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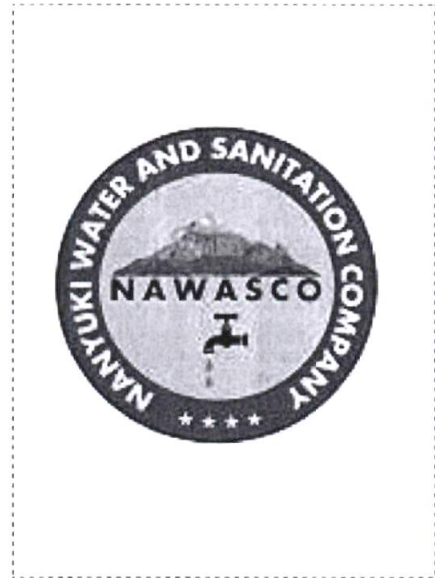
OF

THE AUDITOR-GENERAL

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COMMITTEE	
CLERK AT THE TABLE	Tiffany

NANYUKI WATER AND SANITATION  
COMPANY LIMITED

FOR THE YEAR ENDED  
30 JUNE, 2025



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**NANYUKI WATER AND SANITATION COMPANY**

**ANNUAL REPORT 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)



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## **1. Acronyms and Glossary of Terms**

### **A. Acronyms**

<i>CEO</i>	<i>Chief Executive Officer</i>
<i>DG</i>	<i>Director General</i>
<i>IAS</i>	<i>International Accounting Standards</i>
<i>IASB</i>	<i>International Accounting Standard Board</i>
<i>IFRS</i>	<i>International Financial Reporting Standards</i>
<i>ICS</i>	<i>Institute of Certified Secretaries</i>
<i>ICPAK</i>	<i>Institute of Certified Public Accountants of Kenya</i>
<i>NT</i>	<i>National Treasury</i>
<i>PFMA</i>	<i>Public Finance Management Act</i>
<i>MD</i>	<i>Managing Director</i>
<i>PFM</i>	<i>Public Financial Management</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>WASREB</i>	<i>Water Services Regulatory Board</i>

### **B. Definition of Key Terms**

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

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



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**2. Key Entity Information**

**Background information**

The enactment of the Water Act 2002 led to the creation of Water Services Regulatory Authority (WASREB), Water Service boards and Water Service Providers to spearhead the water sector reform programme. NAWASCO is a Water Service Provider, a company limited by shares and incorporated under the Companies Act of Kenya cap 486 and operates under supervision of County Government of Laikipia under water act 2016 where water provision became a devolved function. NAWASCO has been mandated by County Government of Laikipia through a Service Provision Agreement (SPA) to carry out water and sewerage services in Nanyuki town and its environs. The company takes charge of public resources in order to provide quality, affordable, reliable, sustainable and portable water and sanitation in the target community. NAWASCO is wholly owned by Laikipia County Government.

**Principal activity**

The mandate of NAWASCO is to ensure efficient and sustainable provision of quality and affordable water and sanitation services in Nanyuki and its environs.

**Main business activity**

The company’s main business activity is captured in its strategic objectives which are:

1. Increase and sustain access to potable water and safe sanitation services,
2. Grow commercial and financial viability and sustainability,
3. Improve customer service experience,
4. Strengthen operational processes,
5. Strengthen human capital and promote innovation.

**Directors**

The members of the Board of Directors who served during the year are shown on page VI-VII

1	Martin Wahome Muchiri	Chairman	Appointed on 11 <sup>th</sup> January 2023
2	Lawrence Ashford Nteere	Vice chairman	Appointed on 11 <sup>th</sup> January 2023
3	Stephen Ndungu Munene	Member	Appointed on 11 <sup>th</sup> January 2023
4	John Emmanuel Wangai	Member	Appointed on 11 <sup>th</sup> January 2023
5	Mercy Muthoni Ndungu	Member	Appointed on 11 <sup>th</sup> January 2023
6	Denis Kaniaru Mathenge	Member	Appointed on 11 <sup>th</sup> January 2023 Left on 30 <sup>th</sup> September 2024
7	Robert Mworia	Member	Appointed on 11 <sup>th</sup> January 2023
8	Mike Kingori	Company Secretary	27 <sup>th</sup> Nov 2012
9	Eng. Kennedy Gitonga	Managing Director	

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**Company Secretary**

CS Muriithi Kingori  
Kingstone Registrars  
P.O. Box 1494 –10400 Nanyuki.

**Registered office**

NAWASCO Building  
Nanyuki – Meru Road  
P.O. Box 995- 10400

**Corporate headquarters**

NAWASCO Building  
Nanyuki – Meru Road  
P.O. Box 995- 10400

**Corporate contacts**

Telephone : 254 06331351  
Email: [Nawascom@yahoo.com](mailto:Nawascom@yahoo.com)  
Website: [www.nawasco.co.ke](http://www.nawasco.co.ke)

**Corporate Bankers**

- (a) Kenya Commercial Bank Limited  
Nanyuki Branch  
P.O. Box 323-10400  
Nanyuki
- (b) Equity Bank  
Nanyuki Branch  
P.O. Box 323-10400  
Nanyuki
- (c) Family Bank  
Nanyuki Branch  
P.O. Box 323-10400  
Nanyuki
- (d) Sidian Bank  
Nanyuki Branch  
P.O. Box 323-10400  
Nanyuki

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(e) Consolidated Bank of Kenya Limited

Nyeri Branch

P.O. Box 51133-00200.

Nairobi

**Independent Auditors**

Auditor General

The office of Auditor General

Anniversary Towers, University way

P. O. Box 30084 – 00100

Nairobi

**Principal Lawyer Advisor**

The Attorney General

State Law Office, Harambee Avenue

P.O. Box 40112







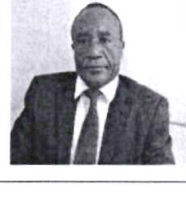
City Square 00200

Nairobi.

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**3. THE BOARD OF DIRECTORS**






The Board of Directors who held office during the year were:

	<b>NAMES &amp; ADDRESS</b>	<b>Representing</b>	<b>Remarks</b>	<b>D.O.B</b>	<b>Date of appointment</b>	<b>Qualifications</b>	
1	Martin Wahome Muchiri P.O Box 995-10400 Nanyuki	Professional Organization	Chairman	1975	11 <sup>th</sup> January 2023	Degree Building/Civil Engineering	
2	Lawrence Ashford Nteere P.O Box 995-10400 Nanyuki	Residents Organization	Member-Chairs Audit committee	1952	11 <sup>th</sup> January 2023	Degree Civil Engineering	
3	Stephen Ndungu Munene P.O Box 995-10400 Nanyuki	Business Community	Technical Committee	1961	11 <sup>th</sup> January 2023	BBM MBA	
4	John Emmanuel Wangai P.O Box 995-10400 Nanyuki	County Government	Finance Committee	1997	11 <sup>th</sup> January 2023	LLB (Hons)	
5	Mercy Muthoni Ndungu P.O Box 995-10400 Nanyuki	Women Organizations	Finance Committee	1962	11 <sup>th</sup> January 2023	BED	
6	Denis Kaniaru Mathenge P.O Box 995-10400 Nanyuki	Youth & PWD Organizations	Audit Committee	1990	11 <sup>th</sup> January 2023	BED	
7	Robert Mworira P.O Box 995-10400 Nanyuki	County Government	Technical Committee	1964	11 <sup>th</sup> January 2023		

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8	Mike Kingori P.O Box 995-10400 Nanyuki	Company Secretary	Company Secretary	1969	27 <sup>th</sup> Nov 2012	ICPS (K) MN.1948	
9	Kennedy Gitonga P.O. Box 995-10400 Nanyuki	Managing Director	Managing Director	1976		Bsc (Civil Engineering)	

**4. Key Management Team**

NO	MANAGEMENT	Designation	Y.O.B	Qualifications	
1.	Kennedy Gitonga P.O Box 995-10400 Nanyuki	Managing Director	1976	Bsc (Civil Engineering)	
2.	Wachira Gakuru P.O Box 995-10400 Nanyuki	Commercial Manager	6 <sup>th</sup> Oct 1965	B.Com (Accounting option)	
3	Joseph Irungu Maina	Technical Services Manager	1 <sup>st</sup> January 1979	MSc. Sanitation	
4.	Caroline Kihonge P.O. Box 995-10400 Nanyuki	Human Resource & Administration Manager	19 <sup>th</sup> March 1982	LLB CHRP	
5.	CPA Paul Mwangi P.O. Box 995-10400 Nanyuki	Finance Manager	8 <sup>th</sup> January 1971	B.A (Economics), CPA (K) MN.4931	

**5. Chairman's Statement**

It is my pleasure to release our annual report and financial statements for the year ended June 30, 2025. The period has had its challenges and it is quite evident that there exists a gap whereby capacity must be built to enable all parties appreciate the role of NAWASCO, its challenges and how the County Government can intervene.

Early in the period of reforms in the water sector (before year 2002), it was recognized that if water services were to be eventually sustainable so that operation and maintenance expenses could be covered, facilities rehabilitated and expanded so as to eventually cover every homestead, water services revenues were to be safeguarded and ring fenced so that they were ploughed back exclusively to the water sector to grow it. Please refer to chapter 1 and Chapter 2 of the National Water Services Strategy 2007 -2015. For the last 10 years Water Services Regulatory Board (WASREB) has been nurturing ring fencing of assets and revenues to ensure that the water companies are able to perform the services optimally.

- The Public view of NAWASCO as a profit-making organization. Procedures of tariff application which are based on bare cost recovery need to be clearly explained to them.
- The difference between irrigation and domestic water needs to be explained as the two have been seen as one and the same. There is an upsurge of irrigation water being used for domestic purposes. This is in contravention of the conditions under which irrigation water is licensed and the County Government should clarify and enforce adherence to the conditions under which irrigation water is licensed.
- There is need to instil the fact that the development of domestic water infrastructure is the mandate of the County Government of Laikipia as the tariff does not provide for major development expenditure.

Our vision, mission and core values are very clear, and it is my belief that our presence has already been felt in many households. This has been possible through the continued cooperation with all the stakeholders. NAWASCO will strive to ensure that the residents of its area of jurisdiction will have a 24 hours' water services every day.

We believe our good relations with our customers; good management principles and policies will always remain the driving force of our company in order to execute our mandate. This will ensure that we make a difference in the livelihood of our customers, a task I believe we are happy and willing to achieve. Currently we are within the strategic plan covering the year 2023 to 2028.

Finally, I would wish to extend my sincere gratitude to the NAWASCO Board of Directors, Water Services Regulatory Board, County Government of Laikipia, Ministry of Environment Water and Natural Resources and our customers for their support. I would also thank the management and staff of NAWASCO for their continued hard work over the financial year.

Thank you and God bless you all.

  
Martin Wahome Muchiri  
**Chairman, NAWASCO Board of Directors**



## **6. Report of the Managing Director**

### **Introduction**

Following the enactment of the Water Act of 2002 that envisioned reforms in the water sector, Nanyuki Water and Sanitation Company Ltd, (NAWASCO) was created and registered under the Company's Act (Cap 486) on 6<sup>th</sup> of April 2006. The Service Provision Agreement (SPA) between County Government of Laikipia and NAWASCO was signed on 6<sup>th</sup> June 2006. Therefore, this made NAWASCO an agent of County Government of Laikipia.

### **The New County dispensation**

We are now in a period where the new constitution is in effect and the function of water and sanitation services has been transferred to the County Government since the year 2015

### **Coverage**

The Company's area of jurisdiction is 286km<sup>2</sup> with a population of about 134,043. Our coverage in terms of population is 96% and we call upon the County Government to intervene in this regard by funding our proposals to reach the un-served and underserved communities.

### **Challenges**

Among our challenges is the fact that NAWASCO inherited a dilapidated infrastructure which requires extensive rehabilitation and whose funding requirements are beyond affordability. This has impacted heavily and resulted in a high level of Non-Revenue Water (NRW). This is contributed by undetectable underground leaks among other causes.

### **Performance**

This year we achieved gross revenue of KShs.378million (year 2024 Kshs381million). The decrease was as a result of disconnection of the major customers in the month of December 2024 for a period of 15 days. This will increase the revenue and ensure minor investments are undertaken beyond covering the recurrent expenditure.

During the year, assets worth KShs.136million (Year 2024 Kshs 55million) were procured to increase efficiency and support growth. This included Kshs 60million worth of work in progressed expected to be completed in the year 2025/2026

The assets included construction of a new water intake, rehabilitation and upgrade of water network in Emmanuel, Temu, Kilimo and teachers' areas, Solarization and equipping of equipping boreholes, water pipeline and sewer line extensions, purchase of computers, water meters for extension and replacement.

The value of non-current assets increased by Kshs 83million or 26% due to work in progress for new intake, rehabilitation and upgrade of Emmanuel Temu Kilimo Teachers and repair and Solarization of tanks, while that of currents assets increased by Kshs 14.4million or 1%. On the other hand, current liabilities increased by Kshs 25.5million or 2% due to increase in trade and other payables.

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**Way forward**

The management intends to focus on NRW management by reducing it to below 20% and a new source of surface water identified as Nanyuki river project which commenced within the year to bridge the gap between water demand and supply estimated at 6,000cm<sup>3</sup> per day to enable increase of billed volumes thus revenue and capacity building through staff training as per identified through training needs assessment and performance appraisal to enable the company embrace best practices for improved efficiency in water and sewerage extensions to unserved areas.

**Gratitude**

Finally, I take this opportunity to thank NAWASCO stakeholders who through the Board of Directors have offered valuable oversight. I also thank Shareholders and the County Government of Laikipia for their support during the year, all our customers and suppliers who were all instrumental to our success this year. I am also grateful to our staff for their commitment in the running of the company. God bless you all.



**ENG. KENNEDY GITONGA**  
**MANAGING DIRECTOR**

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**7. Statement of Performance against predetermined objectives of FY 2024/2025**

NAWASCO's core-mandate is derived from section 78 (1) of the Water Act 2016 which stipulates:

- a) Provision of water services within the area specified in the license; and
- b) Development of county assets for water services provision.

The water coverage increased from **94% to 96%** while Sewerage coverage increased from **35% to 44%**.

The summary overview of the growth in connections is outlined below:

<b>Water Connections</b>				
<b>Category</b>	<b>30-Jun-24</b>	<b>Growth</b>	<b>%Growth</b>	<b>30-Jun-25</b>
<b>Domestic</b>	19,207	1,153	6.00%	20,360
<b>Commercial</b>	1,125	105	9.33%	1,230
<b>Public</b>	38	0	0.00%	38
<b>Water kiosk</b>	12	0	0.00%	12
<b>Totals</b>	<b>20,382</b>	<b>1,258</b>	<b>6.17%</b>	<b>21,640</b>
<b>Sewer Connections</b>				
<b>Category</b>	<b>30-Jun-24</b>	<b>Growth</b>	<b>%Growth</b>	<b>30-Jun-25</b>
<b>Commercial</b>	880	62	7.05%	942
<b>Domestic</b>	8,694	509	5.85%	9,203
<b>Public Schools</b>	20	0	0.00%	20
<b>Totals</b>	<b>9,594</b>	<b>571</b>	<b>5.95%</b>	<b>10,165</b>

The revenue for the year amounted to **Ksh 378million** against projected budget of **Ksh 385million**. The company received grant income amounting to Kshs 38million against a target of Kshs 34million

The Company accomplished various activities/ projects guided by the Strategic Plan, Business Plan Tariff and other key County water initiatives including: -

**1.1.1 Infrastructure Development**

During the FY2024/2025 reporting period, NAWASCO made significant strides in advancing key infrastructure and service improvement projects, aligned with the strategic objectives of increasing and sustaining access to potable water and safe sanitation services as stipulated below;

### **1) Nanyuki River Water Project**

This project was initiated to bridge the gap between water demand and supply currently at 6,000cm<sup>3</sup> to serve a population of 160,385. The project scope comprises preliminary and general works, construction of a river intake structure, and installation of a 6.7 km HDPE raw water main (225 mm diameter) along with necessary appurtenances. As of June 30, 2025, 6.756 km of pipeline were fully surveyed, excavated, delivered, laid, fused, and backfilled.

Overall, as at 30<sup>th</sup> June 2025, the project had achieved 100% completion in survey and trench excavation, pipe delivery, and nearly all pipe laying and backfilling activities (99%). Intake foundation works were at 15% completion, with the overall project at 82% complete in line with the approved work plan.

### **2 Kilimo–Teachers Pipeline Project**

The Kilimo–Teachers Pipeline Project is designed to improve water distribution efficiency and customer service delivery through three main components:

- 1) Implementation of an Environmental and Social Management Plan (ESMP), construction of a 31.655 km HDPE distribution pipeline (ranging from DN 90mm to DN 40mm), and the transfer of 13.808 km of customer service lines and connections. As at 30<sup>th</sup> June 2025, 30.654 Km were successfully laid and backfilled and the overall completion stands at 82%.
- 2) Transfer of 13.808 km of customer service lines and connections,
- 3) Flushing and testing of the new pipeline and the decommissioning of the old pipeline and customer connections, scheduled for completion in July 2025

### **3. Supply, delivery and Installation of Consumer meters and Construction of Temu-Emmanuel Pipeline**

As at 30<sup>th</sup> June 2025, 13.691 km of pipeline laying had been completed, full completion of customer connection lines (12.256 km), and installation of all 9 DMA meters. Customer meter connections in Temu were fully completed, while Emmanuel stood at 80%. Decommissioning of old pipelines in Temu was finalized. Overall, 78% of the work has been completed, with remaining tasks including customer meter replacements, installation of air valves, and pipeline extensions planned for Braeburn and Matindi in July 2025.

#### **4. Repair of Five Strategic Water Storage Tanks**

The ongoing project is for the repair of five key water storage tanks—Army Tank, Nanyuki High Old and New Tanks, 42 Site Tank, and Inooro, objective is to address hydraulic inefficiencies, reduce physical water losses, and enhance overall system performance and revenue sustainability. As at 30<sup>th</sup> June 2025, major plastering works at the Nanyuki New Tank were completed, with ongoing curing and testing. Excavation and bypass construction have been completed at the 42 Site Tank, while excavation around the Army Tank has also been finalized. Remaining works include the installation of appurtenances and external plastering. The implementation of this project will contribute to NRW reduction by 3% (1,200m<sup>3</sup>/day). The saved volumes will be distributed to underserved and unserved areas leading to increased billing, increased revenue and subsequent improvement of the Operation Cost Coverage Ratio (OCCR).

#### **5. Solarization of 2 Boreholes CLSG II Project**

The project involved the solarization of two boreholes, namely Taji/Mukima and Baraka, under the CLSG II initiative. As at 30<sup>th</sup> June 2025, the project has achieved 100% completion across all key components, including the delivery and installation of solar panels (51 panels at each site), assembly of aluminium structures, electrical works, and system testing. Solar structures and systems at both boreholes are fully operational.

#### **6. JICA Bankable Project Formulation**

NAWASCO, in collaboration with JICA, has been implementing a KES 13.8 million consultancy aimed at formulating a bankable project for water supply improvement in Nanyuki. Phase 2 of the project focused on the detailed design of sustainable water infrastructure. The appointed consultant, has successfully completed the design which will serve as a critical foundation for the subsequent implementation phase of the water supply systems.

#### **8. Corporate Governance Statement**

NAWASCO is committed to operating under a clear governance framework and strongly adheres to sound management and internal control practices

NAWASCO is committed to ensuring compliance with the provisions of the water act 2002 among other regulatory and supervisory corporate governance requirements. Essential to the establishment of a good governance framework are formal governance structures designed to ensure accurate reporting to the Board to facilitate an informed decision-making process, assessment and improvement of compliance.

### **Board of Directors**

The structure of NAWASCO starts with the Board of Directors representing various stakeholders' interests. The Board of Directors exercises leadership, enterprise, integrity and judgment in directing NAWASCO.

The Board of Directors is expected to determine the purpose and values of NAWASCO, determine the strategy to achieve that purpose and implement its values in order to ensure the company sustainability and growth.

The Board of Directors is expected to enhance the corporate governance practices in running of NAWASCO to bring the level of governance in the company in line with international standards. The essence of corporate governance is to protect stakeholder's interests.

### **Board committees**

In ensuring the corporate governance of NAWASCO is enhanced and that the power of NAWASCO is exercised in the stewardship of the company's total portfolio of assets and resources with the objective of maintaining stakeholder's value, the Board of Directors have constituted the following committees.

#### **a) Finance and Administration committee**

It's the function of the staff and establishment committee to ensure that NAWASCO has the right staff at the right place and doing the right thing. More so, the committee will ensure that the staff welfare is taken care of.

The committee also oversees the financial reporting process, internal controls and efficient allocation and utilization of resources. The members of the board who served on this committee during the year under review were:

1. John Emmanuel Wangai
2. M/S Mercy Muthoni Ndungu

#### **b) Technical and Strategic Committee**

The committee ensures that there is adequate operations and maintenance, including infrastructure improvement geared towards customer satisfaction. The members of the board who served on this committee during the year under review were:

- Stephen Ndungu Munene
- Robert Mworio

#### **c) Audit, risk management and governance committee**

The audit risk management and governance committee shall assist the board of directors in the oversight and maintaining the integrity of the financial statements of the company. Enhancing the effectiveness of the internal control over financial reporting. Strengthening the performance of the company's internal audit function and ensuring the company's compliance with legal and regulatory requirements. The members of the board who served on this committee during the year under review were:

- Rtd Col Lawrence Ashford Nteere
- Denis Kaniaru Mathenge

The Board is also governed by a Board Charter.

### **Board meetings**

The following is a list of Board Meetings that were held during the year.

**Nanyuki Water & Sanitation Company Limited**  
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<b>Period</b>	<b>Date</b>	<b>Meeting</b>	<b>Meeting Attendance</b>
1 <sup>st</sup> Quarter	1 <sup>st</sup> July 2024	Full Board	6 Members
	5 <sup>th</sup> July 2024	Finance & Administration Committee	3 members
	15 <sup>th</sup> July 2024	Full Board	7 Members
	27 <sup>th</sup> August 2024	Audit risk & compliance committee	2 Members
	29 <sup>th</sup> August 2024	Full Board	7 Members
	23 <sup>rd</sup> September 2024	Full Board	7 Members
	26 <sup>th</sup> September 2024	Full Board	7 Members
2 <sup>nd</sup> Quarter	1 <sup>st</sup> October 2024	Technical committee & Strategic committee	4 members
	8 <sup>th</sup> October 2024	Finance & Administration Committee	4 Members
	11 <sup>th</sup> October 2024	Full Board	6 Members
	9 <sup>th</sup> December 2024	Technical committee & Strategic committee	4 members
3 <sup>rd</sup> Quarter	3 <sup>rd</sup> January 2025	Audit risk & compliance committee	1 Members
	9 <sup>th</sup> January 2025	Finance & Administration Committee	4 Members
	31 <sup>st</sup> January 2025	Full Board	6 Members
	12 <sup>th</sup> February 2025	Full Board	4 Members
	17 <sup>nd</sup> February 2025	Full Board	6 Members
	18 <sup>th</sup> February 2025	Full Board	6 Members
	10 <sup>th</sup> March 2025	Full Board	6 Members
	13 <sup>th</sup> March 2025	Full Board	5 Members
4 <sup>th</sup> Quarter	27 <sup>th</sup> March 2025	Technical committee & Strategic committee	4 members
	4 <sup>th</sup> April 2025	Audit risk & compliance committee	1 Members
	7 <sup>th</sup> April 2025	Finance & Administration Committee	4 Members
	10 <sup>th</sup> April 2025	Full board	6 Members
	15 <sup>th</sup> April 2025	Technical committee & Strategic committee	5 members
	30 <sup>th</sup> May 2025	Full board	6 Members
	22 <sup>nd</sup> May 2025	Audit risk & compliance committee	1 Members
27 <sup>th</sup> May 2025	Technical committee & Strategic committee	3 Members	



**Nanyuki Water & Sanitation Company Limited**  
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**Statement of compliance**

The Board of Directors confirms that the company has throughout the year FY 2024/2025 complied with all statutory and regulatory requirements and that the company has been managed with the principles of good corporate governance.

**Internal control and risk management**

**Internal Control**

The directors are responsible for reviewing the effectiveness of the company's system of internal control which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against unauthorized use or disposition and the maintenance of proper accounting records and the reliability of financial information used within the business or for publication. These controls are designed to manage rather than eliminate the risk of failure to achieve business objectives due to circumstances which may reasonably be foreseen and can only provide reasonable and not absolute assurance against material misstatement or loss.

**Standing Instructions**

The Company has a Code of Ethics and Service Charter that is applicable to all employees. These are two of a number of Standing Instructions to employees of the company designed to enhance internal control.

**Organization Structure**

A clear organizational structure exists, detailing lines of authority and control responsibilities. The professionalism and competence of staff is maintained both through rigorous recruitment policies and a performance appraisal system which establishes targets, reinforces accountability and awareness of controls, and identifies appropriate training requirements. Training plans are prepared and implemented to ensure that staff develop and maintain the required skills to fulfil their responsibilities, and that the company can meet its future management requirements.

**Strategic Plan**

The business of the company is determined by the Strategic Plan. The Strategic Plan sets out the objectives of the company, and the annual targets to be met to attain those objectives. The Strategic Plan is evaluated annually to assess the achievement of those objectives. The Board on an annual basis approves the work plan supported by the financial plan for the year. Progress against the plan is monitored on a quarterly basis.

**Internal Control Framework**

The company continues to review its internal control framework to ensure it maintains a strong and effective internal control environment. Business processes and controls are reviewed on an ongoing basis. A risk-based audit plan, which provides assurance over key business processes and operational and financial risks facing the company, is approved by the Audit Committee.

The Audit Committee considers significant control matters raised by management and both the internal and external auditors and reports its findings to the Board. Where weaknesses are identified, the Audit

**Nanyuki Water & Sanitation Company Limited**  
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Committee ensures that management takes an appropriate action. No significant failings or weaknesses were identified during yr. 2024/25.

**Risk Management**

The company has a structure and process to help identify, assess and manage risks. The process was in place for the period up to the time this report was approved. This team reviews all the risks in the Trust Fund and updates the risk register and ensures that all new and emerging risks are appropriately evaluated and any further actions identified. The identified risks are reported to the Audit Committee to assist the Board in the management of risk.

**Management Team**

The management team headed by the Chief Executive Officer implements the Boards decisions and policies through action plans. The team meets regularly to review these action plans to ensure that the Board’s objectives are achieved effectively and efficiently. Such policies developed include the Anti-corruption policy, Disability, Gender and HIV mainstreaming, the ICT policy among others.

**Auditor**

The company is audited by the Auditor-General.

**9. Management Discussion and Analysis**

The Company developed a strategic plan and business plan for the period 2023-2028 and its implementation of the same is ongoing. The company has an approved tariff gazetted on 30<sup>th</sup> May 2025 although its implementation will commence on 1<sup>st</sup> July 2025.

**The operation and financial performance of the company for the last financial year is as analysed below;**

**a) Collections During the 2023/2024 FY (Kshs in Million)**

NAWASCO total collection for Water, sewer, standing charges and other billings for the FY 2024/2025 amounted to **Kshs. 392,797,449** as outlined in the table below.

**NAWASCO ANNUAL COLLECTION- FY 2024/2025**

Month-year	Water	Sewer	Standing-Charges	Other billings	Grand Total
<b>Jul-24</b>	25,410,324	8,024,360	1,081,608	3,430,621	<b>37,946,913</b>
<b>Aug-24</b>	29,992,218	4,573,543	1,035,306	3,157,468	<b>38,758,535</b>
<b>Sep-24</b>	18,712,162	4,395,383	878,362	2,627,501	<b>26,613,408</b>
<b>Oct-24</b>	19,441,913	4,353,011	983,719	2,855,283	<b>27,633,926</b>
<b>Nov-24</b>	16,311,109	5,485,615	955,345	2,954,771	<b>25,706,840</b>
<b>Dec-24</b>	18,478,217	6,270,049	1,018,960	2,885,617	<b>28,652,843</b>
<b>Jan-25</b>	16,821,464	4,421,939	964,101	3,028,444	<b>25,235,948</b>

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<b>Feb-25</b>	31,228,267	16,009,222	1,198,613	3,139,045	<b>51,575,147</b>
<b>Mar-25</b>	27,040,746	3,675,649	1,099,843	2,729,465	<b>34,545,703</b>
<b>Apr-25</b>	19,901,610	8,622,614	1,005,064	2,455,581	<b>31,984,869</b>
<b>May-25</b>	22,661,040	8,622,436	1,121,200	3,000,808	<b>35,405,484</b>
<b>Jun-25</b>	17,867,143	7,175,899	973,783	2,721,008	<b>28,737,833</b>
<b>Grand Total</b>	<b>263,866,213</b>	<b>81,629,720</b>	<b>12,315,904</b>	<b>34,985,612</b>	<b>392,797,449</b>

**b. Non-Revenue Water**

- During the F/Y 2024/2025, the total water produced during the year was **4,016,462m<sup>3</sup>** while Volume billed was **2,976,601m<sup>3</sup>** translating to annual Non-Revenue Water of **26%**. However, the moving average for the 2<sup>nd</sup> quarter was 30% but gradually reduced to 21% settling at 26% due to the following non-revenue water management.
  - Intensive field surveillance for rapid leak detection/repair
  - Strategic meter servicing and calibration
  - Effective deployment of the WhatsApp
  - Continuous flow monitoring
  - Prioritized supply to high-demand customer zones
  - Billing volume analysis per distribution block

With Conditional Liquidity Support 11 (CLSG 11) involving tank repairs and upgrade and rehabilitation of Emmanuel, Temu and Kilimo nearing completion, we project NRW reduction to **≈23%** in Q2 FY 2025/26.

**Table 1.1.1 Water production summary by source: FY 2024/ 2025**

**1.1.1 (a) Water Production - Surface Sources**

Water supply remained stable during the period due to sustained rainfall. Production averaging **130 L/s** from the new system and **21 L/s** from the old system.

The surface source supplied **96%** of total production, contributing **3,868,407 m<sup>3</sup>** of water by June 2025.

To address the current daily water demand of 17,638 m<sup>3</sup> and reduce NRW (26%), the following actions were recommended:

**1. Accelerate the Nanyuki River Intake Project (Ongoing)**

Enhance supply capacity to increase per capita consumption from 40 to 60 l/c/d and extend services to underserved/unserved areas.

**2. Sustain NRW Reduction Initiatives**

Maintain current gains through continuous investment in leakage control and revenue protection systems.

**3. Renew Aging Infrastructure (CLSG 11 Projects)**

Replace obsolete pipelines/meters and execute watertight repairs on storage tanks to minimize losses and optimize system performance.

**4. Mobilize Expansion & Renewal Funding**

Secure dedicated resources for strategic infrastructure upgrades and network expansion to ensure long-term sustainability.

**1.1.1 (b) Water Production- Boreholes**

Boreholes contributed **4% (148,056 m<sup>3</sup>)** to the total production. Due to the ongoing rains, surface water has been prioritized for supply to borehole served areas around Baraka, Njoguini and Nturukuma in the 4<sup>th</sup> quarter. The failure of the Njoguini motor caused a significant production drop in Q4, reducing output from the monthly average of 4,000 m<sup>3</sup> to 586 m<sup>3</sup>. Despite this disruption, daily demand for area residents was fully met through strategic utilization of surface water sources

**Table 2.2 Water production & Demand summary**

Water Source (M3/month)	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter	Totals	%
Water provided through New Network	870,677	847,328	852,394	815,064	3,385,463	<b>3,868,407</b>
Water provided through Old Network	129,561	126,424	118,495	108,464	482,944	<b>96%</b>
Baraka bore hole	5,605	7,615	8,677	2,922	24,819	<b>148,056</b>
Njoguini borehole	4,640	3,419	4,000	586	12,645	
Nturukuma borehole	19,295	21,109	25,296	18,437	84,137	
Inoro borehole	2,418	2,355	4,054	596	9,423	
Nanyuki borehole	0	0	0	0	0	<b>4%</b>
Yard borehole	4,397	4,800	4,395	3,440	17,032	
<b>Total production</b>	<b>1,036,593</b>	<b>1,013,049</b>	<b>1,017,311</b>	<b>949,509</b>	<b>4,016,463</b>	<b>100%</b>

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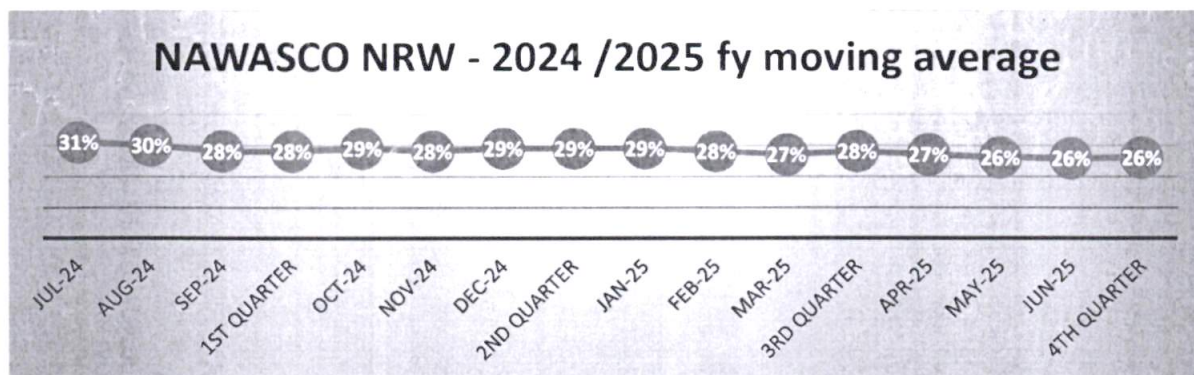
Average production (m <sup>3</sup> /day)	11,518	11,256	11,303	10,550	11,157	
current water demand - 28% NRW	17,638	17,638	17,638	17,638	17,638	
DEFICIT with 28 % NRW	-6,120	-6,382	-6,335	-7,088	-6,481	

**Table 1.1.2 Non-Revenue Water Analysis -per Quarter – FY 2024/2025**

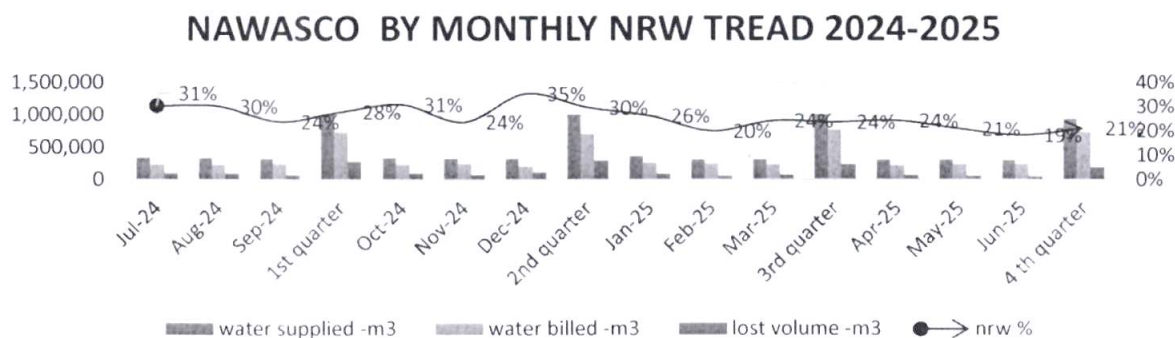
Description	Q1	Q2	Q3	Q4	Total
Water production m <sup>3</sup> )	1,036,593	1,013,049	1,017,311	949,509	4,016,462
Water Billed (m <sup>3</sup> )	743,726	710,295	775,490	747,090	2,976,601
Non-Revenue Water (m <sup>3</sup> )	292,687	302,754	241,821	202,419	1,039,861
NRW (%)	28%	30%	24%	21%	26%

Graphical representation of the monthly NRW Trend-FY 2024/2025

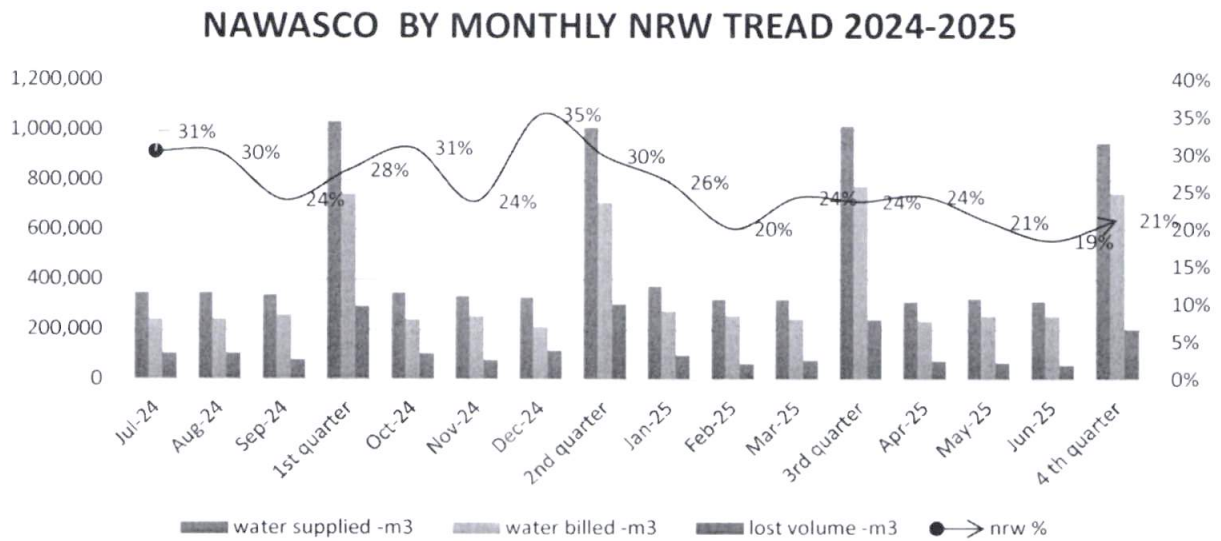
*Table 1.1.3.- NRW moving average FY 2024/25 at 26 %*



*Table 1.1.4 - Bi-Monthly NRW Tread*



**Table 4.2.- Current NRW Trend**



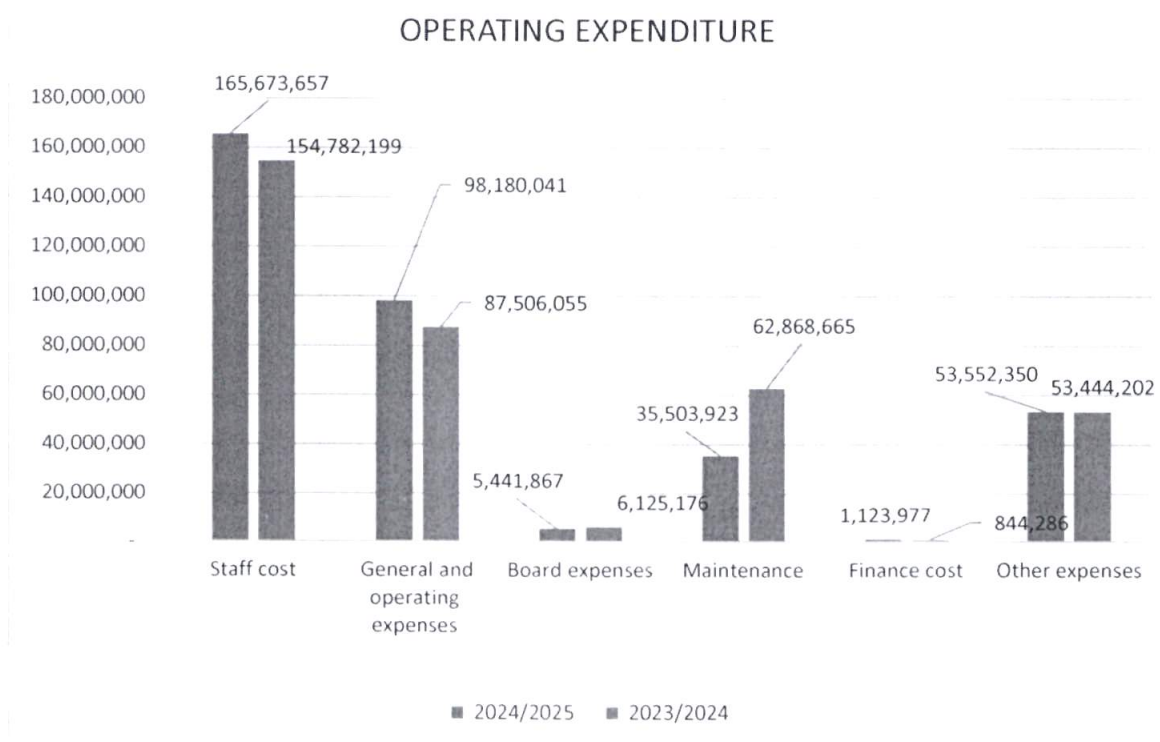
June 2025 NRW percentage was at 19%

**Table 4.2.- NAWASCO Nrw moving average**

NRW moving average is at 26.4%

**Cost Summary for the FY 2024/2025**

Chart presentation of expenditure for the FY 2024/2025.



## **10. Environmental and Sustainability Reporting**

Nawasco exists to transform lives by sustainably providing excellent water and sanitation services through professional and competitive practices to the satisfaction of the stakeholders. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer / Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

### **i) Sustainability strategy and profile -**

The Company mainstreams sustainability issues for all new projects to ensure project is self-sustaining through visibility studies, commercial viability and project ownership.

The company ensures good governance and political goodwill and buy in.

The company has put in place structures for tracking impact during and after project implementation.

### **ii) Environmental performance**

The Company has effluent discharge control plan which guides how waste is discharged back to water bodies. Nawasco is currently developing environmental policy.

Testing is done internally at waste water lab and externally at KEBS, SGS, Government central laboratory and certificates are issued.

The results from the analysis have been within the required standards attributable to the efficiency of sewer treatment plant

During the rainy season, surface run off water at times finds its way to the waste water treatment plant causing system overload therefore incomplete treatment.

Silt deposition causes blockage resulting in law sewer spillage in the estates.

Such challenges are attended to promptly by the maintenance team to reduce environmental impact

### **iii) Employee welfare**

The Company has an approved Human resources manual that guides hiring process taking into account gender and ethnicity balance and is reviewed annually.

Within the HRM there is a performance management system that takes into account training needs, appraisal and performance reward.

The company has OSHA which complies with Occupational Safety and Health Act of 2007, (OSHA).

### **iv) Market place practices-**

Nawasco ensures the following are adhered to;

#### **a) Responsible competition practice.**

The company strictly follows Public procurement and disposal act and code of ethics.

#### **b) Responsible Supply chain and supplier relations**

The company strictly follows Public procurement and disposal act and procurement policy and plan.

#### **c) Responsible marketing and advertisement**

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The company involves itself in fair marketing and advertisement as outlined in PPDA through accredited media house and systems.

**d) Product stewardship**

The company has customer contracts with obligation of both parties and customer charter outlining clear service levels. All this is geared towards safeguarding consumer rights and interests.

• **Corporate Social Responsibility / Community Engagements**

The Company undertakes various CSR activities and stakeholders' engagements through issue of tree seedlings towards environmental conservation and communal water points in high risk areas.

**11. Report of the Directors**

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024 which shows the state of the company's affairs.

**i. Principal activities**

The principal activities of the company are the provision of water and sanitation services

**ii. Results**

The results of the company for the year ended June 30,2024 are set out on pages 1-89. Below is summary of the profit or loss made during the year.

**iii. Dividends**

The company has not declared dividends for the year ended 2025 as the Company is an agent of the County Government of Laikipia.


**iv. Directors**

The members of the Board of Directors who served during the year are shown on page vi. In accordance with Regulation 66 of the company's Articles of Association.

**v. Auditors**

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

By Order of the Board



Name **MURIITHI KINGORI**

Company Secretary / Secretary to the Board

Date: **29/08/25**

**Nanyuki Water & Sanitation Company Limited**  
**Annual Reports and Financial Statements For the year ended 30, June 2025**

**12. Statement of Directors' Responsibilities.**

Section 164 of the Public Finance Management Act, 2012 and companies Act 2015 require the Directors to prepare financial statements in respect of that Company, which give a true and fair view of the state of affairs of the Company at the end of the financial year / period and the operating results of the Company for that year. The Directors are also required to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company.

The Directors are responsible for the preparation and presentation of the Company financial statements, which give a true and fair view of the state of affairs of the Company for and as at the end of the financial year ended on June 30, 2025. This responsibility includes:

- i. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- ii. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 the Company;
- v. selecting and applying appropriate accounting policies; and
- vi. Making accounting estimates that are reasonable in the circumstances.

The Directors responsibility for the Company 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, water act 2016 and companies Act 2015) – Company.

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

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

**Approval of the financial statements**

The company financial statements were approved by the Board on 29/08/ 2025 and signed on its behalf by:

.....  
*Mate*

Name MARTIN MUGHIRI  
Chairperson of the Board

.....  
*Kennedy Gitonga*

Name KENNEDY GITONGA  
Managing Director

# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NANYUKI WATER AND SANITATION 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 Nanyuki Water and Sanitation Company Limited set out on pages 1 to 59, 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 Nanyuki Water and Sanitation Company Limited as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) and comply with the Water Act, 2016, the Companies Act, 2015 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Long Outstanding Trade and Other Receivables**

The statement of financial position and Note 29 to the financial statements reflect trade and other receivables net balance of Kshs.201,032,528 as at 30 June, 2025. Review of the ageing analysis revealed that trade receivables totalling Kshs.38,174,420, or 19% of the total receivables had been outstanding for a period over one (1) year. Management had not taken adequate measures to recover the long-outstanding debts including offering payment incentives, implementing structured follow-ups, initiating legal recovery proceedings or engaging licensed debt collector as provided for in the Company's Debt Management Policy.

In the circumstances, the accuracy and recoverability of the receivables totalling Kshs.38,174,420 could not be confirmed.

#### **2. Long Outstanding Trade and Other Payables**

The statement of financial position and Note 41 to the financial statements reflect trade and other payables balance of Kshs.148,854,020. However, the ageing analysis schedule reflects payables totalling Kshs.16,177,755, or 11% of the total balance, had remained outstanding for more than three (3) years. In addition, the total payables increased significantly by Kshs.20,542,271 from the prior year's balance of Kshs.128,311,749. Management did not provide an explanation for the accumulation of the long-outstanding debts or for the continued rise in payables as obligations fall due. This is contrary to Section 41(2) of the Public Finance Management (County Governments) Regulations, 2015, which requires that debt service payments be treated as a first charge.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.148,854,020 could not be confirmed.

### **3. Inadequate Cash Coverage for Refundable Deposits**

The statement of financial position and Note 42 to the financial statements reflect refundable deposits and prepayments of Kshs.37,317,084. However, the cash and bank balance as per the statement of financial position and Note 31 to the financial statements amounted to Kshs.20,987,201, resulting in a shortfall of Kshs.6,329,883 against the refundable deposits. Management did not provide an explanation or reconciliation to demonstrate how these refundable obligations would be met despite the inadequate cash cover.

In the circumstances, the accuracy, completeness, and validity of the refundable deposits and prepayments totalling Kshs.37,317,084 could not be confirmed.

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

#### **Emphasis of Matter**

##### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amounts on comparable basis of Kshs.443,112,649 and Kshs.385,149,427 respectively, resulting in a shortfall of Kshs.57,963,222, or 13% of the budget. Similarly, the Company spent Kshs.341,430,761 against the actual receipts of Kshs.385,149,427, resulting in under absorption of Kshs.43,718,666, or 11% of the actual receipts.

The revenue shortfall and the under absorption may have adversely affected the implementation of the Company's planned activities and the delivery of essential services to the public.

My opinion is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional 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's Matters**

In the prior year's 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. Review of the status during audit of the Company in the year 2024-2025 revealed that the following matters remained unresolved;

1. Unsupported Customer Deposits
2. Budgetary Control and Performance
3. Non-Revenue Water
4. Non-Compliance with Fiscal Responsibility Principles on Wage Bill
5. Non-Adherence to Ethnic Balance Requirement
6. Non-Remittance of Pension Deductions
7. Long Outstanding Trade and Other Receivables
8. Long Outstanding Trade and Other Payables
9. Information, Communication and Technology (ICT) Environment

### **Other Information**

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

In connection with my audit of the Company's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information and 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**

#### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I

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*Report of the Auditor-General on Nanyuki Water and Sanitation Company Limited for the year ended 30 June, 2025*

confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1. Non-Revenue Water**

The statement of profit or loss and other comprehensive income and Note 6 to the financial statements reflect total operating revenue of Kshs.378,880,562, of which Kshs.230,850,934 relates to water sales for the year ended 30 June, 2025. Audit verification of production and billing records revealed that the Company produced 4,016,462 m<sup>3</sup> of water, but only 2,976,601 m<sup>3</sup> were billed to customers. The resulting difference of 1,039,861 m<sup>3</sup>, representing approximately 26% percent of total production, constitutes Non-Revenue Water (NRW). At an average sale price of Kshs.79 per m<sup>3</sup>, the unbilled portion translates to potential lost revenue of about Kshs.82,149,019. The level of NRW exceeded the 25% threshold prescribed by the Service Provision Agreement (SPA) and WASREB performance guidelines.

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

### **2. Non-Compliance with Fiscal Responsibility Principles on Wage Bill**

The statement of profit or loss and other comprehensive income and Note 11 to the financial statements reflect staff costs of Kshs.165,673,657, representing 46% of the total expenditure of Kshs.360,410,021 which is higher than the 35% personnel-cost benchmark prescribed under Section 3.9 of the Water Services Regulatory Board (WASREB) Corporate Governance Standards, 2024, which requires water sector entities to ensure that personnel costs, as a share of operations and maintenance expenditure, do not exceed the nationally set benchmark.

In the circumstances, Management was in breach of the Regulatory requirements.

### **3. Unremitted Staff Payroll Deductions**

Review of payroll records for the year under review revealed outstanding deductions recovered from permanent staff salaries amounting to Kshs.14,885,272 and Kshs.13,688,103, totalling Kshs.28,573,375 for onward remittance to the County Pension Fund and the Provident Fund respectively. However, as at the time of audit, the Company had not remitted the pension deductions, contrary to Section 19(4) of the Employment Act, Cap 226, which provides that an employer who deducts an amount from an employee's remuneration shall pay the amount so deducted in accordance with the time period and other requirements specified in the law, agreement, court order or arbitration as the case may be.

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

#### **4. Non-Compliance with Ethnic Diversity Requirements in Staffing**

The statement of profit or loss and other comprehensive income and Note 11 to the financial statements reflect staff costs of Kshs.165,673,657. Review of employee records as at 30 June, 2025 revealed that ninety-nine (99) out of one-hundred and thirty-four (134)

staff members or approximately 74%, belonged to the dominant ethnic community. This exceeds the one-third (33%) threshold prescribed under Section 7(1) and (2) of the National Cohesion and Integration Act, 2008, which prohibits any public institution from having more than one-third of its staff drawn from a single ethnic community.

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

#### **5. Unbalanced Budget**

The statement of comparison of budget and actual amounts reflects final revenue and expenditure budgets of Kshs.443,112,649 and Kshs.545,257,556 respectively, resulting in a budget deficit of Kshs.102,144,907. However, Management did not provide any justification for approving a deficit budget, contrary to Regulation 31(c) of the Public Finance Management (County Governments) Regulations, 2015, which requires that budgeted revenue and expenditure appropriations shall be balanced.

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

#### **Basis for Conclusion**

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies Act, 2015, I report based on my audit, that:

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

### **Responsibilities of Management and the Board of Directors**

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

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

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**03 December, 2025**

**Nanyuki Water and Sanitation Company Ltd.**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Revenue</b>			
Operating Revenue	6	378,880,562	381,831,698
Grants Income	7	38,984,255	32,975,619
Other Income	8	-	-
Finance income	9	33,963	-
Other gains/(losses)	10	-	-
<b>Total Revenue</b>		<b><u>417,898,780</u></b>	<b><u>414,807,317</u></b>
<b>Expenses</b>			
Staff Costs	11	165,673,657	154,782,199
General and Operations expenses	12	98,180,041	87,506,055
Board Expenses	13	5,441,867	6,125,176
Maintenance Expenses	14	35,503,923	62,868,665
Finance Costs	16	1,123,977	844,286
Depreciation and Amortization & Provisions	15	54,486,557	53,444,202
<b>Total Expenses</b>		<b><u>360,410,021</u></b>	<b><u>365,570,583</u></b>
<b>Gross Profit</b>		<b>57,488,759</b>	<b>49,237,734</b>
Net profit from enterprise	16a	<b>1,092,910</b>	<b>4,931,827</b>
<b>Net profit</b>		<b>58,581,669</b>	<b>54,169,561</b>
Earnings Per Share – Basic and Diluted	18	-	-
Dividend per share	19	-	-
<b>Other Comprehensive Income</b>			
<b>Profit/ (Loss) After Taxation</b>		-	-
Surplus Or Deficit on Revaluation Of PPE		-	-
Re measurement Of Net Defined Benefit Liability		-	-
Fair Value Gain/(Loss) On Investments In Equity Instruments Designated As At FVTOCI (Fair Value Through Other Comprehensive Income)		-	-
<b>Total Comprehensive Income for The Year</b>		<b>58,581,669</b>	<b>54,169,561</b>

**Nanyuki Water & Sanitation Company Limited**  
**Annual Reports and Financial Statements For the year ended 30, June 2025**

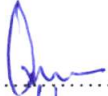
**15. Statement of Financial Position as at 30 June 2025**


	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	20	399,838,443	317,224,266
Intangible assets	21	-	-
Investment property	22	-	-
Right- of -use assets	23	-	-
Biological assets	24	-	-
Fixed interest investments	25	-	-
Quoted investments	26	-	-
Unquoted investments	27	-	-
<b>Total non-current assets</b>		<b>399,838,443</b>	<b>317,224,266</b>
<b>Current assets</b>			
Inventories	28	7,614,813	5,807,423
Trade and receivable	29	201,032,528	181,036,075
Tax recoverable	30	-	-
Bank and cash balances	31	20,987,201	29,059,476
<b>Total current assets</b>		<b>229,634,542</b>	<b>215,902,974</b>
<b>Total Assets</b>		<b>629,472,985</b>	<b>533,127,240</b>
<b>Equity and liabilities</b>			
<b>Capital and Reserves</b>			
Ordinary share capital	32	100,000	100,000
Capital reserve	34	157,938,935	157,938,935
Grants	35	54,892,194	68,615,242
Retained earnings	35	189,057,511	130,475,842
<b>Capital and Reserves</b>		<b>401,988,640</b>	<b>357,130,019</b>
<b>Non-current liabilities</b>			
Deferred tax liability	36	-	-


**Nanyuki Water & Sanitation Company Limited**  
**Annual Reports and Financial Statements For the year ended 30, June 2025**

	Note	2024/2025	2023/2024
		Kshs	Kshs
Borrowings	37	23,769,231	1,792,404
Lease liability	39	-	-
Provisions	39	9,362,230	5,350,112
Retirement benefits	41	-	-
<b>Total non-current liabilities</b>		<b>33,131,462</b>	<b>7,142,516</b>
<b>Current liabilities</b>			
Borrowings	37	2,610,150	2,215,985
Lease liability	38	-	-
Provisions	39	5,571,629	5,726,638
Retirement benefit obligations	40	-	-
Trade and other payables	41	148,854,020	128,311,749
Refundable deposits and Prepayments	42	37,317,084	32,600,333
Deferred income	43	-	-
Dividends payable	44	-	-
Taxation	45	-	-
<b>Total current liabilities</b>		<b>194,352,883</b>	<b>168,854,705</b>
<b>Total equity and liabilities</b>		<b>629,472,985</b>	<b>533,127,240</b>

The financial statements were approved by the Board on 29/08/25 2025 and signed on its behalf by:

  
 Name **KENNEDY GITONGA**  
 Managing Director

  
 Name **PAUL MWANGI**  
 Head of Finance  
 ICPAK M/No:.....

  
 Name **MARTIN MUCHIRI**  
 Chairman of the Board

**Nanyuki Water & Sanitation Company Limited**  
**Annual Reports and Financial Statements For the year ended 30, June 2025**

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

	Notes	Ordinary share capital	WSTF	Capital Reserves	Revenue Reserves	Total
As at 1 <sup>st</sup> July 2023		100,000	82,338,289	157,938,935	76,306,281	316,683,506
Grant income amortization		-	(13,723,048)	-	-	(13,723,048)
Profit for the year		-	-	-	54,169,561	54,169,561
<b>As at June 30, 2024</b>		<b>100,000</b>	<b>68,615,242</b>	<b>157,938,935</b>	<b>130,475,842</b>	<b>357,130,019</b>
As at 1 <sup>st</sup> July 2024		100,000	68,615,241	157,938,935	130,475,842	357,130,019
Grant Income amortization		-	(13,723,048)	-	-	(13,723,048)
Profit /loss for the year		-	-	-	58,581,669	58,581,669
<b>At June 30, 2025</b>		<b>100,000</b>	<b>54,892,194</b>	<b>157,938,935</b>	<b>189,057,511</b>	<b>401,988,640</b>

**Nanyuki Water & Sanitation Company Limited**  
**Annual Reports and Financial Statements For the year ended 30, June 2025**

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

	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Operating Receipts	6(i)	392,797,449	369,795,917
Grants Income	7	38,984,255	19,252,571
Finance income		33,963	-
Other incomes		234,976	-
Customer Deposits	42	9,948,251	8,544,450
<b>Total Receipts</b>		<b>441,998,894</b>	<b>397,592,938</b>
<b>Payments</b>			
Staff Costs	11	165,673,657	154,782,199
General And Operation Expenses	12	98,180,041	87,506,055
Board Expenses	13	5,441,867	6,125,176
Maintenance Expenses	14	35,503,923	62,868,665
Finance Costs	16	1,123,977	844,286
Refund Of Customer Deposits	42	5,231,500	4,765,600
Grant amortized		-	-
<b>Total Payments</b>		<b>311,154,964</b>	<b>316,891,981</b>
<b>Net Cash From/ (Used In) Operating Activities</b>	<b>46</b>	<b>130,843,930</b>	<b>80,700,957</b>
<b>Cash Flows from Investing Activities</b>			
Purchase Of Property, Plant And Equipment (PPE)		(136,180,183)	(55,260,413)
Proceeds From Disposal Of PPE		-	-
Purchase Of Intangible Assets		-	-
Purchase Of Investment Property		-	-
Purchase Of Quoted Investments		-	-
Proceeds From Disposal of Quoted Investments		-	-
<b>Net Cash From/ (Used In) Investing Activities</b>		<b>(136,180,183)</b>	<b>(55,260,413)</b>
<b>Cash flows from Financing Activities</b>		<b>(5,336,253)</b>	<b>25,440,544</b>
Proceeds From Issues of New Share Capital		-	-
Proceeds From Borrowings		-	(7,422,335)
Repayment Of Borrowings		(2,731,280)	(2,324,458)
Dividends Paid		-	-
<b>Net Cash From/(Used In) Financing Activities</b>		<b>(2,731,280)</b>	<b>(9,746,793)</b>
<b>Increase/(Decrease) In Cash and Cash Equivalents</b>		<b>(8,067,533)</b>	<b>15,693,751</b>
Cash And Cash Equivalents At Beginning Of Year	31	29,054,733	13,360,982
Effects Of Foreign Exchanges Rate Fluctuations		-	-
<b>Cash And Cash Equivalents At End of the Year</b>	<b>31</b>	<b>20,987,201</b>	<b>29,054,733</b>

Nanyuki Water & Sanitation Company Limited  
Annual Reports and Financial Statements For the year ended 30, June 2025

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

	Original budget	Adjustments	Final budget	Actual on comparison basis	Performance difference	% of utilisation
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	B	C=a+b	D	E=c-d	f=d/c %
<b>Budget carryovers from the previous year</b>						
<b>Revenue</b>						
Operating revenue	374,955,949		374,955,949	346,668,388	28,287,561	92%
None operating revenue	19,806,000		19,806,000	36,689,661	(16,883,661)	185%
Adjustments				(5,132,389)		
<b>Total</b>	<b>394,761,949</b>		<b>394,761,949</b>	<b>378,225,660</b>	<b>(1,941,238)</b>	96%
Grant	48,350,700		48,350,700	6,923,767	41,426,933	14%
<b>Total revenue</b>	<b>443,112,649</b>		<b>443,112,649</b>	<b>385,149,427</b>	<b>57,963,222</b>	87%
<b>Expenses</b>						
Staff cost	166,240,487		166,240,487	165,673,657	566,830	100%
General & operating expenses	124,161,035		124,161,035	89,000,744	35,160,291	72%
Board expenses	7,434,867	-	7,434,867	5,344,723	2,090,144	72%
Maintenance	74,773,883	-	74,773,883	46,451,874	28,322,009	62%
Finance cost	14,002,790	-	14,002,790	477,494	13,525,296	3%

**Nanyuki Water & Sanitation Company Limited**  
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Depreciation and amortization	-	-	-	-	-	-
<b>Total expenditure</b>	<b>386,613,062</b>	<b>-</b>	<b>386,613,062</b>	<b>306,948,491</b>	<b>79,664,571</b>	<b>79%</b>
Capital expenditure	158,644,494	-	158,644,494	34,482,269	124,162,225	22%
<b>Total expenditure</b>	<b>545,257,556</b>		<b>545,257,556</b>	<b>341,430,761</b>	<b>203,826,796</b>	<b>63%</b>

**Budget reconciliation**

Description of Particulars	Amount (Kshs)
1. Total Actual Expenditure on Comparable Basis	341,430,761
2. Add: Capital Expenditure Payments	136,180,183
3. Add: Loan Repayments Made During the Year	2,731,280
4. Add: Refund of Customer Deposits	5,231,500
5. Less: Non-cash Items (Depreciation and Amortization)	—
6. Add/(Less): Changes in Working Capital (Receivables, Payables, Deposits)	-14,550,711
7. Add: Opening Cash and Cash Equivalents (as at 1 July 2024)	29,054,733
8. Add: Total Actual Receipts (Operating + Non-Operating + Grants + Finance Income)	441,998,894
<b>9. Closing Cash and Cash Equivalent as per the Statement of Cash Flows</b>	<b>20,987,201</b>

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**Narrative Explanation of Key Variances**

1. **Capital Expenditure (CAPEX):**

The **Nanyuki River Water Project**, budgeted at **Ksh 72,610,369**, commenced in **March 2025**. As at year-end, the project was **still in progress**, accounting for the **low overall capital expenditure utilization (22%)**.

2. **Operating Revenue (92%)**

Revenue performance was affected by the delayed commissioning of the Nanyuki River Project, which limited the anticipated increase in water production and sales. Consequently, associated fees payable to **WRA** and **WASREB affecting the General & Operating Expenses (72%)**, which are tied to abstraction volumes and revenue, were also impacted.

3. **Finance Costs (3%)**

Finance costs were significantly below budget because the **loan repayment** for the Nanyuki River Project—initially expected to begin in FY 2024/2025—was deferred to **June 2025 (FY 2025/2026)**.

4. **Board Expenses (72%)**

Board costs were lower than budgeted as they are **capped at 2% of total operating revenue**; the underachievement in revenue therefore directly reduced allowable board expenditure.

5. **Maintenance (62%)**

Maintenance costs were underutilised because planned **pipe extension and maintenance activities** associated with the Nanyuki River Project were **deferred** due to the delayed licensing approvals.



## **Nanyuki Water & Sanitation Company Limited**

### **Annual Reports and Financial Statements For the year ended 30, June 2025**

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

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

Budget notes: Provide explanation of differences between actual and budgeted amounts (10% difference over/ under) Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

#### **19. Notes to the Financial Statements**

##### **1) General Information**

Nanyuki Water & Sanitation Company Limited was established by and derives its authority and accountability from water Act 2002 now repealed by Water act 2016. The Company is wholly owned by the County Government of Laikipia and domiciled in Kenya. The Company's principal activity is distribution of water and provision of sanitation services to the residence of Nanyuki town and its environs.

##### **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 judgment in the process of applying the Company's accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the company and all values are rounded to the nearest thousand (Kshs'000).

**Nanyuki Water & Sanitation Company Limited**  
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The financial statements have been prepared in accordance with the companies act, the PFM act and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

**Notes to the financial statements (continued)**

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

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

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

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Title	Description	Effective Date
	new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.	

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

**Notes to the Financial Statements (Continued)**

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

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

Title	Description	Effective Date
IFRS 18 Presentation and Disclosure in Financial statements	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	The new standard is effective for annual periods beginning on or after January 1, 2027. Earlier application is permitted.
IFRS 19 Subsidiaries without Public Accountability	IFRS 19 Subsidiaries without Public Accountability: Disclosures IFRS 19 Subsidiaries without Public Accountability: Disclosures was issued in May 2024. IFRS 19	An entity may elect to apply this Standard for reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

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Title	Description	Effective Date
	permits some subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. These entities apply the requirements in other IFRS Accounting Standards except for their disclosure requirements. Instead, these entities apply the requirements in IFRS 19	

(The Directors do not plan to apply any of the above until they become effective. Based on their assessment of the potential impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements).

*iii. Early adoption of standards*

The entity did not early – adopt any new or amended standards in year 2021/2022

**4) Summary of Accounting Policies**

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

**a) Revenue recognition**

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

- i) Revenue from the sale of goods and services** is recognized in the year in which the Company delivers products/services to the customer, the customer has accepted the products/services and collectability of the related receivables is reasonably assured.
- ii) Grants from Government Entities** are recognized in the year in which the Company actually receives such grants. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

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- iii) **Finance income** comprises interest receivable from bank deposits and investment in securities, and is recognized in profit or loss on a time proportion basis using the effective interest rate method.
- iv) **Dividend income** is recognized in the income statement in the year in which the right to receive the payment is established.
- v) **Rental income** is recognized in the income statement as it accrues using the effective interest implicit in lease agreements.
- vi) **Other income** is recognized as it accrues.

**b) In-kind contributions**

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

**c) Property, plant and equipment**

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

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

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

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

Item	Years	Rates
Plant and machinery	8	12.5%
Motor vehicles, including motor cycles	4	25%
Computers and related equipment	3	30%
Office equipment, furniture and fittings	8	12.5%
Tractors & trailers	4	25%
Equipment's, safe & cabinet	8	12.5%

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Water systems	8	12.5%
Building	8	12.5%
Software	5	20%
Provision for bad and doubtful debts	~`	16.5%

Computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives which are estimated to be 5 years.

Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the company, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include software development staff costs and an appropriate portion of relevant overheads.

Computer software development costs recognized as assets are amortized over their estimated useful lives which are estimated to be 5 years on a straight-line basis.

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

A full year's depreciation charge is recognized both in the year of asset purchase and none in the year of asset disposal. Items of property, plant and equipment are reviewed annually for impairment and accounted for in line with the provisions in the standard.

**e) Intangible assets**

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

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

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

Amortization is calculated on the straight-line basis over the estimated useful life of the intangible asset. All intangible assets are reviewed annually for impairment. Where the carrying amount of an intangible

**Notes to the financial statements (continued)**

**Summary of Accounting Policies**

asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognized and the asset is written down to its estimated recoverable amount.

**g) Investment property**

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

**h) Right of Use Asset**

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

**i) Fixed interest investments (bonds)**

Fixed interest investments refer to investment funds placed under Central Bank of Kenya (CBK) long-term infrastructure bonds and other corporate bonds with the intention of earning interest. Fixed interest investments are freely traded at the Nairobi Securities Exchange. The bonds are measured at amortized cost or at fair value through profit or loss or at fair value through other comprehensive income (FVOCI). *Nanyuki Water and Sanitation Company Limited did not have fixed interest investments during the financial year 2024/2025*

**j) Quoted investments**

**Notes to the financial statements (continued)**

**Summary of Accounting Policies**

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

**k) Unquoted investments**

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

**l) Inventories**

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

**m) Trade and other receivables**

Trade and other receivables are recognized at 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.

**Notes to the financial statements (continued)**

**Summary of Accounting Policies**

**n) Taxation**

**i) Current income tax**

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

**o) Deferred tax**

**Notes to the financial statements (continued)**

**Summary of Accounting Policies**

**Nanyuki Water & Sanitation Company Limited**  
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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.

**p) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative

**Notes to the financial statements (continued)**

**Summary of Accounting Policies**

is recognized in other comprehensive income and reclassified to profit or loss when the qualifying asset

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impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalized borrowing costs reflect the hedged interest rate. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

**q) Cash and cash equivalents**

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

**r) Borrowings**

Interest bearing loans and overdrafts are initially recorded at fair value being received, net of issue costs associated with the borrowing. Subsequently, these are measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue cost and any discount or premium on settlement. Finance charges, including premiums payable of settlement or redemption are accounted for on accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Loan interest accruing during the construction of a project is capitalized as part of the cost of the project.

**s) Trade and other payables**

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

**t) Retirement benefit obligations**

The entity operates a defined contribution scheme for all full-time employees from July 1, 2007. The scheme is administered by an in-house team and is funded by contributions from both the company and its employees. The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's

**Notes to the financial statements (continued)**

**Summary of Accounting Policies**

obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs 15% of basic and house allowance per employee per month.

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**u) Provision for staff leave pay**

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

**v) Exchange rate differences**

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

**w) Budget information**

The original budget for FY 2024-2025 was approved by the Board on June 30, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of an increase Kshs 67million on expenditure and reduction of Kshs 21million on Revenue on the 2024-2025 budget following the board's approval. 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. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xvii of these financial statements.

**x) Service concession arrangements**

**Notes to the financial statements**

**Summary of accounting policies**

The Company analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Company recognizes that asset when, and only when, it

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controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Company also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**y) Comparative figures**

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

**z) Subsequent events**

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

**5) Significant Judgments and Sources of Estimation Uncertainty**

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

**a) Estimates and assumptions**

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

**b) Useful lives and residual values**

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

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

**c) Provisions**

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

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.

The company provides 16.5% of its gross debtors in order to mitigate or reduce future obligations and uncertainties' which may arise due to bad debts.

*(NB: Nanyuki Water and Sanitation company limited has disclosed its material accounting policies following amendment of IAS 1 where it has disclosed its material accounting policies instead of significant accounting policies.)*

**6) Operating Revenue**

	2024/2025	2023/2024
	Kshs	Kshs
Water sales	230,850,934	230,399,449
Sewerage Services	103,493,154	100,224,555
Meter rent	12,324,300	11,628,200
Adjustment	(5,132,389)	(2,300,642)
Billing for other services*	37,344,563	41,880,136
<b>Total</b>	<b>378,880,562</b>	<b>381,831,698</b>

*Billing for other services refers to income generated from services such as new connection fees (water and sewer), exhauster services, renewal fee, reconnection fees*

**6(i) Operating Receipts**

	2024/2025	2023/2024
	Kshs	Kshs
Water sales	263,866,213	261,565,027
Sewerage Services	81,629,720	76,515,442
Meter rent	12,315,904	5,473,513
Other receipts	34,985,612	26,241,935
<b>Total</b>	<b>392,797,449</b>	<b>369,795,917</b>

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**7) Grant Incomes**

	2024/2025	2023/2024
	Kshs	Kshs
Capital grants from other agencies	25,261,207	19,252,571
Recurrent/operational grants from other agencies	-	-
Capital grants amortized	13,723,048	13,723,048
<b>Total</b>	<b>38,984,255</b>	<b>32,975,619</b>

*(Note: Capital grants amortized refers to the capital grants received and used to develop water systems. The company amortizes the same at a rate of 12.5% p.a until its fully amortized as per the provision of IAS 20).*

Name of the Entity sending the grant	Amount recognized in the Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	Insert Current FY KShs
Department	-	-	-	-	-
XX Ministry	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**8) Other Income**

	2024/2025	2023/2024
	Kshs	Kshs
Miscellaneous income	-	-
Miscellaneous income (Decrease in provision of doubtful debts)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**9) Finance Income**

	2024/2025	2023/2024
Description	Kshs	Kshs
Interest income from commercial financing	16,808	-
Interest income from insurance check off	17,155	-
<b>Total</b>	<b>33,963</b>	<b>-</b>

*Interest from escrow account in Consolidated bank and commission from insurance check off*

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**10. Other Gains and Losses**

	2024/2025	2023/2024
Description	Kshs	Kshs
Foreign exchange gains / (losses)	-	-
Loss/gain on disposal on sale of investments	-	-
Gain on sale of fixed assets	-	-
Fair value gain/loss on biological Assets	-	-
Fair value gain or losses on revaluation of investment property	-	-
Revaluation losses on inventory	-	-
Unrealized foreign exchange gains/(losses)	-	-
<b>Total</b>	-	-

**11. Staff Costs**

Description	2024/2025	2023/2024
	Kshs	Kshs
Gross Salary and Allowances	134,295,746	124,553,362
AHL	2,362,222	2,152,935
Employer's contributions to social security schemes	4,510,677	3,186,271
Employer's contributions to pension scheme	10,931,009	11,475,588
Provisions for Leave pay	8,002,374	7,951,094
Gratuity provisions	5,571,629	5,462,949
<b>Total</b>	<b>165,673,657</b>	<b>154,782,199</b>
<b>The average number of employees during the year</b>	<b>135</b>	<b>135</b>

**12. General and Operations Expenses**

	2024/2025	2023/2024
Description	Kshs	Kshs
Thanks giving and end year prayers	1,304,800	1,377,976
Performance Token	-	65,000
Additional tax assessment	-	30,000
AGM	683,684	-
Ground Maintenance	10,678,568	6,481,351
Staff Medical Insurance	6,917,098	6,973,914
Advertisements	671,944	-
Travelling and Subsistence	2,266,560	3,437,990

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Telephone and Postage	1,247,385	953,260
Newspapers and periodicals	185,740	165,260
Office Expenses	94,075	142,880
Staff Training	4,277,040	2,537,980
Corporate Social Responsibility	1,912,790	3,054,027
Staff Welfare	7,110,962	8,913,529
Subscription	414,130	412,700
Games and Sports	1,802,510	2,929,920
Legal Fees	145,000	968,000
Audit Fees	538,240	538,240
Professional fees	171,050	187,600
Security	6,675,759	7,039,336
Stakeholders participation	4,205,680	3,284,290
Internet	3,572,750	4,657,634
General Insurance	2,108,354	1,914,536
Bank Charges	594,855	572,831
Printing and Stationery	1,511,311	1,900,356
Uniforms	221,398	444,314
Fines & penalties	26,000	-
Cleaning materials	1,566,900	3,037,975
<b>Total</b>	<b>60,904,584</b>	<b>62,020,899</b>
<b>Operations</b>		
Licenses & permits	611,200	-
WRA abstraction fees	3,907,699	1,375,581
chemicals	9,457,291	10,691,778
Water Analysis	250,740	30,560
WASREB Levy	11,382,566	3,818,376
Meter testing & Calibration	-	21,900
Admin exp-Nanyuki River Project	2,695,117	81,000
CLSG 11 Admin expenses	1,197,284	-
Electricity	7,773,560	9,032,212
Consultancy	-	433,750
<b>Total</b>	<b>37,275,457</b>	<b>25,485,156</b>
<b>Grand Total</b>	<b>98,180,041</b>	<b>87,506,055</b>

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**13. Board Expenses**

Description	2024/2025	2023/2024
	KShs	KShs
Committee allowances	1,078,592	697,156
Board Expenses	2,277,518	3,420,068
Full Board allowances	2,085,757	2,007,952
<b>Total Board Expenses</b>	<b>5,441,867</b>	<b>6,125,176</b>

**14. Maintenance Expenses**

Description	2024/2025	2023/2024
	Kshs	Kshs
<b>General Maintenance</b>		
Tools and Equipment	298,806	207,210
Electrical Repairs	1,489,194	2,576,100
Environmental conservation	350,500	30,000
NRW	3,282,997	3,675,452
Repair and maintenance of boreholes	398,500	827,000
Fencing and Access road maintenance	1,798,045	5,286,240
Building Maintenance	864,151	2,503,820
Water network repairs	6,379,427	16,724,776
Sewer network Maintenance	2,943,940	5,376,457
Disludging of waste water treatment ponds	-	1,509,445
Disilting of intake works & sedimentation tanks	263,000	39,000
Manhole Maintenance	325,810	5,280,392
System Maintenance	1,492,327	1,492,300
Computer Accessories	158,310	1,722,730
<b>Sub Total</b>	<b>20,045,007</b>	<b>47,250,921</b>
<b>Motor vehicle running expenses</b>		
Fuels and Oils	11,935,489	12,083,067
Motor vehicle repairs	2,181,060	1,606,229
Tyres and Tubes	310,000	216,800
Generator repairs and oils	563,215	822,783
Exhauster maintenance	157,640	334,240
Motor Bikes repair	311,512	554,624
<b>Sub Total</b>	<b>15,458,916</b>	<b>15,617,744</b>
<b>Grand Total</b>	<b>35,503,923</b>	<b>62,868,665</b>

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**15. Depreciation, Amortization & provisions Expenses**

Description	2024/2025	2023/2024
	KShs	KShs
Property, plant, and equipment	53,566,008	44,767,607
Intangible assets	-	1,745,610
Provisions for bad & doubtful debts	920,549	6,930,985
<b>Total Depreciation and Amortization</b>	<b>54,486,557</b>	<b>53,444,202</b>

**16. Finance costs**

	2024/2025	2023/2024
Description	Kshs	Kshs
Interest expense on loans	1,123,977	844,286
<b>Total</b>	<b>1,123,977</b>	<b>844,286</b>

**16 (a) Enterprise performance (Equator Glacier)**

	2024/2025	2023/2024
Description	Kshs	Kshs
Revenues	14,210,949	23,707,822
Total expenses	13,118,039	(18,775,995)
<b>Net profit for the year</b>	<b>1,092,910</b>	<b>4,931,827</b>

**17. Income Tax Expense/(Credit)**

**Current taxation**

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

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

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

*(Provide short appropriate explanations as necessary)*

**18. Earnings Per Share**

The earnings per share is calculated by dividing the profit after tax of Kshs.603 (2023/24: KShs.542 ) by the average number of ordinary shares in issue during the year of 100,000 (2023/24:100,000). There were no dilutive or potentially dilutive ordinary share as at the reporting date.

**19. Dividend Per Share**

According to regulation 96 of Articles of Association, no dividend is paid to the shareholders but instead, all profits are ploughed back to the company in accordance with the Service Provision Agreement for the advancement of the company's objectives.

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Notes to the financial statements (continued)

20. Property, Plant and Equipment

2024/2025	Motor Vehicles	Tractors & trailers	Motor cycle	Smart phones	Furniture & fittings	Equipments, safe & cabinets	Office Buildings	Borehole, tanks & Solar	NRW Equipments	Filter media
<b>Depreciation rate</b>										
<b>COST OR VALUATION</b>										
At July 1, 2024	24,374,758	2,570,000	3,756,032	76,500	4,723,417	3,705,670	15,987,671	56,096,944	1,086,176	2,308,649
Additions	-	-	-	14,500	49,750	12,064	-	6,641,472	-	-
<b>At June 30, 2025</b>	<b>24,374,758</b>	<b>2,570,000</b>	<b>3,756,032</b>	<b>91,000</b>	<b>4,773,167</b>	<b>3,717,734</b>	<b>15,987,671</b>	<b>62,738,416</b>	<b>1,086,176</b>	<b>2,308,649</b>
<b>DEPRECIATION</b>										
At July 1, 2024	21,444,878	2,570,000	3,724,791	22,950	3,461,666	3,691,974	11,479,358	20,034,381	409,249	807,303
Charge for the year	2,929,881	-	31,241	27,300	279,802	3,789	931,741	5,545,578	84,617	187,668
<b>As at 30<sup>th</sup> June 2024</b>	<b>24,374,758</b>	<b>2,570,000</b>	<b>3,756,032</b>	<b>50,250</b>	<b>3,741,468</b>	<b>3,695,763</b>	<b>12,411,099</b>	<b>25,579,959</b>	<b>493,867</b>	<b>994,971</b>
<b>Net Book value as at June 30, 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,750</b>	<b>1,031,699</b>	<b>21,972</b>	<b>3,576,572</b>	<b>37,158,457</b>	<b>592,309</b>	<b>1,313,678</b>
<b>Net Book value as at June 30, 2024</b>	<b>2,929,881</b>	<b>-</b>	<b>31,241</b>	<b>53,550</b>	<b>1,261,750</b>	<b>13,697</b>	<b>4,508,313</b>	<b>36,062,563</b>	<b>676,927</b>	<b>1,501,346</b>

Notes to the financial statements (continued)

Property, Plant and Equipment (Continued)

2024/2025	Public Sanitation block (PSF)	Computer	Lab equipments	Sewer systems Likii sewerage	Sewer system sewerline	Water systems Nturukuma, Nkando Katheri	Water systems S/water, Ichuga, Njogui ni	Water systems Meters & Meter installation
<b>COST OR VALUATION</b>								
At July 1, 2024	4,963,473	12,178,121	1,130,420	9,295,987	35,490,952	4,687,965	8,453,580	41,558,348
Additions	2,516	419,800	398,651	-	-	148,824	16,600	7,684,613

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At June 30, 2025	4,965,988	12,597,921	1,529,071	9,295,987	35,490,952	4,836,789	8,470,180	49,242,961
<b>DEPRECIATION</b>								
At July 1, 2024	1,154,438	11,816,071	355,462	4,587,247	14,543,170	2,792,886	4,070,690	14,512,007
Charge for the year	476,444	327,690	146,701	539,543	2,618,473	255,488	549,936	4,338,645
As At 30 <sup>th</sup> June 2025	1,630,882	12,143,761	502,162	5,126,790	17,161,643	3,048,374	4,620,626	18,850,652
<b>Net Book value as at June 30, 2025</b>	3,335,106	454,160	1,026,909	4,169,197	18,329,309	1,788,415	3,849,554	30,392,309
<b>Net Book value as at June 30, 2024</b>	3,809,035	362,050	774,958	4,708,740	20,947,782	1,895,079	4,382,890	27,046,341

Property, Plant and Equipment (Continued)

2024/2025	Bottling	Old Water system	Water systems Kili mo Teachers	Water systems	Water system Ruai Town	Water system Ngei/Thingit hu/ Mt view	Water Supply Equipments	Water systems water extension	Work in Progress	Total
<b>Cost or Valuation</b>										
At July 1, 2024	2,298,515	370,862,467	4,361	98,521,434	2,535,171	5,494,330	113,402	10,119,560	-	722,393,903
Additions	-	-	15,365	59,863,875	-	-	106,300	86,237	60,719,617	136,180,183
At June 30, 2025	2,298,515	370,862,467	19,726	158,385,309	2,535,171	5,494,330	219,702	10,205,797	60,719,617	858,574,086
<b>Depreciation</b>										
At July 1, 2024	2,226,370	259,947,441	-	15,534,277	585,263	1,726,297	14,175	3,657,291	-	405,169,635
Charge for the year	24,052	18,072,352	2,466	14,584,568	243,738	471,004	25,691	867,600	-	53,566,008
As At 30 <sup>th</sup> June 2024	2,250,422	278,019,793	2,466	30,118,845	829,002	2,197,301	39,866	4,524,892	-	458,735,643

**Nanyuki Water & Sanitation Company Limited**  
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<b>Net Book Value As at June 30, 2025</b>	48,093	92,842,675	17,260	128,266,464	1,706,169	3,297,029	179,836	5,680,905	60,719,617	399,838,443
<b>NET BOOK VALUE As at June 30, 2024</b>	72,145	110,915,027	4,361	82,987,157	1,949,908	3,768,033	99,227	6,462,268	-	317,224,268

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**Notes to the financial statements (continued)**

**Valuation**

No valuation of Land and buildings or any of the company's assets during the financial year since the company is an agent of County Government of Laikipia (Principal). It's the responsibility of the principal to undertake the exercise.

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

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Buildings	15,987,671	12,411,099	3,576,572
Water systems	677,934,743	369,822,776	308,111,968
Sewer system	49,752,927	23,919,315	25,833,612
Motor vehicles, including motorcycles	30,700,791	30,700,791	-
Computers and related equipment	12,688,921	12,194,011	494,910
Office equipment, furniture, and fittings	8,490,901	7,437,231	1,053,670
Work in progress	60,719,617	-	60,719,617
Bottling	2,298,515	2,250,422	48,093
	<b>858,574,086</b>	<b>458,735,645</b>	<b>399,838,443</b>

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

Description	Cost or valuation	Accumulated depreciation
Motor vehicle	24,374,758	24,374,758
Tractor	2,570,000	2,570,000
Motor cycle	3,756,032	3,756,032
Furniture	1,318,006	1,318,006
Office equipment, furniture, and fittings	3,669,175	3,669,175
Computers	11,554,621	11,554,621
Intangible assets	8,728,070	8,728,070
<b>Total</b>	<b>55,970,662</b>	<b>55,970,662</b>

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**21. Intangible Assets**

	2024/2025	2023/2024
	Kshs	Kshs
<b>COST</b>		
At July 1 2024	8,728,070	8,728,070
Additions	-	-
Disposals	=	=
At June 30 2025	<b>8,728,070</b>	<b>8,728,070</b>
<b>AMORTISATION</b>		
At July 1 2024	8,728,070	6,982,460
Charge for the year	-	1,745,616
Disposals	-	-
Impairment loss	-	-
As at June 30 2025	<b>8,728,070</b>	<b>8,728,070</b>
<b>NET BOOK VALUE</b>		
As at June 30 2025	-	-

*The intangible asset refers to Enterprise Resource Programme that the company procured in the year 2020. The company has progressively amortized it at a rate of 20% per year.*

**22. Investment Property**

	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
<b>Opening valuation</b>	-	-
<b>Movements during the year</b>		
Additions	-	-
Disposals	-	-
Fair value gains/(losses)	-	-
<b>Closing valuation</b>	-	-

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<b>Depreciation (if at cost)</b>		
<b>At July 1 2024</b>	-	-
Charge for the year	-	-
Disposals	-	-
Impairment loss	-	-
<b>At June 30 2025</b>	-	-
<b>Net book value</b>		
At June 30 2024	-	-

The company had not undertaken revaluation exercise since it's the mandate of the county Government of Laikipia to do so.

**23. Right-of-use assets**

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

**24. Biological Assets**

	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Cattle	-	-
Trees	-	-
Others (Specify)	-	-
<b>Total</b>	-	-

Notes to the financial statements (continued)

**Nanyuki Water & Sanitation Company Limited**  
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**25. Fixed Interest Investments (Bonds)**

	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	<b>Kshs</b>	<b>Kshs</b>
Central Bank of Kenya 12.5% 15-Year Bond	-	-
AB Corporate Bond (give details)	-	-
CD Corporate Bond (give details)	-	-
<b>Total</b>	-	-

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

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

The company had not acquired Fixed Interest Investments or Bonds by 30<sup>th</sup> June 2025.

**26. Quoted Investments**

	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	<b>Kshs</b>	<b>Kshs</b>
<b>Opening valuation</b>	-	-
<b>Movements during the year</b>		
Additions	-	-
Disposals	-	-
Fair value gains/(losses)	-	-
<b>Closing valuation</b>	-	-

*[Nanyuki Water and Sanitation company did not have any Quoted investments during the financial year 2024/2025..]*

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Notes to the financial statements (continued)

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

27. Unquoted Investments

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

Nanyuki Water and Sanitation company did not have any Quoted investments during the financial year 2024/2025..

Nanyuki Water & Sanitation Company Limited  
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Notes to the financial statements (continued)

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

28. Inventories

	2024/2025	2023/2024
	Kshs	Kshs
Miscellaneous	521,187	541,440
Chemicals	735,449	389,470
Stationery	671,208	501,099
Pipes & fittings	5,160,732	3,167,645
Meters	461,440	908,004
Bottling	64,797	299,765
<b>Total</b>	<b>7,614,813</b>	<b>5,807,423</b>

The company applies weighted average cost method to establish the value of stock held at the end of the financial period.

28. a) Reconciliation of Impairment Allowance for Inventories

Description	2024/2025	2023/2024
	KShs	KShs
At the beginning of the year	5,807,423	10,734,142
Additional provisions during the year	1,807,389	(4,926,719)
At the end of the year	<b>7,614,813</b>	<b>5,807,423</b>

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**29. Trade and Other Receivables**

	2024/2025	2023/2024
	KShs	KShs
Trade receivables (note (29a))	217,479,177	211,900,090
Deposits and prepayments	4,601,916	4,099,500
Other receivables	14,835,499	
<b>Gross trade and other receivables</b>	<b>236,916,592</b>	<b>215,999,590</b>
Provision for bad and doubtful receivable(16.5%)	(35,884,064)	(34,963,515)
<b>Net trade and other receivables</b>	<b>201,032,528</b>	<b>181,036,075</b>

**29. (a) Trade Receivables**

	2024/2025	2023/2024
	Kshs	Kshs
Gross trade receivables	217,479,177	211,900,090
Deposits and prepayments	4,601,916	4,099,500
	<b>222,081,093</b>	<b>215,999,590</b>
<b>As at June 30, the ageing analysis of the gross trade receivables was as follows:</b>		
Less than 30 days	19,379,563	17,661,050
Between 30 and 60 days	17,116,715	15,598,864
Between 61 and 90 days	22,821,858	20,798,094
Between 91 and 120 days	15,352,562	13,991,150
Over 120 days	142,808,479	143,850,932
<b>Total</b>	<b>217,479,177</b>	<b>211,900,090</b>

**29. (b)**

**Reconciliation of Impairment Allowance for Trade Receivables**

Description	2024/2025	2023/2024
	KShs	KShs
At the beginning of the year	211,900,090	153,108,743
Additional during the year (billings)	384,012,951	384,132,340
Recovered during the year (Receipts)	(392,797,449)	(369,795,916)
Written off during the year (Rebates/adjustments)	(2,083,064)	44,454,923
At the end of the year	<b>201,032,528</b>	<b>211,900,090</b>

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**29. (c) Staff Receivables**

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

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

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

**30. Tax Recoverable**

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

*[Provide short appropriate explanations as necessary]*

**Notes to the financial statements (continued)**

**31. Short Term Deposits**

	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
<b>Commercial banks</b>		
Cooperative Bank of Kenya	-	-
Kenya Commercial Bank	-	-
Barclays Bank of Kenya	-	-

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Others (specify)	-	-
	-	-

*[The company does not have short term deposits]*

**Notes to the financial statements (continued)**

		2024/2025	2023/2024
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Sidian Bank	0101900000667	359,016	175,120
KCB	1103189492	959,532	7,355,154
Equity	0270262386906	85,000	118,050
Equity	0270295023483	103,092	136,845
Family bank	064000074156	486	486
Family bank	064000072475	307,306	2,439
National bank	01071237876300	178,614	101,024
National Bank	01098237876300	6,553,764	1,708
National bank	01020237876301	(5,465)	-
Consolidated Bank Limited	10061211000021	1,143,259	-
Consolidated Bank Limited	10061301000594	2,612,990	-
Family bank	064000073526	167	167
KCB Public sanitation	064000076049	-	236,383
KCB	1234142643	(1,840)	668
National bank	7700116954	6,103,724	17,170,989
<b>Sub- total</b>		<b>18,399,645</b>	<b>25,299,032</b>
<b>b) Others(specify)</b>			
Post bank	0744130012585	13,358	118,528
Mpesa Utility	540300	2,328,900	3,517,600
Kopokopo	869751	63,979	11,680
Mpesa Working account	540300	106,247	93,273
Huduma		67,063	33,764
Glacier cash sales		8,010	5,600
<b>Sub- total</b>		<b>2,587,556</b>	<b>3,780,444</b>
<b>Grand total</b>		<b>20,987,201</b>	<b>29,079,476</b>

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**32. Ordinary Share Capital**

	2024/2025	2023/2024
	Kshs	Kshs
<b>Authorized:</b>		
100 ordinary shares of Kshs.100 par value each	100,000	100,000
<b>Issued and fully paid:</b>		
100 ordinary shares of Kshs.100 par value each	100,000	100,000

*[The company's total share capital comprises 100 ordinary shares which are issued and fully paid]*

**33. 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.

**34. Fair Value Adjustment Reserve**

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

**35. Retained Earnings**

The retained earnings represent amount available for distribution to Nanyuki water and Sanitation company ltd shareholders. However, the company does not

**36. Deferred Tax Liability**

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

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

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The movement on the deferred tax account is as follows:

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

**37. Borrowings**

	2024/2025	2023/2024
	KShs	KShs
<b>a) External Borrowings</b>		
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Repayments of during the year	-	-
<b>Balance at end of the year</b>	-	-
<b>b) Domestic Borrowings</b>		
Balance at beginning of the year	4,008,389	6,332,847
Domestic borrowings during the year	26,408,267	-
Repayments during the year	(4,037,275)	(2,324,458)
<b>Balance at end of the year</b>	<b>26,379,381</b>	<b>4,008,389</b>
<b>C) Total Balance at end of the period c = a+b</b>	<b>26,379,381</b>	<b>4,008,389</b>

**Notes to the financial statements (continued)**

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

	FY 2024/2025	FY 2023/2024
	KShs	KShs
<b>External Borrowings</b>	None	None
Dollar denominated loan from 'xxx Organization'	-	-
Sterling Pound denominated loan from 'yyy organization'	-	-
Euro denominated loan from zzz organization'	-	-
<b>Domestic Borrowings</b>		

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Kenya Shilling loan from Consolidated bank	25,102,272	-
Kenya Shilling loan from Family Bank	1,277,109	4,008,389
Total balance at end of the year	<b>26,379,381</b>	<b>4,008,389</b>

Description	2024/2025	2023/2024
	KShs	KShs
<b>Short term borrowings (current portion)</b>	2,610,150	2,215,985
<b>Long term borrowings</b>	23,769,231	1,792,404
<b>Total</b>	<b>26,379,381</b>	<b>4,008,389</b>

(NB: Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

**38. Lease Liability**

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
<b>At the start of the year</b>	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
<b>At end of the year</b>	-	-

Maturity analysis	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Year 1	-	-
Year 2	-	-
Year 3	-	-
Year 4	-	-
Year 5	-	-
On wards	-	-
	=	=
Less: unearned interest	-	-
	=	=
Analysed as:		
<b>Non-Current</b>	-	-
<b>Current</b>	-	-

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39. Provisions

Description	Leave	Bonus	Gratuity	Other	Total
	Provision	Provision	provisions	Provisions	
	KShs		KShs	KShs	KShs
Balance at the beginning of the year	-	-	11,076,750	-	11,076,750
Additional Provisions	-	-	5,571,629	-	5,571,629
Provision utilized	-	-	(1,714,520)	-	(1,714,520)
Change due to discount and time value for money	-	-		-	
Balance at the end of the year	-	-	14,933,860	-	14,933,860

Provisions details

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Portion of Provisions	5,571,629	3,339,661
Long-term portion of Provisions	9,362,230	7,737,089
<b>Total</b>	<b>14,933,860</b>	<b>11,076,750</b>

40. Retirement Benefit Obligations

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

Retirement benefit Asset/ Liability

Nanyuki Water and Sanitation Company Limited operates a defined benefit scheme for all full time employees from July 2024. The scheme is administered by local Authority Pension Trust and local Authority Pension Fund who are the custodian of the schemes. The schemes are based on 12% of the employees' gross salary (Basic & House allowance) and 15% employer's contribution at the time of retirement.

The principal assumptions used for the purposes of valuation are as follows:

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	2024/2025	2023/2024
	Kshs	Kshs
Discount rates	0%	0%
Future salary increases	0%	0%
Future pension increases	0%	0%
Mortality (Pre- retirement)	0%	0%
Mortality (Post- retirement)	0%	0%
Withdrawals	-	-
Ill health	-	-
Retirement	- years	-years

**Recognition of Retirement Benefit Asset/ Liability**

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

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

**b) Amounts recognised in the Statement of Financial Position**

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

Nanyuki Water and Sanitation Company Limited contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the national security act. Nanyuki Water and Sanitation Company Limited's obligation under the scheme is limited to specific contribution legislated from time to time and is currently as per tier 1 and 2 of employees salary per month. Other than NSSF, Nanyuki Water and Sanitation

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Company Limited also has a defined contribution scheme operated by Local Authority pension fund and Local Authority pension trust. Employees contribute 12% while employer contributes 15% of gross salary (Basic plus house allowance). Employer's contributions' are recognized as expenses in the financial performance within the period they are incurred.

**41. Trade and Other Payables**

	2024/2025	2023/2024
	Kshs	Kshs
Trade payables	40,307,069	41,607,210
Accrued expenses	1,264,780	437,228
Employee payables	38,884,875	43,072,997
Other payables	68,397,296	43,194,315
<b>Total</b>	<b>148,854,020</b>	<b>128,311,749</b>

**Aging Analysis for Trade and other Payables**

	2024/2025	% of the total	2023/2024	% of the total
Under one year	116,580,327	78%	111,631,222	87%
1-2 years	12,602,594	8%	3,849,352	3%
2-3 years	3,493,344	2%	2,566,235	2%
Over 3 years	16,177,755	11%	10,264,940	8%
<b>Total</b>	<b>148,854,020</b>		<b>128,311,749</b>	

**42. Refundable Deposits and Prepayments**

**42. Customer deposits**

	2024/2025	2023/2024
	Kshs	Kshs
Opening Balance	32,600,333	28,821,483
Add: deposits received during the year	9,948,251	8,544,450
Less: Refunded deposits during the year	(5,231,500)	(4,765,600)
<b>Total</b>	<b>37,317,084</b>	<b>32,600,333</b>

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**Aging Analysis for Refundable Deposits and Prepayments**

	2024/2025		% of the total	2023/2024	% of the total
Under one year	9,250,000		25%	8,544,450	26%
1-2 years	6,500,000	-	17%	5,184,582	16%
2-3 years	6,277,084		17%	4,388,000	13%
Over 3 years	15,290,000		41%	14,483,301	44%
<b>Total</b>	<b>37,317,084</b>			<b>32,600,333</b>	

**43. Deferred Income**

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

The deferred income movement is as follows:

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

**44. Dividends Payable**

The company does not distribute profits but instead ploughs back to carry out development projects.

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

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**Dividend Payable analysis**

	FY 2024/2025		% of the total	FY 2023/2024	% of the total
Under one year	-		%	-	%
1-2 years	-		%	-	%
2-3 years	-		%	-	%
Over 3 years	-		%	-	%
<b>Total</b>	-			-	

Nanyuki Water and Sanitation Company Limited *does not distribute Dividends but instead ploughs back the net profits.*

**45. Taxation**

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

**46. Notes to The Statement of Cash Flows**

	2024/2025	2023/2024
	Kshs	Kshs
<b>(f) Reconciliation of operating profit/(loss) to cash generated from/ (used in) operations</b>		
Net Profit	58,581,669	54,169,561
Prior year adjustments		
Depreciation	54,486,557	44,767,607
Amortization	-	1,745,610
(Gain)/loss on disposal of property, plant and equipment		
Operating profit/(loss) before working capital changes	<b>113,068,226</b>	<b>100,682,782</b>
Working capital changes:		
(Increase)/decrease in inventories	1,807,389	4,475,274
(Increase)/decrease in trade and other receivables	(4,573,956)	39,174,483

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	2024/2025	2023/2024
	Kshs	Kshs
Increase/(decrease) in trade and other payables	20,542,271	15,311,765
Increase/(decrease) in retirement benefit obligations		
Increase/(decrease) in provision for staff leave pay		
<b>Cash generated from/ (used in) operation</b>	<b>130,843,930</b>	<b>159,644,304</b>
<b>1. Analysis of changes in loans</b>		
<b>Balance at beginning of the year</b>	<b>4,008,389</b>	6,332,862
Receipts during the year	26,408,267	-
Repayments during the year	( 4,037,275)	(2,324,458)
Repayments of previous year's accrued interest		-
Foreign exchange (gains)/losses		-
Accrued interest	-	-
<b>Balance at end of the year</b>	<b>26,379,381</b>	<b>4,008,389</b>
<b>2. Analysis of cash and cash equivalents</b>		
Short term deposits	-	-
Cash at bank	20,979,191	25,279,032
Cash in hand	8,010	5,600
Balance at end of the year	<b>20,987,201</b>	<b>29,059,476</b>
	-	-
<b>3. Analysis of interest paid</b>		
Interest on loans	1,123,977	844,286
Balance at end of the year (note 35(b))	-	-
Interest paid	1,123,977	844,286
<b>4. Analysis of dividend paid</b>		

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	2024/2025	2023/2024
	Kshs	Kshs
Balance at beginning of the year	-	-
20xx dividends paid	-	-
20xx dividends paid	-	-
20xx interim dividends paid	-	-
Balance at end of the year	-	-
Dividend paid	-	-

**Notes to the financial statements (continued)**

**Other Disclosures**

**47. Related Party Disclosures**

**County Government of Laikipia**

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

Other related parties include:

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

**Transactions with related parties**

	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>a) Sales to related parties</b>		
Rent Income from govt. agencies	-	-
Water sales to Govt. agencies	11,625,244	14,169,472
Interest income from Govt Commercial Banks	16,808	-
Interest income from T-bills and Bonds	-	-
Others (Specify)	-	-

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	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>Total</b>	<b>11,642,052</b>	<b>14,169,472</b>
<b>b) Purchases from related parties</b>		
	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies		-
Training and conference fees paid to govt. agencies	680,400	485,200
Bank charges paid to Govt Commercial banks	594,855	572,831
Interest expense to investments by other govt. entities	-	-
Others (specify)	-	-
<b>Total</b>	<b>1,275,255</b>	<b>1,058,031</b>
<b>b) Grants from the Government</b>		
Grants from National Govt Agencies	25,261,207	19,252,571
Grants from County Government	-	-
Donations in kind	-	-
<b>Total</b>	<b>25,261,207</b>	<b>19,252,571</b>
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for xxx employees	-	-
Payments for goods and services for xxx	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>d) Key management compensation</b>		
Directors' emoluments	-	-
Compensation to key management	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**48. Capital Commitments**

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

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

*[The company has recognized all capital commitments for the Financial year 2024/2025]*

**49. Contingent Assets and Liabilities**

**Contingent Assets**

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

*(No contingent assets or liabilities are expected by the company)*

**Contingent Liabilities**

	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>Contingent liabilities</b>	-	-
Court case xxx against the entity	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from contracts including PPPs (Public Private Partnership)	-	-
Others (Specify)	-	-
<b>Total</b>	-	-

*In the opinion of the directors, no provision is required in these financial statements the company do not have any court case.*

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**Financial Risk Management**

The Company's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to 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:

**Notes to the financial statements (continued)**

**(i) Credit risk**

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

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

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

	Total amount Kshs	Fully performing Kshs	Past due but not Impaired Kshs	Past due and Impaired Kshs
<b>At 30 June 2025</b>				
Trade Receivables	217,479,177	217,479,177	217,479,177	217,479,177
Other Receivables	4,601,916	4,601,916	4,601,916	4,601,916
Investments				
Bank balances	20,987,201	20,987,201	20,987,201	20,987,201
<b>Total</b>	<b>243,068,294</b>	<b>243,068,294</b>	<b>243,068,294</b>	<b>243,068,294</b>
<b>At 30 June 2024</b>				
Receivables	211,900,090	211,900,090	211,900,090	176,936,575
Other Receivables	4,099,500	4,099,500	4,099,500	4,099,500
Investments				
Bank balances	29,059,476	29,059,476	29,059,476	29,059,476
<b>Total</b>	<b>245,059,069</b>	<b>245,059,069</b>	<b>245,059,069</b>	<b>200,095,551</b>

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

**Credit Risk (Continued)**

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

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

**ii) Liquidity risk management**

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade payables	-	-	112,999,984	112,999,984
Current portion of borrowings	-	-	2,215,985	2,215,985
Provisions	-	-	9,140,228	9,140,228
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	<b>124,356,197</b>	<b>124,356,197</b>
<b>At 30 June 2025</b>				
Trade payables			148,854,050	148,854,050
Current portion of borrowings			2,610,150	2,610,150
Provisions			5,571,629	5,571,629
Deferred income				
Employee benefit obligation				
<b>Total</b>			<b>157,035,829</b>	<b>157,035,829</b>

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**(iii) Market risk (Tailor as appropriate)**

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

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

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

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

**a) Foreign currency risk**

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

**Notes to the financial statements (continued)**

**(iii) Market risk (Continued)**

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

	Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>			
<b>Financial assets</b>			
Investments			
Cash/Bank			
Debtors			
<b>Financial Liabilities</b>			
Trade and other payables			
Borrowings			
Net foreign currency asset/(liability)			

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

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**Notes to the financial statements (continued)**

**b) Foreign currency sensitivity analysis**

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

	<b>Change in currency rate</b>	<b>Effect on Profit before tax</b>	<b>Effect on equity</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>20xx Current FY</b>			
Euro	-	-	-
USD	-	-	-
<b>20xx Previous FY</b>			
Euro	-	-	-
USD	-	-	-

**c) Interest rate risk**

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

**i) Management of interest rate risk**

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

**ii) Sensitivity analysis**

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

**iii) Fair value of financial assets and liabilities**

**20. Financial instruments measured at fair value**

Determination of fair value and fair values hierarchy

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

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

**Notes to the financial statements (continued)**

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

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

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

***Financial instruments not measured at fair value***

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

**Notes to the financial statements (continued)**

**iv) Capital Risk Management**

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

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	2024/2025	2023/2024
	Kshs	Kshs
Revaluation reserve		-
Retained earnings	191,464,542	130,475,842
Capital reserve	157,938,935	157,938,935
Total funds	349,403,477	288,414,777
Total borrowings	26,379,381	4,008,389
Less: cash and bank balances	(20,987,201)	(29,059,476)
Net debt/ (excess cash and cash equivalents)	354,795,657	263,363,690
Gearing		%

**50. Incorporation**

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

**51. Events After the Reporting Period**

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

**20. Appendices**

**Appendix 1: progress on follow up of auditor recommendations.**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
<b>Basis for Qualified Opinion</b>				
1	Unaccounted Customer Deposit	The customer deposits are refunded as and when demands are made	Not Resolved	June 2026
<b>Emphasis of Matter</b>				
1	Budgetary Control and Performance	The underperformance of receipts was occasioned by drought situation that reduced water production a temporary condition expected to improve.	Not Resolved	June 2026
<b>Other Matter</b>				
1	Prior Year Unresolved Matters	The reports for prior year will be discussed when senate convenes	Resolved	Awaiting senate report
<b>Report on Lawfulness and Effectiveness in Use of Public Resources No. 1</b>				
1	Accrued statutory obligations	The management concurs that huge receivables caused a temporal cash crunch measures are in place to recover debts and pay outstanding payables	Not Resolved	June 2026
2	Excess Non-Revenue Water	Management has put in place measures to reduce water loss.	Resolved	June 2026
3	Appointment of board of directors	Management is in the process of regularizing the appointment to coincide with the law	Resolved	June 2025

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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
4	Non-compliance with law on fiscal responsibility – wage bill	Management though inherited the situation from the county council is in the process of regularizing the wage bill.	Not Resolved	June 2027
5	Staff ethnicity diversity	Management though inherited the situation from the county council is in the process of regularizing the staff composition	Not Resolved	June 2027
6	Unbalanced budget	Management notes the anomaly and has taken precaution in preparation of subsequent budget.	Not Resolved	June 2026

**Guidance Notes:**

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

Name : ..... KENNEDY GITONGA .....

Signature: .....  .....

Managing Director: .....

Date: 29/08/25 .....

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**Appendix II: Projects Implemented by the Company**

**Projects**

Projects implemented by the Company Funded by development partners.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1Construction of DN 20 TO DN 90, 45Km Kilimo-Teachers Pipeline-LOT 1	NAWASCO/CLSG II/08/LOT 1/2024	Water Sector Trust Fund	April 2024-October 2025	15,008,620	Yes	Yes
2Solarization of 2no. boreholes	NAWASCO/CLSG II/08/LOT 2/2024	Water Sector Trust Fund	April 2024-October 2025	5,799,034	Yes	Yes
3Rehabilitation of Temu-Emmanuel pipeline 24km DN 20 to DN 90 and 1448 consumer meters	NAWASCO/CLSG II/08/LOT 2/2024	Water Sector Trust Fund	April 2024-October 2025	13,543,046	Yes	Yes
Repair of 5no storage tanks namely Nanyuki High old tank, , Nanyuki High New tank, Inooro Tank,	NAWASCO/CLSG II/03/2025	Water Sector Trust Fund	January 2025-October 2025	14,315,634	Yes	Yes

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42Site tank and Army Tank						
Nanyuki River Water Project- LOT 1	NAWASCO/NWRP/09/LOT 1/2024	-	December 2024- August 2025	34,195,932	no	yes
Water Detailed Design	NK-005/NAWASCO/2024		November 2024-June 2025	13,350,440	yes	yes

**Status of Projects completion**

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Construction of DN 20 TO DN 90, 45Km Kilimo- Teachers Pipeline-LOT 1	14,052,275	11,241,820.00	85%	15,008,620	11,241,820.00	Donor Water Sector Trust Fund
2	Solarization of 2no. boreholes	4,797,848	3,358,390.84	100%	5,799,034	3,358,390.84	''
3	Rehabilitation of Temu- Emmanuel pipeline 24km DN 20 to DN 90 and 1448 consumer meters	13,507,253	5,402,901.20	75%	13,543,046	5,402,901.20	''
4	Repair of 5no storage tanks namely Nanyuki High	13,995,899	0.00	20%	14,315,634	0.00	''

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	old tank, , Nanyuki High New tank, Inooro Tank, 42Site tank and Army Tank						
5	Nanyuki River Water Project- LOT 1	34,195,932	27,366,064.90	82%	34,195,932	27,366,064.90	Internal funds
6	Water Detailed Design	13,350,440	13,350,440.00	100%	13,350,440	13,350,440	Japan International Cooperation Agency (JICA)

**Appendix III- Inter-Entity Confirmation Letter**

*The management wish to confirm that there were no funds disbursed by NAWASCO to any beneficiary entity as at 30<sup>th</sup> June 2025 as required in the Table below*

Confirmation of amounts received by [Insert name of beneficiary entity] as at 30 <sup>th</sup> June 20xx							
		Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30th June 20xx				Amount Received by [beneficiary entity] (KShs) as at 30 <sup>th</sup> June 20xx (E)	Differences (KShs) (F)=(D-E)
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

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

**Head of Accountants department of beneficiary entity:**

Name ..... PAUL MWANGI ..... Sign ..... [Signature] .....  
 Date ..... 29/08/25 .....

**Appendix IV: Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

**Appendix V: Reporting Disaster Management Expenditure**

Date:					
Entity					
Column II	Column III	Column IV	Column V	Column VI	Column VII
Sub-program me	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

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**Appendix VI: Recording of Transfers from Other Government Entities**

Name of the County/MD A/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Where Recorded/recognized						Total Transfers during the Year
			Total Amount - KES	Statement of Comprehensive income	Capital Fund	Deferred Income	Receivables	Others - specific	
Ministry/County department of Water	-	-	-	-	-	-	-	-	-
Ministry/County Department of water.	-	-	-	-	-	-	-	-	-
USAID	-	-	-	-	-	-	-	-	-
name of Development partner/County department etc.	xxx	Direct Payment	xxx	xxx	xxx	xxx	xxx	xxx	xxx
			xxx	xxx	xxx	xxx	xxx	xxx	xxx
<b>Total</b>			xxx	xxx	xxx	xxx	xxx	xxx	xxx

*(Nanyuki Water and Sanitation company limited did not receive any transfers during the financial year 2024/2025.)*