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RUIRU-JUJA WATER AND SEWERAGE  
COMPANY LIMITED

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FOR THE YEAR ENDED  
30 JUNE, 2025

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**RUIRU-JUJA WATER AND SEWERAGE COMPANY LTD**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**

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

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

Ruiru-Juja Water and Sewerage Company Ltd  
**Annual Report and Financial Statements for the year ended June 30, 2025**

Ruiru-Juja Water and Sewerage Company Ltd  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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## **I. ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS**

### **A: Acronyms and Abbreviations**

AWWDA	Athi Water Works Development Agency
CEO	Chief Executive Officer
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KPI	Key Performance Indicator
MD	Managing Director
NT	National Treasury
OAG	Office of the Auditor General
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
RUIJWASCO	Ruiru Juja Water and Sewerage Company
SC	State Corporations
WASREB	Water Services Regulatory Board

### **B: Glossary of Terms**

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organisation

**Comparative Year-** Means the prior period.

## **II. KEY ENTITY INFORMATION**

### **Background information**

Ruiru-Juja Water and Sewerage Company Ltd is a public company wholly owned by the County Government of Kiambu and established under the Water Act No. 43 of 2016. It is licensed by Water Services Regulatory Board (WASREB). Ruiru-Juja Water and Sewerage Company Ltd is domiciled in Kenya and has no branches.

### **Principal Activities**

The principal activity of Ruiru-Juja Water and Sewerage Company Ltd is to provide quality and affordable water and sewerage services in Ruiru and Juja Sub-counties in Kiambu County.

### **Board of Directors**

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

1. Dominic Gachanja -	Member	Appointed in April 2018
2. Erastus Njoroge-	Member	Appointed in February 2022
3. Samuel Thiong'o-	Member	Appointed in February 2022
4. Jennifer Musyoki -	Member	Appointed in July 2020
5. Joseph Mukabi-	Member	Appointed in February 2022
6. Samuel Kibuti-	Member	Appointed in March 2024

### **Registered Office**

Ruiru-Juja Water and Sewerage Company, Adjacent to Kenyatta University Ruiru Campus, Opposite Kenya Power Offices  
P.O. Box 1165-00232  
Ruiru, KENYA

### **Corporate Headquarters**

P.O. Box 1165-00232  
Ruiru-Juja Water and Sewerage Company, Adjacent to Kenyatta University Ruiru Campus  
Nairobi, KENYA

Ruiru-Juja Water and Sewerage Company Ltd  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**Corporate Contacts**

Telephone:020-2022651

E-mail: info@ruiruwater.co.ke

E-mail: rujwasco2017@gmail.com

Website: www.ruiruwater.co.ke

**Corporate Bankers**

1. Kenya Commercial Bank  
Ruiru Branch  
P.O. Box 400-00232,  
Ruiru
2. ABSA Bank of Kenya  
Juja Branch  
P.O. Box 580-01001,  
Juja
3. Family Bank  
Ruiru Branch  
P.O. Box 788-00232,  
Ruiru
4. Post Bank  
Ruiru Branch  
P.O. Box 30311-00100,  
Nairobi






**Independent Auditors**

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



**Principal Legal Advisers**

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







**III. THE BOARD OF DIRECTORS AND MANAGEMENT TEAM**

	<p>1. <b>Name:</b> Dominic Gachanja                  2. <b>Position:</b> Director and Chairman of the Board                  3. <b>DoB:</b> 1955                  4. <b>DoA :</b> April 2018                  5. <b>DoL:</b> February 2025                  6 <b>Qualification:</b> Diploma in Physiotherapy                  7.<b>Work Experience:</b> Businessman Thika, Board Member Land Control Board</p>
	<p>1. <b>Name:</b> Jennifer Kanini Musyoki                  2. <b>Position:</b> Director representing Kiambu County Government                  3. <b>DoB:</b> 1984                  4. <b>DoA :</b> July 2020                  5. <b>DoL:</b> January 2025                  6: <b>Qualification:</b> MBA (Strategic Management); BSc Civil Engineering                  7: <b>Work Experience:</b> Previously worked as a Water &amp; Sanitation Engineer in planning and design of urban and rural water and sanitation infrastructure; formulating national and county government water and sanitation policies, strategies and plans; conducting technical assessments, socio-economic studies and surveys with H.P. Gauff Ingenieure, GIZ International Water Stewardship programme and Authentic Living Int. Co. Ltd. Served as the Chief Officer in the Department of Water, Environment, Energy and Natural Resources</p>
	<p>1. <b>Name:</b> Erastus Njoroge                  2. <b>Position:</b> Director and Chairman of Risk and Audit Committee                  3. <b>DoB:</b> 1984                  4. <b>DoA :</b> February 2022                  5. <b>DoL:</b> February 2025                  6. <b>Qualification:</b> Masters of Economics-Finance, Bachelor of Education (Economics &amp; Mathematics), Member of Economists Society of Kenya (ESK)                  7.<b>Work Experience:</b> Currently working as Deputy Director-Portfolio Monitoring at Kenya Development Corporation. Previously worked as Chief of Credit at IDB Bank and as Credit and Risk Manager at Equity Bank-Rwanda, Housing Finance and Fina Bank</p>
	<p>1. <b>Name:</b> Rev. Samuel Thiong'o Mwangi                  2. <b>Position:</b> Director and Chairman of Finance and Administration Committee                  3. <b>DoB:</b> 1968                  4. <b>DoA :</b> February 2022                  5. <b>DoL:</b> February 2025                  6. <b>Qualification:</b> Doctor of Divinity (Honoris Causa), Doctor of Humane Letters (Honoris Causa), M.A. in Counselling Psychology, B.A. in Bible and Theology                  7.<b>Work Experience:</b> Director and a senior Lecturer with Gleam Africa Bible Institute. Works as a senior Pastor in African Holy Ghost Christian Church in Nairobi and a General Overseer of Evangelistic Christian Fellowship Church International.</p>
	<p>1. <b>Name:</b> Joseph Mukabi                  2. <b>Position:</b> Director representing Kiambu County Government                  3. <b>DoB:</b> 1974                  4. <b>DoA :</b> February 2022                  5. <b>Qualification:</b> MBA(Finance), BComm (Finance), Member of ICPAK                  6.<b>Work Experience:</b>10 years in County Government of Kiambu, 13 years in Defunct Ministry of Local Government, 3 years in private sector</p>

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	<p> <b>1. Name:</b> Captain Samuel Mwangi Kibuti  <b>2. Position:</b> Director and Chairman of Technical Committee  <b>3. DoB:</b> 1966  <b>4. DoA :</b> March 2024  <b>5. Qualification:</b> Masters of Arts in Pastoral Studies, Higher Diploma in Theology, Diploma in Theology  <b>5.Work Experience:</b> Worked with the Diocese of Mt Kenya South ACK for 36 years         </p>
	<p> <b>1. Name:</b> Jacqueline Wangari Murigi  <b>2. Position:</b> Company Secretary  <b>3. DoB:</b> 1989  <b>4. DoA:</b> June 2023  <b>5. DoL:</b> February 2025  <b>6. Qualification:</b> LLB, Masters in Public Policy and Administration, Diploma in Human Resource Management, Certified Secretary (CS), Certified Mediator (CPM)  <b>7. Work Experience:</b> An advocate of the high court with over nine years' experience. She has served in the County Government of Kiambu in various capacities including Legal Counsel Legislative Drafting, Senior Legal Counsel and subsequently Director Legal Services in the Office of the County Secretary. Served as the Director – Legal Services in the Department of Water &amp; Sanitation supporting the Board of Directors in offering Company Secretarial Services as a qualified Certified Secretary  <b>8. Membership:</b> Currently a member of the Law Society of Kenya, Institute of Certified Secretaries and Associate Member of the Institute of Human Resource Management.         </p>

**IV. MANAGEMENT TEAM**

	<p><b>1. Name:</b> Simon M Mwangi</p> <p><b>2. Position:</b> Managing Director</p> <p><b>3. Academic Qualification:</b> BComm(Finance), Member of ICPAK</p>
	<p><b>1. Name:</b> Mary N Karogo</p> <p><b>2. Position:</b> Finance Manager</p> <p><b>3. Academic Qualification:</b> MBA(Finance), BComm (Finance), Member of ICPAK</p>
	<p><b>1. Name:</b> Mary W Mwangi</p> <p><b>2. Position:</b> Technical Manager</p> <p><b>3. Academic Qualification:</b> BSc in Environmental Engineering</p>
	<p><b>1. Name:</b> Fridah W Kimani</p> <p><b>2. Position:</b> Acting Commercial Manager</p> <p><b>3. Academic Qualification:</b> BComm (Finance), Member of ICPAK</p>
	<p><b>1. Name:</b> Anne G Kimani</p> <p><b>2. Position:</b> Human Resources Manager</p> <p><b>3. Academic Qualification:</b> Msc in HRM, BA HRM, CHRP(K), MIHRM</p>
	<p><b>1. Name:</b> Allan G Ngugi</p> <p><b>2. Position:</b> ICT Manager</p> <p><b>3. Academic Qualification:</b> Msc Computer Systems Security (Forensics &amp; Pentesting), Bsc Information Technology, Bsc Computing and Internet systems</p>

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	<p><b>1. Name:</b> Francis G Murakaru</p> <p><b>2. Position:</b> Procurement Manager</p> <p><b>3. Academic Qualification:</b> Msc Procurement, Bachelors Purchasing and Supplies, Member CIPS and KISM</p>
	<p><b>1. Name:</b> Anthony K Mburu</p> <p><b>2. Position:</b> Senior Engineer (Infrastructure Development)</p> <p><b>3. Academic Qualification:</b> Bsc Civil &amp; Structural Engineering, Professional Engineer (EBK), Member Engineers Institute of Kenya (IEK), Lead Expert-NEMA</p>
	<p><b>1. Name:</b> Stephen W Maina</p> <p><b>2. Position:</b> Githurai Regional Manager</p> <p><b>3. Academic Qualification:</b> Bsc Civil &amp; Structural Engineering, Professional Engineer (EBK), Member Engineers Institute of Kenya (IEK)</p>
	<p><b>1. Name:</b> Christopher M Kaume</p> <p><b>2. Position:</b> Non-Revenue Water Manager</p> <p><b>3. Academic Qualification:</b> Bsc Civil &amp; Structural Engineering, Graduate Engineer (EBK), Graduate member Engineers Institute of Kenya (IEK)</p>
	<p><b>1. Name:</b> Florence Ngugi</p> <p><b>2. Position:</b> Head of Internal Audit</p> <p><b>3. Academic Qualification:</b> MBA-Information Systems, Msc-Pure Mathematics, B.Ed(Mathematics &amp; Commerce) Member of ICPAK, TSC, IIA</p>

## **V. CHAIRMAN'S STATEMENT**

### **Overview.**

As we mark 19 years since the inception of our company, it is my pleasure to reflect on the remarkable journey we have undertaken. Over the years, our performance has steadily improved, enabling us to grow our customer base from the initial 2,000 at inception to the current 67,000 customers. This sustained growth is a testament to our commitment to service excellence and strategic development.

### **Key Activities and Successes**

During the 2024/2025 financial year, the company successfully completed the takeover of water service provision in the greater Githurai area, previously managed by Nairobi Water Company. This followed the substantial completion of the Githurai Water Supply Project. The transfer of consumers from the Nairobi water system to our newly implemented network is ongoing, with approximately 12,000 new customers already activated and registered in Githurai.

Additionally, major pipeline extension projects were completed, notably the Murram–Kenya Road distribution pipeline. This project has significantly improved water supply to Theta, Kenya Road estates, and the Ebenezer area—communities that were previously underserved.

### **Challenges Faced**

The transition of water supply services in Githurai from Nairobi to Kiambu County, alongside the increase in water volumes for distribution, has brought operational challenges. Chief among these are heightened water losses, both physical and commercial. In response, the company has intensified its Non-Revenue Water (NRW) reduction initiatives to bring these losses to acceptable levels through proactive monitoring, improved infrastructure maintenance, and household visits.

### **Future Outlook**

The outlook for the company remains highly promising. With the completion of several key development projects, many of them externally funded, we are well-positioned for accelerated growth. These strategic investments will propel the company's performance onto a strong upward trajectory in the coming years.

### **Appreciation**

On behalf of the Board, I extend our heartfelt gratitude to our shareholder, stakeholders, and customers for their invaluable support. I also commend the Management and Staff of RUJWASCO for their dedication, hard work, and commitment, which have been instrumental in driving our success.



**CHAIRMAN,  
BOARD OF DIRECTORS**

## **VI. REPORT OF THE CHIEF EXECUTIVE OFFICER**

### **INTRODUCTION.**

As we mark 19 years of our company's existence it is always my pleasure to look back and appreciate how far our company has come. Performance has been improving each year, and we have managed to increase our customer base from the initial 2,000 customers at inception to the current 67,000 customers. This has made our company graduate from small size company to the category of very large utility. This has been achieved through the commitment of our shareholder, County Government of Kiambu who has given us an enabling environment and support to perform our duties. The support from our major stakeholders and our partners has been the key driver to our improved infrastructures and other support systems and we are grateful. The commitment of staff and the team spirit has completed the full circle in our Company management and to all I say thank you.

### **KEY ACTIVITIES AND SUCCESSES**

In the financial year under review 2024/25, the company completed takeover of service provision to the greater Githurai, formerly supplied by Nairobi Water Company, upon substantial completion of the Githurai water supply project. Kahawa Sukari was handed in the month of February 2024 after successfully connecting supply from Jacaranda plant, while Kahawa Wendani area was handed in June 2024. The exercise of connecting consumers is currently in progress to ensure seamless supply during the transition period. Other areas of Kiuu, Mwioko, and Mwiki continues receiving supply from borehole sources and Nairobi water until handover of the new distribution network is completed. The company is a beneficiary of the Karimenu II dam currently receiving approximately 30,000M<sup>3</sup>/day and this has resulted to increased water production from 52,000M<sup>3</sup>/day to about 66,000M<sup>3</sup>/day. Key projects implemented were a 10.5Km water pipeline along Ngenda road-BTL and a 6.4Km Murram-Kenyatta Road water pipeline projects targeting to serve residents in Membley, Gitambaya, Kenyatta Road which were completed in year 2025.

### **CHALLENGES FACED**

The transition of water supply services in Githurai areas, from Nairobi to Kiambu, coupled with the dilapidated water network in Kahawa sukari has negatively affected performance of the company due to higher water losses, both physical and commercial losses. To mitigate water losses, the company through the NRW function is implementing proactive measures, to reduce it to acceptable levels.

## **FUTURE OUTLOOK**

The future of the company is very promising as implementation of key development projects that are externally funded are now complete. This will put the Company performance to an upward trajectory.

The company continues to utilise the internally generated funds to expand water and sewer operations.

## **PERFORMANCE OF THE COMPANY.**

The Company continues to perform well in its areas of operations. The monthly revenue collection has improved from Kshs 83M in the previous year to an average of Kshs 130M per month in the current year. The improved performance is greatly attributed to efficiency in the areas of operations and therefore the company has managed to utilize internally generated funds to develop its water and sewer system infrastructure.

The company total supply volumes during the year increased from 17,537,245M<sup>3</sup> to 24,453,600M<sup>3</sup> while the billed revenue increased from Shs 1.17 million to Shs 1.86 billion which translates to about 58.9%.

## **IMPACT OF UPCOMING PROJECTS**

The Githurai water project funded under KFW financing, whose construction commenced in May 2020 is now complete. The company is currently installing new connections as it manages transition of customers from Nairobi Water Company. The company is enjoying increase in water production from Karimenu which has greatly boosted water supply.

## **CONCLUSIONS**

I take this opportunity to thank you all once again for the support we have received from our Shareholder and other stakeholders to take our company, Ruiru-Juja Water and Sewerage Company to the next level. On behalf of all the staff, thank you.



**Mr. Simon Mwangi**

**MANAGING DIRECTOR**

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**VII. REVIEW OF RUIRU JUJA WATER AND SEWERAGE PERFORMANCE FOR FY2024/2025**

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

Ruiru-Juja Water and Sewerage Company Ltd has 5 Key Performance Indicators and objectives for Financial Year 2024/2025. These Key Performance Indicators are as follows:

- KPI 1: Utilisation of Water Production capacity and Water Quality Monitoring
- KPI 2: Non-revenue water reduction
- KPI 3: Collection efficiency improvement
- KPI 4: Compliance to budgetary revenue
- KPI 5: Number of Paying Customers increase

Ruiru-Juja Water and Sewerage Company Ltd develops its annual work plans based on the above 5 KPIs. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. Ruiru-Juja Water and Sewerage Company Ltd level of achievement on its performance targets set for the FY 2024/2025 period for its 5 strategic pillars, is indicated in the diagram below:

S/No.	Performance Criteria	Unit of Measure	Status Previous Year (FY 2023/24)	Target (FY 2024/25)	Actual FY 2024/25
1	Utilisation of Water Production capacity	%	100%	100%	100%
	Water Quality Monitoring	Quarterly Reports	4 Reports	4 Reports	4 Reports
2	Non-revenue water	%	49%	30%	50%
3	Collection efficiency	%	83%	90%	88%
4	Compliance to budgetary revenue	%	89%	100%	92%
5	Number of Paying Customers	No.	84%	90%	87%

## **VIII. CORPORATE GOVERNANCE STATEMENT**

Ruiru-Juja Water and Sewerage Company is committed to operating under a clear governance framework and strongly adheres to sound management and control practices.

Ruiru-Juja Water and Sewerage Company is committed to ensuring compliance with the Licence Agreement signed with Water Services Regulatory Board (WASREB).

Essential to the establishments of a good governance framework is formal governance structures designed to ensure accurate reporting to the board to facilitate an informed decision making, progress assessment and improvement of performance.

### **Board of Directors**

Ruiru-Juja water and Sewerage Company is governed by a Board of Directors comprising of Seven members representing various stake holder's interests. The Board provides leadership, exercises enterprises integrity and judgement in directing Ruiru-Juja Water and Sewerage company. The Board also sets company policies.

The Board is expected to determine the purpose and values of Ruiru-Juja Water and Sewerage Company, determine the strategy to achieve that purpose and implement its values in order to ensure the company survives and thrives.

The Board has been trained in Corporate Governance practices in running of Ruiru-Juja Water and Sewerage Company and to bring the level of governance in the company in line with corporate governance guidelines. The essence of corporate governance is to protect stakeholder interests including the government, water service providers, consumers and the communities.

The Board has been trained in Corporate Governance and Procurement procedures to ensure that the company is run effectively and efficiently.

### **Managing Director**

Responsibility for execution of the Board's policies lies with the Managing Director. The Managing Director's role is to provide the strategic leadership for the organization and act as the link between the staff and the Board of Directors.

### **Governance Structures**

Individual directors of the Board are appointed according to the Water Act No. 43 of 2016 and corporate governance guidelines issued by WASREB.

## **Board Committees**

In ensuring that corporate governance is enhanced and that the power of Ruiru-Juja Water and Sewerage Company is exercised in the stewardship of the company's total portfolio of assets and resources with the objective of maintaining stakeholders' value, the Board of Directors has established the following committees:

### **Finance and Administration Committee**

The Finance committee is the overseer of the financial reporting process and the corporation internal controls.

The Committee is also responsible for efficient allocation and utilization of resources, proposing investment and funding programs for the company.

In addition, the Committee ensures that RUJWASCO has the right staff and also ensures that the staff welfare is guaranteed. Their terms of reference include but not confined to human resource planning, employee welfare, recruitment, training, performance appraisal, discipline, health and safety and HIV/AIDs.

### **Audit Committee**

This Committee has the oversight responsibility of ensuring that the integrity of internal controls of the company.

It also reviews financial statements to ensure compliance with accounting Standards and Legal Requirements.

### **Technical Committee**

This Committee oversees implementation of capital programmes and reviews annual quality control reports for water supply and sewerage services and give recommendations to the board.

Additionally, the committee is tasked with overseeing implementation of water conservation strategy and programmes and monitoring non-revenue water trends.

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**BOARD MEETINGS AGENDA 2024/2025 FINANCIAL YEAR**

	MEETING	DATES	AGENDA	MEMBERS IN ATTENDANCE
<b>1</b>	<b>FULL BOARD</b>			
	1 <sup>st</sup> Full Board	25 <sup>th</sup> September 2024	1) Consideration of the Finance & Administration Committee Report on: a) Financial Statements Report for year ended 30 <sup>th</sup> June 2024 and approval to submit to the Office of the Auditor General b) Oral Interview Recruitment Report	1. Dominic Gachanja
			2) Consideration and adoption of the Technical Committee Report	2. Rev. Samuel Thiong'o
			4) Consideration and adoption of the Risk and Audit Committee Report	3. Joseph Mukabi
			5) Confirmation of the minutes of 3 <sup>rd</sup> Special Board Meeting	4. Erastus Njoroge
			5. Adoption of the Risk and Audit Committee Report	5. Jennifer Musyoki
				6. Capt. Samuel Kibuti
				7. Simon Mwangi
	2 <sup>nd</sup> Full Board	10 <sup>th</sup> December 2024	1) Presentation and adoption of the Board Evaluation Report	1. Dominic Gachanja
			2) Consideration and approval of the Performance Contract for the Period 1 <sup>st</sup> July 2024 to 30 <sup>th</sup> June 2025	2. Erastus Njoroge
			3) Consideration and adoption of the Finance & Administration Committee Report	3. Rev. Samuel Thiong'o
			4) Consideration and adoption of the Technical Committee Report	4. Joseph Mukabi
			5) Consideration and adoption of the Risk & Audit Committee Report	5. Jennifer Musyoki
				6. Simon Mwangi

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3 <sup>rd</sup> Full Board	31 <sup>st</sup> January 2025	1. Consideration and adoption of the Finance & Administration Committee Report on: a) Revised Annual Budget 2024/25 FY b) 2 <sup>nd</sup> Quarter Financial Statements Report for the period ended 31 <sup>st</sup> December 2024 c) 2 <sup>nd</sup> Quarter HR & Administration Report d) 2 <sup>nd</sup> Quarter Commercial Department Report e) 2 <sup>nd</sup> Quarter Procurement Department Report	1.Dominic Gachanja
		2. Consideration and adoption of the 2 <sup>nd</sup> Quarter Technical Committee Report	2.Capt. Samuel Kibuti
		3.Consideration and adoption of the Risk & Audit Committee Report	3.Joseph Mukabi
		4. Confirmation of the 1 <sup>st</sup> & 2 <sup>nd</sup> Full Board Minutes	4.Erastus Njoroge
			5.Rev. Samuel Thiong'o
			6.Richard Munge
			7.Simon Mwangi
1 <sup>st</sup> Special	14 <sup>th</sup> February 2025	1.Presentation of the Finance & Administration Committee Report on: a) Oral Interview Recruitment Report b) Salary Band Expansion c) Internship Engagement Proposal	1.Dominic Gachanja
			2.Erastus Njoroge
			3.Joseph Mukabi
			4.Rev.Samuel Thiong'o
			5.Capt. Samuel Kibuti
			6.Simon Mwangi



3 <sup>rd</sup>	17 <sup>th</sup> January 2025	1. Consider, adopt and recommend to the Board the 6 Months Financial Report as at 31 <sup>st</sup> December 2024	1.Rev. Samuel Thiong'o
		2. Consider, adopt and recommend to the Board the Revised Budget 2024/25 Financial Year	2.Richard Munge
		3. Consider, adopt and recommend to the Board the 2 <sup>nd</sup> Quarter Human Resource Report	3.Joseph Mukabi
		4. 2. Consider, adopt and recommend to the Board 2 <sup>nd</sup> Quarter Commercial Department Report	4. Simon Mwangi
		5.Consider, adopt and recommend to the Board the 2 <sup>nd</sup> Quarter Procurement Department Report	
		3.Confirmation of the 2 <sup>nd</sup> Finance & Administration Committee minutes	
		4. Matters Arising from the 2 <sup>nd</sup> Finance & Administration Committee minutes on Internal Recruitment	
1 <sup>st</sup> Special	6 <sup>th</sup> February 2025	1.Consider and recommend to the Board the Oral Interview Recruitment Report, Salary Band Expansion and Internship Engagement Proposal	1.Rev.Samuel Thiong'o
			2.Joseph Mukabi
			3.Capt. Samuel Kibuti
			4.Simon Mwangi
4 <sup>th</sup>	9 <sup>th</sup> May 2025	1.Consider the Appeal against dismissal of two officers	1.Rev.Samuel Thiong'o
		2. Consideration of the Data Privacy and Procurement Policy	2.Joseph Njuguna
			3.Joseph Mukabi
			4.Simon Mwangi
			5.Anne Kimani
			6.Pauline Wairegi
		xx	

5 <sup>th</sup>	30 <sup>th</sup> June 2025	1.Consider, adopt and recommend to the Board the Annual Budget 2025/26 FY for approval	1.Capt. Samuel Kibuti
		2.Consider, adopt and recommend to the Board Procurement Plan 2025/26 FY for approval	2.Joseph Mukabi
		3. Confirmation of the 1 <sup>st</sup> Special Finance & Administration Committee minutes	3.Richard Munge
			4.Simon Mwangi

	MEETING	DATES	AGENDA	MEMBERS IN ATTENDANCE
3.	<b>TECHNICAL COMMITTEE</b>			
1 <sup>st</sup>	6 <sup>th</sup> September 2024	1.Consider, adopt and recommend to the Board the Performance Report for 2023/24 Financial Year	1.Capt. Samuel Kibuti	
		2.Consider adopt and recommend to the Board the Projects Implementation Report for 2023/24 Financial Year	2.Jennifer Musyoki	
		3. Consider adopt and recommend to the Board the 2024/25 Financial Year Workplan	3.Rev. Samuel Thiong'o	
		4. Consider adopt and recommend to the Board the 2024/25 Non-Revenue Water Reduction Plan	4.Simon Mwangi	
		3. Confirm the Committee minutes of 2 <sup>nd</sup> February 2024		
2 <sup>nd</sup>	12 <sup>th</sup> November 2024	1. Consider, adopt and recommend to the Board Technical Operations Report for the 1 <sup>st</sup> Quarter 2024/25 Financial Year	1.Rev Samuel Thiong'o	
		2. Consider, adopt and recommend to the Board the 1 <sup>st</sup> Quarter Non-Revenue Water Progress Report 2024/25 FY	2. Erastus Njoroge	
		3. Confirmation of 1 <sup>st</sup> Technical Committee Minutes	3.Richard Munge	
			4.Capt. Samuel Kibuti	
			5.Simon Mwangi	

	MEETING	DATES	AGENDA	MEMBERS IN ATTENDANCE
4.	<b>AUDIT COMMITTEE</b>			
	1 <sup>st</sup>	16 <sup>th</sup> September 2024	1.To receive the Water Intakes and Treatment Plants Internal Audit Report	1. Erastus Njoroge -Chairman
			2. Gap Analysis as per the New Global Internal Audit Standards	2. Joseph Mukabi
			3. Compliance Checklist for the 4 <sup>th</sup> Quarter	3. Joseph Njuguna
			4. Confirmation of the minutes of the meeting held on 20 <sup>th</sup> June 2024	4. Fridah Kimani
				5. Simon Mwangi
	2 <sup>nd</sup>	22 <sup>nd</sup> November 2024	1. Review of the Internal Audit Charter	1. Erastus Njoroge -Chairman
			2. Standard Operating Procedures for the Internal Audit Department	2. Jenniffer Musyoki
			3. Follow up on OAG reports from FY ended June 2020 to June 2023	3. Joseph Mukabi
			4. Compliance Checklist for the 1 <sup>st</sup> Quarter FY 2024/25	4. Fridah Kimani
			5. Confirmation of the 1 <sup>st</sup> Risk and Audit Committee Minutes	5. Simon Mwangi
	3rd	27 <sup>th</sup> January 2025	1. Review of the Draft Report FY 2023/24	1. Erastus Njoroge -Chairman
			2. To Receive the Internal Audit Report-ICT Department	2. Richard Munge
			3. Confirmation of the 2 <sup>nd</sup> Risk and Audit Committee Minutes	3. Joseph Mukabi
				4. Capt. Samuel Kibuti
				5. Fridah Kimani
				6. Mary Karogo
				7. Allan Ngugi

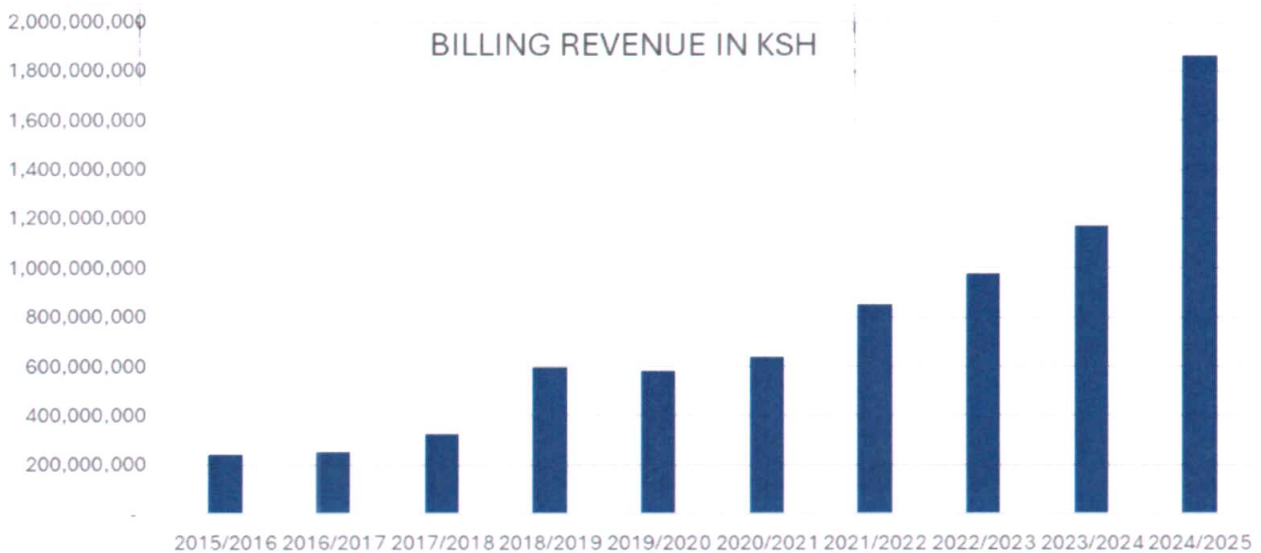
**IX. MANAGEMENT DISCUSSION AND ANALYSIS**

**PERFORMANCE**

Performance has been improving each year despite various challenges. Our customer base has grown from the initial 2,000 customers at inception in 2006 to the current 67,000 customers. This has made the company to graduate from small size company to medium size and eventually to large water company.

Billing revenue has grown tremendously for the last nine years. In the financial year 2015/2016, billing for water was Ksh 243 Million. This peaked in year 2024/2025 to Ksh 1.86 Billion. This has generated resources to the company which have been utilized in rehabilitation and upgrading of old water network and expansion of water and sewer network.

The graph below demonstrates how billing revenue has grown from year 2015/2016 up to year 2024/2025.



The company has always made it a practice not to hold idle cash. Cash in customer deposits has from time to time been invested in fixed deposits and the company in return gets interest income.

## **X. ENVIRONMENT AND SUSTAINABILITY REPORTING**

Ruiru Juja Water and Sewerage Company Limited vision is to be a world class provider of water and sewerage services. Our mission is to provide quality and reliable water and sewerage services by embracing high standards of professionalism and integrity in our service delivery.

Our core values define our systems of shared norms in our organizational setting.

Everything we do is guided by the following corporate values namely;

- Integrity in all our actions
- Key focus on customer service
- Efficiency in management of all resources
- High commitment to corporate social responsibility
- Embracing team work
- Passion for excellence
- Environmental sustainability
- Continuous staff development/Continuous professional development

Guided by these values Ruiru Juja Water and Sewerage Company Limited was able to achieve the following during the year in these areas;

### **Sustainability strategy and profile**

The company through Athi Water Works Development Agency (AWWDA) and County Government of Kiambu continues to implement water and sewer projects that will ensure increased water and sewer coverage. The company through its internally generated funds has continued to extend the distribution network to ensure more people under its jurisdiction are served.

### **Environmental performance**

The company embarked on various projects aimed at enhancing friendly environment. This encompassed drainage improvements in Githurai and Gitambaya areas as well as tree planting activities in Komothai.

### **Employee welfare**

The company hiring process ensures fairness and have met the two third gender rule. We also ensure equity at work place and employees get training regularly depending on training needs identified by HR department.

### **Market place practices**

The company charge customers' levies as stipulated by WASREB tariff guideline.

### **Community engagements**

The company has engaged four sociologists who directly interact with community and give feedback to management on community expectations and pro poor community projects.

Ruiru-Juja Water and Sewerage Company Ltd  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**XI. 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 Ruiru-Juja Water and Sewerage Company Ltd affairs.

**Principal activities**

The principal activity of Ruiru-Juja Water and Sewerage Company Ltd is to provide quality and affordable water and sewerage services in Ruiru and Juja Constituencies in the Kiambu County.

**Results**

The results of the entity for the year ended June 30, 2025 are set out on page 1

**Dividends**

The Directors recommend no dividend payment for the year.

**Directors**

The members of the Board of Directors who served during the year are shown on page vii in accordance with Ruiru-Juja Water and Sewerage Company Ltd Articles of Association.

**Auditors**

The Office of the Auditor General is responsible for the statutory audit of Ruiru-Juja Water and Sewerage Company Ltd in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



Secretary  
Nairobi

Date: 30/10/2025

## **XII. STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Section 149 of the Public Finance Management Act, 2012 require the Directors to prepare financial statements in respect of that Ruiru-Juja Water and Sewerage Company Ltd, which give a true and fair view of the state of affairs of Ruiru-Juja Water and Sewerage Company Ltd at the end of the financial year/period and the operating results of Ruiru-Juja Water and Sewerage Company Ltd for that year/period. The Directors are also required to ensure that Ruiru-Juja Water and Sewerage Company Ltd keeps proper accounting records which disclose with reasonable accuracy the financial position of Ruiru-Juja Water and Sewerage Company Ltd. The Directors are also responsible for safeguarding the assets of Ruiru-Juja Water and Sewerage Company Ltd.

The Directors are responsible for the preparation and presentation of Ruiru-Juja Water and Sewerage Company Ltd financial statements, which give a true and fair view of the state of affairs of Ruiru-Juja Water and Sewerage Company Ltd for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management systems 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 entity; (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 Ruiru-Juja Water and Sewerage Company Ltd; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


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

### **Approval of the financial statements**

Ruiru-Juja Water and Sewerage Company Ltd financial statements were approved by the Board on 30/10/2025 and signed on its behalf by:



Chairman of the Board.



Managing Director

# REPUBLIC OF KENYA



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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON RUIRU-JUJA WATER AND SEWERAGE COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 2025**

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### **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 Ruiru-Juja Water and Sewerage Company Limited set out on pages 1 to 31, which comprise of the statement of financial position as at 30 June, 2025 and the statement of profit or loss and other comprehensive

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Ruiru-Juja Water and Sewerage Company Limited as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Companies Act, 2015, the Water Act, 2016, Kiambu County Water Act, 2016 and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Long Outstanding Debtors**

The statement of financial position reflects trade and other receivables balance of Kshs.637,791,037 as disclosed in Note 21 to the financial statements. However, included in the trade and other receivables balance was an amount of Kshs.102,097,378 owed by customers for more than 120 days. The existence of long-outstanding debts raises doubts on compliance with the requirement to enforce timely collection of revenue.

In the circumstances, the accuracy and recoverability of trade and other receivables balance of Kshs.102,097,378 could not be confirmed.

### **2. Fully Depreciation Assets**

The statement of financial position reflects property, plant and equipment balance of Kshs.483,205,684 as disclosed in Note 18 to financial statements. Included in the assets schedule are computers, buildings and civil works valued at Kshs.8,531,181 and Kshs.32,223,481 respectively that were fully depreciated and are still in use. However, no revaluation had been done to reflect the current and true economic value of the assets as at 30 June, 2025. Further, intangible assets with a cost of Kshs.376,768 were not fully amortized and similarly, revaluation had not been done to reflect their true economic value as at 30 June, 2025.

In the circumstances, the accuracy and completeness of property, plant and equipment and intangible assets balances of Kshs.483,205,684 and Kshs.37,533,908 respectively could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ruiru Juja Water and Sewerage Company Limited Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I

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

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the prior years' audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Ruiru-Juja Water and Sewerage Company Limited Management in 2024/2025 revealed that the following matters remained unresolved.

	<b>Financial Year</b>	<b>Audit Issue</b>
1.	2023/2024	Unvalued Property, Plant and Equipment
2.	2023/2024	Unaccounted for Non-Revenue Water
3.	2023/2024	Non-Compliance with the One -Third Rule Basic Salary
4.	2023/2024	Irregularities in Board Composition and Management
5.	2023/2024	Non-Compliance with Statutory Meeting Frequency by the Audit Committee

### **Other Information**

The Management is responsible for the Other Information set out on page v to xxvi which comprise of Key Entity Information, the Board of Directors, Key Management Team, Chairman'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 Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on Ruiru Juja Water and Sewerage Company Limited 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 THE USE OF PUBLIC RESOURCES

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. Unaccounted for Non-Revenue Water (NRW)**

The statement of profit or loss and other comprehensive income, as disclosed in Note 6 to the financial statements reflects an amount of Kshs.1,861,986,240 in respect of water sales. During the year under review, the Company produced a total of 24,453,600 cubic meters of water. However, only 11,929,353 cubic meters were billed to customers. The unbilled volume of 12,524,247 cubic meters, representing 51% of the total water produced, with a sale value of Kshs.1,628,152,110 (at an average price of Kshs.130 per cubic meter), constitutes Non-Revenue Water (NRW). This level of NRW is significantly above the allowable limit of 25% provided in Schedule E of the Water Services Regulatory Board (WASREB) guidelines.

The Company significantly exceeded the allowable NRW loss of 25% by 26% or approximately Kshs.1,628,152,110 which if not addressed will negatively impact on the Company's profitability and its long-term sustainability. The significant increase in NRW occurred despite major repair and upgrade done during the year under review which undermines the Company's profitability and threatens its long-term financial sustainability.

In the circumstances, the Company was in contravention of schedule E of Water Service Regulatory Board (WASREB) guidelines.

#### **2. Non-Compliance with the One-Third of Basic Salary Rule**

Audit review of the Company's payroll records established that deductions for fifteen (15) staff members exceeded the allowable two-thirds limit during the year under review. This contravenes the Employment Act requirements. Excessive deductions reduce employees' net pay below the statutory minimum, potentially leading to employee pecuniary embarrassment, undermines employee welfare and exposes the Company to legal and industrial relations risks.

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

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

Audit review of the staff establishment of the Water Company revealed that out of a total number of three hundred and forty (340) employees, two hundred and fifty-two (252) or seventy-four or 74% were drawn from a single ethnic community. This contravened the Constitutional and statutory requirements for inclusivity, equity, and fair representation of Kenya's diverse communities in public service, the County Governments Act, and the National Cohesion and Integration Act.

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

### **4. Irregularities in Board Composition and Management**

Review of the Board meeting minutes for both the full Board and its sub-committees as well as disclosure on page v of the financial statements, revealed that the Board comprised only six (6) members contrary to Mwongozo requirements of 7 to 9 members. The gender rule was also not adhered to as the Board had only one (1) female member against five (5) male members, falling short of the Constitutional two-thirds gender principle.

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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

#### **Irregularities in Board Tenure and Renewal Processes**

Review of the key entity information on page v of the financial statements revealed that the Board Chairperson, had served continuously since April, 2018, exceeding the three-year term provided in the Board Charter. Further, Directors appointed in 2020 and 2022 were approaching or may have exceeded their terms. No documentation was provided

on the renewal process. In addition, there was no sufficient evidence that the two-thirds retention principle was considered during the renewal or retirement of directors raising concern on continuity and institutional memory.

In the circumstances, effectiveness of oversight, strategic decision-making and adherence to regulatory and legal requirements could not be confirmed.

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Conclusion

As required by the *Companies Act, 2015*, I report, based on my audit, that except for the matters described in the Basis for Qualified Opinion:

- i. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. The information given in the Directors' report on pages v to xxvi is consistent with the financial statements; and
- iii. The auditable part of the Directors' remuneration report on page 26 has been properly prepared in accordance with the *Companies Act, 2015*.

### Basis for Conclusion

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

### Responsibilities of the Management and Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to 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 Company 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**

**08 December, 2025**

Ruiru-Juja Water and Sewerage Company Ltd  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**XIV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025**

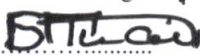
	Note	2024/2025 Kshs	2023/2024 Kshs
<b>REVENUES</b>			
Operating Revenue-Water Sales	6	1,861,986,240	1,171,475,385
Grants -Received and Amortised	7	10,723,780	8,054,200
Other Income	8	41,908,184	28,940,759
Finance Income	9	5,996,712	8,614,157
<b>TOTAL REVENUES</b>		<b>1,920,614,916</b>	<b>1,217,084,501</b>
<b>OPERATING EXPENSES</b>			
Staff Cost	10	313,847,552	291,652,005
Administration Expenses	11	182,439,030	131,466,634
Operational Expenses	12	479,922,400	457,106,986
Maintenance Expenses	13	370,736,849	210,858,809
Board Expenses	14	6,415,207	7,502,451
Regulatory Expenses	15	143,480,100	63,903,515
Depreciation and Amortization Expenses	16	86,934,826	59,383,351
<b>TOTAL OPERATING EXPENSES</b>		<b>1,583,775,964</b>	<b>1,221,873,751</b>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>336,838,952</b>	<b>(4,789,250)</b>
<b>INCOME TAX EXPENSE</b>	17	101,051,686	-
<b>PROFIT AFTER TAXATION</b>		<b>235,787,266</b>	<b>(4,789,250)</b>

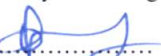
Ruiru-Juja Water and Sewerage Company Ltd  
**Annual Report and Financial Statements for the year ended June 30, 2025**


**XV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025**

	Note	2024/2025 Kshs	2023/2024 Kshs
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	18	483,205,684	533,023,236
Intangible assets	19	37,533,908	47,223,814
Investment property			
<b>Total Non-Current Assets</b>		<b>520,739,592</b>	<b>580,247,050</b>
<b>Current Assets</b>			
Inventories	20	33,256,855	28,360,607
Trade and other receivables	21	637,791,037	350,594,145
Short-term deposits	22	160,000,000	-
Bank and cash balances	23	362,489,575	182,783,886
<b>Total Current Assets</b>		<b>1,193,537,467</b>	<b>561,738,638</b>
<b>TOTAL NON-CURRENT AND CURRENT ASSETS</b>		<b>1,714,277,060</b>	<b>1,141,985,688</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Ordinary share capital	24	40	40
Revaluation reserve	25	7,372,579	7,372,579
Retained earnings	26	706,080,481	470,293,215
<b>Capital and Reserves</b>		<b>713,453,100</b>	<b>477,665,834</b>
<b>Non-Current Liabilities</b>			
Deferred Grant Revenue	27	6,514,024	7,237,804
<b>Total Non-Current Liabilities</b>		<b>6,514,024</b>	<b>7,237,804</b>
<b>Current Liabilities</b>			
Trade and other payables	28	699,556,344	460,356,572
Customer Deposits	29	197,091,546	163,868,546
Tax Liability	30	97,662,046	32,856,932
<b>Total Current Liabilities</b>		<b>994,309,936</b>	<b>657,082,050</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,714,277,060</b>	<b>1,141,985,688</b>

The financial statements were approved by the Board on 30/10/ 2025 and signed on its behalf by:

Director General/C.E. O/M. D  
 Name: Simon Mwangi  
 Sign: 

Head of Finance  
 Name: Mary. N. Karogo  
 Sign: 

Chairman of the Board  
 Name: Samuel Kibuti  
 Sign: 

ICPAK M/NO: 6346

**Reports and Financial Statements for the year ended June 30, 2025****XVI. STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025**

	Ordinary share capital	Revaluation reserve	Retained earnings	Total
<b>At July 1, 2023</b>	<b>40</b>	<b>7,372,579</b>	<b>475,082,465</b>	<b>482,455,084</b>
Over provision of income tax in prior years			-	-
Revaluation of fixed assets				
Total comprehensive income	-	-	(4,789,250)	(4,789,250)
<b>At June 30, 2024</b>	<b>40</b>	<b>7,372,579</b>	<b>470,293,215</b>	<b>477,665,834</b>
<b>At July 1, 2024</b>	<b>40</b>	<b>7,372,579</b>	<b>470,293,215</b>	<b>477,665,834</b>
Over provision of income tax in prior years			-	-
Revaluation of fixed assets				
Total comprehensive income	-	-	235,787,266	235,787,266
<b>At June 30, 2025</b>	<b>40</b>	<b>7,372,579</b>	<b>706,080,481</b>	<b>713,453,100</b>

## Reports and Financial Statements for the year ended June 30, 2025

## XVII. STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2025

	Note	2024-2025	2023-2024
		Kshs	Kshs
<b>Cash Flows From Operating Activities</b>			
<b>Receipts</b>			
Operating Revenue		1,544,288,485	1,037,993,448
Other Income		41,908,184	28,940,759
Finance Income		-	8,614,157
Grants		10,000,000	7,250,000
Customer Deposits		33,223,000	18,225,000
<b>Total Receipts</b>		<b>1,629,419,669</b>	<b>1,101,023,364</b>
<b>Payments</b>			
Staff Costs		293,234,865	290,761,189
Board Expenses		6,415,207	7,502,451
Administration, Operation and Regulatory Expenses		554,145,476	387,171,194
Maintenance		372,244,491	229,599,047
Tax Paid		36,246,572	43,723,220
Total Payments		1,262,286,610	958,757,101
<b>Net Cash From/(Used In) Operating Activities</b>	31(a)	<b>367,133,059</b>	<b>142,266,263</b>
<b>Cash Flows from Investing Activities</b>			
Purchase Of Property, Plant And Equipment (PPE)	18	(24,662,487)	(288,653,377)
Purchase Of Intangible Assets	19	(2,764,883)	(31,872,161)
<b>Net Cash From/(Used In) Investing Activities</b>		<b>27,427,370</b>	<b>(320,525,538)</b>
<b>Cash Flows from Financing Activities</b>			
<b>Net Cash From/(Used In) Financing Activities</b>		-	-
<b>Increase/(Decrease) In Cash And Cash Equivalents</b>		<b>339,705,689</b>	<b>( 178,259,275)</b>
<b>Cash And Cash Equivalents At Beginning Of Year</b>		<b>182,783,886</b>	<b>361,043,161</b>
<b>Cash And Cash Equivalents At End Of The Year</b>		<b>522,489,575</b>	<b>182,783,886</b>

## Reports and Financial Statements for the year ended June 30, 2025

## I XVIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2025

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Performance	Explanation for Variance
	2024/2025	2024/2025	2024/2025	2024/2025	2024/2025	Difference	
	2024/2025	2024/2025	2024/2025	2024/2025	2024/2025	Difference	
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%	
Sale of Water	1,820,877,188	161,734,294	1,982,611,482	1,861,986,240	-120,625,242	-6.08%	
Grant –Received & Amortized	4,500,000	20,000,000	24,500,000	10,723,780	-13,776,220	-56.23%	WSTF has not released the 2nd tranche of funding
Finance Income	8,000,000	-	8,000,000	5,996,712	-2,003,288	-25.04%	Fixed deposit period shorter
Other income	57,591,752	-25,378,802	32,212,950	41,908,184	9,695,234	30.10%	More income from new connections
<b>Total income</b>	<b>1,890,968,940</b>	<b>156,355,492</b>	<b>2,047,324,432</b>	<b>1,920,614,916</b>	<b>-126,709,516</b>	<b>-6.19%</b>	
Expenses					-		
Compensation of employees	427,754,441	-	427,754,441	313,847,552	113,906,889	26.63%	Due to delay in new recruitments
Finance cost	16,000,000	-6,000,000	10,000,000	-	-	0.00%	
Taxation	-	-	-	101,051,686.00	-101,051,686		Taxation not budgeted for
Administration Costs	199,740,913	-	199,740,913	182,439,030	17,301,883	8.66%	
Board Cost	12,960,000	-	12,960,000	6,415,207	6,544,793	50.50%	Fewer meetings were held
Maintenance Cost	343,956,558	-54,000,000	397,956,558	370,736,849	27,219,709	6.84%	Maintenance of sewer allocation not fully utilised
Regulatory Expenses	125,669,522	5,778,219	131,447,741	143,480,100	-12,032,359	-9.15%	
Other Operating costs	560,926,500	-187,226	560,739,274	479,922,400	80,816,874	14.41%	Lower bulk water charges in first 4 months
Wear and Tear	-	-	-	86,934,826	-86,934,826		Wear and tear is not an outflow hence not budgeted
<b>Total expenditure</b>	<b>1,687,007,934</b>	<b>-54,409,007</b>	<b>1,740,598,927</b>	<b>1,684,827,650</b>	<b>45,771,277</b>	<b>2.63%</b>	
<b>Surplus for the period</b>	<b>203,961,006</b>	<b>210,764,499</b>	<b>306,725,505</b>	<b>235,787,266</b>	<b>70,938,239</b>		
<b>Capital Expenditure</b>	<b>544,761,006</b>	<b>-</b>	<b>544,761,006</b>	<b>27,427,370</b>	<b>517,333,636</b>		

PFM Act section 81(2) ii and iv requires a National Government entity to present appropriation accounts showing the status of each vote compared with the appropriation for the vote and a statement explaining any variations between actual expenditure and the sums voted. IFRS does not require entities complying with IFRS standards to prepare budgetary information because most of the entities that apply IFRS are private entities that do not make their budgets publicly available. However, for public sector entities, the PSASB has considered the requirements of the PFM Act, 2012 which these statements comply with, the importance that the budgetary information would provide to the users of the statements and the fact that the public entities make their budgets publicly available and decided to include this statement under the IFRS compliant financial statements.

**Reports and Financial Statements for the year ended June 30, 2025**

**XIX. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

Ruiru-Juja Water and Sewerage Company Ltd is established by and derives its authority and accountability from Water Act No. 43 of 2016. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to provide quality and affordable water and sewerage services in Ruiru and Juja Constituencies in the Kiambu County. For Kenyan Companies Act reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of profit or loss and other comprehensive income in these financial statements

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying Ruiru-Juja Water and Sewerage Company Ltd accounting policies

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Ruiru-Juja Water and Sewerage Company Ltd.

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

**3. ADOPTION OF NEW AND REVISED STANDARDS**

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

IAS 16 — Property, Plant and Equipment	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.	IAS 16 "Property, Plant and Equipment" outlines the accounting treatment for most types of property, plant and equipment. Property, plant and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life.
IAS 37 — Provisions, Contingent Liabilities and Contingent Assets	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.	IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" outlines the accounting for provisions (liabilities of uncertain timing or amount), together with contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable).

IFRS 1 — First-time Adoption of International Financial Reporting Standards	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.	IFRS 1 "First-time Adoption of International Financial Reporting Standards" sets out the procedures that an entity must follow when it adopts IFRS for the first time as the basis for preparing its general-purpose financial statements. The IFRS grants limited exemptions from the general requirement to comply with each IFRS effective at the end of its first IFRS reporting period.
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*The Directors do not plan to apply any of the above until they become effective. Based on their assessment of the potential impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements.*

**ii) Early adoption of standards**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**a) Revenue recognition**

Revenue is recognised to the extent that it is probable that future economic benefits will flow to Ruiru-Juja Water and Sewerage Company Ltd and the revenue can be reliably measured. Revenue is recognised at the fair value of consideration received or expected to be received in the ordinary course of Ruiru-Juja Water and Sewerage Company Ltd activities, net of value-added tax (VAT), where applicable, and when specific criteria have been met for each of Ruiru-Juja Water and Sewerage Company Ltd activities as described below.

- i) **Revenue from the sale of goods and services** is recognised in the year in which Ruiru-Juja Water and Sewerage Company Ltd delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.
- ii) **Grants from National Government** are recognised in the year in which Ruiru-Juja Water and Sewerage Company Ltd actually receives such grants.
- iii) **Finance income** comprises interest receivable from bank deposits and investment in securities, and is recognised in profit or loss on a time proportion basis using the effective interest rate method.
- iv) **Other income** is recognised as it accrues.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**b) In-kind contributions**

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

**c) Property, plant and equipment**

All categories of property, plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses.

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

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

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

**d) Depreciation and impairment of property, plant and equipment**

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

Depreciation on property, plant and equipment is recognised in the income statement on a straight-line basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use are:

Buildings and civil works	40 years
Plant and machinery	10 years
Motor vehicles, including motor cycles	4 years
Computers and related equipment	3 years
Office equipment, furniture and fittings	8 years
Intangible Asset (Computer Software)	5 years

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Depreciation and impairment of property, plant and equipment (Continued)**

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

e) **Intangible assets**

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

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

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

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

g) **Inventories**

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

h) **Trade and other receivables**

Trade and other receivables are recognised at fair values less allowances for any uncollectible amounts. These are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off after all efforts at recovery have been exhausted.

i) **Taxation**

***Current income tax***

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### *Deferred tax*

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

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**j) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**k) Trade and other payables**

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

**l) Retirement benefit obligations**

The entity operates a defined contribution scheme for all full-time employees from July 1, 2013. The scheme is administered by County Pension Fund Scheme and is funded by contributions from both the company and its employees. The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at 7.5% employee and 15% employer contribution per employee per month.

**m) Budget information**

The original budget for FY 2024-2025 was approved by the Board of Directors.

The entity'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.

**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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### o) Subsequent events

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

## 5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Entity'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.

### 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 Entity based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

### Useful lives and residual values

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

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

### Provisions

Provisions 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.

Ruiru-Juja Water and Sewerage Company Ltd  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

	<b>2024/2025</b>	<b>2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>6 SALES</b>		
Sale of Water	1,861,986,240	1,171,475,385
	<b><u>1,861,986,240</u></b>	<b><u>1,171,475,385</u></b>
	=====	=====
<b>7 GRANTS FROM GOVERNMENT AND OTHER AGENCIES</b>		
Grant Revenue-Amortized	723,780	804,200
Grant Income-Athi Water	-	-
Grant Income-WSTF	10,000,000	2,250,000
Grant Income-County Government of Kiambu	-	5,000,000
	<b><u>10,723,780</u></b>	<b><u>8,054,200</u></b>
	=====	=====
<b>8 OTHER INCOME</b>		
Water Application fees	19,618,000	14,372,000
Sewer Application fees	6,435,650	1,845,000
Sewer Exhausting	920,000	536,850
Miscellaneous Income and Others	14,934,534	12,186,909
	<b><u>41,908,184</u></b>	<b><u>28,940,759</u></b>
	=====	=====
<b>9 FINANCE INCOME</b>		
Interest income on bank deposits	5,996,712	8,614,157
	<b><u>5,996,712</u></b>	<b><u>8,614,157</u></b>
	=====	=====
<b>10 STAFF COSTS</b>		
Salaries, wages and other allowances	270,233,763	250,185,166
Pension	17,187,928	16,554,241
NSSF	7,773,065	4,026,835
Annual staff bonus	6,290,000	6,320,000
Gratuity-contract employees	8,636,668	11,360,684
Affordable Housing Levy	3,726,128	3,205,079
	<b><u>313,847,552</u></b>	<b><u>291,652,005</u></b>
	=====	=====
<b>11 ADMINISTRATION EXPENSES</b>		
Advertising Expenses	760,891	1,699,649
General office Expenses	8,949,678	4,801,509
Hospitality Expenses	377,770	4,405,966
Stationery & Printing	1,758,713	1,742,812
Education and Training	20,950,050	6,451,231
Provision for Bad debts	15,884,888	6,674,097

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Travel & Accommodation	24,178,186	15,268,602
Telephone & Postage	1,835,918	656,500
Audit, Professional & Consultancy fees	5,277,600	4,591,187
Bank Charges	424,871	376,080
I.T. Costs	12,456,507	6,055,270
Electricity	604,131	540,998
Security Expenses	13,577,048	12,693,481
Environment Conservation & CSR	4,333,732	2,380,355
Contingencies	-	-
Transport Expenses	26,869,068	20,044,959
Insurance	5,807,429	6,551,404
Subscriptions	694,285	362,210
Protective clothing	3,524,330	3,445,737
Staff Welfare & WASCO expenses	7,465,937	4,586,490
Medical Insurance	24,126,678	26,798,097
Rent and Rates	1,145,000	580,000
Stakeholders Forum	1,242,520	760,000
Mass Disconnection Expenses	193,800	-
	<b><u>182,439,030</u></b>	<b><u>131,466,634</u></b>
<b>12 OPERATIONAL EXPENSES</b>		
Bulk Water	282,603,088	321,433,467
Chemicals	34,976,133	18,158,422
Billings	12,733,282	1,843,956
Water User Fees	30,420,026	5,097,027
Electricity	114,631,192	107,111,976
Water Quality	4,558,679	3,462,138
Compensation for way leave	-	-
	<b><u>479,922,400</u></b>	<b><u>457,106,986</u></b>
<b>13 MAINTENANCE EXPENSES</b>		
Office & Operations Maintenance	28,944,808	11,165,647
Maintenance of Buildings	3,015,719	354,170
Vehicle Maintenance	10,324,998	6,808,737
Maintenance of Water Systems	280,606,067	169,487,114
Sewerage Systems Maintenance	<u>47,845,257</u>	<u>23,043,141</u>
	<b><u>370,736,849</u></b>	<b><u>210,858,809</u></b>
<b>14 BOARD EXPENSES</b>		
	<u>6,415,207</u>	<u>7,502,451</u>
	<b><u>6,415,207</u></b>	<b><u>7,502,451</u></b>
<b>15 REGULATORY EXPENSES</b>		
Administration Cost to AWSB	67,469,639	16,939,500
National Environment Management Authority fees	330,050	105,000
Regulatory Fees to WASREB	<u>75,680,411</u>	<u>46,859,015</u>
	<b><u>143,480,100</u></b>	<b><u>63,903,515</u></b>

Ruiru-Juja Water and Sewerage Company Ltd  
Annual Report and Financial Statements for the year ended June 30, 2025

**16. Depreciation and Amortization Expenses**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>KShs</b>	<b>KShs</b>
Property, plant, and equipment	74,480,037	46,722,034
Intangible assets	12,454,789	12,661,317
<b>Total Depreciation and Amortization</b>	<b>86,934,826</b>	<b>59,383,351</b>

Ruiru-Juja Water and Sewerage Company Ltd  
**Annual Report and Financial Statements for the year ended June 30, 2025**

	2024/2025 Kshs	2023/2024 Kshs
<b>17 INCOME TAX EXPENSE/ (CREDIT)</b>		
<b>(a) Current taxation</b>		
Current taxation based on the adjusted (loss)/profit for the year at 30%	101,051,686	-
	<u>101,051,685</u>	<u>-</u>
<b>(b) Reconciliation of tax expense/(credit) to the expected tax based on accounting profit</b>		
Profit before taxation	336,838,952	(4,789,250)
Tax at the applicable tax rate of 30%	<u>101,051,686</u>	<u>-</u>
	<u>235,787,266</u>	<u>(4,789,250)</u>

## Reports and Financial Statements for the year ended June 30, 2025

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 18 PROPERTY, PLANT AND EQUIPMENT

2025	Freehold land	Buildings & civil works	Plant and machinery	Motor vehicles, including, motor cycles	Computers & related equipment	Office equipment, furniture & fittings	Capital work in progress	Total
<b>COST OR VALUATION</b>								
At July 1, 2024	-	331,377,950	65,337,849	34,010,570	11,765,203	8,298,440	236,016,643	686,806,655
Additions	-	4,840,216	6,130,217	10,879,800	1,683,997	1,128,255	-	24,662,485
Revaluation								-
Transfer	-	236,016,643					-236,016,643	-
Disposals	-	-	-	-	-	-	-	-
<b>At June 30, 2025</b>	-	<b>572,234,809</b>	<b>71,468,066</b>	<b>44,890,370</b>	<b>13,449,200</b>	<b>9,426,695</b>	-	<b>475,452,496</b>
<b>DEPRECIATION</b>								
At July 1, 2024	-	117,442,589	10,894,759	17,005,285	6,765,462	1,675,322	-	153,783,416
Adjustment								
Charge for the year	-	50,449,236	7,146,806	11,222,593	4,483,066	1,178,337	-	74,480,038
Impairment loss	-	-	-	-	-	-	-	-
Eliminated on disposal	-	-	-	-	-	-	-	-
<b>At June 30, 2025</b>	-	<b>167,891,825</b>	<b>18,041,565</b>	<b>28,227,878</b>	<b>11,248,528</b>	<b>2,853,659</b>	-	<b>228,263,455</b>
<b>NET BOOK VALUE</b>								
<b>At June 30, 2025</b>	-	<b>404,342,984</b>	<b>53,426,501</b>	<b>16,662,492</b>	<b>2,200,672</b>	<b>6,573,036</b>	-	<b>483,205,685</b>

Ruiru-Juja Water and Sewerage Company Ltd  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**18 PROPERTY, PLANT AND EQUIPMENT**

2024	Freehold land	Buildings & civil works	Plant and machinery	Motor vehicles, including, motor cycles	Computers & related equipment	Office equipment, furniture & fittings	Capital work in progress	Total
<b>COST OR VALUATION</b>								
At July 1, 2023	-	293,425,547	43,609,771	34,010,570	8,531,181	5,104,132	40,469,916	425,151,117
Additions	-	24,480,326	21,728,078		3,234,022	3,194,308	236,016,643	288,653,377
Revaluation								
Transfer	-	13,472,076					(40,469,916)	(26,997,840)
Disposals	-	-	-	-	-	-	-	-
<b>At June 30, 2024</b>	<b>-</b>	<b>331,377,950</b>	<b>65,337,849</b>	<b>34,010,570</b>	<b>11,765,203</b>	<b>8,298,440</b>	<b>236,016,643</b>	<b>686,806,655</b>
<b>DEPRECIATION</b>								
At July 1, 2023	-	90,716,023	4,360,977	8,502,643	2,843,727	638,017	-	107,061,387
Adjustment								
Charge for the year	-	26,726,567	6,533,785	8,502,643	3,921,735	1,037,305	-	46,722,034
Impairment loss	-	-	-	-	-	-	-	-
Eliminated on disposal	-	-	-	-	-	-	-	-
<b>At June 30, 2024</b>	<b>-</b>	<b>117,442,589</b>	<b>10,894,762</b>	<b>17,005,285</b>	<b>6,765,462</b>	<b>1,675,322</b>	<b>-</b>	<b>153,783,419</b>
<b>NET BOOK VALUE</b>								
<b>At June 30, 2024</b>	<b>-</b>	<b>213,935,361</b>	<b>54,443,087</b>	<b>17,005,285</b>	<b>4,999,741</b>	<b>6,623,118</b>	<b>236,016,643</b>	<b>533,023,236</b>

**18 (b) Property, Plant and Equipment at Cost**

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

	<b>Cost</b>	<b>Normal annual depreciation charge</b>
Civil Works	32,223,481	3,222,348
<b>Total</b>	<b>32,223,481</b>	<b>3,222,348</b>

Ruiru-Juja Water and Sewerage Company Ltd  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

	<b>2024/2025</b>	<b>2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>19 INTANGIBLE ASSETS</b>		
<b>COST</b>		
At July 1	63,683,355	4,813,35
Additions	2,764,883	31,872,160
Transfer from work in progress	-	26,997,840
Disposals	-	-
At June 30	<b>66,448,238</b>	<b>63,683,355</b>
<b>AMORTISATION</b>		
At July 1	16,459,541	3,798,224
Charge for the year	12,454,789	3,798,224
Disposals	-	-
Impairment loss	-	-
At June 30	<b>28,914,330</b>	<b>16,459,541</b>
<b>NET BOOK VALUE</b>		
At June 30	<b>37,533,908</b>	<b>47,223,814</b>
<b>20 INVENTORIES</b>		
Pipes & Fittings	24,807,907	23,300,265
Chemicals	1,834,278	465,478
Stationery and general stores	2,870,072	1,387,589
Hardware items	3,528,626	2,700,845
Water Stocks	215,972	291,579
Laboratory Reagents	-	214,851
	<b>33,256,855</b>	<b>28,360,607</b>
<b>21 TRADE AND OTHER RECEIVABLES</b>		
Trade receivables (note 21 (a))	661,991,861	344,294,106
Prepayments	-	21,710,801
Interest Receivable	5,996,712	-
Deposits Receivable	1,670,000	1,670,000
Staff Receivables	1,232,057	133,943
Gross trade and other receivables	670,890,630	367,808,850
Other: Provision for bad and doubtful receivable	(33,099,593)	(17,214,705)
Net trade and other receivables	<b>637,791,037</b>	<b>350,594,145</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2024/2025	2023/2024
	Kshs	Kshs
<b>21 (a) TRADE RECEIVABLES</b>		
Gross trade receivables	661,991,861	344,294,106
Provision for doubtful receivables	(33,099,593)	(17,214,705)
	<b>628,892,268</b>	<b>327,079,401</b>
	=====	=====
As at 30 <sup>th</sup> June 2025, ageing analysis of gross trade receivables was as follows;		
Less than 30 days	185,016,173	108,775,276
Between 31 to 60 days	368,994,448	179,359,069
Between 61 to 90 days	3,014,881	1,568,004
Between 91 to 120 days	2,868,981	1,492,123
Over 120 days	102,097,378	53,099,634
	<b>661,991,861</b>	<b>344,294,106</b>
	=====	=====
<b>22 SHORT TERM DEPOSITS</b>		
Kenya Commercial Bank	160,000,000	-
Postbank	-	-
	<b>160,000,000</b>	<b>-</b>
	=====	=====
<b>23 BANK AND CASH BALANCES</b>		
Cash at bank	362,430,541	182,728,908
Cash in hand	59,034	54,978
	<b>362,489,575</b>	<b>182,783,886</b>
	=====	=====

The bulk of the cash at bank was held at Kenya Commercial Bank ,Family Bank, ABSA Bank Kenya and Postbank, Ruiru-Juja Water and Sewerage Company Ltd main bankers..

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

The make – up of bank balances and short term deposits is as follows:

**Detailed analysis of the cash and cash equivalents**

		2024-2025	2023-2024
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank- Revenue	1102724033	134,015,529	12,528,297
Kenya Commercial bank- Expenditure	1102730769	88,101,611	29,731,365
Kenya Commercial bank- Deposit	1102730939	24,531,137	125,501,815
ABSA Bank-Collection	0721051722	11,820,854	1,428,895
Family Bank-Collection	024000002855	86,246,354	10,772,269
Postbank-Collection	0744130011658	3,802,447	441,884
Family Bank-WSTF Grant	024000036694	11,754,273	2,249,383
Family Bank-WSTF Escrow	024000054130	2,158,336	75,000
Sub- total		362,430,541	182,728,908
<b>b)</b>			
<b>b) Fixed deposits account</b>			
Kenya Commercial bank	MM/25038/S4W90	160,000,000	-
Sub- total		160,000,000	-
<b>c)</b>			
<b>c) Others(specify)</b>			
Cash in hand		59,034	54,978
Sub- total		59,034	54,978

	2024/2025	2023/2024
	Kshs	Kshs
<b>24 ORDINARY SHARE CAPITAL</b>		
<b>Authorised:</b>		
5000 ordinary shares of Kshs.20 par value each	100,000	100,000
	=====	=====
<b>Issued and fully paid:</b>		
2 ordinary shares of Kshs.20 par value each	40	40
	=====	=====

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**25 REVALUATION RESERVE**

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

**26 RETAINED EARNINGS**

The retained earnings represent surplus from operations which is utilised to finance Ruiru-Juja Water and Sewerage Company Ltd business activities.

	<b>2024/2025</b>	<b>2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>27 DEFERRED GRANT REVENUE</b>		
Deferred Grant Revenue	7,237,804	8,042,005
Grant Amortised	<u>(723,780)</u>	<u>(804,201)</u>
Balance at end of the year	<b><u>6,514,024</u></b>	<b><u>7,237,804</u></b>

	<b>2024/2025</b>	<b>2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>28 TRADE AND OTHER PAYABLES</b>		
Trade payables	398,449,258	164,593,094
AWWDA Bulk water provision	282,337,003	276,735,515
Accrued Expenses	13,201,864	13,459,743
Insurance Claims	1,399,126	1,399,126
Gratuity Accrual for Contract staff	4,169,093	4,169,093
	<b><u>699,556,344</u></b>	<b><u>460,356,571</u></b>

**29 CUSTOMER DEPOSITS**

At beginning of the period	163,868,546	145,643,546
Add: deposits received during the year	33,223,000	18,225,000
Less: refunded deposits during the year	-	-
	<b><u>197,091,546</u></b>	<b><u>163,868,546</u></b>

**30 TAX LIABILITY**

The movement on the tax liability account is as follows:

	<b>2024/2025</b>	<b>2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Balance at beginning of the year	32,856,931	76,580,151
Payment	(36,246,571)	(43,723,220)
Over provision of income tax in prior years	-	-
Provision for the year	101,051,686	-
Balance at end of the year	<b><u>97,662,046</u></b>	<b><u>32,856,931</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

	2024/2025	2023/2024
	Kshs	Kshs
<b>31 NOTES TO THE STATEMENT OF CASH FLOWS</b>		
<b>(a) Reconciliation of operating profit/(loss) to cash generated from/ (used in) operations</b>		
Operating (loss)/profit	336,838,952	(4,789,250)
Depreciation	74,480,038	46,722,034
Amortisation	12,454,789	12,661,317
Grant Revenue	(723,780)	(804,200)
(Gain)/loss on disposal of property, plant and equipment	-	-
Operating profit/(loss) before working capital changes	<u>423,049,999</u>	<u>53,789,901</u>
(Increase)/decrease in inventories	(4,896,248)	(20,699,314)
(Increase)/decrease in trade and other receivables	(287,196,894)	(126,087,024)
Increase/(decrease) in trade and other payables	239,199,773	260,760,921
Increase/(decrease) in customer deposits	33,223,000	18,225,000
Tax Payment	<u>(36,246,571)</u>	<u>(43,723,220)</u>
Cash generated from/(used in) operations	<u>367,133,059</u>	<u>142,266,263</u>
	=====	=====
<b>(b) Analysis of changes in loans/overdrafts</b>		
Increase/(decrease) in bank overdraft	-	-
<b>(c) Analysis of cash and cash equivalents</b>		
Short term deposits	160,000,000	-
Cash at bank	362,430,541	182,728,908
Cash in hand	59,034	54,978
Balance at end of the year	<u>522,489,575</u>	<u>182,783,886</u>
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****32 RELATED PARTY DISCLOSURES****(a) County Government of Kiambu**

The County Government of Kiambu is the principal shareholder of Ruiru-Juja Water and Sewerage Company Ltd, holding 100% of Ruiru-Juja Water and Sewerage Company Ltd equity interest. The Government of Kenya through Athi Water Services Board has provided full guarantees to all long-term lenders of the entity, both domestic and external.

	<b>2024/2025</b>	<b>2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Transactions with related parties</b>		
<b>a) Grants from the Government</b>		
Grants from WSTF-amortized	723,780	804,200
Grants from WSTF	10,000,000	2,250,000
Grants from AWWDA	-	-
Grants from County Government of Kiambu	-	5,000,000
Donations in kind	-	-
<b>Total</b>	<b>10,723,700</b>	<b>8,054,200</b>
<b>b) Key management compensation</b>		
Directors' emoluments	6,415,207	7,502,451
Compensation to the CEO	8,466,314	7,559,209
Compensation to key management	33,870,853	30,241,833
<b>Total</b>	<b>48,752,374</b>	<b>45,303,493</b>

**33 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 company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

**(i) Credit risk**

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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of

allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**34 FINANCIAL RISK MANAGEMENT (Continued)**

**(i) Credit risk (Continued)**

	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impaired Kshs</b>
<b>At 30 June 2025</b>				
Trade Receivables	661,991,861	661,991,861	-	-
Other Receivables	8,898,769	8,898,769	-	-
Cash and Bank balances	522,489,575	522,489,575	-	-
<b>Total</b>	<b>1,193,380,205</b>	<b>1,193,380,205</b>	-	-
<b>At 30 June 2024</b>				
Trade Receivables	344,294,106	344,294,106	-	-
Other Receivables	23,514,744	23,344,744	-	-
Cash and Bank balances	182,783,886	182,783,886	-	-
<b>Total</b>	<b>550,592,736</b>	<b>550,592,736</b>	-	-

*(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)*

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

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

**ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the 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 company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**34 FINANCIAL RISK MANAGEMENT (Continued)**

**ii) Liquidity risk management (Continued)**

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2025</b>				
Trade Payables	-	669,556,344	-	669,556,344
Tax Liability	-	97,662,046	-	97,662,046
Refundable Customer Deposits		-	197,091,546	197,091,546
<b>Total</b>	<b>-</b>	<b>767,218,390</b>	<b>197,091,546</b>	<b>964,309,936</b>
<b>At 30 June 2024</b>				
Trade Payables	-	460,356,571	-	460,356,571
Tax Liability	-	32,856,931	-	32,856,931
Refundable Customer Deposits		-	163,868,546	163,868,546
<b>Total</b>	<b>-</b>	<b>493,213,502</b>	<b>163,868,546</b>	<b>657,082,048</b>

**(iii) Market risk**

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****a) Foreign currency risk**

The entity has no transactional currency exposures.

**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 company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

*Management of interest rate risk*

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

*Sensitivity analysis*

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

**iv) Capital Risk Management**

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

	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Revaluation reserve	7,372,579	7,372,579
Retained earnings	706,080,481	470,293,215
Capital reserve	-	-
<b>Total funds</b>	<b>713,453,060</b>	<b>477,665,794</b>
Total borrowings	-	-
Less: cash and bank balances	522,489,575	182,783,886
Net debt/(excess cash and cash equivalents)	(522,489,575)	(182,783,886)
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

**35 INCORPORATION**

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

**36 EVENTS AFTER THE REPORTING PERIOD**

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

**37 CURRENCY**

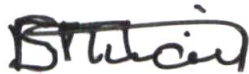
The financial statements are presented in Kenya Shillings (Kshs).

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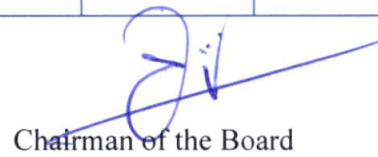
**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Revaluation of Fully Depreciated Water and Sewer Infrastructure	The management is exploring how revaluation of these assets can be done	Managing Director Simon Mwangi	Not Resolved	Continuous
2	Non-Compliance with law on board meetings	The Board allowance while attending training/retreat were counted as board meetings. CEC (Water) to Approve all special meetings.	Managing Director Simon Mwangi	Resolved	Financial year 2024/25
4	Excess Non-Revenue Water	Management has put measures to reduce NRW to acceptable level	Technical Manager Mary Mwangi	Not Resolved	Continuous
5	Use of Expired Tariff	A new tariff was approved and gazetted	Managing Director Simon Mwangi	Resolved	In Financial Year 2024/2025
6	Internal Audit Understaffing and Lack of Departmental Budget	The Company recruited Audit manager and Internal auditor	Managing Director Simon Mwangi	Resolved	In Financial Year 2024/2025



Managing Director



Chairman of the Board

Date... 31/10/2025

Date... 31/10/2025

**APPENDIX II: PROJECTS IMPLEMENTED BY RUIRU JUJA AND SEWERAGE COMPANY**

**Status of Projects completion**

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
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**APPENDIX III: INTER-ENTITY TRANSFERS**

**Ruiru Juja Water and Sewerage Company Ltd**

**Breakdown of Transfers from Other Water companies in Kiambu County**

		Bank Statement Date	Amount	Purpose	FY to which the amount relate
<b>a</b>	<b>Direct Receipts</b>				
1	Karuri Water And Sanitation Co. Ltd	18/07/2024	48,000	Bacteriological & physiochemical analysis	2024/2025
2	Kiambu Water And Sewerage Co. Ltd	24/07/2024	21,000	Bacteriological analysis	2024/2025
3	Githunguri Water And Sanitation Co.	14/08/2024	32,000	Bacteriological & physiochemical analysis	2024/2025
4	Kikuyu Water Co. Ltd	27/08/2024	51,000	physiochemical analysis	2024/2025
5	Kiambu Water And Sewerage Co. Ltd	27/08/2024	7,000	Bacteriological analysis	2024/2025
6	Kiambu Water And Sewerage Co. Ltd	30/10/2024	42,000	Bacteriological analysis	2024/2025
7	Kikuyu Water Company Ltd	5/11/2024	24,000	physiochemical analysis	2024/2025
8	Karuri Water And Sanitation Co. Ltd	13/11/2024	52000	Bacteriological & physiochemical analysis	2024/2025
9	Kiambu Water And Sewerage Co. Ltd	27/11/2024	15,000	Bacteriological analysis	2024/2025
10	Kiambu Water And Sewerage Co. Ltd	24/12/2024	25,000	Bacteriological analysis	2024/2025
11	Karuri Water & Sanitation Co. Ltd	08/01/2025	12,000	Bacteriological analysis	2024/2025
12	Limuru Water & Sewerage Co. Ltd	07/02/2025	7,000	Bacteriological analysis	2024/2025
13	Karuri Water & Sanitation Co. Ltd	10/02/2025	12,000	Bacteriological analysis	2024/2025
14	Kiambu Water & Sewerage Co. Ltd	13/02/2025	16,000	Bacteriological analysis	2024/2025
15	Kiambu Water & Sewerage Co. Ltd	19/02/2025	25,000	Bacteriological analysis	2024/2025

		Bank Statement Date	Amount	Purpose	FY to which the amount relate
<b>a</b>	<b>Direct Receipts</b>				
18	Karuri Water & Sanitation Co. Ltd	02/04/2025	9,000	Bacteriological analysis	2024/2025
19	Githunguri Water & Sanitation Co.	10/04/2025	52,000	Bacteriological & physiochemical analysis	2024/2025
20	Kiambu Water & Sewerage Co. Ltd	25/04/2025	32,000	Bacteriological analysis	2024/2025
21	Githunguri Water & Sanitation Co.	21/05/2025	40,000	Bacteriological & physiochemical analysis	2024/2025
22	Githunguri Water & Sanitation Co.	16/06/2025	40,000	Bacteriological & physiochemical analysis	2024/2025
23	Kiambu Water & Sewerage Co. Ltd	19/06/2025	15,000	Bacteriological analysis	2024/2025
18	Karuri Water & Sanitation Co. Ltd	02/04/2025	9,000	Bacteriological analysis	2024/2025
19	Githunguri Water & Sanitation Co.	10/04/2025	52,000	Bacteriological & physiochemical analysis	2024/2025
20	Kiambu Water & Sewerage Co. Ltd	25/04/2025	32,000	Bacteriological analysis	2024/2025
21	Githunguri Water & Sanitation Co.	21/05/2025	40,000	Bacteriological & physiochemical analysis	2024/2025
22	Githunguri Water & Sanitation Co.	16/06/2025	40,000	Bacteriological & physiochemical analysis	2024/2025
23	Kiambu Water & Sewerage Co. Ltd	19/06/2025	15,000	Bacteriological analysis	2024/2025
18	Karuri Water & Sanitation Co. Ltd	02/04/2025	9,000	Bacteriological analysis	2024/2025
19	Githunguri Water & Sanitation Co.	10/04/2025	52,000	Bacteriological & physiochemical analysis	2024/2025
20	Kiambu Water & Sewerage Co. Ltd	25/04/2025	32,000	Bacteriological analysis	2024/2025
21	Githunguri Water & Sanitation Co.	21/05/2025	40,000	Bacteriological & physiochemical analysis	2024/2025

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**APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

<b>Name of the MDA/Donor Transferring the funds</b>	<b>Date received as per bank statement</b>	<b>Nature: Recurrent/ Development /Others</b>	<b>Total Amount - KES</b>	<b>Deferred Income</b>	<b>Receivables</b>	<b>Others - must be specific</b>	<b>Total Transfers during the Year</b>
Water Service Trust Fund (WSTF)	2016	Development	18,682,039	6,514,024	-	-	723,780
Water Services Trust Fund (WSTF)	2024-2025	Recurrent	10,000,000	-	-	-	10,000,000
<b>Total</b>			<b>28,682,039</b>	<b>6,514,024</b>	-	-	<b>10,723,780</b>