Office

Maji House, Nyeri

Baden Powell road

P. O. Box 1292 – 10100

NYERI

Tel: 061- 2032282

Fax: 061- 2034118

Email address : info@tanawsb.or.ke

AUDITORS

Controller & Auditor General

Kenya National Audit Office

P. O. Box 30084 - 00100

NAIROBI.

BANKERS

Kenya Commercial Bank Limited

Nyeri Branch

P. O. Box 215- 10100

NYERI.

**TANA WATER SERVICES BOARD
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009**

REPORT OF THE BOARD OF DIRECTORS

The Board Members present their annual report together with audited financial statements for the year ended 30th June 2009.

PRINCIPAL OBJECTIVE

The principal objective of the Board is to ensure efficient and sustainable provision of quality and affordable water and sewerage services in the area of jurisdiction (33 administrative Districts in parts of Central and Eastern Provinces of the country namely:- Kieni East, Kieni West, Nyeri South, Nyeri East, Nyeri Central, Tetu, Mukurweini, Kigumo, Kandara, Maragwa, Mathioya, Murang'a East, Murang'a South, Kirinyaga East, Kirinyaga West, Kirinyaga Central, Kirinyaga South, Embu West, Embu East, Mbeere East, Mbeere West, Meru South, Maara, Imenti Central, Imenti North, Buuri, Imenti South, Tigania East, Tigania West, Igembe North, Igembe South, Tharaka North and Tharaka South)

The Board's mandate includes:-

- i. Developing and Managing water supply and sanitation assets
- ii. Entering into service provision agreements with WSPs and monitoring their performance.
- iii. Supporting communities in development of utilities and provision of water and sanitation.

BOARD MEMBERS

The Board Members who served during the report period are set out on pages 3 to 4.

BY ORDER OF THE BOARD


CHIEF EXECUTIVE OFFICER

DATE..... 

**TANA WATER SERVICES BOARD
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009**

THE CHAIRMAN'S STATEMENT

STAKEHOLDERS

I am delighted to present the annual report and financial statements of our Board, Tana Water Services, for the year ended 30th June 2009. The year 2009 was yet another year of outstanding performance. This remarkable improved performance is testable to the great potential that the Board has and emphatically stamps Tana Water Services Board's financial strength. Some of the instruments that guided the achievements realized during the year include:

Strategic Plan

In the financial year 2008/09, the Board continued with implementation of strategic objectives set out in the 10 years strategic plan (2005 – 2015) and commenced review of the same in order to align with other emerging issues, medium term plan (2012) and vision 2030.

Performance Contract

The Board signed and implemented the fourth cycle of performance contract which specifies the intention, obligations and responsibilities of the two contracting parties. I am happy to report that the Board Members negotiated and signed a performance contract with the Ministry of Water & Irrigation.

OVERVIEW OF OPERATING ENVIRONMENT

The external environment has seen unprecedented turbulence in the water sector and other sectors of the economy in our region and the country in general due to the unfavourable weather conditions. Despite the consequences of this unfavourable development that reduced and curtailed the operations

**TANA WATER SERVICES BOARD
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009**

in our region, leadership at the Board and commitment to good corporate governance by the Board of Directors and the management ensured that the Board sustained an upward growth in the year. Aggressive resource mobilization and revenue collection efforts had indeed a positive impact that has seen completion and good progress in several development projects, commissioning of new ones and proposals that have moved pretty close to attracting substantial external funding.

Tana Water Services Board continued to seize opportunities and to address the challenges to strengthen its position in line with its vision of being the model water services Board in the African region.

FUTURE OUTLOOK

We will continue our growth strategy by focusing on our mandate to enhance our revenue and significantly contribute positively to the stakeholders' interests. We will concentrate on building capacities of our Water Services Providers and the internal capacity of the Board to monitor them. Our other priority will be to improve and upgrade the level of operations of our water service providers through metering, continued rehabilitation of existing water supplies, quality control of domestic water and sewerage effluent and clustering unsustainable entities in line with the Ministry of Water and Irrigation policy directive to ultimately achieve from mega clusters.

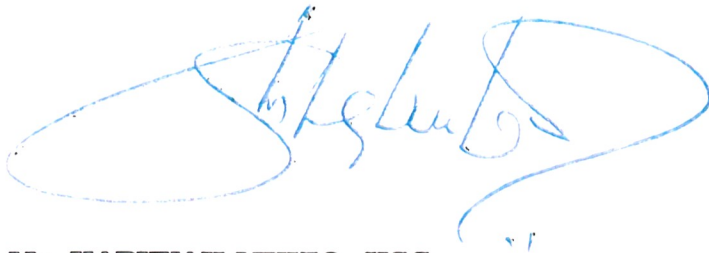
**TANA WATER SERVICES BOARD
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APPRECIATION

I would like to sincerely thank the Board of Directors, the management and entire staff of the Board for their effort and the good performance achieved in the year. I remain confident that we have the skills and resources necessary to manage the significant opportunities and challenges that lie ahead.

May I also take this opportunity to thank all our stakeholders for their support without which our good performance would not have been achieved.

Finally, I sincerely thank the Government of Kenya, particularly the Ministry of Water and Irrigation, Ministry of Finance and Office of the Deputy Prime Minister, Ministry of Local Government and Office of the Deputy Prime Minister, Our Development partners, Water Services Regulatory Board and all other State Corporations under the Ministry of Water and Irrigation for their guidance, continued support and co-operation.



**Mr. KABUYAH MUITO, HSC
CHAIRMAN**

DATE: 18/12/09 **.....**

**TANA WATER SERVICES BOARD
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009**

REPORT OF THE CHIEF EXECUTIVE OFFICER

It is a great honour to report the continued growth in our operations and financial performance. The annual report and financial statements as at 30th June 2009 are an indication of a successful year. I am indeed elated to be part of the team that delivered such results. We have refocused our strategic direction to concentrate on our core business and recruited a new management team and enhanced capacities at other levels which has strengthened management systems for continued service delivery to all our customers. During the year, the Board made tremendous achievement in the following areas:

Projects Implementation

In the financial year 2008/2009, the Board made remarkable achievements in project implementation and collaboration with our development partners. The Board commenced the rehabilitation of ten capital works projects. One of our development partners in collaboration with the Ministry of Water and Irrigation, Kenya Italy Development Debt Programme released about Kshs.50 Million for implementation of Kathita Gatunga Water Project in Tharaka District which was commissioned in May 2009 where at least fifteen thousand (15,000) people are being served with safe water through this project.

During the financial year, two projects were also implemented under Japan Non Grant Aid namely; Kahuti and Mathira Water projects giving access to safe water to further twenty six thousand five hundred (26,500) people in both Murang'a East and Nyeri East districts respectively.

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The Board also maintained an active engagement with the already established alliances with development partners to enhance resources mobilisation.

Water Service Providers

The Board contracted one Water Service Provider in the financial year to make a total of thirty four (34) Water Service Providers in the Board area. However, the Ministry of Water and Irrigation gave a policy direction towards clustering existing Water Service Providers for improved service delivery and sustainability as opposed to recruiting new ones. This policy direction is intended to ensure that our Water Service Providers are self sustaining and operate within optimal economies of scale and are also able to attract competent personnel to manage their operations in a modern and prudent management approach in order to meet customer expectations in service delivery.

Human Resource

During the financial year, the Board made achievements in recruitment of four senior management posts, two other management posts, three audit assistants and five drivers in an effort to address the staff capacity. The Board in collaboration with the European Union and African Development Fund will continue with capacity building programmes for staff at the Board level and Water Service Providers.

**TANA WATER SERVICES BOARD
ANNUAL REPORT & FINANCIAL STATEMENTS
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Improved Management Practices

In line with the Government Reforms initiatives, the Board continued to adopt Performance Contract Management Approach. During the financial year, the Board signed a performance contract with the Ministry of Water and Irrigation for implementation by the Board and cascaded the set targets to Departmental Managers, the District Water Officers and the contracted Water Service Providers.

This approach has improved the utilization of available resources leading to better service delivery and better value for money in the Board activities.

ISO 9001:2008 Quality Management System Certification

In order to improve service delivery and benchmark Board processes to meet international standards, the Board continued with implementation of ISO certification processes. However, due to the change of the ISO 9001:2000 requirements to ISO 9001:2008, the Board was advised to repeat the first stage external audit which was finalized during the year and the second and final stage of external audit is expected to be completed soon thereby enabling the Board attain ISO certification.

I am convinced that this is a significant stride towards achieving our mandate. Nevertheless, there are still major challenges ahead. However, with the support of our government, development partners and all stakeholders, the Board is focused to meet and exceed our customers' expectations.

**TANA WATER SERVICES BOARD
ANNUAL REPORT & FINANCIAL STATEMENTS
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Challenges

As reported in the previous years' report, the Board inherited water infrastructure from National Water Conservation and Pipeline Corporation and Ministry of Water and Irrigation Schemes and Local Authorities which were in a dilapidated state. This has led to high unaccounted for water; low connections; and sub-optimal access to quality water even in many areas that are serviced by the existing systems. Other challenges identified include: degraded catchment areas which affect the quality and adequacy of water resources; numerous and unsustainable community water schemes that are poorly managed, over –abstraction of water due to poor enforcement of apportionment regulations and polluted sources of water with the attendant risks to consumers. The main challenge to the Board is to seek for funding to upgrade water and sewerage infrastructures to ensure quality and sustainable service delivery.

Future Outlook

As a way forward to sustained operations in the face of global melt down of the economy and unfavourable weather conditions, the Board will continue to implement our Ministry's policies and the Water Services Regulatory rules and guidelines and adhere to good corporate governance in our functional approaches to deliver on our mandate.

We will also maintain service value addition to our clients by conducting effective monitoring and evaluation to our Water Service Providers, expanding our infrastructure network, continue supporting communities and rededicate to service innovations in the provision of water and sanitation services.

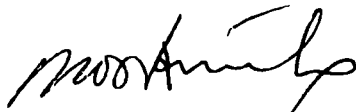
**TANA WATER SERVICES BOARD
ANNUAL REPORT & FINANCIAL STATEMENTS
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Appreciation

Once again, the good performance during the financial year would not have been possible without the good policy guidance from the Board of Directors and the continued commitment and dedication of the management and entire staff of the Board. I thank them all for this support that is not taken for granted.

My sincere thanks also go to our stakeholders, our parent Ministry of Water and Irrigation, Water Services Regulatory Board, our Development partners, other Water Service Boards, our WSPs and other institutions whose support was instrumental to our success.

I therefore take this opportunity to sincerely thank all those not named above but have given us moral and/or material support to get to where we are today from our humble beginning.



**Eng. M. M. NAIVASHA
CHIEF EXECUTIVE OFFICER**

DATE: 18/12/09

**TANA WATER SERVICES BOARD
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009**

CORPORATE GOVERNANCE STATEMENT

The Structure of Tana Water Services Board starts with the Board Members comprising of thirteen members representing various stakeholder interests.

The Board has established a governance culture built on the principles of integrity, accountability and transparency. The Board is managed under the direction of the Board Members whose responsibility is to maximize long-term economic value for all stakeholders. The Chairman of the Board and members oversee the corporate governance, advises management in developing financial plans, corporate strategy, goals and objectives as well as evaluating management's performance in pursuing and achieving those goals.

BOARD COMMITTEES

To further enhance corporate governance, the Board has three committees namely; Finance and Administration, Technical Planning & Strategy and Audit committees.

Finance and Administration Committee

The Finance and Administration committee is responsible for ensuring that the Corporation's financial and administrative policies are adequate and has the right staff, at the right place and doing the right thing. The committee is also responsible for reviewing the corporation's annual budget and quarterly financial reports among others.

**TANA WATER SERVICES BOARD
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009**

Technical Planning and Strategy Committee

The committee is responsible for strategic planning, efficient allocation and utilization of resources, developing proposals for funding and investment programs for the corporation.

This committee has oversight responsibility of ensuring that water service providers are complying with the agreements signed between them and the Board being the asset holder. It ensures that there is adequate asset development, maintenance and infrastructure improvement to ensure sustainability of all water infrastructures.

Audit Committee

The committee is charged with the responsibility of reviewing the financial, Internal controls and recommend appropriate remedial action where necessary. The committee reviews all areas of risk to the Institution and considers the Internal Audit reports. The committee also ensures that appropriate action has been taken on the recommendations of the Internal and external Auditors and the same is implemented.

**TANA WATER SERVICES BOARD
ANNUAL REPORT & FINANCIAL STATEMENTS
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**STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES ON
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2009**

The State Corporations Act, the Exchequer and Audit Act and the Public Audit Act requires the Board Members to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Board as at the end of the financial year and of the operating results for that year. It also requires the Board Members to ensure that the Board keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Board. They are also responsible for safeguarding the assets of the Board.

The Board Members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the State Corporation's Act. This responsibility include designing, implementing and maintaining Internal controls relevant to the preparation and fair presentation of Financial statements that are free from material misstatement.

The Board Members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Corporation and of its operating results. The Board Members further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of the financial statements as well as adequate system of internal financial control.

The Board Members accept responsibility for the annual financial statements which have been prepared using appropriate Accounting policies supported by reasonable and prudent judgment and estimates in conformity with International financial reporting standards and the manner required by the State Corporations Act.

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

DIRECTOR
CHAIRMAN

Date.....

DIRECTOR
MEMBER

Date.....

**TANA WATER SERVICES BOARD
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009**

REPORT OF THE CONTROLLER AND AUDITOR GENERAL



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF TANA WATER SERVICES BOARD FOR THE YEAR ENDED 30 JUNE 2009

I have audited the accompanying financial statements of Tana Water Services Board set out at pages 19 to 32 which comprise the Balance Sheet as at 30 June 2009, the Statement of Income and Expenditure, the Statement of Changes in Accumulated Fund and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with the provisions of Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards and for such 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.

Responsibility of the Controller and Auditor General

My responsibility is to express an independent opinion on the financial statements based on the audit. The audit was conducted in accordance with the International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed with a view to obtaining reasonable assurance about whether the financial statements are free from material misstatement.

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

Management, as well as evaluating the overall presentation of the financial statements.

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

Non-Current Assets

As previously reported, the Board inherited a number of non-current assets previously owned by the Ministry of Water and Irrigation and the National Water Conservation and Pipeline Corporation and which have not been incorporated in these financial statements. These assets include Maji House in Nyeri and the adjacent land, water infrastructural assets spread within its area of jurisdiction, seven (7) motor vehicles allocated to area managers of water schemes in the region and forty (40) motor vehicles with various District Water Officers. Further, and as similarly noted in 2007/08, the net book value as at 30 June 2009 includes the value of four (4) vehicles still bearing GK registration numbers, and which have not been registered in the Board's name.

Consequently, it has not been possible to confirm ownership of the assets inherited from the Ministry and the National Water Conservation and Pipeline Corporation or whether property, plant and equipment balance of Kshs.36,097,940 as at 30 June 2009 is fairly stated in the financial statements.

Opinion

Except for the foregoing reservation, in my opinion, the financial statements give a true and fair view of the financial position of the Board as at 30 June 2009 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards and comply with the Water Act, 2002.



A.S. M. Gatumbu
CONTROLLER AND AUDITOR GENERAL

Nairobi

29 March 2010

TANA WATER SERVICES BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30TH JUNE 2009

	NOTE	Ksh. 2008/09	Ksh. 2007/08
<u>INCOME</u>			
Water Sales	3	-	8,666,670
GOK Recurrent Grant	4	9,000,000	30,000,000
GOK Development Grant	5	7,947,844	25,907,404
Kazi Kwa Vijana	6	12,508,290	-
Donor Funds	7	53,618,409	384,541,226
WSPs Fees	8	59,292,419	45,114,516
Other Income	9	7,614,292	7,342,826
TOTAL INCOME		149,981,254	501,572,642
 <u>EXPENDITURE</u>			
Other Operational Costs	11	14,696,910	12,584,364
Admin. & General Expenses	10	73,222,940	56,004,629
Financial Charges	12	7,700,395	9,476,632
Kandara O & M Expenses	20	-	6,386,200
TOTAL EXPENSES		95,620,245	84,451,825
 SURPLUS	 - Note 1g (i) & Annex vii	 54,361,009	 417,120,817

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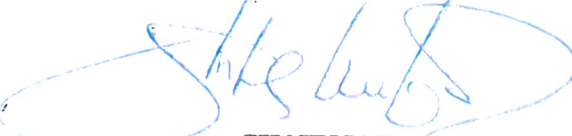
BALANCE SHEET AS AT 30TH JUNE 2009

ASSETS	NOTE	2008/09 Ksh.	2007/08 Ksh.
NON-CURRENT ASSETS			
Property, Plant and Equipment	2	36,097,940	40,652,150
Work in Progress	17	560,043,261	520,620,496
Infrastructure Development	18	49,257,627	37,336,492
Kazi Kwa Vijana	19	12,508,290	-
TOTAL NON-CURRENT ASSETS		<u>657,907,118</u>	<u>598,609,138</u>
CURRENT ASSETS			
Accounts Receivable	13	32,959,541	35,985,896
Inventories		1,083,150	806,009
Prepayments	23	1,889,592	-
Cash and Bank Balances	14	101,211,092	221,992,755
TOTAL CURRENT ASSETS		<u>137,143,375</u>	<u>258,784,660</u>
TOTAL ASSETS		<u>795,050,493</u>	<u>857,393,798</u>
FUND ACCOUNT			
CAPITAL GRANT	15	729,238,109	666,680,353
	22	4,109,444	5,465,109
		<u>733,347,553</u>	<u>672,145,462</u>
CURRENT LIABILITIES			
Payables, Accruals and Commitments	16	61,702,940	185,248,336
TOTAL FUNDS AND LIABILITIES		<u>795,050,493</u>	<u>857,393,798</u>

The Financial Statements on pages 19 to 31 were approved for release by the Board members on 22nd September 2009


 **CHIEF EXECUTIVE OFFICER**

DATE 18/12/09


 **CHAIRMAN**

DATE 18th Dec 2009

TANA WATER SERVICES BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2009

CASHFLOW FROM OPERATING ACTIVITIES:

	2008/09	2007/08
	Ksh.	Ksh.
Net surplus for the Period	54,361,009	417,120,817
Adjustment for:		
Depreciation	7,095,064	8,493,485
Operating surplus before working capital	61,456,073	425,614,302
Debtors and deposits	3,026,355	(17,916,628)
Prepayments	(1,889,592)	-
Inventories	(277,141)	(375,070)
Payables, consumer deposits and commitments	(123,545,396)	157,045,637
Net cash generated from operating activities	<u>(61,229,701)</u>	<u>564,368,241</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Gratuity	(539,697)	1,808,666
Deferred Income	7,380,779	(117,397,953)
Net cash flows from financing activities	<u>6,841,082</u>	<u>(115,589,287)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Work in progress	(39,422,765)	(349,475,250)
Infrastructure development	(11,921,135)	(589,415)
Kazi Kwa Vijana	(12,508,290)	-
Purchase of assets	(2,540,854)	(14,721,458)
Net cash flows from Investing activities	<u>(66,393,044)</u>	<u>(364,786,123)</u>
Net (decrease)/increase in cash and cash equivalents	(120,781,663)	83,992,831
Cash and cash equivalents at the beginning	221,992,755	137,999,924
CASH AND CASH EQUIVALENTS AT 30th June 2009	<u>101,211,092</u>	<u>221,992,755</u>

**TAKA WATER SERVICES BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009**

**STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED 30TH JUNE 2009**

	SURPLUS FOR THE YEAR	CAPITAL GRANT	GRATUITY FUND	DEFERRED INCOME	TOTAL
Balance on 01.07.08	667,023,147	5,465,109	2,336,502	(2,679,296)	672,145,462
Surplus for the year	54,361,009	-			54,361,009
Deferred Income				4,701,483	4,701,483
Amortisation	1,355,665	(1,355,665)			-
Transfer during the year	-	-	2,929,927	2,679,296	5,609,223
Payment during the year			(3,469,624)		(3,469,624)
Balance on 30.06.09	722,739,821	4,109,444	1,796,805	4,701,483	733,347,553

**TANA WATER SERVICES BOARD
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009**

SIGNIFICANT ACCOUNTING POLICIES

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

1. Basis of Preparation and form of presentation

The financial Statements are prepared in accordance with and comply with International Financial Reporting Standards (IFRS). The financial Statements are presented in Kenya Shillings (Kshs.) and are prepared under historical cost conventional and accrual system of accounting.

(a) Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Board and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognized:-

(i) Grants

Grant from Government and Development partners is recognized as income upon receipt.

(ii) Lease Fees

Lease fees from Water Service Providers (WSPs) are recognized as income when earned.

(iii) Interest

Interest income is accrued on a time proportion basis, by reference to the principal amount outstanding and the effective interest rate applicable.

(b) Inventories

Inventories are stated at lower of cost and net realizable value.

**TANA WATER SERVICES BOARD
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FOR THE YEAR ENDED 30TH JUNE 2009**

(c) Trade Debtors

Trade Debtors are recognized and carried at the net lease fees less a general provision for bad and doubtful debts at 10% as at the balance sheet date. The general practice in the Industry reveals that revenue collection rate ranges between 90 – 95 % of the billing.

(d) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation. Depreciation is calculated on a reducing balance basis over the expected useful life of the assets. The annual rates of depreciation are as follows: -

Motor Vehicles and motor bikes	25%
Furniture and Fittings	12.5%
Plant and Equipment	20%
Computer and Accessories	33.3%
Boat	25%
Water Schemes	2.5%

(e) Amortization for Capital Grants

Capital grants relates to various assets which were donated by KWSP, GTZ and MWI at the formation of the Board. Amortization is calculated on a reducing balance basis using the respective asset items annual rate as follows:-

Motor Vehicles and motor bikes	25%
Furniture and Fittings	12.5%
Computer and Accessories	33.3%

(f) Employees Benefits - Pension Obligations

The Board contributes to the National Social Security Fund (NSSF) at a rate of Ksh.200 per month per employee. This amount is charged to the Income and Expenditure statement.

**TANA WATER SERVICES BOARD
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(g) Nature and purpose of Fund Account

- (i) Surplus for the year** – This relates to the funds allocated for capital work in progress during the year. It is therefore not a realizable surplus since it has been committed.
 - (ii) Capital Grant** – This relates to various assets which were donated by KWSP, GTZ and MWI at the formation of the Board.
 - (iii) Gratuity Fund** – This is a sinking fund set for the purposes of payment of staff gratuity at expiry of contract.
 - (iv) Deferred Income** – This relates to the balance of GOK development grants and donor funds that remained uncommitted at the financial year end.
- (h) Cash and Cash Equivalents** – For the purposes of presentation in the cash flow statement the cash and cash equivalent comprises of cash and bank balances.

**TANA WATER SERVICES BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009**

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2009**

2A. PROPERTY, PLANT AND EQUIPMENT

COST/VALUATION	Kahuti Scheme	Boat Kshs	Motor Vehicles Kshs	Furniture and Fittings Kshs	Plant and Equipment Kshs	Computer and Accessories Kshs	Total Kshs
Balance on 01.07.08	17,770,088	215,815	26,931,005	2,446,302	2,043,191	10,443,355	59,849,756
Additions	-	-	-	979,444	109,910	1,451,500	2,540,854
Balance as at 30.06.09	17,770,088	215,815	26,931,005	3,425,746	2,153,101	11,894,855	62,390,610
DEPRECIATION							
Balance as at 01.07.08	877,398	124,768	11,357,552	640,035	590,909	5,606,944	19,197,606
Charge for the year	422,317	22,762	3,893,363	348,214	312,438	2,095,970	7,095,064
Balance as at 30.06.09	1,299,715	147,530	15,250,915	988,249	903,347	7,702,914	26,292,670
Net Book Value as at 30.06.09	16,470,373	68,285	11,680,090	2,437,497	1,249,754	4,191,941	36,097,940
Net Book Value as at 30.06.08	16,892,690	91,047	15,573,453	1,806,267	1,452,282	4,836,411	40,652,150

The assets in the financial statements are only the ones which the Board purchased since it started operations and those which were donated by the development partners. It is worth to note that the Board acquired other assets from the MOWI and NWCPC as per the transfer plan within its area of operation. These assets have been omitted from the financial statements because they have not yet been valued.

**TANA WATER SERVICES BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009**

2B. AMORTIZATION OF CAPITAL GRANT

COST/VALUATION	Motor Vehicles Kshs	Furniture and Fittings Kshs	Computer and Accessories Kshs	Total Kshs
Balance on 01.07.08	9,506,000	984,960	2,769,822	13,260,782
Additions	-	-	-	-
Balance as at 30.06.08	9,506,000	984,960	2,769,822	13,260,782
AMORTIZATION				
Balance as at 01.07.08	5,495,656	352,114	1,947,903	7,795,673
Charge for the year	1,002,586	79,106	273,973	1,355,665
Balance as at 30.06.09	6,498,242	431,220	2,221,876	9,151,338
Net Book Value as at 30.06.09	3,007,758	553,740	547,946	4,109,444
Net Book Value as at 30.06.08	4,010,344	632,846	821,919	5,465,109

Capital grant relates to various assets which were donated KWSP, GTZ and MWI at the formation of the Board. Amortization is calculated on a reducing balance basis using the respective asset items annual rate.

TANA WATER SERVICES BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

NOTES TO THE ACCOUNTS

	2008/09	2007/08
	Ksh	Ksh
3 SALE OF WATER		
Water sales and reconnection fees	<u>-</u>	<u>8,666,670</u>

There was no sale of water during the reporting period since TWSB handed over Kandara Water Scheme to Murang'a South Water and Sanitation company

4 GOK RECURRENT GRANTS

GOK Recurrent	<u>9,000,000</u>	<u>30,000,000</u>
	<u>9,000,000</u>	<u>30,000,000</u>

The GOK recurrent allocation of ksh.30million was based on the printed estimates for the Financial Year 2008/09 to cater for the Board's administration, operation and maintenance expenditure. The total funds disbursed as at 30th June 2009 is ksh9million and the balance of ksh.21million was reallocated to the newly created Tanaathi Water Services Board.

5 GOK DEVELOPMENT GRANTS

GOK Development - Mwingi/Kyuso	-	15,000,000
GOK Development - Kanyuambora	-	370,000
OMWASCO grant	-	252,814
GOK Ruiru Project	-	1,393,293
Meru North grant	-	3,858,509
Mwingi grant	-	4,572,828
Kandara grant	-	59,960
Murang'a/Maragua Grant	-	400,000
Solio Ranch	800,000	
Othaya-Mukurweini & Maua	6,719,054	
Development -Research & Feasibility	428,790	
	<u>7,947,844</u>	<u>25,907,404</u>

The GOK development grants allocation of ksh.25million was based on the printed estimates for the Financial Year 2008/09. The total funds disbursed as at 30th June 2009 is ksh.15million. The balance of ksh10million was reallocated to the newly created Tanaathi Water Services Board. During the Financial Year 2008/09 the Board received an additional ksh800,000 in respect of Solio Ranch for the resettlement of Internally displaced Persons.

6 KAZI KWA VIJANA PROGRAMME

	<u>12,508,290</u>	<u>-</u>
	<u>12,508,290</u>	<u>-</u>

The GOK disbursed a total of ksh.15,939,000 during the Financial Year which was disbursed in tranches to the DWO's in the Board area for Kazi Kwa Vijana programme as outlined in Annex VI.

7 DONOR FUNDS

JICA I Grant	4,153,722	104,181,253
JICA II Grant	28,343,872	259,969,798
KWSP-SIDA,DANIDA,GTZ	19,392,077	20,390,175
European Union*	1,728,738	-
	<u>53,618,409</u>	<u>384,541,226</u>

TANA WATER SERVICES BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

*The total funds received from the European Union for capacity building programme as at 30th June 2009 is Ksh.29,999,615 out of which ksh.1,728,738 was utilised and the balance of ksh28,270,877 returned to EU in line with ACP-EU 9th EDF requirements.

8 WSP FEES	67,433,250	57,625,583
Less: WASREB Fees	(1,566,410)	(4,316,852)
Asset Owner Lease Fees	(6,574,421)	(8,194,215)
	<u>59,292,419</u>	<u>45,114,516</u>
 9 OTHER INCOME		
Interest	6,172,725	6,228,202
Sale of tender documents	477,000	977,547
Miscellaneous income	-	6,578
UNICEF Wash Programme	564,567	130,500
NWC&PC - Monitoring	400,000	-
	<u>7,614,292</u>	<u>7,342,826</u>
 TOTAL INCOME	<u>149,981,254</u>	<u>501,572,642</u>

TANA WATER SERVICES BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

	2008/09	2007/08
	Ksh.	Ksh.
10 ADMINISTRATION AND GENERAL		
Staff costs		
Salaries and wages	18,746,907	12,714,990
Leave allowance	184,913	1,004,331
NSSF-Employer contribution	22,600	14,600
Pension	265,250	284,666
Gratuity	1,678,238	1,583,508
Salary Top Ups	4,220,622	2,685,291
	<u>25,118,530</u>	<u>18,287,387</u>
<p>The increase in staff costs during the year is due to the revised salary structure which was approved by the Board and MWI w.e.f 1st July 2008 and growth in staff establishment from 43 to 47.</p>		
Staff Establishments		
	902*	891**
Board expenses		
Honoraria	480,000	480,000
Sitting allowance and accomodation	10,467,519	5,325,435
Directors medical insurance	153,949	-
	<u>11,101,468</u>	<u>5,805,435</u>
Motor vehicle running costs		
Fuel and Lubricants	2,938,844	2,441,469
Repairs and maintenance	3,497,850	3,295,399
Insurance	735,529	559,553
	<u>7,172,223</u>	<u>6,296,421</u>
Administrative expenses		
Mobile Toilets	-	175,001
ASK Show costs	423,636	334,230
Printing and stationery	1,877,957	1,786,165
Staff training	1,253,428	841,845
Conferences and Meetings	2,522,025	2,143,705
Telephone	2,139,429	1,979,411
Office and House Keeping	2,893,479	2,735,569
Travelling and Subsistence	9,007,376	8,846,732
Foreign Travel	-	145,588
Electricity and water	535,237	390,545
Staff Insurances	1,735,642	-
Security and Ground maintenance	566,731	455,830
Advertising and Publicity	2,040,918	1,762,156
Computer Stationery and Accessories	592,113	558,798
Internet and Networking	448,663	309,873
Computer Software and programs	152,615	-
Library	32,022	24,975
Postage and Courier	414,414	456,719
General Provision Bad and Doubtful debts	666,680	1,367,087
	<u>27,302,365</u>	<u>24,314,229</u>
General expenses		
General repairs and maintenance	903,702	821,074
Professional and Subscriptions fees	107,100	87,100
Staff Uniforms	54,190	116,184
UNICEF Expenses	418,424	128,000
ACP-EU Expenses	1,044,938	148,800
	<u>2,528,354</u>	<u>1,301,158</u>
TOTAL ADMIN AND GENERAL	<u>73,222,940</u>	<u>56,004,629</u>

**TANA WATER SERVICES BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009**

Staff Establishment

*During 2008/2009 financial year the total staff establishment in the Board area of operation was 902 comprising of 47 staff at the Board's Head Office, 346 staff at District Water Offices (DWO's) and 509 staff at the contracted Water Service Providers(WSPs) offices.

**During the financial year 2007/2008 the total staff establishment in the Board area of operation was 891 comprising of 43 staff at the Board's Head office, 190 staff at District Water Offices (DWOs) and 658 staff at the contracted Water Service Providers (WSPs) offices.

NB:

The staff costs does not include salaries paid by the MWI directly to 27 staff seconded to TWSB.

TANA WATER SERVICES BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

	2008/09	2007/08
	Ksh.	Ksh.
11 OTHER OPERATIONAL COSTS		
Workshops and seminars	5,201,070	4,760,516
Consultancy*	9,495,840	7,823,848
	<u>14,696,910</u>	<u>12,584,364</u>

*Consultancy costs includes contracted professional services of QCAs and SOs under KWSP programme

TANA WATER SERVICES BOARD
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	2008/09	2007/08
	Ksh.	Ksh.
12 FINANCIAL CHARGES		
Bank charges	305,331	287,147
Audit Fees	300,000	696,000
Depreciation	7,095,064	8,493,485
	7,700,395	9,476,632
13 ACCOUNTS RECEIVABLES		
Trade debtors - Annex I	31,482,494	25,482,374
Staff imprest - Annex II	1,458,557	2,674,380
Deposits	18,490	18,490
KWSP	-	7,700,000
Ukulima Sacco ltd	-	110,652
	32,959,541	35,985,896
14 CASH AND BANK BALANCES		
Account No.894-Consumer deposits	3,124,351	2,900,121
Account No.220-GOK Recurrent*	3,691,928	24,327,129
Account No.072-Kandara	-	929,845
Account No.556-KWSP	13,334,125	10,031,171
Account No.188-Gratuity	1,713,538	2,231,853
Short term deposit**	50,000,000	170,000,000
Account No.1101-998-733 -Dev.	1,073,833	11,496,556
Cash in hand	2,439	76,080
Account No.1110817096 -EU	28,270,877	-
	101,211,092	221,992,755
<p>* This account receives both deposits from GOK recurrent and AIA revenue funds. ** This relates to the balance of donor funds during the financial year deposited in the account.</p>		
15 FUND ACCOUNT		
Balance Brought Forward	666,680,353	357,353,150
Surplus for the Period	54,361,009	417,120,817
Amortisation of capital grant	1,355,665	7,795,673
Deferred Income b/f	2,679,296	(114,718,657)
Gratuity Fund	(539,697)	1,808,666
Deferred Income	4,701,483	(2,679,296)
	729,238,109	666,680,353
16 PAYABLES AND ACCRUALS		
Consumer deposits	3,171,159	2,942,118
Trade creditors - Annex III	5,581,960	6,648,444
Commitments - Annex III	52,949,821	175,657,774
	61,702,940	185,248,336

TANA WATER SERVICES BOARD
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009

	2008/09	2007/08
	Ksh.	Ksh.
17 WORK IN PROGRESS - Annex IV	560,043,261	520,620,496
18 INFRASTRUCTURE DEVELOPMENT - Annex V	49,257,627	37,336,492
19 KAZI KWA VIJANA - Annex VI	12,508,290	.
20 KANDARA O&M EXPENSES		
Salaries & Wages	-	3,000,248
Leave Allowance	-	-
Pension	-	119,842
Insurance	-	61,272
Bank Charges	-	40,045
Printing & Stationery	-	93,922
Telephone & Postage	-	87,013
Travelling & Subsistence	-	526,121
Water Fittings	-	360,904
Electricity	-	404,989
Staff Training	-	17,700
Land Compensation	-	164,000
TWSB Levy	-	825,759
Building Materials	-	56,350
Transport	-	272,445
M/Vehicle Repairs and Maintenance	-	132,181
Fuel and Lubricants	-	172,195
Office and House Keeping	-	33,781
Internet and Networking	-	17,432
	<u>-</u>	<u>6,386,200</u>

There was no expenditure incurred for operation and maintenance of Kandara water scheme during the reporting period since the scheme was handed over to Muranga South Water and Sanitation Company at the beginning of the FY 2008/09.

21 DEFERRED INCOME

JICA I Grants	(19,157,030)	(3,096,278)
Mwingi Grants	(6,268,532)	(6,268,532)
Kanyuambora Grants	217,740	217,740
Embu/Gachoka Over Expenditure	(21,876,098)	(21,876,098)
JICA II Grants	12,231,860	28,343,872
Othaya-Mukurweini & Maua	3,280,946	-
Kazi Kwa Vijana	3,430,710	-
Development - Feasibility	2,071,210	-
Development - Emergency	2,500,000	-
ACP-EU Programme	28,270,677	-
	<u>4,701,483</u>	<u>(2,679,296)</u>

This relates to un/(over) spent amount of the grants received during the financial year.

TANA WATER SERVICES BOARD
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009

	2008/2009	2007/2008
22 CAPITAL GRANT	4,109,444	5,465,109
	4,109,444	5,465,109

This relates to assets donated to TWSB by KWSP, GTZ and MWI at the formation of the Board. The grants have been Amortized as shown in Note 2B.

23 PREPAYMENTS

Directors medical Insurance	153,950	-
Staff Insurance	1,735,642	-
	1,889,592	-

This relates to insurance premium for the months of July, August & September 2009.

TANA WATER SERVICES BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

ANNEX 1

TRADE DEBTORS AS AT 30TH JUNE, 2009

WSP COMPANY	AMOUNT (KSHS.)
Embe	346,968
Ewasco	7,494,599
Gatamathi	145,845
Imetha	144,272
Kabare wasco	197,950
Kathita Gatunga	49,896
Kathita Kiirua	79,922
Kawasco	641,455
Kitui	1,472,121
Kiriwasco	1,053,107
Kyeni wasco	110,573
Murang'aSouth	234,550
Mawasco	3,857,266
Mewass	3,408,133
Murang'a	713,735
Murugi Mugumango	183,677
Muthambi 4K	101,779
Ngagaka	2,586,500
Ngandori Nginda	1,284,087
Ngariamama	855,792
Nithi	522,486
Nyewasco	1,912,341
Omwasco	1,168,362
Ruri Thau	91,055
Rukangawasco	25,298
Tanawasco	714,316
Tarda Kiambere	3,539,133
Teawasco	285,819
Tuuru	1,759,514
SUB TOTAL	34,980,549
LESS: 10% General Provision for Bad and Doubtful Debts	(3,498,055)
NET TRADE DEBTORS	31,482,494

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ANNEX 11

STAFF OUTSTANDING IMPREST AS AT 30 JUNE 2009

DETAILS	DATE OF ISSUE	AMOUNT (KSHS.)
A. KWSP		
G K Mathu	26-Mar-07	51,760
J K Karimi	30-Jun-09	862,500
Sub-total		914,260
B. RECURRENT		
J K Karimi	23-Jun-09	16,008
J K Karimi	18-Jun-09	16,704
J K Karimi	02-Jun-09	68,000
J K Karimi	05-Jun-09	60,000
Sub-total		160,712
C. DEVELOPMENT		
Claudius Kareithi	11-Jan-09	115,000
Patrick Change	21-May-09	110,250
Meshack Kanyotu	07-Jan-08	150,000
Nelson Wachira	09-May-09	8,335
Sub-total		383,585
GRAND TOTAL		1,458,557

TANA WATER SERVICES BOARD
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ANNEX 111

LIST OF CREDITORS AS AT 30TH JUNE 2009	
DETAILS	AMOUNT (KSHS.)
A. KWSP	
ADREC CONSULTING MANAGEMENT	136,012
JURASSIC ENGINEERING	332,250
KIRI CONSULTANTS LTD	373,730
MANAGEMENT LEASON	342,230
SIGHT & SOUNDS	180,000
TERTIARY CONSULTING	691,430
KARN CONSULTING ENGINEERING	265,600
COMMISSIONER OF VAT	374,317
SUB-TOTAL	2,695,569
B. RECURRENT	
COMMISSIONER OF VAT	106,754
COMMISSIONER OF INCOME TAX	310,223
KENYA NATIONAL AUDIT	300,000
SUB-TOTAL	716,977
C. DEVELOPMENT	
ALTICOM ENTERPRISES	245,000
DOSHI HARDWARES	58,340
DUNWELL ENTERPRISES	188,508
PATENT GENERAL SERVICES	32,100
POLYPIPES	259,385
TERTIARY CONSULTING	540,000
TODDY MERCHANTS	36,400
COMMISSIONER OF INCOME TAX - PAYE	2,847
COMMISSIONER OF VAT	719,607
COMMISSIONER OF INCOME TAX - WHT	87,227
SUB-TOTAL	2,169,414
GRAND TOTAL	5,581,960

OUTSTANDING COMMITMENTS AS AT 30 TH JUNE 2009	
DETAILS	AMOUNT (KSHS.)
AMUA WATER SYSTEMS-MATERIALS	343,552
IMARA ENTERPRISE LTD	31,670,079
LUJO CONSULTANCY-KAHUTI	229,448
SILVERSPREAD	431,699
HARVEY ENGINEERING	5,448,654
GEOCAST	4,476,939
LENANA PEAK	4,444,086
NORKEN	186,152
SATH CONTRACTORS	771,542
MIGWI CONSTRUCTORS	483,926
AMUA WATER SYSTEMS-CONTRACT	1,808,210
MJENGO ALLIED CO LTD	814,754
NGUKA CONSTRUCTION	737,644
SEPLAN ENVIRONMENT	1,103,136
TOTAL	52,949,821

TANA WATER SERVICES BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

ANNEX IV

WORK IN PROGRESS AS AT 30TH JUNE 2009

DETAILS	AMOUNT (KSHS.)
Warazo Jet - JICA I	56,357,686
Ruri - JICA I	22,145,210
Mukurweini - JICA I	34,573,821
Mwiyogo - JICA I	70,072,341
Othaya - JICA I	67,958,495
Mathira - JICA II	125,404,995
Kahuti/Murang'a - JICA II	135,402,411
Embu	21,876,098
Mwingi - Kiambere	26,252,205
TOTAL	560,043,261

ANNEX V

INFRASTRUCTURE DEVELOPMENT AS AT 30TH JUNE 2009

Meru North	4,806,097
Kandara	2,291,488
Othaya	3,097,470
Kenera	1,556,380
Simbara Amboni	641,288
Kavisuni	5,850,113
Gichugu	5,183,076
Ruri	1,538,490
Kirimweti	1,581,804
Aguthi	2,136,827
Masinga	93,454
Meru Central	2,841,771
Kiandunyu	790,263
Endarasha	84,948
Mbeere	1,266,315
Kitui	427,172
Karurumo Kiahia	511,665
Gikui Mweru	866,717
Kune	840,000
Kirinyaga - Ngariama	778,895
Kanyuambora	152,260
Solio Ranch	800,000
Othaya -Mukurweini & Maua	6,719,054
Research and Feasibility study	428,790
Drought Intervention Programme	3,973,291
TOTAL	49,257,627

TANA WATER SERVICES BOARD
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ANNEX VI

KAZI KWA VIJANA PROGRAMME DISBURSEMENTS TO DWO'S AS AT 30TH JUNE 2009

DETAILS	PURPOSE	AMOUNT (KSHS.)
DWO-Mbeere south	Pipe laying and construction of water kiosks	405,000
DWO-Maara	Pipelaying - Muthambi water project and repair of water supplies	912,000
DWO-Igembe	Extension of service lines	230,000
DWO-Meru South	Extension of service lines	935,000
DWO- Meru Central	Roof Harvesting project - Kiriga Girls High School	400,000
DWO-Tigania	Extension of service lines - Kiriene Branch	400,000
DWO-Murang'a South	Laying of Irati-Nginda mainline	800,000
DWO - Imenti South	Laying 10km distribution lines	400,000
DWO- Embu	Laying of Ndamunge mainline	400,000
DWO - Imenti North	Laying of mainline at Ruiru intake	500,000
DWO - Nyeri EAST	Laying of distribution lines	765,000
DWO - Murang'a East	Laying of distribution lines (Rehabilitation and extension of Kahuti water project supply - Wanjengi area)	1,050,000
DWO - Kirinyaga	Completion of Ndia and Rwambati water project	1,250,000
DWO - Murang'a West	Laying pipes for Giatango water project	1,044,000
DWO - Mukurwe-ini	Digging up wells at Giathugu location and irrigation, Fish rearing Kagunju damat Muhito location	340,000
DWO - Nyeri South	Clearing the pipeline routes and bush & grass cutting (Mumue , Thuti, Gikira, Changa -chicha and Kihari pipelines)	450,000
DWO - Mbuuri	Pipelaying, trenching and construction of tanks	500,000
DWO - Embu East	Pipelaying, excavation and disilting of three intakes - Ndamunge water project and Kyeni water & sanitation company	300,000

TANA WATER SERVICES BOARD
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DWO - Embu West	Pipelaying trenching, excavation and backfilling - Ngandori-Nginda consumers water association	350,000
DWO - Kirinyaga West	Pipelaying and excavating of pipeline	130,000
DWO- Tetu	Excavation and backfilling and pipelaying, purchase of pipes & fittings	228,650
DWO - Nyeri North	Laying of distribution lines - Mathira water supply project	128,310
DWO- Tharaka South	Excavation and backfilling of Githungo area - Warazo Jet project, Clearing of bushes , deep excavation and rockout crop excavation	300,000
Administration	Supervision, monitoring and evaluation	290,330
TOTAL		12,508,290

ANNEX VII

SURPLUS

The reported surplus for the period relates to development expenditures reflected in the work in progress and infrastructure development as follows:

Solio Ranch	800,000
Othaya-Mukurweini & Maua	6,719,054
Research & Feasibility	428,790
Kazi Kwa Vijana Programme	12,508,290
JICA I	3,020,149
JICA II	28,343,872
Assets	2,540,854
Total	54,361,009