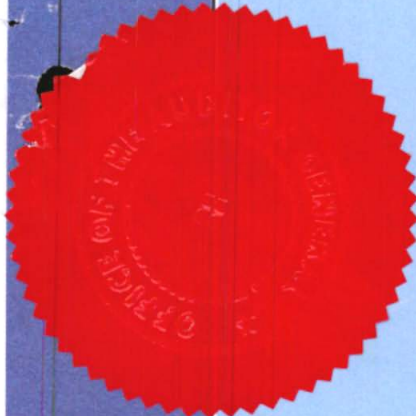


REPUBLIC OF KENYA



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TANATHI WATER WORKS
DEVELOPMENT AGENCY

FOR THE YEAR ENDED
30 JUNE, 2025

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TANATHI WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

**Prepared in accordance with the Accrual Basis of Accounting Method under the International
Public Sector Accounting Standards (IPSAS)**

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**Tanathi Water Works Development Agency
Annual Report and Financial Statements
for the year ended June 30, 2025.**

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1. Acronyms and Definition of Key Terms

A: Acronyms

AfDB	Africa Development Bank
BoD	Board of Directors
CEO	Chief Executive Officer
CS	Cabinet Secretary
CBK	Central Bank of Kenya
HR	Human Resource
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MACHWASCO	Machakos Water & Sewerage Company Limited
NT	National Treasury
PFM	Public Finance Management
PPE	Property Plant & Equipment
PS	Principal Secretary
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
TAWWDA	Tanathi Water Works Development Agency
WSPs	Water Service Providers

B: Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organization.

Comparative Year- Means the prior period.

Agency: - Means Tanathi Water Works Development Agency

2. Key Entity Information and Management

(a) Background information

Tanathi Water Works Development Agency (TAWWDA) is a state Corporation under the Ministry of Water, Sanitation and Irrigation. The Agency was established by Legal Notice No. 27 dated 26th April 2019 and under Section 65(1) of the Water Act, 2016. The Agency is domiciled in Kenya and among other functions is responsible for the Development, Maintenance, and Management of National Public Water Works in Kitui, Machakos, Makeni, and Kajiado counties with its headquarters in Kitui Town.

(b) Principal Activities

(i) Vision

Accessible, adequate, clean & safe water and sanitation.

(ii) Mission

To sustainably develop, maintain and manage national public water and sanitation infrastructure within the Agency's area of jurisdiction for socio-economic development.

(iii) Core Values

- Integrity
- Equity
- Transparency and Accountability
- Sustainability
- Professionalism
- Innovativeness
- Teamwork

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The Agency's powers and functions as defined in Section 68 of the Water Act, 2016 as amended by Water Act, 2024 include;

- a) Undertake the development, maintenance, and management of the National Public Water works within its area of jurisdiction (Kitui, Machakos, Makueni & Kajiado Counties);
- b) Operate water works and provide bulk water services by entering into a bulk water purchase agreement—
 - i) With an investor in accordance with the provisions of the Public Private Partnerships Act, after conducting public participation and in consultation with the Regulatory Board and the relevant county government whose area of jurisdiction the water works is located ; or
 - ii) With a water services provider in consultation with the Regulatory Board;
- c) Operate water works and provide bulk water services as a bulk water services provider until such a time as the water works development agency transfers responsibility for the operation and management of water works to a county government or water services provider in whose area of jurisdiction the water works is located: Provided that a national public water works shall not be transferable to a county government
- d) Provide reserve capacity for purposes of providing water services where pursuant to section 103 of the Water Act, 2016, the Regulatory Board orders the transfer of water services functions from a defaulting Water Services Provider to another licensee.
- e) Provide technical services and capacity building to such County Governments and WSPs within which the Agency operates.
- f) Provide to the CS Ministry of Water, Sanitation and Irrigation technical support in the discharge of his or her functions under the Kenyan Constitution 2010 and the Water Act, 2016

(c) Key Management

The Agency's day-to-day management is under the following key organs:

No.	Designation	Name
	Board of Directors	1. Hon. Regina Muia Ndambuki (Chairperson) 2. Nicholas Wambua Muthangya -Independent Director 3. Robert Muoria -Independent Director

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No.	Designation	Name
		4. David Kapaito Kitasho-Independent Director 5. Annastacia Nyagaki Njoroge -Independent Director 6. Kiema Mwandia -Independent Director 7. David Kiprop-CS Rep, The National Treasury & Economic Planning 8. Stephen Kihara Kiragu-PS Rep, State Department of Water and Sanitation, Ministry of Water, Sanitation and Irrigation
2.	Chief Executive Officer (CEO)	Fidelis Kimanthi Kyengo
3.	General Manager-Corporate Services	CPA. Dennis Kiilu Mulu
4.	General Manager-Infrastructure Development	Francis Kyalo Siva
5.	Manager, Supply Chain Management	Lamet Kimirei Maika
6.	Manager, Legal Services & Corporation Secretary	Ronald Nyakweba Oyagi
7.	Manager, Internal Audit	Alexander King'awi Nyamai
8.	Manager, Capacity Building and Social Safeguards	Rose Catherine Mwia John
9.	Manager, Research, Strategy, Planning and Compliance.	Lennox Chilumo Mbwana

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Officer Executive	Fidelis Kimanthi Kyengo
2.	General Manager-Corporate Services	CPA. Dennis Kiilu Mulu
3.	General Manager-Infrastructure Development	Francis Kyalo Siva
4.	Manager, Supply Chain Management	Lamet Kimirei Maika

Tanathi Water Works Development Agency
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No.	Designation	Name
5.	Manager, Legal Services & Corporation Secretary	Ronald Nyakweba Oyagi
6.	Manager, Internal Audit	Alexander King'awi Nyamai
7.	Manager, Capacity Building and Social Safeguards	Rose Catherine Muia John
8.	Manager, Research, Strategy, Planning and Compliance.	Lennox Chilumo Mbwana

(e) Fiduciary Oversight Arrangements

- Board of Directors
- Audit, Risk, and Governance Committee of the Board of Directors
- Finance & General-Purpose Committee of the Board of Directors
- Technical Committee of the Board of Directors
- Corporate Planning & Strategic Management Committee of the Board of Directors
- Inspector-General (Corporations)
- Development partner oversight activities
- Ministry of Water, Sanitation and Irrigation
- The National Treasury and Economic Planning
- Controller of Budget
- Salaries and Remuneration Commission
- Commission on Revenue Allocation
- Public Investments Committee of the National Assembly
- State Corporations Advisory Committee
- Chief of Staff and Head of Public Service
- Public Procurement Regulatory Authority.
- Public Service Commission
- Attorney General
- Auditor General

(f) Agency Headquarters

KIDP Building, Kalawa Road
Private Bag-90200
KITUI, KENYA

(g) Agency Contacts

Telephone: (+254) 792048012
E-mail: info@tanathi.go.ke
Website: www.tanathi.go.ke

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(h) Agency Bankers

1. Kenya Commercial Bank
Kitui Branch
P.O. Box 683-90200
KITUI, KENYA

2. Co-operative Bank of Kenya Limited
Kitui Branch
P.O. Box 1432-90200
KITUI, KENYA

(i) Independent Auditor

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



(j) Principal Legal Adviser



The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. The Board of Directors

Ref	Directors	Details
1.	 <p><u>Academic & Professional</u></p> <p><u>Qualifications</u></p> <ul style="list-style-type: none"> • Bachelor of Arts in Leadership & Management- St Paul's University • Diploma in Marketing- Makini College 	<p>Hon Regina Nthambi Muia Ndambuki (Chairperson) was born on 9th September 1956. She was appointed as Board Chairperson of Tanathi Water Works Development Agency from 10th February 2023 to 4th July 2025 and further renewed for another three years from 8th July, 2025.</p> <p>She joined the Agency with a wealth of experience in corporate governance. Having served as a legislator and sat on various parliamentary committees, she is expected to steer the Agency to greater heights in terms of leadership, management, and resource mobilization.</p>
2.	 <p><u>Academic & Professional</u></p> <p><u>Qualification.</u></p> <ul style="list-style-type: none"> • MBA in Strategic Management from the University of Nairobi 2010 • Bachelor of Arts Egerton University -1993 	<p>Director Stephen Kiragu Kihara (Rep. Principal Secretary State Department of Water & Sanitation) was born on 10th February 1966. He was appointed on 25th July 2023.</p> <p>He has a very wide experience in Public Administration and Civil Service spanning well over 25 years beginning at the entry level as a District Officer, rising to the level of District Commissioner, Deputy County Commissioner, County Commissioner, and currently serving as Secretary of Administration.</p> <p>During the period ended 30 June 2025, he served as a member of the Technical Committee, the Finance & General-Purpose</p>

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	<ul style="list-style-type: none"> • Senior Leadership and Public Administration courses at the Kenya School of Government (KSG) 	<p>Committee, and the Audit, Risk, and Governance Committee of the Board.</p>
<p>3.</p>	 <p><u>Academic & Professional Qualification</u></p> <ul style="list-style-type: none"> • Bachelor of Business Administration (BBA) From Kenya Methodist University (2020-2022) • Diploma in Purchase and Supplies from University of Nairobi (2014-2015) 	<p>Director Nicholas Wambua Muthangya (Independent Director) was appointed as director of Tanathi Water Works Development Agency for three years, effective 31st January, 2025. He has over 10 years of leadership and managerial experience.</p> <p>During the period under review, he was the chairperson of corporate planning and strategic management committee and a member of the Technical Committee of the Board.</p>
<p>4.</p>	 <p><u>Academic & Professional Qualification</u></p> <ul style="list-style-type: none"> • Master of Science in Project Management from Jomo Kenyatta University of Science & Technology (2014-2017) 	<p>Director David Kiprop (Rep. Cabinet Secretary the National Treasury & Economic Planning) was born on 17th December 1985. He was appointed on 20th May 2022.</p> <p>He has served in several positions at The National Treasury & Economic Planning including, Ag. Director (Defacto)/Senior Economist/ Public Investment Management and Economist/Statistician I.</p> <p>During the period under review, he was a member of the Audit, Risk & Governance Committee, and Finance & General-Purpose Committee of the Board.</p>

	<ul style="list-style-type: none"> ● Bachelor of Science in Applied Statistics with IT from Maseno University (2005-2009) 	
5.	 <p><u>Academic & Professional Qualification</u></p> <ul style="list-style-type: none"> ● Bachelor of Public Administration & Management ● Diploma in Project Management (1984-1989) 	<p>Director Robert Muoria Sungura (Independent Director) was born on 1st November 1970. He was appointed as director of Tanathi Water Works Development Agency with effect from 1st September 2023 to 5th October 2024. He was reappointed fro a period of three years with effect from 4th October 2024 He has over 10 years of experience in management and politics.</p> <p>During the period under review, he was the Chairperson Finance & General-Purpose Committee, and a member of the Technical Committee and Corporate planning and strategic management committee</p>
6.	 <p><u>Academic & Professional Qualification</u></p> <ul style="list-style-type: none"> ● Higher Diploma in Environmental Management at Kenya Wildlife Training Institute ● Diploma in Wildlife Management at Kenya wildlife Institute. 	<p>Director David Kapaito Kitasho (Independent Director) was born on 9th December 1972. He was appointed as director of Tanathi Water Works Development Agency with effect from 1st September 2023 to 5th October 2024. He was reappointed fro a period of three years with effect from 4th October, 2024. He is a trained Wildlife and Environmental Conservationist and has served at Amboseli Conservancy</p> <p>During the period under review, he was the Chairperson of the Audit, Risk & Governance committee and Corporate Planning & Strategic Management Committee of the Board.</p>



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	<ul style="list-style-type: none"> • On-going Bachelor Course on Range land management at Nazarene University 	
7.	 <p><u>Academic & Professional Qualification</u></p> <p>Diploma in Management & Leadership</p>	<p>Director Annastacia Nyagaki Njoroge (Independent Director) was born on 1st January 1978. She was appointed as director of Tanathi Water Works Development Agency from 1st September 2023 to 4th July 2025. She is a businessperson with wide experience in management and leadership.</p> <p>During the period under review, she was the chairperson of the Technical Committee of the Board and a member of Finance & General-Purpose Committee of the Board.</p>
8.	 <p><u>Academic & Professional Qualification</u></p> <ul style="list-style-type: none"> • University of Nairobi-Masters in Project Planning and Management (MPPM) - 2012 • University of Nairobi-Bachelor of Science in Agriculture-1991-1996: <p><u>Professional Associations</u></p> <p><u>Membership:</u></p>	<p>Director Kiema Mwandia (Independent Director) was born on 23rd April 1974. He was appointed as director of Tanathi Water Works Development Agency from 1st September 2023 to 4th July 2025. His appointment was revoked on 31st January 2025.</p> <p>During the period under review, he was the Chairperson of the Finance & General-Purpose Committee and a member of both the Corporate Planning & Strategic Management Committee and Technical Committee of the Board.</p>



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	<ul style="list-style-type: none"> • Kenya Association of Project Managers Member No. 131 • Institute of Directors (Kenya) Member No. 0719 	
9.	 <p><u>Professional/ Academic Qualification.</u></p> <ul style="list-style-type: none"> • B.Sc. Engineering (Civil) - University of Nairobi, Kenya • He is a registered Corporate Member with Institution of Engineers of Kenya • He is a registered Graduate Engineer with Engineers Board of Kenya (EBK) 	<p>Fidelis Kimanthi Kyengo (Ag. Chief Executive Officer) is a Civil Engineer who has extensive experience in management in the Water Sector. He is a Project/Programme Management Specialist with over thirty (30) years of experience in coordinating water and sanitation activities.</p>
10.	 <p><u>Professional/ Academic Qualification.</u></p> <ul style="list-style-type: none"> • Master of Laws (LLM) • Bachelor of Laws (LLB) • Post Graduate Diploma in Laws from Kenya School of Law • He is registered advocate with Law Society of Kenya (LSK) & East Africa Law Society • Strategic Leadership Development Programme, Senior Management Course and Corporate Governance Training from Kenya School of Government 	<p>Ronald Nyakweba Oyagi (Ag. General Manager, Legal Services & Corporation Secretary) has Over Nineteen (19) years undertaking legal services where over sixteen (16) years have been acquired in senior levels managing both legal services and corporation secretariat.</p>

4. Key Management Team

	Management	Details
1.	 <p>Fidelis Kimanthy Kyengo</p> <p><u>Professional/ Academic Qualification.</u></p> <ul style="list-style-type: none"> ● B.Sc. Engineering (Civil Engineering). ● He is a registered Graduate Engineer with Engineers Board of Kenya (EBK) ● He is a registered Corporate Member with Institution of Engineers of Kenya 	<p>Ag. Chief Executive Officer</p>
2.	 <p>Francis Kyalo Siva</p> <p><u>Professional/ Academic Qualification</u></p> <ul style="list-style-type: none"> ● Master of Arts-Project Planning and Management ● BSc. (Water & Environmental Engineering) ● He is a registered Graduate Engineer with Engineers Board of Kenya (EBK) ● He is a registered Professional Engineer with Kenya Engineering Technology Registration Board (KETRB). 	<p>General Manager-Infrastructure Development</p>

<p>3.</p>	 <p>CPA. Dennis Kiilu Mulu</p> <p><u>Professional/ Academic Qualification.</u></p> <ul style="list-style-type: none"> ● MBA (Finance), ● BA (Economics), ● He is a registered member of ICPAK 	<p>General Manager, Corporate Services</p>
<p>4.</p>	 <p>Ronald Nyakweba Oyagi</p> <p><u>Professional/ Academic Qualification.</u></p> <ul style="list-style-type: none"> ● Master of Laws (LLM) ● Bachelor of Laws (LLB) ● Post Graduate Diploma in Laws from Kenya School of Law ● He is registered advocate with Law Society of Kenya (LSK) & East Africa Law Society. 	<p>Manager, Legal Services & Corporation Secretary</p>

<p>5.</p>	 <p>Lamet Kimirei Maika</p> <p><u>Professional/ Academic Qualification</u></p> <ul style="list-style-type: none"> ● MBA (Strategic Management) ● BBA ● CIPS Level 6 ● Graduate Diploma in Purchasing and Supply Chain Management ● He is registered member of Kenya Institute of Supply Chain Management (KISM) and Chartered Institute of Purchasing & Supplies (CIPS) 	<p>Manager, Supply Chain Management</p>
<p>6.</p>	 <p>Alexander King'awi Nyamai</p> <p><u>Professional/ Academic Qualification.</u></p> <ul style="list-style-type: none"> ● B.Com. (Finance Option) ● CPA Part III Section 5 ● He is a registered member of Institute of Internal Auditors of Kenya. 	<p>Manager, Internal Audit.</p>

<p>7.</p>	 <p>Rose Catherine Mwia John</p> <p><u>Professional/ Academic Qualification.</u></p> <ul style="list-style-type: none"> ● MSc. (Integrated Water Resource and Watershed Management) ● Bachelor of Science in Natural Resource Management 	<p>Manager, Capacity Building and Social Safeguards</p>
<p>8.</p>	 <p>Lennox Chilumo Mbwana</p> <p><u>Professional/ Academic Qualification.</u></p> <ul style="list-style-type: none"> ● M.Phil (Arts); Economics ● M.A. Economics ● B.A, Economics, Sociology & Pol. Scie. ● Higher Diploma, Counselling Psychology ● Registered member of Kenya Counselling & Psychological Association (KCPA). 	<p>Manager, Research, Strategy, Planning and Compliance</p>

** Francis K. Siva was appointed as the Acting Chief Executive Officer replacing Fidelis K. Kyengo with effect from 22nd September 2025.

5. Chairperson's Statement

This Annual report and financial statements for FY 2024/2025 have been prepared in accordance with the guidelines issued by the Public Sector Accounting Services Board issued on 30th June, 2025. The report reflects the achievements made by Tanathi WWDA in relation to its mandate, challenges met and valuable lessons learnt during the period under review.

Pursuant to article 43(1) (d) of the Constitution of Kenya of 2010 which states that, "**Every person has the right to clean and safe water in adequate quantities.**" the Agency with the support of our development partners including but not limited to the Government of the Republic of Kenya, the African Development Bank (AfDB), the Italian Government, the International Bank on Reconstruction & Development, (the World Bank) and the Belgium Government have supported the Agency in the implementation of various projects in line with the Constitution as aforementioned and in line with the Government of Kenya blueprint of Vision 2030 and the Bottom Up Economic Transformation Agenda (BETA) in provision of clean water and sanitation services.

The Agency serves resident in the four counties of Machakos, Makueni, Kitui and Kajiado which are largely classified as semi-arid in terms of their modest rainfall density received in two seasons throughout the year ie in March to May and in October November. However, the rainfall density is light and complementary efforts must be put in place to ensure adequate water for communities across the four counties. Among the projects implemented during the period under review include;

a) Kenya Towns Sustainable Water Supply and Sanitation Programme (KTWSSP) projects including Machakos Water Supply Project, Machakos Sewerage Project, Mwala Cluster Water Supply Project and Last Mile Connectivity for Matuu, Kitui and Wote Towns.


b) Government Funded Projects which include Namanga Dam Water Supply Project, Masinga-Ikaatine-Ekalakala Water Supply Project, Wote Water Supply and Sanitation Project, Kinanie Leather Industrial Park Water Supply Project, Kiambere- Mwingi Water and Sanitation project – Last Mile Connectivity Component, Expansion and Augmentation Masinga Intake Works, drilling and equipping of 40 No Boreholes which has seen implementation of 32 No. boreholes. Kiambere-Mwingi Water and Sanitation project is also one of our other donor funded projects.

One of the greatest challenge that the agency has faced over time is adequate financing for the projects that it intends to implement both in the short term and in the long term despite the support of the Government of Kenya and development partners. The Agency has in part worked to overcome this challenge by coming up with proposals for new projects and continuously seeking for funding of new projects by willing partners in deserving areas to ensure spatial equity in the access to water and sanitation programmes for both small towns and rural communities. The

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Agency also comes up with short term interventions for drought mitigation whenever circumstances or the exigencies of any specific time period may demand.

The Agency thanks all stakeholders and more specifically the **Government of the Republic of Kenya and development partners** for their keen support in this cause and the Agency will ensure proactive stakeholder engagement to ensure prompt service delivery and seamless project implementation in realization of the Government agenda of universal access to water for all.

SIGNED BY; 
HON. REGINA NTHAMBI MUIA
BOARD CHAIRPERSON

DATE: 19/11/2025

6. Report of the Chief Executive Officer

The invaluable contribution of the Agency, diverse stakeholders, including the Agency Directors, members of staff, the Ministry of Water, Sanitation and Irrigation, the National Treasury and Economic Planning, the County Governments of Kitui, Makueni, Machakos, and Kajiado, as well as our development partners is greatly appreciated. Their unwavering support has been instrumental in enabling the Tanathi Water Works Development Agency (TAWWDA) to fulfil its critical mandate.

The Agency's work is firmly rooted in the Constitution of Kenya 2010, specifically under Article 43(1)(d), and aligns with the United Nations Sustainable Development Goal 6. The Agency's specific mandate to develop sustainable water and sanitation infrastructure in the counties of Kitui, Machakos, Makueni, and Kajiado is drawn from the Water Act 2016. In carrying out this mandate, the Agency plays a pivotal role in advancing Kenya's Vision 2030, particularly in the provision of clean water and sanitation services, which are essential to achieving the Bottom-Up Economic Transformation Agenda (BETA).

Projects Implementation Report

During the year under review, the Agency continued with the implementation of the previous year's projects funded by both GoK and development partners notably, African Development Bank (AfDB) and Kenya Italy Debt for Development Programme (KIDDP) which includes: -

a) Kenya Towns Sustainable Water Supply and Sanitation Programme (KTWSSP)

(i) Machakos Water Supply Project

This is a project financed by AfDB in Machakos town to serve 260,000 people. The Project entails; Construction of Miwongoni 15 m high Earth fill Dam, Intake works and water treatment works of capacity 10,000m³/d, Pumping, electromechanical works and rising main to Iveti and Katelembu of approximately 14 Km, 7.2 Km gravity mains, 57 Km distribution network within Machakos Town, Drilling and equipping of 10 No. Boreholes, construction of new office block for MACHWASCO and 3,000 No Consumer connections.

The project is currently at 79.5% completion as at 30th June 2025. The project has faced numerous challenges related to the acquisition of land for Dam construction.

(ii) Machakos Sewerage Project

This is a project financed by AfDB in Machakos town to serve 50,000 people. The Project entails; construction of 1 No. wastewater treatment plant capacity 12,500m³/day along River Ikiwe, laying of 60km trunk and lateral Sewer lines within Machakos Town and Environs, Rehabilitation of the existing sewer networks within Machakos Town, Construction of 4 No. Sanitation blocks, carry out 2,000 individual sewer connections.

The project was at 86% in terms of implementation progress as at 30th June 2025.

(iii) Mwala Cluster Water Supply Project

This project is funded by the Government of Kenya and AfDB at a cost of Kshs 1.5 Billion. The project scope involves; New intake weir on river Ndarugu with a 4.8km raw water main to a new Water Treatment Works at Kyeleni in Yatta /Matungulu area with a capacity of producing 6,600 m³/day of water. Pumping units and pipeline work of over 60 Km, and 4 No. water storage tanks of various capacities, Expansion of Mwala water supply to cover Mwala, Mbiuni, Masii and Kabaa markets.

The project was at 79% as at 30th June 2025.

(iv) Last Mile Connectivity for Matuu, Kitui and Wote Towns

The Agency through a funding from African Development Bank is undertaking last mile connectivity for Matuu, Kitui and Wote towns which comprises:

- (a) **Matuu** - (New water treatment plant of capacity 4,000m³/day with solar power, New raw water main (3.5km), Rising main (1.1km), Gravity main (27km) and distribution mains (10km); 1 No. Elevated steel tank (108m³) and 1 No. Ground masonry tank (225m³); 1,500 No. consumer water connections;
- (b) **Kitui** - Rehabilitation works on existing water treatment plant and transmission pipelines; New water distribution pipelines (40km); 5 No. water kiosks with 5000 litres overhead plastic tanks; 5 No. boreholes and with 5 No. elevated steel tank at each borehole (48m³); 4,000 No. household consumer connections; New collector sewers (40km) and sewer rehabilitation works;
- (c) **Wote** - New water treatment plant of capacity 2,000m³/day with solar power; Raw water main (1.5km), rising main (6.5km) and distribution pipelines (30km); New water storage tank

(150m³); 1,000 No. consumer water connections, 5 No. boreholes with 5 No. elevated steel tanks at each borehole (48m³);

The initial contract is under termination at a progress of 34% and the agency has undertaken rescoping and repackaging of the works for re advertisement. This is expected to be done by 31st December 2025.

b) Government Funded Projects

(i) Namanga Dam Water Supply Project

The scope of works includes the Consultancy Services for Detailed Design and Tender Documentation of a 35 m high dam, water treatment plant of capacity 4,200 m³/day, 1 No. 1,000 m³ RC tank, 2 No. 500 m³ storage tanks, sewer collection system including trunks & laterals and sewer treatment plant.

To date, the consultant has successfully completed the assignment and submitted the Final Detailed Design Reports. The Agency is currently in the process of sourcing funds for the construction phase of these works

(ii) Masinga-Ikaatine-Ekalakala Water Supply Project.

The project, with an estimated cost of Kshs 270 million, is being implemented in three phases. Phase I involves the Masinga Ikalakala Pipeline, Phase II encompasses the Kaewa Kangonde Line, and Phase III covers the Matuu Water Supply Component. The project is designed to supply clean water to approximately 36,000 residents of Masinga Sub County.

The scope of works for this project includes the laying of water supply pipelines, construction of 8 No. water kiosks, and the construction of 2 No. Water tanks of capacity 200 m³ and 100 m³. Additionally, the project involves the construction of a 50 m³ sump at the booster station, the construction of a booster pumping station with associated electromechanical works, and the construction of 2 No. elevated steel tanks with capacities of 50 m³ and 250 m³ at Matuu town. The scope also includes the installation of a 150 m³/hr pump at the treatment works.

Currently Phase I and II of the Project are complete and operational while Phase III of the project is 98% complete.

(iii) Wote Water Supply and Sanitation Project

The project, with an estimated cost of Kshs 500 million, is being implemented in various phases. Phase I involves Wote Water Supply Augmentation Project (Kamunyolo Dam Water Distribution), Phase II - Emali Town Water Supply Project and Phase III will involve further water supply interventions for Wote Town.

The Scope of works for Phase I includes: Laying of 4 Km reticulation networks, construction of 50 m³ clear water sump at Kamunyolo Treatment plant, construction of 100m³ 12m high Elevated Steel Tank at Kamunyolo and Construction of 3No. Water kiosks. Phase II includes. Laying of 9.75 Km of HDPE pipelines, construction of 100m³ 12 M high elevated steel tank, electro Mechanical Works - Solar Modules and Mounting Structure, construction of 5 No. Water Kiosks, drilling & equipping of 1no. borehole.

To date Phase, I & Phase II of the project is complete and operational while Phase III of the project is ongoing and was at 5% as at 30th June 2025.

(iv) Kinanie Leather Industrial Park Water Supply Project

The project, with an estimated cost of Kshs 385 million, is being implemented in three phases. Phase I of the project involved Drilling and equipping of 2 boreholes with solar power complete to supports construction operations on site. (Borehole capacity 45 m³/hr and 28m³/hr) and Construction of 1 No 100 m³ 12 M high Steel Elevated Tank. Phase II & III of the project involves laying of 25 Km HDPE Pipeline, Construction of 1 No. 1,000 m³ Reinforced concrete tank and associated auxiliary works

Phase I of the project is complete and operational while Phase II & III as at 30th June 2025 was 90% complete.

(v) Kiambere- Mwingi Water and Sanitation project – Last Mile Connectivity Component

The project, with an estimated cost of Kshs 250 million, is being implemented in five phases.

The Scope of works includes laying of 35 Km pipelines of various diameters, construction of 1 No. Booster station with solar farm and associated electromechanical works, construction of 2 No. steel elevated tanks of capacity 50 m³ and 100 m³, construction of 3 No. masonry water storage tanks of capacity 225 m³, construction of 10 No. water kiosks, Rehabilitation of 2 No. water kiosks and connection of 6 No. schools.

Phase I, II and III of the project are complete while construction of Phase IV and V are ongoing at 15% and 12% respectively.

(vi). Expansion and Augmentation Masinga Intake Works

This project aims to address the supply-demand deficit and resolve disputes between Kitui and Machakos Counties. Tanathi WWDA, responsible for developing national water works in the project area, conducted detailed engineering surveys and designs, estimating the project cost at Ksh 522.9 million.

The scope of works include new intake works, new raw water raising main of 1.6km, new backwash tank, new transformer, new clear water pump, rehabilitation of existing pipeline and water tanks.

The Agency has received a budget of Kshs 5 million in the current financial year FY 2025/26 to procure a Contractor and commence the works.

(vii) Drilling and equipping of 40 No Boreholes

The project has been implemented by the agency progressively since FY 2016/2017 as per budgetary allocations made by GoK during each financial year.

The scope of works generally includes drilling of borehole and equipping with solar powered pumps, construction of water kiosks, cattle troughs, elevated tanks and water connection to nearby schools.

The project implementation is at 68.92% completion with the agency having completed the implementation of 32 No. borehole.

Other Donor Funded Projects

(i) Kiambere- Mwingi Water and Sanitation project

The project is funded Jointly by GoK and Italian Cooperation and the Works will involve; Floating intake works, 800m raw water raising main, 4,200m³/d treatment works, 18km rising main, 800m³ storage tank, 12 No. storage tanks of various capacity, 95km distribution lines to Kimangau, Kyuso, Gai, Kaste up to Tseikuru town and Sewerage works in Mwingi town. The project will benefit over 160,000 people with clean water.

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Process for disengagement from the initial contractor due to non-performance is ongoing awaiting payment that will pave the way for the readvertisement of the works contract. The Agency has already submitted the Contractor's claim of Kshs 69.2 Million to the National Treasury.

SIGNED BY:



Francis K. Siva

Ag. CHIEF EXECUTIVE OFFICER

Date.....19/11/2025.....

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

The Tanathi Water Works Development Agency Strategic Plan has four strategic Pillars and objectives within the current Strategic Plan for 2023-2027. These strategic pillars are as follows:

- Pillar 1: Low water access
- Pillar 2: Low sanitation access
- Pillar 3: Inadequate institutional capacity
- Pillar 4: Inadequate financial resources and collaborations.

The Agency develops its annual work plans based on the above four pillars. Assessment of the Board's performance against its annual work plan is done on an annual basis. The Agency achieved its performance targets set for the FY 2023/2024 period for its four strategic pillars, as indicated in the table below:

TAWWDA has six strategic objectives within the current Strategic Plan for 2023-2027 which include:

1. To increase the percentage of population with access to water from 52% in 2023 to 70% by 2027.
2. To increase the water harvesting and storage capacity by 1,701,000m³
3. To increase urban sewerage from 18% in 2023 to 40% by 2027.
4. To increase the percentage of population with sanitation services from 80% in 2023 to 89% by 2027.
5. To strengthen TAWWDA institutional capacity and corporate governance.
6. To increase financial resources from Kshs. 9.26 billion to Kshs. 15.587 billion.

Tanathi WWWDA develops its annual work plans based on the above six strategic objectives pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Agency achieved its performance targets set for the FY 2024/2025 period for its strategic objectives, as indicated in the table below:

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Key Strategic Pillar	Strategic Objective	Strategies	Achievements	Challenges	Options/Solutions/Way forward
KRA 1: Water Infrastructure Development	To increase the percentage of population with access to water from 52% in 2023 to 70% by 2027.	<ol style="list-style-type: none"> 1. Completion of on-going water supply systems; 2. Develop new water supply systems to increase production by 59,000m³/day; 3. Develop 165km transmission and distribution lines (last mile connectivity); 4. Develop designs for water systems to supply for Konza City as a driver of the Bottom-up Economic Transformation Agenda (BETA); 5. Develop water systems to supply 5000 m³/day for Housing and settlement as a driver of the Bottom-up Economic Transformation Agenda (BETA); 6. Develop water systems to supply 1000m³/day for universal health care as a driver of BETA; 7. Rehabilitation of water supply systems; 8. Implementation of water projects under the 10,000 water program for environment and climate change as a driver for BETA; 9. Support County Governments and Water Service Providers in the reduction of NRW in major urban areas from 54% to 30%. 	<ul style="list-style-type: none"> • Completed Kiambere Mwingi Phase III last mile water supply project and thus improving water production by 350m³/day. • Developed 18km of last mile distribution systems • The construction of Kinanie leather project moved from 85% to 92% with the ongoing construction of 19km of HDPE pipeline and Tank construction • Rehabilitation of Machakos and Mavoko water supply systems 	Slow progress due to delayed exchequer disbursements. Phase III yet to be connected with water.	Strategies planned to mobilize resources.

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Key Strategic Pillar	Strategic Objective	Strategies	Achievements	Challenges	Options/Solutions/Way forward
	To increase the water harvesting and storage capacity by 1,701,000 m ³	<ol style="list-style-type: none"> 1. Construction of new small and medium earth dams and pans; 2. Rehabilitation of existing water harvesting and storage facilities; 3. Rain harvesting. 	<ul style="list-style-type: none"> • Procurement process on-going for construction of 7No. water pans and small earth dams; • Designs ongoing for the rehabilitation and expansion of Maruba dam under the AfDB's Machakos Water Supply Project 	Slow progress due to delayed chequer disbursements	Strategies planned to mobilize resources.
KRA 2: Sanitation and Sewerage Infrastructure Development	To increase urban sewerage from 18% in 2023 to 40% by 2027.	<ul style="list-style-type: none"> • Develop new Sewerage infrastructure to increase sewage treatment from 26,400m³/day to 41,000m³/day; • Develop 45 km trunk sewers and laterals; • 3. Rehabilitation and augmentation of existing sewerage facilities. 	<ul style="list-style-type: none"> • Secured funding through AfDB for construction 3,000m³/day STP and development of 45 km trunk sewers and laterals for Namanga Town and its environment • Rehabilitation of Machakos sewerage system complete under the Machakos Sewerage Project 	Slow progress due to delayed chequer disbursements	Strategies planned to mobilize resources.
	To increase access to sanitation services from 80% in 2023 to 89% by 2027.	<ul style="list-style-type: none"> • Development of sanitation facilities and provision of equipment in towns not served with sewerage facilities. 	<ul style="list-style-type: none"> • Completed the construction of 4No. ablution blocks under the Machakos Sewerage project • Secured funding for construction of 7No. ablution block, and purchase of 2No. Exhausters under the proposed 	Slow progress due to delayed chequer disbursements	Strategies planned to mobilize resources.

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Key Strategic Pillar	Strategic Objective	Strategies	Achievements	Challenges	Options/Solutions/Way forward
			Namanga sewerage project		
KRA 3: Institutional Development and Corporate Governance	To strengthen institutional capacity and corporate governance.	<ul style="list-style-type: none"> • Improve Human Resource capacity to enhance Productivity; • Work Environment Improvement; • .Strengthen Corporate Culture; • .Strengthen Performance Management systems; • .Strengthen Corporate Planning, Research and Knowledge Management; • .Develop Risk Management framework; • .Develop Quality Management Systems; • .Improve Corporate Governance; • .Strengthen Financial Management systems; • Improve corporate image; • Improve Automation of Services; • Strengthen Supply Chain Management. 	<ul style="list-style-type: none"> • Outsourcing of ICT services and resources with Next Technologies to improve automation of services; Maintenance of ICT infrastructure & equipment and Software ongoing. • Reviewed the Agency's Human Resource Management instruments approved by the Board of Directors; • Measures have been initiated and ongoing to: Strengthen Corporate Planning, Research and Knowledge Management; • Develop a Risk Management framework; and Develop an M&E framework (draft localized framework developed) 	Unpredicted cash flows and budget are affecting intervention strategies for achieving set targets.	Strategies planned to mobilize resources.

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Key Strategic Pillar	Strategic Objective	Strategies	Achievements	Challenges	Options/Solutions/Way forward
KRA 4: Resource Mobilization	To increase financial resources from Kshs. 9.26 billion to Kshs. 15.626 billion.	<ul style="list-style-type: none"> • .Development and implementation of a Resource Mobilization strategy; • Enhance collaboration and partnerships with Development Partners for prospective funding. • Operationalize and manage bulk water systems; • Policy and Legal frameworks development between the Agency and key stakeholders; • Automation of water and sanitation infrastructure; • Mobilize resources through climate financing PPP framework 	<ul style="list-style-type: none"> • Development of a Resource Mobilization Strategy has been initiated; • The Agency has internally mobilized Kshs. 534.85million through GoK; • 12no.new Projects Concept notes generated through PIMIS worth Kshs.104.4billion; • Operationalization and management of bulk water systems has been initiated. 		Measures have been initiated towards the achievement of the key result area and the respective objective through formation and operationalization of various technical committees.

8. Corporate Governance Statement

Tanathi Water Works Development Agency is a State Corporation established by Legal Notice No. 27 dated 26th April, 2019 and under Section 65(1) of the Water Act, 2016 replacing Tanathi Water Services Board which had been established under the Water Act, 2002, as part of the Water Sector reforms that aimed at improving Water Services delivery through decentralisation of water infrastructure development and water services delivery towards achieving efficiency and economy in water services delivery.

The Agency is created as a juristic entity with all the attributes of a legal personality and has a board constituted as follows; Two of the current Board of Directors had their term renewed on 13th September 2024 and assumed office immediately, one director was appointed on 31st January 2025. The Directors include a Board Chairperson and 4 gazetted directors and the Board Chairperson and two alternate directors who are appointed vide a letter as representatives from the Ministries of Water, Sanitation & Irrigation and The National Treasury & Economic Planning and a Representative from the Inspectorate General of State Corporation (in attendance).

The Board of Directors is constituted of the full Board and its committees of Technical Committee, Finance, Human Resource & General Purpose Committee, Corporate Planning & Strategic Management Committee and the Audit, Risk and Governance Committee. The purpose of these committees is to ensure that issues presented before the board are interrogated by the relevant committee which makes appropriate recommendations for board consideration before any informed decision making at the board level.

During the year under review all Board meetings were held in line with the approved almanac. All meetings attended were on due notices and agenda having been previously issued within the statutory timelines and there was quorum in all meetings. The number of meetings held was within the permissible statutory number as embodied in the law. The Agency kept a register on attendance and conflict of interest to manage any such conflict of interest as and when it arises, to clarify, which areas such a conflict of interest will be unacceptable and which areas such a conflict is managed. Most importantly, the register is to record conflict of interest declarations.

In line with Mwongozo guidelines on enhancing Corporate Governance, during the financial year 2024-2025.

Board remuneration was done in accordance with the relevant National Treasury circulars on Board remuneration and allowances. Board remuneration amounted to Kshs. 18,943,698/= during

the financial year and all remunerations and allowances were paid in accordance with the law and in line with SCAC guidelines issued from time to time. The Board conducted its business with integrity levels that have been beyond reproach under the leadership of the Board Chairperson, Hon. Regina Muia Ndambuki and so far at the Board level, there has been informed decision-making based on board papers presented before the Board for any resolutions, decisions, and recommendations of the Board.

Functions of Board's Committee include:-

Technical Committee

The Technical Committee has the oversight responsibility of ensuring Management of Tanathi Water Works Development Agency implements Water Supply & Sanitation Infrastructure in line with the laid down procedures and ensure value for money. Tanathi Water Works Development Agency being an asset owner, the Committee ensures that there is adequate asset development maintenance and infrastructure improvement to ensure sustainability of all water infrastructures.

Finance & General-Purpose Committee

The Finance Committee is the overseer of the financial management & reporting process and the Board's Internal Control. The Committee is also responsible for efficient allocation and utilization of resources, proposing investment and funding for the Board. The Committee is also responsible for general and human resources issues of the Agency. To this extent, the committee ensures that the Board hires the right staff, at the right place and guarantees staff welfare. Other terms of reference include; Procurement, Finance and Information Communication and Technology Policy Manuals.

Corporate Planning & Strategic Management Committee

The Corporate Planning & Strategic Management committee has the oversight responsibility of directing the Agency strategically and planning the future direction of the Agency. The Committee ensures the operations of Board are in line with the strategic plan, Performance Contract for the year under review, the Government blue print of Vision 2030 and the Bottom-Up Economic Transformation (BETA) agenda.

Audit, Risk & Governance Committee

In order to promote good corporate governance and in terms of the requirement of the Public Finance Management Act 2012 and Public Audit Act, 2015, Tanathi Water Works Development Agency constituted and operationalized an Audit, Risk & Governance Committee. The committee

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is charged with the role of monitoring on behalf of the board, the effectiveness of the processes in force with particular focus on: -

- Safe guarding the assets
- Scope and effectiveness of the internal controls
- Preparation and audit of the annual financial statements
- Compliance with all applicable regulatory requirements and Accounting Standards

9. Management Discussion and Analysis

Tanathi Water Works Development Agency has continued to adhere to PFM Act, 2012, Public Procurement and disposal act, 2015, The National Treasury & Economic Planning circulars issued from time to time, Water Act 2016 (as amended by Water Act 2024), Salaries and Remuneration Commission (SRC) circular, circulars from the Head of Public Service and guidelines issued from time to time, the Constitution of Kenya 2010 and all government directives and guidelines issued from time to time. The Agency's operations are guided by relevant laws and policies. The Agency has in place Strategic Plan, Service Charter and other departmental policies which have enhanced management performance.

The Agency's Board of Directors through the management is responsible to ensure preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS). The Management maintains proper books of accounts which give a true and fair view of the state of affairs of the Agency.

The Agency ensured prudent management of financial resources in line with the PFM, Act 2012 by ensuring that the funds are applied to programmes and projects they are voted for. The Agency ensured prudent spending and compliance with the PFM Act, 2012. The Agency complied with all statutory requirements and obligations with KRA, SHIF, NSSF and HELB. All statutory deductions were duly remitted hence the Agency did not have any material arrears. The Agency will continue to honour all statutory obligations on and when they fall due.

During the year, the Agency continued with implementation of the Human Resource Management Policies and Procedures Manual, Career Guidelines, Staff Establishment approved by the State Corporations Advisory Committee in November 2021 and the Organisational grading structure. During 2024-2025 FY, staff establishment stood at 48No. Spread in 6 departments and 1 standalone section. The departments include; Corporate Services, Infrastructure Development, Asset Management, Internal Audit, Corporation Secretary and Legal Services and Research, Strategy, Planning and Compliance. The standalone section includes: Supply Chain Management.

The Agency continued to face operational challenges due to the underfunding of its Recurrent Budget which will require Government intervention. During the year, the Agency did not collect any lease fee arrears from Water Service Providers.

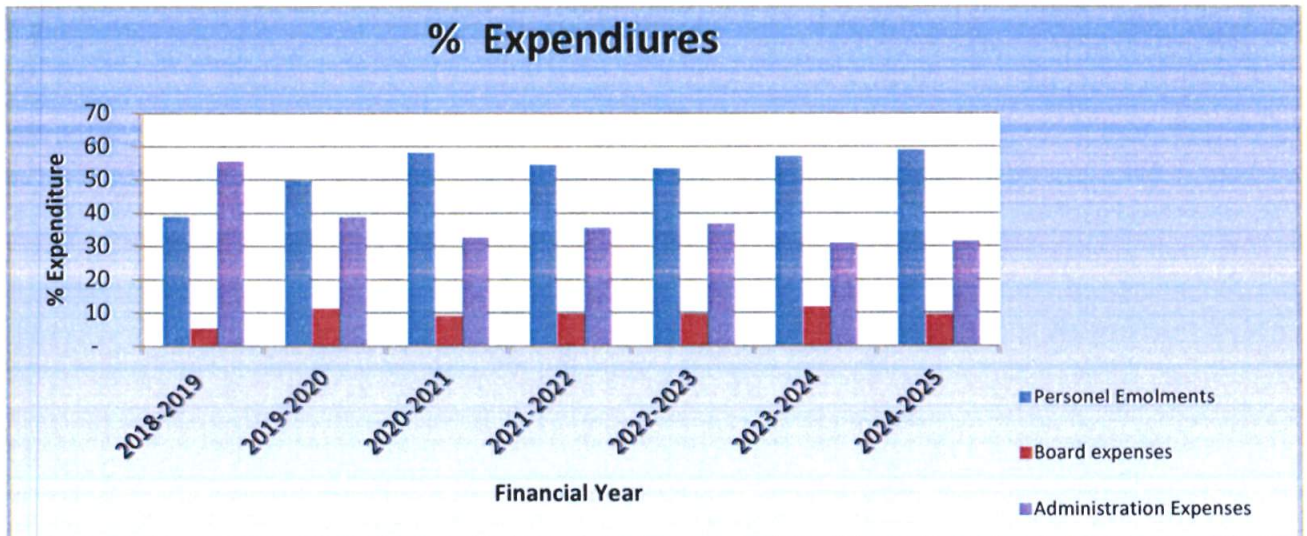
Development projects were also not implemented as scheduled due to delayed disbursement of Development funds. There have also been challenges in land compensation and delayed tax exemptions.

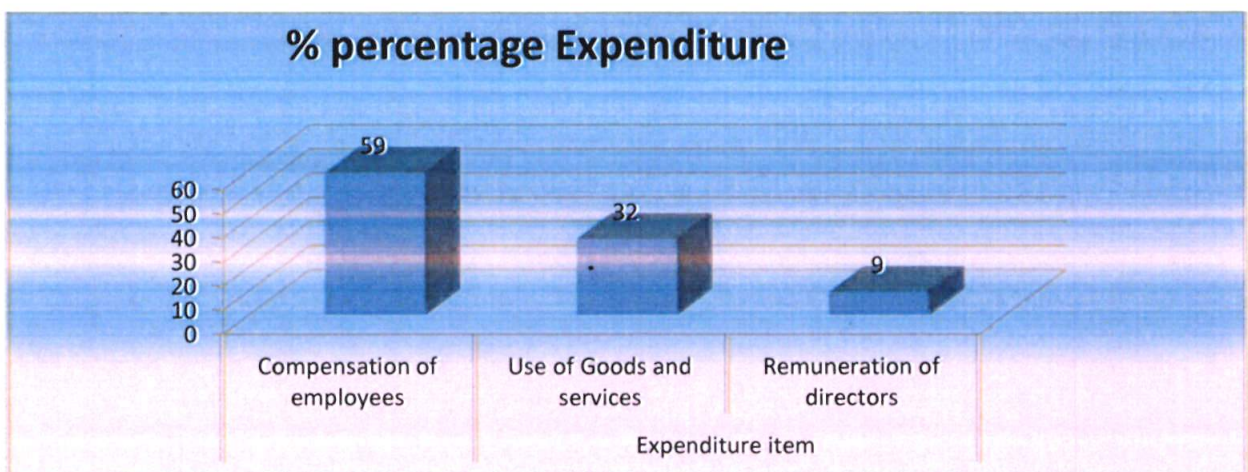
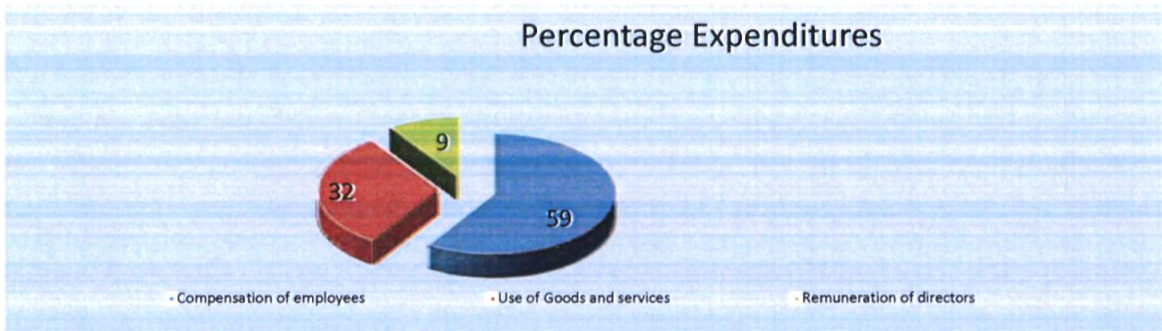
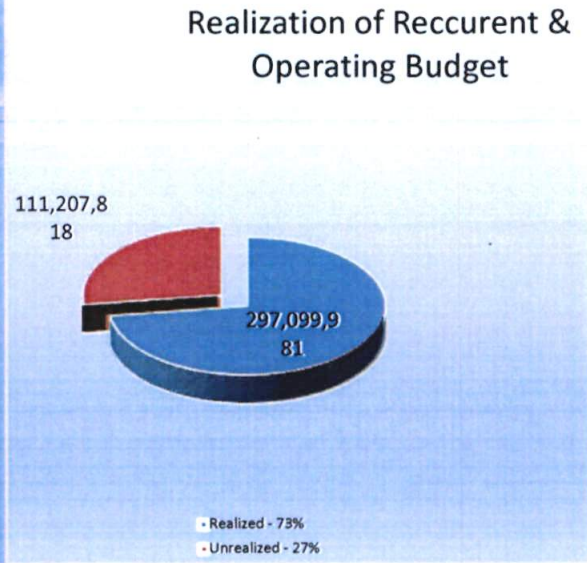
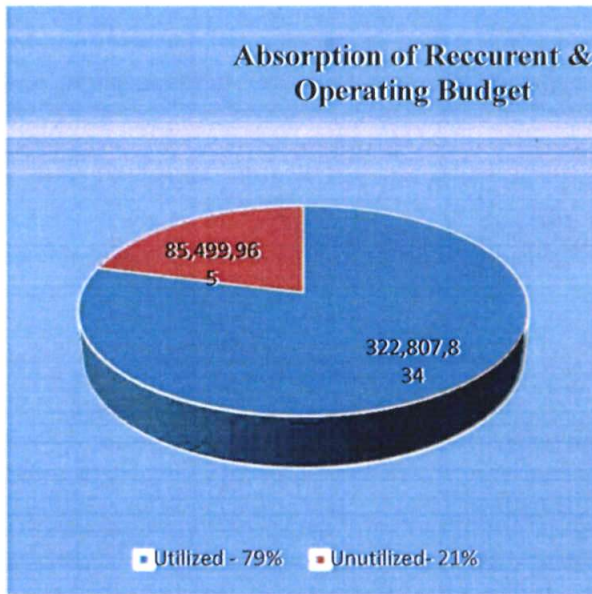
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Tanathi Water Works Development Agency had an approved budget of Kshs. 404,800,000 in F/Y 2024-2025 comprising a development budget of Kshs. 300,000,000 and a recurrent budget of Kshs. 104,800,000. The budget was revised to Kshs. 534,959,955 comprising development budget of Kshs. 410,159,955 and recurrent budget of Kshs. 124,800,000 in supplementary III. The Agency managed to realize Kshs. 297,099,981 which translates to 73% of the recurrent and operating budget and Kshs. 126,652,156 from the capital expenditure which translates to 100%. The Agency spent Kshs. 322,807,834 on recurrent and Operating expenses out of the budget of Kshs. 408,307,799 which translates to 79% absorption rate.

Summary of expenditure for the last six (6) years

Expenditure item	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Personnel Emoluments	76,142,637	85,535,648	83,074,112	85,372,064	108,382,169	117,853,297
Board expenses	17,433,650	13,488,957	14,930,914	15,401,986	22,487,070	18,943,698
Administration Expenses	59,492,209	47,981,176	54,305,677	58,687,975	58,962,499	63,014,062
TOTAL	153,068,496	147,005,781	152,310,703	159,462,025	189,831,738	199,811,058





Pictorial presentation of ongoing projects being implemented by Tanathi Water Works Development Agency



Figure 1: Completed Treatment plant at Machakos Water Project



Figure 2: Flying sewerage pipe supporters at Machakos Sewerage project Ongoing Construction of Machakos Sewerage Plant

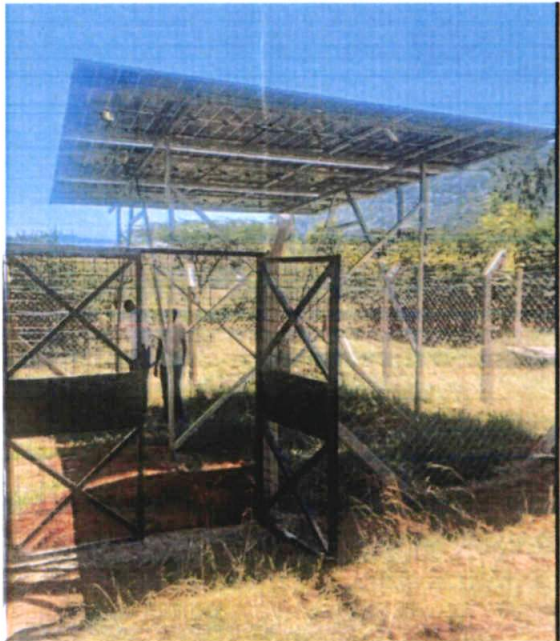


Figure 3: Equipping of Kitonyini Secondary School Borehole

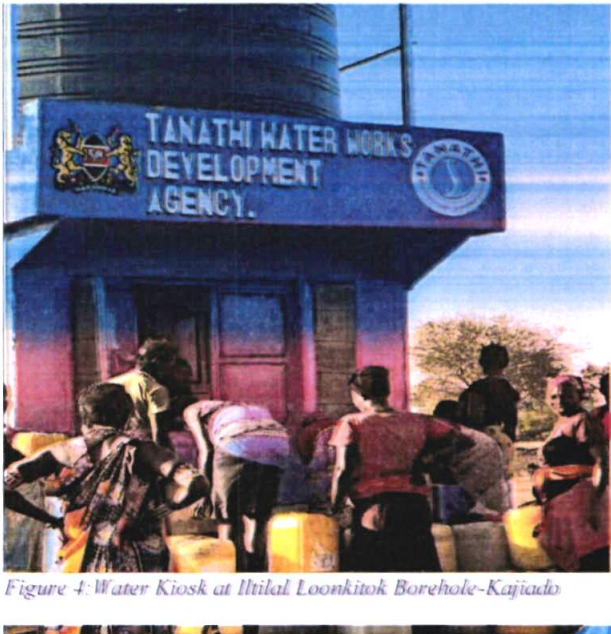


Figure 4: Water Kiosk at Ittilal Loonkitok Borehole-Kajiado

Figure 5: Solar System for Kalama Borehole-Machakos



Figure 6: Trees, Gate, fence and solar system for Kemuama borehole-Makueni



Figure 7: Pump installation and Solar farm for Mwaani Borehole (Wote Water Supply) and elevated tanks for Kitui School for the Mentally Handicapped

10. Environmental and Sustainability Reporting

TAWWDA exists to transform lives. This is the driving force behind everything we do and it's what guides us to deliver our strategy, which is founded on economic, social and political pillars of Kenya's vision 2030: putting the customer/Citizen first, delivering relevant services, and improving operational excellence. As part of environmental sustainability, the agency equips all boreholes with solar energy to reduce carbon footprint. Below is a brief highlight of our achievements in each pillar

i) Sustainability strategy and profile

The Agency has geared its efforts towards universal access to water and sanitation services by all citizens within its area of jurisdiction in line with Kenya's Vision 2030, Bottom-Up Economic Transformation Agenda (BETA), and the United Nations (UN) Sustainable Development Goal No. 6 on clean water and sanitation.

ii) Environmental performance

To ensure environmental protection, the Agency incorporates in all its projects a component of tree planting. During the financial year, the Agency managed to grow over 3,000 trees across the four counties in line with the presidential directive of 21st December, 2022. Further, the Agency ensures compliance with all National Environmental Management Authority (NEMA) regulations and guidelines on environmental protection in all its projects.

iii) Employee welfare

TAWWDA has various approved HR instruments that guide the hiring process, amongst them are the Human Resource (HR) policy and procedures manual, career guidelines, staff establishment and staffing & organisational structure. The policies were developed and approved in November, 2021. The Agency has taken into account the gender rule i.e. that its workforce should not exceed two thirds of either.

The agency has also put into place mechanisms for stakeholder engagement during policy development. TAWWDA has a standard for recruitment, training and advancement within the career structure through acquisition of professional qualifications and requisite competencies. We ensure appropriate career planning and succession management.

The Agency offers training opportunities to all its employees in order to improve their work performance and personal development, ensuring continuous upgrading of core competencies, knowledge, skills, and attitude. We establish distinct levels of responsibilities in our grading

structure and set standards for advancement to higher grades based on professional competence, specialization, knowledge, experience, proven ability, diligence, and drive as reflected in work performance and results.

The Agency takes into account individual performance and rewards employees for their contribution fairly and equitably. We link individual performance with the Agency's performance and set individual work plans at the beginning of the financial year.

The Agency recognizes and commits itself to the achievement of the highest standards of health and safety in the workplace and the elimination or minimization of health and safety hazards and risks that may affect its employees. We implement policies and programs in compliance with the provisions of the Occupational Safety and Health Act, 2007, and other Labour Laws by maintaining healthy and safe working conditions to ensure there is no personal injury caused by accidents, providing fire protection facilities and having Group Personal Accident Insurance for all the employees

iv) Market place practices: -

a) Responsible competition practice.

Tanathi Water Works Development Agency is committed to increase lifetime value for its products since water and sanitation are critical services to the wellbeing of the people. The Agency ensures customer satisfaction as a key factor during service delivery. It ensures fair competition in all the procurement processes and inclusivity in decision-making in line with the Public Procurement and Assets Disposal Act, 2015. The Agency ensures all the processes are within the spheres of Law in the execution of its mandate.

b) Responsible Supply chain and supplier relations

The Agency ensures any procurement is within the Annual Procurement Plan and the approved annual budget to ensure all supplies, services and works are paid as and when they fall due to avoid cases of pending bills. Reservations are made for marginalised and special groups to ensure inclusivity.

c) Responsible marketing and advertising

The Agency ensures all the advertisements for works, services and goods are done through the Government Advertising Agency and in the Agency's website as provided for in the law.

d) Product stewardship

The Agency ensures that it takes the responsibility of minimizing the negative projects' environmental impact throughout all stages of the project's life cycle. Project stewardship is a project-centred approach to environmental protection. The agency ensures that all the players in the project life cycle share responsibility for reducing the negative environmental impacts of the projects. This is emphasized during community engagements, public participation forums, site meetings, and project handovers.

v) Corporate Social Responsibility / Community Engagements

The core mandate of Tanathi Water Works Development Agency revolves around community engagement. The mandate of the Agency is to develop, maintain, and manage national public water and sanitation infrastructure within its area of jurisdiction to achieve sustainable socio-economic development and Universal access to adequate, clean & safe water and sanitation services. The Agency also provides technical services and capacity building to County Governments and Water Services Providers within its jurisdiction.

The Water and sanitation infrastructures are done for the benefit of the community. The Agency ensures public participation and involvement in the execution of the projects to ensure maximum benefits to the community and eventual project sustainability.

In line with the Presidential directive of 21st December, 2022 and as part of Corporate Social Responsibility (CSR), the Agency participated in various Tree Planting and Restoration Campaign

11. Report of the Directors

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

i) Principal activities

The powers and functions of the Agency as drawn from Section 68 of the Water Act, 2016 include;

- a) Undertake the development, maintenance, and management of the National Public Water works within its area of jurisdiction (Kitui, Machakos, Makueni & Kajiado Counties);
- b) Operate water works and provide bulk water services by entering into a bulk water purchase agreement—
 - i) With an investor in accordance with the provisions of the Public Private Partnerships Act, after conducting public participation and in consultation with the Regulatory Board and the relevant county government whose area of jurisdiction the water works is located; or
 - ii) With a water services provider in consultation with the Regulatory Board.
- c) Operate water works and provide bulk water services as a bulk water services provider until such a time as the water works development agency transfers responsibility for the operation and management of water works to a county government or water services provider in whose area of jurisdiction the water works is located: Provided that a national public water works shall not be transferable to a county government
- d) Provide reserve capacity for purposes of providing water services where pursuant to section 103 of the Water Act, 2016, the Regulatory Board orders the transfer of water services functions from a defaulting Water Services Provider to another licensee.
- e) Provide technical services and capacity building to such County Governments and WSPs within which the Agency operates.
- f) Provide to the CS Ministry of Water, Sanitation, and Irrigation technical support in the discharge of his or her functions under the Kenyan Constitution 2010 and the Water Act, 2016

ii) Results

The results of the Entity for the year ended June 30, 2025, are set out on page 1 to 6.

iii) Directors

The members of the Board of Directors who served during the year are shown on page vii-xiv. During the year 2024/2025, the appointments of director Kiema Mwandia was revoked on 31st January, 2025 and director Nicholas Wambua was appointed for a 3 year term effective from 31st January, 2025. Director Beatrice Mbete was appointed after the closure of the financial year, but she formed part of the Directors who approved these Financial Statements.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into the Consolidated Fund, 90% of its surplus funds reported in the audited financial statements after the end of each financial year. The Agency did not make any surplus during the FY 2024-2025 (Ksh. Nil) and hence no remittance to the Consolidated Fund.

v) Auditors

The Auditor General is responsible for the statutory audit of the Agency in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



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Francis K. Siva

Secretary to the Board

Tanathi Water Works Development Agency

12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, and Section 129 (1) of the Water Act, 2016 require the Directors to prepare financial statements in respect of that Agency, which give a true and fair view of the state of affairs of the Agency at the end of the financial year/period and the operating results of the Agency for that period. The Directors are also required to ensure that the Agency keeps proper accounting records which disclose with reasonable accuracy the financial position of the Agency. The Directors are also responsible for safeguarding the assets of the Agency.

The Directors are responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the financial year (period) ended on June 30, 2024. 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 Agency.
- (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 Agency.
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Agency's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012, the State Corporations Act and the Water, 2012. The Directors are of the opinion that the Agency's financial statements give a true and fair view of the state of Agency's transactions during the financial year ended June 30, 2025, and of the Agency's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Agency, which have been relied upon in the preparation of the Agency's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the Agency's ability to continue as a going concern. Nothing has come to the attention of the Directors to indicate that the Agency will not remain a going concern for at least the next twelve months from the date of this statement.

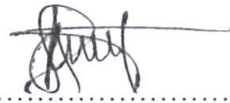
**Tanathi Water Works Development Agency
Annual Report and Financial Statements
for the year ended June 30, 2025.**

Approval of the financial statements

The Agency's financial statements were approved by the Board on 22nd August, 2025 and signed on its behalf by:



Hon. Regina Nthambi Muia Ndambuki
Chairperson of the Board



Francis K. Siva
Ag. Chief Executive Officer

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON TANATHI WATER WORKS DEVELOPMENT AGENCY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Tanathi Water Works Development Agency set out on pages 1 to 45, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance,

statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Tanathi Water Works Development Agency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Water Act, 2016 and the Public Finance Management Act, 2012,

Basis for Qualified Opinion

1. Unconfirmed Property, Plant and Equipment

The statement of financial position and as disclosed in Note 19 to the financial statements reflect property, plant and equipment balance of Kshs.11,162,184,207. Included in the balance is Kshs.5,675,000 being cost of five (5) parcels of land. However, the valuation reports and ownership documents were not provided for audit review.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment balance of Kshs.5,675,000 could not be confirmed.

2. Long Outstanding Receivables

The statement of financial position reflects current portion of receivables from exchange transactions and receivables from non-exchange transactions balances of Kshs.20,862,994 and Kshs.58,646,173 as disclosed in Notes 17 and 18 to the financial statements respectively. However, review of the ageing analysis revealed that Kshs.244,765,799 and Kshs.21,500,790 in respect to receivables from exchange transactions and non-exchange transactions respectively, totalling Kshs.266,266,589 had been outstanding for more than three (3) years. Management did not provide measures put in place to recover the receivables.

In the circumstances, the accuracy and recoverability of receivables from exchange transactions balance of Kshs.266,266,589 could not be confirmed.

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

Material Uncertainty Related to Going Concern

The statement of financial performance reflects a deficit of Kshs.591,816,406 (2023-2024 deficit of Kshs.542,529,457) which is a continuation of loss-making trend recorded in the previous year. Further, the statement of financial position reflects current liabilities totaling Kshs.1,963,977,483 against current assets of Kshs.286,295,118 resulting in a negative working capital of Kshs.1,677,682,365. In addition, trade and other payables increased by Kshs.313,020,273 from the previous year's balance of Kshs.1,427,208,640 to Kshs.1,740,228,913 an indication of the Agency's inability to meet its obligations as and when they fall due. Although Management in the annual report highlighted that their main challenge is underfunding of its recurrent budget, no measures have been put in place to address the issue.

In the circumstances, the ability of the Agency to continue to sustain its services is dependent on continued support from the National Government and other stakeholders.

My opinion is not modified in respect of this matter.

Emphasis of Matter

1. Long Outstanding Trade and Other Payables

The statement of financial position and as disclosed in Note 20 to the financial statements reflect trade and other payables balance of Kshs.1,740,228,913. Included in the balance are payables totalling Kshs.1,567,054,716 which have been outstanding for more than one (1) year. Although Management indicated that the payables had been outstanding for long due to financial constraints, no measures have been put in place to clear the payables.

Failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.408,307,799 and Kshs.297,099,981 respectively resulting to underfunding of Kshs.111,207,818 or approximately 27% of the budget.

The underfunding affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going

Concern sections, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the Other Information set out on pages iv to xlv which comprise of Key Entity Information and Management, The Board of Directors, Key Management Team, Chairperson's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and the Statement of Directors' Responsibilities The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Agency's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Bank Loan Terms

As previously reported, the statement of financial position and as disclosed in Note 22 to the financial statements reflect borrowings of Kshs.5,375,086,604 being amount due to the African Development Bank. The financing and subsidiary loan agreements between the Government of Kenya and Tanathi Water Works Development Agency, the successor of Tanathi Water Service Board dated 10 September, 2010, indicate that the Government advanced the Agency a total of USD 53,913,490 (Kshs.5,149,753,042).

Article IV (Section 4.1) of the subsidiary loan agreement requires the Agency to pay The National Treasury the principal amount in fifty-two (52) consecutive semi-annual instalments commencing 30 April, 2016. Further, Article III (Section 3.1) requires the

Agency to pay interest on the principal amount at the rate of 3% per annum for a period of thirty (30) years. The interest is to accrue on any unpaid principal or interest amounts.

Review of the loan records revealed that the Agency had defaulted in repayment of the principal, interest and penalties all totalling Kshs.6,882,078,142 as at 30 June, 2025.

Further, the loan balance was translated using the exchange rate prevailing when the loan was acquired contrary to International Public Sector Accounting Standard 4 (IPSAS) which requires that foreign currency monetary be translated using closing rate and the Agency's Accounting Policy which require that transaction of foreign denominated transactions and balances be made at the reporting date. The correspondences relating to the loan were also not provided for audit review.

In the circumstances, the Agency is exposed to interest and penalties due to non-repayment of the loan and Management was in breach of the law.

2. Non-Compliance with Law on Ethnic Composition

During the year under review, the total number of employees of the Agency was forty-seven (47) out of whom, thirty-one (31) or approximately 66% of the total number were members of the dominant ethnic community in the County. This is contrary to Section 7(1) and (2) of the National Integration and Cohesion Act, 2008 which stipulates that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE 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, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance

were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) 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 Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


01 December, 2025

**Tanathi Water Works Development Agency
Annual Report and Financial Statements
for the year ended June 30, 2025.**


14. Statement of Financial Performance for the year ended 30 June 2025

	Note	2024-2025 Kshs	2023-2024 Kshs
Revenue from non-exchange transactions			
Transfers from other National government entities	6	<u>288,205,776</u>	<u>198,345,453</u>
Total revenue from non-exchange transactions		<u>288,205,776</u>	<u>198,345,453</u>
Revenue from exchange transactions			
Sale of goods	7	202,550	171,000
Other incomes	8	8,691,655	<u>8,474,735</u>
Total revenue from exchange transactions		<u>8,894,205</u>	<u>8,645,735</u>
Total revenue		<u>297,099,981</u>	<u>206,991,188</u>
Expenses			
Use of Goods and Services	9	53,036,093	50,654,981
Employee costs	10	117,853,297	108,382,169
Board Expenses	11	18,943,698	22,487,070
Depreciation and amortization expense	12	280,175,910	272,371,207
Repairs and maintenance	13	9,977,969	8,559,518
Operating Costs	14	122,996,777	70,479,427
Finance costs	15	<u>285,932,642</u>	<u>216,586,272</u>
Total expenses		<u>888,916,386</u>	<u>749,520,645</u>
Surplus (Deficit) for the Year		<u>(591,816,406)</u>	<u>(542,529,457)</u>


The notes set out on pages 6 to 36 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:


 Ag. Chief Executive Officer
 Francis K. Siva

Date: 19/11/2025


 GM-Corporate Services
 CPA. Dennis K. Mulu
 ICPAK M. No. 7380

Date: 19/11/2025


 Chairperson of the Board
 Hon. Regina Muia Ndambuki

Date: 19/11/2025

**Tanathi Water Works Development Agency
Annual Report and Financial Statements
for the year ended June 30, 2025.**

15 Statement of Financial Position as at 30 June 2025

	Note	2024-2025 Kshs	2023-2024 KshS
ASSETS			
Current assets			
Cash and cash equivalents	16	206,785,952	64,578,735
Current Portion of Receivables from exchange transactions	17	20,862,994	50,874,644
Receivables from non-exchange transactions	18	<u>58,646,173</u>	<u>118,001,009</u>
Total Current Assets		<u>286,295,118</u>	<u>233,454,389</u>
Non-current assets			
Property, plant and equipment	19	<u>11,162,184,207</u>	<u>11,255,541,625</u>
Total non-current assets		<u>11,162,184,207</u>	<u>11,255,541,625</u>
TOTAL ASSETS		<u>11,448,479,326</u>	<u>11,488,996,014</u>
Liabilities			
Current liabilities			
Trade and other payables	20	1,740,228,913	1,427,208,640
Deferred income	21	<u>223,748,570</u>	<u>103,646,547</u>
Total current liabilities		<u>1,963,977,483</u>	<u>1,530,855,187</u>
Non-Current Liabilities			
Borrowings	22	<u>5,375,086,604</u>	<u>5,375,086,604</u>
Total Non-Current Liabilities		<u>5,375,086,604</u>	<u>5,375,086,604</u>
Total liabilities		<u>7,339,064,087</u>	<u>6,905,941,791</u>
Net assets			
Reserves	23	16,949,469	25,424,204
Accumulated Deficit	24	(4,977,500,183)	(4,385,683,777)
Capital reserves	25	<u>9,069,965,952</u>	<u>8,943,313,796</u>
Total net assets		<u>4,109,415,238</u>	<u>4,583,054,223</u>
TOTAL NET ASSETS AND LIABILITIES		<u>11,448,479,326</u>	<u>11,488,996,014</u>

The financial statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

.....
Ag. Chief Executive Officer
Francis K. Siva

Date: 19/11/2025

.....
GM-Corporate Services
CPA. Dennis K. Mulu
ICPAK M. No. 7380

Date: 19/11/2025

.....
Chairperson of the Board
Hon. Regina Muia Ndambuki

Date: 19/11/2025

Tanathi Water Works Development Agency
Annual Report and Financial Statements
for the year ended June 30, 2025.

16. Statement of Changes in Net Assets for the year ended 30 June 2025

	Revaluation Reserve	Capital Reserves	Accumulated Surplus	Total Reserves
At July 1, 2023	-	8,835,813,796	(3,967,949,924)	4,867,863,872
Revaluation gain	-	-	-	-
Revaluation during the Year	33,898,939	-	-	33,898,939
Surplus (deficit) for the Year	-	-	(542,529,457)	(542,529,457)
Capital/Development grants received during the year	-	107,500,000	-	107,500,000
Transfer of depreciation/amortization from capital fund to retained earnings	<u>(8,474,735)</u>	<u>-</u>	<u>124,795,602</u>	<u>116,320,867</u>
At June 30, 2024	<u>25,424,204</u>	<u>8,943,313,796</u>	<u>(4,385,683,779)</u>	<u>4,583,054,221</u>
At July 1, 2024	25,424,204.00	8,943,313,796	(4,385,683,779)	4,583,054,221
Revaluation during the Year	-	-	-	-
Surplus (deficit) for the year	-	-	(591,816,406)	(591,816,406)
Capital/Development grants received during the year	-	126,652,156	-	126,652,156
Revaluation Reserves/Transfer Adjustments	<u>(8,474,735)</u>	<u>-</u>	<u>-</u>	<u>8,474,735</u>
At June 30, 2025	<u>16,949,469</u>	<u>9,069,965,952</u>	<u>(4,977,500,184)</u>	<u>4,109,415,237</u>

**Tanathi Water Works Development Agency
Annual Report and Financial Statements
for the year ended June 30, 2025.**

17. Statement of Cash Flows for the year ended 30 June 2025

		2024-2025	2023-2024
	Note	Kshs	Kshs
	s		
Cash flows from operating activities			
Receipts			
Transfers from other governments entities		591,019,171	417,250,001
Sale of goods		<u>202,550</u>	<u>171,000</u>
Total receipts		591,221,721	417,421,001
Payments			
Use of goods and services		56,983,529	59,351,147
Employee costs		116,966,817	109,122,493
Board Expenses		15,283,914	16,109,038
Operating Costs		<u>119,449,865</u>	<u>87,213,279</u>
Total payments		308,684,125	271,795,957
Net cash flows from/(used in) operating activities		282,537,596	145,625,044
Cash flows from investing activities			
Purchase of PPE and Intangible assets		<u>(140,330,379)</u>	<u>(104,919,746)</u>
Net cash flows from/(used in) investing activities		<u>(140,330,379)</u>	<u>(104,919,746)</u>
Net increase/(decrease) in cash & Cash equivalents		142,207,217	40,705,298
Cash and cash equivalents at 1 July 2024	16	<u>64,578,735</u>	<u>23,873,437</u>
Cash and cash equivalents at 30 June 2025	16	<u>206,785,951</u>	<u>64,578,735</u>

***Comparative year Statement of Cashflows which was presented using indirect method restated to direct Method**

**Tanathi Water Works Development Agency
Annual Report and Financial Statements
for the year ended June 30, 2025.**

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

	Original annual Budget	Adjustments	Final Annual Budget	Actual Cumulative to date	Performance difference	Utilization difference
	a	b	c=a+b	d	e =c-d	f=d/c %
Revenue	Kshs	Kshs	Kshs	Kshs		Kshs
Transfers from other Govt entities Govt grants	259,813,875	148,493,924.00	408,307,799.00	288,205,776	120,102,023	71%
Sale of goods	-	-	-	202,550	(202,550)	-
Other Income	=	=	=	8,691,655	(8,691,655)	=
Total income	259,813,875	148,493,924.00	408,307,799.00	297,099,981	111,207,818	73%
Expenses						
Compensation of employees	117,387,682	285,663.00	117,673,345.00	117,853,297	(179,952)	100%
Use of Goods and services	46,654,795	18,474,337.00	65,129,132.00	63,014,062	2,115,070	97%
Operating Costs	80,000,000	128,293,924.00	208,293,924.00	122,996,777	85,297,147	59%
Remuneration of directors	15,771,398	1,440,000.00	17,211,398.00	18,943,698	(1,732,300)	110%
Total expenditure	259,813,875	148,493,924.00	408,307,799.00	322,807,834	85,499,965	79%
Surplus (Deficit) for the period	=	=	=	(25,707,854)	-	
Capital Expenditure	144,986,125	(18,333,969)	126,652,156.02	126,652,156		100%

Budget notes

- 1. The changes between the original budget and the Final budget were because of additional projects under Supplementary III budget.*
- 2. The Agency had a total budget of Kshs. 208,293,924 under operating costs. However, it received Kshs. 102,018,155 by May 2025 with Kshs 72,017,920 being received in June 2025 while the balance of Kshs. 34, 457,449 received after the close of the financial year leading to underutilization under the operating costs.*

19. Notes to the Financial Statements

1. General Information

Tanathi Water Works Development Agency (TAWWDA) is established and derives its authority and accountability from Water Act, 2016. The Agency was established as per Legal Notice No. 27 dated 26th April, 2019. The Agency is wholly owned by the Government of Kenya and is domiciled in Kenya. The Agency's principal activity is development, maintenance and management of the national public water works within its area of jurisdiction (Kitui, Machakos, Makueni & Kajiado Counties).

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at revalued 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 Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Agency'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 Notes of these financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Agency. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, Water Act 2016 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

There were no new and amended standards issued in the financial year.

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

**Tanathi Water Works Development Agency
Annual Reports and Financial Statements
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Standard	Effective date and impact:
<p>IPSAS 43: Leases</p>	<p><i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

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<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. The Agency will adopt this standard as it would be applicable.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. The Agency will adopt this standard as it would be applicable.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. The Agency will adopt this standard as it would be applicable.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. The Agency will adopt this standard as it would be applicable.</p>

iii. Early adoption of standards

The Agency did not early – adopt any new or amended standards in the financial year 2024/2025.

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4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The *Agency* recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the *Agency* and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Agency* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

i) Revenue from exchange transactions

Rendering of services

The *Agency* recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the *Agency*.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net

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carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Agency's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

a) Budget information

The original budget for the Current FY was approved by the National Assembly **on 27th August 2024**. 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 Agency upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Agency's 2024/2025 budget was enhanced from Kshs. 404,800,000 to Kshs. 534,939,955.

The Agency's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. 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 note 27 of these financial statements.

b) Taxes

Current income tax

Tanathi Water Works Development Agency is exempt from income tax under the First Schedule, paragraph 10 of the Income Tax Act. As a result, no provision for taxation has been made in these financial statements

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b) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Agency recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. The depreciation is calculated on straight line basis and the applicable depreciation rates are as shown below:

● Computers and Accessories	33.33%
● Furniture and Fittings	12.5%
● Motor Vehicles	25%
● Plant and Machinery	20%
● Buildings	2.5%
● Water \Supply Infrastructure	2.5%

c) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

c) Biological Assets

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

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impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

d) Research and development costs

The Agency expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Agency can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

e) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Agency does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Agency's financial statements. A financial instrument is any contract that gives rise to a financial asset of one Agency and a financial liability or equity instrument of another Agency. At initial recognition, the Agency measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The Agency classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Agency's management model for financial assets and the contractual cash flow characteristics of

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the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an Agency has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the Agency classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

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Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the Agency manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

At each statement of financial position date, the organization reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the organization estimates the recoverable amount of the cash generating unit to which the asset belongs.

b) Financial liabilities

Classification

The Agency classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

c) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- (i) Raw materials: purchase cost using the weighted average cost method.
- (ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a

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nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Agency.

d) Provisions

Provisions are recognized when the Agency has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Agency expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

e) Social Benefits

Social benefits are cash transfers provided to specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Agency recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Agency will incur in fulfilling the present obligations represented by the liability.

f) Contingent liabilities

The Agency does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

g) Contingent assets

The Agency does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Agency in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs

h) Nature and purpose of reserves

The Agency creates and maintains reserves in terms of specific requirements.

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i) Changes in accounting policies and estimates

The Agency recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

j) Employee benefits

Retirement benefit plans

The Agency provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Agency pays fixed contributions into a separate Agency (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation

k) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

l) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

m) Related parties

The Agency regards a related party as a person or an Agency with the ability to exert control individually or jointly, or to exercise significant influence over the Agency, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

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f) 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 financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year

n) Comparative figures

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

o) Subsequent events

There have been no events after the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Agency based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Agency. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

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- a) The condition of the asset based on the assessment of experts employed by the Agency.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

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

Accounting policy on Work in Progress

It's the Agency policy to recognize the ongoing projects at the end of the financial year at cost as work in progress. No provision for depreciation is made on these assets until they are completed and transferred from the work in progress account to respective asset class account.

Bad Debts Provision Policy

The Manager Finance & Accounts shall review all outstanding debts which are under dispute, on a monthly basis, before any bad debt provisions are made.

Provisions shall be made for bad and doubtful debts at the following rates:

Period Outstanding	Percentage provision
241-360 days (8-12 months)	25%
Over 1 year	50%
Over 2 years	100%

For individual arrears in excess of Kshs 50,000, the bad debts should only be written off on the authority of the Board of Directors. Other bad debts below this amount will only be written off on the authority of the CEO. Any write off bad debts shall be made only after all reasonable steps have been taken to recover the debt and the Board is satisfied that:

- All legal and other measures have been exhausted, but there is still a balance of the debt remaining; and
- Recovery of the debt would be uneconomical.

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6. Transfers from Other Government entities

	2024-2025	2023-2024
	Kshs	Kshs
Transfers from National Government		
Unconditional grants		
Gok Recurrent (Operational) Grant	109,399,999	131,000,000
Project Administration Cost	<u>75,013,875</u>	<u>-</u>
Total transfers from government	<u>184,413,874</u>	<u>131,000,000</u>
Conditional Grants		
GOK Grant- Water for Schools	-	4,742,000
Water Harvesting Projects (New)	-	7,395,858
Other Gok funded projects (Special Projects)	<u>103,791,902</u>	<u>55,207,595</u>
Total Conditional Grants	<u>103,791,902</u>	<u>67,345,453</u>
Total Transfers	<u>288,205,776</u>	<u>198,345,453</u>

c) Transfers from Ministries, Departments and Agencies (MDAs)

Detail	Deferred From 2023- 2024 FY	Amount Received during the year (2024- 2025FY)	Total	Revenue unutilized as at 30.06.2025 and deferred	Revenue Recognized During the Year (Statement of Financial Performance)	Statement of Financial Position
Gok Recurrent Grant	-	124,800,000	124,800,000	15,400,001	109,399,999	-
Project Administration Cost	-	75,013,875	75,013,875	-	75,013,875	-
GOK capital Grants	-	126,652,156	126,652,156	-	-	126,652,156
Other Gok funded projects (Special Projects)	80,920,783	163,893,924	244,814,707	208,348,569	36,466,137	-
Drilling & equipping of 40No. Boreholes	<u>22,725,764</u>	<u>44,600,000</u>	<u>67,325,764</u>	-	<u>67,325,764</u>	-
Total	<u>103,646,547</u>	<u>534,959,955</u>	<u>638,606,502</u>	<u>223,748,570</u>	<u>288,205,776</u>	<u>126,652,156</u>

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7. Sale of Goods

Sale of Goods	2024-2025	2023-2024
	Kshs	Kshs
Sale of Boarded Stores Items	<u>202,550</u>	<u>171,000</u>
Total revenue from sale of goods	<u>202,550</u>	<u>171,000</u>

(Relates to sale of boarded store items)

8. Other Income

Description	2024-2025	2023-2024
	Kshs	Kshs
Revenue Reserve Recognized	8,474,735	8,474,735
Intercity Secure Homes Ltd	<u>216,920</u>	<u>-</u>
Total other income	<u>8,691,655</u>	<u>8,474,735</u>

This revenue relates to recognition of revaluation reserves and recovery of lost engine block

9. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Utility Costs-Electricity & Water	525,402	455,992
Outsourced Services - Security	1,234,872	1,255,456
Outsourced Services - Cleaning	905,200	907,203
Membership Subscriptions	344,260	203,024
Advertising, Promotions & Publicity Expenses	1,077,501	-
Audit fees	928,000	928,000
Hospitality expenses	-	252,000
Seminars, Conferences & Workshops	6,730,460	6,899,233
Refined Fuel, Oil & Lubricants	4,315,156	3,348,877
Motor Vehicle Insurance	889,719	1,159,244
Bank Charges	148,280	152,140
Iso Certification	1,421,593	-
Telephone, Mobile & Internet Expenses	686,100	794,595
Office Stationery, Printing & Photocopy	3,035,918	2,633,451
Hire of Transport & Machinery	100,000	379,350
Travel, accommodation & subsistence allow.	16,232,415	16,984,550

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Medical, Group Life & Group Personal Accident	13,313,078	12,563,589
General office Expenses	<u>1,148,138</u>	<u>1,738,278</u>
	<u>53,036,093</u>	<u>50,654,981</u>

10. Employee Costs

Description	2024-2025 Kshs.	2023-2024 Kshs.
Basic Salary	61,776,690	56,134,581
House Allowance	12,215,300	12,497,400
Commuter/Transport Allowance	3,983,838	3,920,000
Hardship Allowance	14,891,640	15,233,300
Special Duty/Acting Allowance	1,582,088	2,192,923
Extraneous Allowance	96,000	78,000
Employer Staff Pension Contribution	4,849,139	6,588,330
N.S.S.F Employers Contribution	1,685,400	867,240
Leave Allowance	4,880,287	4,569,143
National Industrial Training Authority Levy	30,050	31,650
Gratuity Contribution	8,627,338	3,234,936
Telephone Allowance	1,560,000	1,462,000
Housing Levy -Employer Contribution	1,475,527	1,012,666.00
Other Remunerative Allowances	<u>200,000</u>	<u>560,000</u>
Total employee costs	<u>117,853,297</u>	<u>108,382,169</u>

11. Board Expenses

Description	2024-2025 Kshs.	2023-2024 Kshs.
Board sitting and other allowance	11,433,600	11,695,900
Board Mileage	2,747,948	2,426,622
Board medical cover	1,030,550	1,087,398
Board Training	2,747,600	6,293,150
Air-time allowance	24,000	24,000
Chairperson's Honoraria	<u>960,000</u>	<u>960,000</u>
Total director emoluments	<u>18,943,698</u>	<u>22,487,070</u>

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12. Depreciation and Amortization Expense

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Plant, Property and Equipment	280,175,910	272,371,207
Total depreciation and amortization	<u>280,175,910</u>	<u>272,371,207</u>

13. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs.	Kshs.
General Repairs & Maintenance	3,707,962	6,743,537
Motor Vehicles Repairs & Maintenance	6,270,007	1,815,981
Total repairs and maintenance	<u>9,977,969</u>	<u>8,559,518</u>

14. Operating expenses

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Water for Schools Project Costs	-	6,013,794
Monitoring & Evaluation	2,599,300	1,862,180
National Water Harvesting Project Costs	-	7,395,858
Drilling & equipping of 40 No. of Boreholes	83,931,339	22,274,236
Other-GoK Funded Projects	36,466,137	32,933,359
Total Operating Expenses	<u>122,996,777</u>	<u>70,479,427</u>

15. Finance Costs

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Interest on Loan	119,388,943	125,590,966
Penalties on Loan	166,543,699	90,995,306
Total Interest Costs	<u>285,932,642</u>	<u>216,586,272</u>

**Borrowing costs that relate to interest expense on acquisition of non- current assets. The Comparative figures have been adjusted to include only penalties and interests relating to the specific year (Comparative Year) resulting to restatement of statement of Financial Performance*

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16. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Current account	<u>206,785,952</u>	<u>64,578,735</u>
Total Cash & cash equivalents	<u>206,785,952</u>	<u>64,578,735</u>

Detailed Analysis of the Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Current Account		
Kenya Commercial Bank-1106061896	4,402,294	1,394,980
Kenya Commercial Bank-1106061950	174,555,267	45,117,096
Kenya Commercial Bank-1131429117	23,735,025	15,214,170
Kenya Commercial Bank-1139126474	-	264,270
Kenya Commercial Bank-1156581184	235,826	236,891
Kenya Commercial Bank-1114362581	-	235,645
Kenya Commercial Bank-1204595127	34,556	40,661
Co-operative Bank - 01120300481400	<u>3,822,984</u>	<u>2,075,222</u>
Total Cash and cash equivalents	<u>206,785,952</u>	<u>64,578,735</u>

17. Receivables from Exchange Transactions

Receivables from exchange transactions	2024-2025	2023-2024
	Kshs.	Kshs.
Trade Debtors	229,891,154	229,891,154
Kiambere –Mwingi Water & Sewerage Co. Ltd	100,360	100,360
Advance payment	20,116,154	50,127,805
Kenya National Highways Authority	646,480	<u>646,480</u>
Gross Receivables from Exchange Transactions	250,754,148	280,765,798
Less: Provision for bad & doubtful debts	<u>229,891,154</u>	<u>229,891,154</u>
Total receivables from exchange transactions	<u>20,862,994</u>	<u>50,874,644</u>

Ageing analysis for Receivables from exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025FY	% of the total	2023-2024 FY	% of the total

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Less than 1 year	5,988,349	2	35,537,615.96	12
Over 3 years	244,765,799	98	253,182,445.00	88
Total	250,754,148	100	288,720,060.96	100

18. Receivables from Non-Exchange Transactions

Receivables from non-exchange transactions	2024-2025	2023-2024
	Kshs.	Kshs.
Current receivables		
Staff receivables	1,660,100	4,457,560
Ministry of Water, Sanitation and Irrigation	69,753,966	125,813,182
Prepaid Board airtime	2,000	2,000
Staff Advance	-	90,000
Prepaid Board Insurance	206,110	-
Prepaid motor vehicle insurance	385,913	503,806
Prepaid staff airtime	129,000	123,500
Prepaid staff insurance cover	6,405,600	6,907,478
District Water officers	<u>1,604,273</u>	<u>1,604,273</u>
Less: Provision for bad & doubtful debts	<u>(21,500,790)</u>	<u>(21,500,790)</u>
<u>Total receivables from non-exchange transaction</u>	<u>58,646,173</u>	<u>118,001,009</u>

Ageing Analysis- Receivables from non- Exchange transactions

Ageing Analysis- Receivables from non-exchange transactions	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	58,646,173	73	125,605,323.00	85
Over 3 years	21,500,790	27	21,500,790.00	15
Total	80,146,963	100	147,106,113.00	100

Description	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year	147,106,113	69,107,382
Additional provisions during the year	965,610	118,225,747
Recovered during the year	(67,924,761)	(39,113,056)
Written off during the year	-	(1,113,960)
At the end of the year	80,146,963	147,106,113

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19. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Water Supply Infrastructure	Plant and equipment	Capital WIP	Total
Depreciation Rate	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July 2023	<u>5,675,000</u>	<u>6,600,043</u>	<u>67,308,269</u>	<u>9,818,083</u>	<u>29,904,357</u>	<u>10,522,221,303</u>	<u>10,407,876</u>	<u>2,288,060,068</u>	<u>12,939,994,999</u>
Additions	-	-	33,898,939	-	-	-	-	102,921,354	<u>136,820,293</u>
Disposals	-	-	-	-	-	-	-	-	-
	-	-	(67,308,269)	-	-	-	-	-	<u>(67,308,269)</u>
Transfers/Adjustments	-	-	-	-	-	-	-	-	-
As at 30 th June 2024	<u>5,675,000</u>	<u>6,600,043</u>	<u>33,898,939</u>	<u>9,818,083</u>	<u>29,904,357</u>	<u>10,522,221,303</u>	<u>10,407,876</u>	<u>2,390,981,422</u>	<u>13,009,507,023</u>
Additions	-	-	-	-	-	-	-	186,818,493	<u>186,818,492</u>
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	319,459,565.86	-	(319,459,566)	-
As at 30 th June 2025	<u>5,675,000</u>	<u>6,600,043</u>	<u>33,898,939</u>	<u>9,818,083</u>	<u>29,904,357</u>	<u>10,841,680,869</u>	<u>10,407,876</u>	<u>2,258,340,349</u>	<u>13,196,325,516</u>
Depreciation And Impairment									
At 1 July 2023	-	<u>(1,491,432)</u>	<u>(67,308,268)</u>	<u>(9,617,547)</u>	<u>(29,066,496)</u>	<u>(1,431,289,239)</u>	<u>(10,129,476)</u>	-	<u>(1,548,902,458)</u>
Depreciation	-	(165,001)	(8,474,735)	(188,036)	(418,303)	(263,055,533)	(69,600)	-	<u>(272,371,208)</u>
Impairment	-	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	67,308,268	-	-	-	-	-	<u>67,308,268</u>
As At 30 th June 2024	-	<u>(1,656,433)</u>	<u>(8,474,735)</u>	<u>(9,805,583)</u>	<u>(29,484,799)</u>	<u>(1,694,344,772)</u>	<u>(10,199,076)</u>	-	<u>(1,753,965,398)</u>
Depreciation	-	(165,001)	(8,474,735)	(6,250)	(418,303)	(271,042,022)	(69,600)	-	<u>(280,175,910)</u>
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As at 30 th June 2025	-	<u>(1,821,434)</u>	<u>(16,949,470)</u>	<u>(9,811,833)</u>	<u>(29,903,102)</u>	<u>(1,965,386,794)</u>	<u>(10,268,676)</u>	-	<u>(2,034,141,308)</u>
Net Book Values									
As at 30 th June 2025	<u>5,675,000</u>	<u>4,778,609</u>	<u>16,949,469</u>	<u>6,250</u>	<u>1,255</u>	<u>8,876,294,075</u>	<u>139,200</u>	<u>2,258,340,349</u>	<u>11,162,184,207</u>
As at 30 th June 2024	<u>5,675,000</u>	<u>4,943,610</u>	<u>25,424,204</u>	<u>12,500</u>	<u>419,558</u>	<u>8,827,876,531</u>	<u>208,800</u>	<u>2,390,981,422</u>	<u>11,255,541,625</u>

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Revaluation

Motor vehicles were valued by the chief Mechanical Engineer- Kitui County in June 2024 and adopted as of 1st July, 2024 as the basis of valuation.

19 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	5,675,000	-	5,675,000
Buildings	6,600,043	(1,821,434)	4,778,609
Plant And Machinery	10,407,876	(10,268,676)	139,200
Motor Vehicles, Including Motorcycles	33,898,939	(16,949,470)	16,949,469
Water Supply Equipment	10,841,680,869	(1,965,386,794)	8,876,294,075
Work In progress	2,258,340,349	-	2,258,340,349
Computers And Related Equipment	29,904,357	(29,903,102)	1,255
Office Equipment, Furniture, And Fittings	<u>9,818,083</u>	<u>(9,811,833)</u>	<u>6,250</u>
Total	<u>13,196,325,516</u>	<u>(2,034,141,308)</u>	<u>11,162,184,207</u>

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

	Cost or valuation	Normal annual depreciation charge
Computers	28,648,193	(418,303)
Furniture and Fittings	7,646,433	(6,250)
Plant and machinery	<u>10,076,876</u>	<u>(69,600)</u>
Total	<u>46,371,502</u>	<u>(494,153)</u>

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20. Trade and Other Payables

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Trade payables	229,270,576	204,016,809
Employee payables	3,966,799	2,132,935
Interest & Penalties	<u>1,506,991,538</u>	<u>1,221,058,896</u>
Total trade and other payables	<u>1,740,228,913</u>	<u>1,427,208,640</u>

Ageing analysis: (Trade and other payables)	2024/2025	% of the Total	2023-2024	% of the Total
Under one year	173,174,197	10	198,681,914.96	14
1-2 years	423,610,262	24	371,014,912.99	26
2-3 years	198,383,334	11	198,383,334.00	14
Over 3 years	945,061,120	54	659,128,477.89	46
Total (tie to above total)	1,740,228,913	100	1,427,208,640	100

21. Deferred Income

Deferred Income-Short Term	2024-2025	2023-2024
	Kshs.	Kshs.
National government	<u>223,748,570</u>	<u>103,646,547</u>
Total Deferred Income	<u>223,748,570</u>	<u>103,646,547</u>

Additional Details

Movement of deferred income

	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	103,646,547	-	-	103,646,547
Additions	223,748,570	-	-	223,748,570
Transfers To Income Statement	(103,646,547)	-	-	(103,646,547)
Balance Carried Forward	223,748,570	-	-	223,748,570

Retirement benefit Asset/ Liability

The Agency also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Agency's obligation under the scheme is limited to specific contributions legislated from time to time.

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Other than NSSF the Agency also has a defined contribution scheme operated by octagon as the administrator and ICEA Lion as the custodian. Employees contribute 7.5% while employers contribute 15% of basic salary. Employer contributions are recognized as expenses in the statement of financial performance within the period they are incurred

22. Borrowings

	2024-2025	2023-2024
	Kshs.	Kshs.
Balance at beginning of the year	5,375,086,604	5,375,086,604
Adjustments during the year	-	-
Total Borrowings	<u>5,375,086,604</u>	<u>5,375,086,604</u>

analyses of borrowings are as follows:

	2024-2025	2023-2024
	KShs	KShs
External Borrowings		
Dollar denominated loan from African Development Bank	5,375,086,604	5,375,086,604
Euro denominated loan from African Development Bank	-	-
Total balance at end of the year	<u>5,375,086,604</u>	<u>5,375,086,604</u>

The loan has been wholly denominated into a common Currency (Dollars) and translated to Kenya Shillings for reporting purposes. The original value has been maintained hence an adjustment of Kshs. 1,129,268,227 done on comparative year figures resulting to restatement of the Statement of Financial Position.

Description	2024-2025	2023-2024
	Kshs	Kshs
Long Term Borrowings	<u>5,375,086,604</u>	<u>5,375,086,604</u>
Total	<u>5,375,086,604</u>	<u>5,375,086,604</u>

The loan has been wholly denominated into a common Currency (Dollars) and translated to Kenya Shillings for reporting purposes. The original value has been maintained at Kshs. 5,375,086,604 with adjustments of Kshs. 1,129,268,227 relating to exchange gains and losses passed resulting to restatement of the comparative figures for the Statement of Financial Performance.

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23. Revaluation Reserves

Description	2024-2025	2023-2024
	KShs	KShs
Balance at beginning of the year	25,424,204	33,898,939
Reserves Recognized during the year	<u>(8,474,735)</u>	<u>(8,474,735)</u>
Balance at end of the year	<u>16,949,469</u>	<u>25,424,204</u>

24. Accumulated Deficit

Description	2024-2025	2023-2024
	KShs	KShs
Balance at beginning of the year	(4,385,683,779)	(3,967,949,924)
Adjustment during the year	-	124,795,602
Deficit for the year	<u>(591,816,406)</u>	<u>(542,529,457)</u>
Balance at end of the year	<u>(4,977,500,185)</u>	<u>(4,385,683,779)</u>

25. Capital fund

Description	2024-2025	2023-2024
	KShs	KShs
Balance at beginning of the year	8,943,313,796	8,835,813,796
Recognized during the year	<u>126,652,156</u>	<u>107,500,000</u>
Balance at end of the year	<u>9,069,965,952</u>	<u>8,943,313,796</u>

26. Reconciliation of the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance

Description	Amount	Amount
Deficit as per Statement of Financial Performance		(591,816,406)
Add:		
Depreciation & Amortization	280,175,910	
Finance Costs	<u>285,932,642</u>	<u>566,108,552</u>
Deficit as per Statement of Budget Comparison		<u>(25,707,854)</u>

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27. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity'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 Entity 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 Entity's financial risk management objectives and policies are detailed below:

i) Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

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

Description	Total	Fully	Past due/Impaired	
	amount	performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	20,862,994	20,862,994	229,891,154	-
Receivables from non-exchange transactions	58,646,173	58,646,173	21,500,790	-
Bank balances	206,786,012			-
Total	286,295,178	79,509,166	251,391,944	-
As at 30 June 2024				
				-

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Receivables from exchange transactions	50,874,644	50,874,644	229,891,154	-
Receivables from non-exchange transactions	118,001,009	47,606,592	21,500,790	-
Bank balances	64,578,735			-
Total	233,454,388	98,481,236	251,391,944	-

Financial Risk Management

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 Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk. The board of directors sets the Entity'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 Entity's **directors, who** have built an appropriate liquidity risk management framework for the management of the Entity's **short, medium and long-term** funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity 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.

Description	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
As at 30th June 2025				
Trade payables	1,903,237	4,162,055	223,205,284	229,270,576
Deferred income	223,748,570	-	-	223,748,570
Employee benefit obligation	3,966,799	-	-	3,966,799
Total	<u>229,618,606</u>	<u>4,162,055</u>	<u>223,205,284</u>	<u>456,985,945</u>
As at 30th June 2024				

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Trade payables	4,665,031	1,334,171	198,017,607	204,016,809
Deferred income	103,646,547	-	-	103,646,547
Employee benefit obligation	<u>2,132,935</u>	=	=	<u>2,132,935</u>
Total	<u>110,444,513</u>	<u>1,334,171</u>	<u>198,017,607</u>	<u>309,796,291</u>

Financial Risk Management

iii) Market risk

The Entity 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 Entity'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 Entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The Entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) 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 Entity's interest rate risk arises from bank deposits.

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This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity'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.

iv) Capital Risk Management

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

	2024-2025	2023-2024
	KShs	KShs
Revaluation reserve	16,949,469	-
Retained earnings	(4,977,500,185)	(4,385,683,779)
Capital reserve	<u>9,069,965,952</u>	<u>8,835,813,796</u>
Total funds	<u>4,109,415,236</u>	<u>4,450,130,017</u>
Total borrowings	<u>5,375,086,604</u>	<u>5,375,086,604</u>
Less: cash and bank balances	<u>(206,785,952)</u>	<u>(23,873,437)</u>
Net debt/(excess cash and cash equivalents)	<u>5,168,300,652</u>	<u>5,351,213,167</u>
Gearing	79.51%	83.16%

28. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the Entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

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

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Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of directors.

Description	2024-2025 Kshs	2023-2024 Kshs
Transactions with related parties		
a) purchases from related parties		
Purchases of electricity from KPLC	<u>525,402</u>	<u>672,665</u>
Total	<u>525,402</u>	<u>672,665</u>
b) Grants /transfers from the government		
Grants from national government	<u>534,959,955</u>	<u>249,429,869</u>
Total	<u>534,959,955</u>	<u>249,429,869</u>
c) Key management compensation		
Directors' emoluments	18,943,698	15,401,986
Compensation to key management	<u>42,762,601</u>	<u>25,224,029</u>
Total	<u>18,943,698</u>	<u>40,626,015</u>
d) Due from Related Parties		
Due from the Ministry of Water, Sanitation and Irrigation	19,896,517	19,896,517
Due from Kiambere-Mwingi Water & Sanitation	<u>100,360</u>	<u>100,360</u>
Total	<u>19,996,877</u>	<u>19,996,877</u>
e) Due to Related Parties		
Loan due to The National Treasury	<u>5,375,086,604</u>	<u>6,604,935,663</u>
Total	<u>5,375,086,604</u>	<u>6,604,935,663</u>

29. Events after the Reporting Period

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

30. Ultimate And Holding Entity

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The Agency is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Water, Sanitation, and Irrigation. Its ultimate parent is the Government of Kenya.

31. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs

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20. Appendices

Appendix 1: Implementation Status of Auditor-General's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
1.	<p>Unconfirmed Property, Plant and Equipment</p> <p>The Statement of financial position and as disclosed in Note 20 to the financial statements reflect property, plant, and equipment balance of Kshs.11,255,541,625. Included in the balance is Kshs.5,675,000 for five (5) parcels of land. However, the valuation reports and ownership documents were not provided for audit view.</p> <p>In the circumstances, the accuracy and completeness of the property, plant, and equipment balance of Kshs.11,255,541,625 could not be confirmed.</p>	<p>The Agency will undertake the valuation of the land in the current Financial Year.</p>	On-going	30 June 2025
2.	<p>Unsupported Trade and Other Payables</p> <p>The statement of financial position reflects trade and other payables balance of Kshs.1,427,208,640 which as disclosed in the Note 21 to the financial statements includes interests and penalties of Kshs.1,221,058,896. However, the supporting</p>	<p>i) Trade and other payables balance of Kshs. 1,221,058, related to Interest and penalties (Interest of Kshs. 968,791,610</p>	On-going	30 June 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>schedules were not provided for audit review. Although Management explained that the interest and penalties related to a bank loan, no documents were provided for audit review.</p> <p>Further, trade and other payables includes kshs659,128,478 in respect to payables that have been outstanding for over three (3) years. Management did not demonstrate efforts made to settle the liabilities. The Agency is exposed to litigations and the risk of incurring penalties and interest for late payments.</p> <p>In circumstances, the accuracy and completeness of the trade and other payables balance of kshs.1,221,058,896 could not be confirmed.</p>	<p>and Penalties of Kshs. 252,267,286) on African Development Bank loan which fell due, and no repayment has been made.</p> <p>ii) The Kshs.659,128,478 included in the trade and other payables that have been outstanding for over three (3) years relates to the interests and penalties on the AfDB Loan.</p> <p>iii)The AfDB loan had been acquired during a period when water service providers (WSPs) operated as agents of Water Service Boards (WSBs) from which the Agency was mandated</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p>to collect revenue for loan repayment. However, with devolution the WSPs were devolved to County Government, ceasing to function as Water Works Development Agencies (Formerly WSBs) and revenue collection from these providers became unattainable.</p> <p>iv) in its effort to ensure the liabilities are settled, the Agency has engaged the Ministry of Water, Sanitation and Irrigation and The National Treasury & Economic planning to seek a policy directive towards implementing a repayment plan</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		on how revenues can be effectively collected to ensure the repayment of the loan		
	<p>Budgetary control and performance The statement of comparison of budgets and actual amounts reflects revenue budget and actual amounts on comparable basis of kshs.571,000,000 and kshs.206,991,188 respectively resulting to under-funding of kshs.364,008,812 or approximately 64% of the budget. Similarly, the Agency spent kshs.368,063,165 against actual receipts of kshs.206,991,188 resulting to over-absorption of ksh.161,071,977 or approximately 48% of the actual receipts.</p> <p>The under-funding may affect the planned activities and impact negatively on service delivery to the public. The over-absorption implies poor performance.</p>	The Agency had an approved capital expenditure budget of Kshs 715,000,000 and recurrent Budget of Kshs. 131,000,000 for FY 2023/2024 but only received Kshs. 273.75 million within the financial year and which is beyond the control of the Agency	Resolved	30 June 2025
	<p>1.Unresolved Prior Year Matters In the audit report of the previous year, several paragraphs were raised. However, management has not resolved all prior year matters as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board. Management has not provided any explanation for the delay in resolving the issues.</p>	The Agency is still fast tracking all the prior year audit matters to ensure they are wholly resolved.	On-going	30 June 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>2. Material Uncertainty Related to Going Concern</p> <p>The statement of financial performance reflects a deficit of kshs.1,647,582,912(2022-2023 deficit of kshs.1,095,359,477) which is a continuation of loss-making trend recorded in the previous year. Further, the statement of financial position reflects current liabilities totalling kshs.1,530,855,187 against current assets of kshs.233,454,389 resulting in a negative working capital of kshs.1,297,400,798.</p> <p>In addition, the statement of financial position indicates that trade and other payables increased by kshs.1,204,769,138 from the previous year balance of kshs.222,439,502 to current year balance of kshs.1,427,208,640 which is an indication of inability Authority to settle obligations as and when they fall due. Although management explained that the deficit is largely occasioned by finance (Foreign exchange losses of kshs.100,580,831), which increased the agency Accumulated deficit from kshs.1,095,359,477 in 2022/2023 to kshs.1,647,582,912, management did not provide the measures put in place to address the trend.</p>	<p>The Accumulated deficit resulted from accumulated Finance costs in relation to African Development loan which fell due and not paid. The AfDB loan was acquired during a period when water service providers (WSPs) operated as agents of Water Service Boards (WSBs) from which the Agency was mandated to collect revenue for loan repayment. However, with devolution the WSPs were devolved to County Government, ceasing to function as Water Works Development Agencies (Formerly WSBs) and revenue collection from these providers became</p>	Resolved	30 June 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>In the circumstances, the ability of the agency to continue to sustain its services is dependent on continued support from the national government and other stakeholders.</p>	<p>unattainable. The Agency has engaged the Ministry of Water, Sanitation and Irrigation and The National Treasury & Economic planning to seek a policy directive towards implementing a repayment plan on how revenues can be effectively collected to ensure the repayment of the loan</p>		
	<p>Non-Compliance with Bank Loan Terms As previously reported, the statement of financial position and as disclosed in Note 24 to the financial statements reflect borrowings of kshs.6,604,935,663 being amount due to financial position as at 30 June, 2024. Review of loan records during the year revealed that the Agency had defaulted in payment of principal and interest which had increased from Kshs.6,504,354,831 in 2023 to Kshs.6,604,935,663 in 2024 by Kshs.100,580,832. Further, the loan balance was translated using the exchange rate prevailing when the loan was acquired contrary</p>	<p>The AfDB loan was acquired during a period when water service providers (WSPs) operated as agents of Water Service Boards (WSBs) from which the Agency was mandated to collect revenue The management agrees with the audit observation;</p>	On-going	30 June 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>to International Public Sector Accounting Standard 4 (IPSAS) which requires that foreign currency monetary be translated using closing rate and the Agency's accounting policy which requires that transaction of foreign denominated transactions and balances be made at the reporting date. The correspondences relating to the loan were also not provided for audit.</p> <p>In the circumstances, the Agency is exposed to interest and penalties due to non-payment of the loan and Management was in breach of the law.</p>	<p>(i) However, with devolution the WSPs were devolved to County Government, ceasing to function as Water Works Development Agencies (Formerly WSBs) and revenue collection from these providers became unattainable. The Agency has engaged the Ministry of Water, Sanitation and Irrigation and The National Treasury & Economic planning to seek a policy directive towards implementing a repayment plan on how revenues can</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p>be effectively collected to ensure the repayment of the loan. (Appendix 4.4)</p> <p>(ii) The loan denominated in US dollars and not Kenya shillings and all transactions were to be translated into US dollars being the loan currency. For reporting purposes, the loan amount is to be translated from US Dollars to Kenya shillings at the closure of the financial year using the prevailing closing rate at the end of each year.</p>		
	<p>Non-compliance with law on ethnic composition</p> <p>During the year under review, the total number of employees of the agency was forty-seven (47) employees out of whom, thirty-one (31) or approximately 66% of the total number were members of the dominant ethnic community in the county. This is contrary to section 7 (1) of the National Integration and Cohesion Act, 2008 which stipulates that all public establishments shall seek to represent the diversity of the</p>	<p>The management agrees with the audit observation; however, the agency has progressively moved towards ensuring ethnic balancing in all its recruitments and would</p>	<p>On-going</p>	<p>30 June 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>people of Kenya in the employment of the staff and no public establishment shall more than one third of its staff from the same ethnic community. In the circumstances, the management was in breach of the law.</p>	<p>ensure the same in any future recruitment</p>		
	<p>Non-compliance with the One-Third of Basic Salary Rule During the year ended 30 June 2024, twelve (12) employees earned a net salary less than a third (1/3) of the basic salary contrary to section 19(3) of the Employment Act,2007 which requires that the total amount of all deductions which may be made by an employer from the wages of his employee at any one time shall not exceed two thirds of such wages. This may expose the staff to pecuniary embarrassment. In the circumstances, Management was in breach of the law.</p>	<p>The Agency notes the observation by the OAG which has been occasioned by introduction of housing levy deductions and which has pushed some of the staff net pay below the third rule.</p>	<p>Resolved</p>	<p>30 June 2025</p>
	<p>Irregular Payment of Acting and Special Duty Allowances Review of personal files and payment data revealed that the agency paid acting and special duty allowances to nine (9) employees for more than six months. This is contrary to section C.14 (1) and C.15(4) of the Public Service Human Resource Policies and Procedures Manual, 2016 which provides that acting and special duty allowances will not be payable to an officer for more than six(6) months. Although management indicated that they are waiting for approval from</p>	<p>The management had requested approval from The National Treasury to fill in the vacant positions. However, the same has not been approved due to austerity measures and freeze of recruitment by The National Treasury</p>	<p>Resolved</p>	<p>30 June 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>the National Treasury to fill the position, no evidence was provided for office review.</p> <p>In the circumstances, management was in the breach of the law.</p>	<p>occasioning members of staff acting beyond the stipulated six months period</p>		



.....
Chief Executive Officer

Tanathi Water Works Development Agency

Date: 19/11/2025
.....

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Appendix II: Projects implemented by Tanathi Water Works Development Agency.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements. (Yes/No)
Kinanie Leather Industrial Park Water Supply Project Phase II & III		GoK	2024/2025	100%	No	Yes
Construction of Kiambere Mwingi Last Mile Connectivity Water Supply Project Phase IV		GoK	2024/2025	100%	No	Yes
Kiambere Mwingi Last Mile Connectivity Water Supply Project Phase V (Migwani)		GoK	2024/2025	100%	No	Yes
Wote water supply & Sanitation Project		GoK	2024/2025	100%	No	Yes
Drilling and equipping of 40 no. boreholes:						
Kemuama Community Borehole		GoK	2024/2025	100%	No	Yes
Masinga level 4 Hospital		GoK	2024/2025	100%	No	Yes
Kalama Level 4 Hospital		GoK	2024/2025	100%	No	Yes
Itialal Secondary School/Loonkitok Borehole		GoK	2024/2025	100%	No	Yes
Kitui High School Water Project		GoK	2024/2025	100%	No	Yes
Kitui School for the Mentally Handcapped Borehole		GoK	2024/2025	100%	No	Yes

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Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements. (Yes/No)
Lower Yatta Sub-County Headquarters Borehole		GoK	2024/2025	100%	No	Yes
Mavivie (Kilome) Community Borehole		GoK	2024/2025	100%	No	Yes
Mutitu Community Borehole		GoK	2024/2025	100%	No	Yes
Rehabilitation of Kabukoki & Enkorir(Oletepesi) boreholes		GoK	2024/2025	100%	No	Yes
Yumbuni Mixed Secondary School Borehole		GoK	2024/2025	100%	No	Yes
Rehabilitation of Moi Borehole		GoK	2024/2025	100%	No	Yes
Karoko Pri. School Borehole		GoK	2024/2025	100%	No	Yes
Kalesi Pri. School borehole		GoK	2024/2025	100%	No	Yes

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Status of Projects completion

S/N	Project title	Total Project Cost (Kshs. In Millions)	Total Expended to date (30th June 2025)	Completion % to date (30th June 2025)	Budget (Kshs. In Millions)	Actual (Kshs. In Millions)	Sources of Funds
1	Kinanie Leather Industrial Park Water Supply Project Phase II & III	292.00	280.00	90%	55.00	55.00	GoK
2	Construction of Kiambere Mwingi Last Mile Connectivity Water Supply Project Phase IV	32.00	6.40	30%	31.00	30.80	GoK
3	Kiambere Mwingi Last Mile Connectivity Water Supply Project Phase V (Migwani)	30.00	6.00	32%	30.00	29.90	GoK
4	Wote water supply & Sanitation Project	55.00	12.00	39%	55.00	50.00	GoK
	Drilling and equipping of 40 no. boreholes:						
5	Kemuama Community Borehole	10.00	9.50	100%	10.00	9.50	GoK
6	Masinga level 4 Hospital	10.00	9.20	100%	10.00	9.20	GoK
7	Kalama Level 4 Hospital	10.00	8.90	100%	10.00	8.90	GoK
8	Itialal Secondary School/Loonkitok Borehole	10.00	9.24	100%	10.00	9.24	GoK
9	Kitui High School Water Project	10.00	9.89	100%	10.00	9.89	GoK
10	Kitui School for the Mentally Handcapped Borehole	10.00	8.65	100%	10.00	8.65	GoK
11	Mavivie (Kilome) Community Borehole	10.00	3.90	50%	10.00	3.90	GoK

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12	Mutitu Community Borehole	10.00	9.78	100%	10.00	9.78	GoK
13	Rehabilitation of Kabukoki & Enkorir(Oletepesi) boreholes	6.00	5.90	100%	6.00	5.90	GoK
14	Yumbuni Mixed Secondary School Borehole	10.00	8.96	100%	10.00	8.96	GoK
15	Rehabilitation of Moi Borehole	10.00	3.15	100%	10.00	3.15	GoK
16	Karoko Pri. School Borehole	10.00	3.50	50%	10.00	3.50	GoK
17	Kalesi Pri. School borehole	10.00	3.80	50%	10.00	3.80	GoK

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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized			Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	
Ministry of Water Sanitation & Irrigation		Recurrent	10,916,666	-	-	-	10,916,666	10,916,666
Ministry of Water Sanitation & Irrigation		Development	95,000,000	-	-	-	-95,000,000	95,000,000
Ministry of Water Sanitation & Irrigation	14.05.2025	Recurrent	15,400,001	15,400,001	-	-	-	15,400,001
Ministry of Water Sanitation & Irrigation	10.06.2025	Recurrent	15,400,001	15,400,001	-	-	-	15,400,001
Ministry of Water Sanitation & Irrigation	07.07.2025	Recurrent	15,400,001	-	-	15,400,001	-	15,400,001
Ministry of Water Sanitation & Irrigation	30.08.2024	Recurrent	8,733,333	8,733,333	-	-	-	8,733,333
Ministry of Water Sanitation & Irrigation	23.09.2024	Recurrent	8,733,333	8,733,333	-	-	-	8,733,333
Ministry of Water Sanitation & Irrigation	29.10.2024	Recurrent	8,733,333	8,733,333	-	-	-	8,733,333
Ministry of Water Sanitation & Irrigation	19.11.2024	Recurrent	8,733,333	8,733,333	-	-	-	8,733,333
Ministry of Water Sanitation & Irrigation	19.12.2024	Recurrent	8,733,333	8,733,333	-	-	-	8,733,333

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Ministry of Water Sanitation & Irrigation	10.01.2025	Recurrent	8,733,333	8,733,333	-	-	-	8,733,333
Ministry of Water Sanitation & Irrigation	10.02.2025	Recurrent	8,733,333	8,733,333	-	-	-	8,733,333
Ministry of Water Sanitation & Irrigation	12.03.2025	Recurrent	8,733,333	8,733,333	-	-	-	8,733,333
Ministry of Water Sanitation & Irrigation	03.04.2025	Recurrent	8,733,333	8,733,333	-	-	-	8,733,333
Ministry of Water Sanitation & Irrigation	25.09.2024	Development	25,000,000	10,095,841	14,904,159	-	-	25,000,000
Ministry of Water Sanitation & Irrigation	04.10.2024	Development	25,000,000	10,095,841	14,904,159	-	-	25,000,000
Ministry of Water Sanitation & Irrigation	20.11.2024	Development	25,000,000	10,095,841	14,904,159	-	-	25,000,000
Ministry of Water Sanitation & Irrigation	20.11.2024	Development	24,999,998	10,095,841	14,904,157	-	-	24,999,998
Ministry of Water Sanitation & Irrigation	15.01.2025	Development	68,750,000	14,439,463	34,310,537	20,000,000	-	68,750,000
Ministry of Water Sanitation & Irrigation	19.05.2025	Development	134,934,588	20,336,401	32,724,987	81,873,200	-	134,934,588
Ministry of Water Sanitation & Irrigation	12.06.2025	Development	72,017,920	-	-	72,017,920	-	72,017,920
Ministry of Water Sanitation & Irrigation	14.07.2025	Development	34,457,449	-	-	34,457,449	-	34,457,449
Total			640,876,621	184,559,229	126,652,156	223,748,570	105,916,666	640,876,621

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Appendix V- Inter-Entity Confirmation Letter

Name of Transferring entity.... **MINISTRY OF WATER, SANITATION & IRRIGATION.....**

Name of Beneficiary entity.....**TANATHI WATER WORKS DEVELOPMENT AGENCY.....**

AMOUNTS DISBURSED BY STATE DEPARTMENT FOR WATER AND SANITATION FOR THE PERIOD ENDING 30 TH JUNE 2025 TANATHI WATER WORKS DEV. AGENCY				
	DEV (A)	RECURRENT(B)	GOK DONOR (C)	TOTAL
Jul-24		8,733,333.00	-	8,733,333.00
Aug-24		8,733,333.00	-	8,733,333.00
Sep-24	25,000,000.00	8,733,333.00	-	33,733,333.00
Oct-24	25,000,000.00	8,733,333.00	-	33,733,333.00
Nov-24	25,000,000.00	8,733,333.00	-	33,733,333.00
Dec-24	24,999,998.00	8,733,333.00	-	33,733,331.00
Jan-25	18,750,000.00	8,733,333.00	-	27,483,333.00
Feb-25	50,000,000.00	8,733,333.00	-	58,733,333.00
Mar-25	134,934,587.00	8,733,333.00	-	143,667,920.00
Apr-25		15,400,001.00	-	15,400,001.00
May-25	72,017,920.00	15,400,001.00	-	87,417,921.00
Jun-25	34,457,447.00	15,400,001.00	-	49,857,448.00
	410,159,952.00	124,800,000.00	-	534,959,952.00

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

Name..... Ek Kyeng Signature..... [Signature].....

Designation..... AS. CEO.....

Date..... 29.07.2025.....

