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REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS
NYAHURURU WATER AND SANITATION
COMPANY LIMITED**

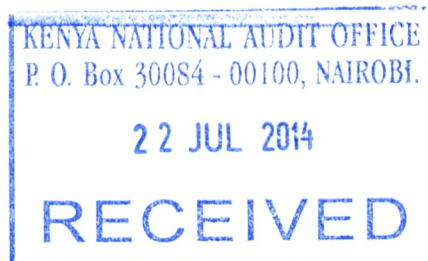
**FOR THE YEAR ENDED
30 JUNE 2013**

NYAHURURU WATER & SANITATION COMPANY LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Bishop Luigi Paiaro	Chairman
Chege Gakuhi	Vice-Chairman
Wilfred Kimotho	Director
Mr Walter O.Ogwindo	Director (for P.S Treasury)
Joseph M. Theuri	Managing Director
Jane W. Wahome	Director
Grace Wanjiru	Director
Grace Nyambura	Director

COMPANY SECRETARY

Gikuhi Kiana and Company

PRINCIPAL PLACE OF BUSINESS

Nyahururu Water & Sanitation Company Ltd.
Hekima Building -Kenyatta Avenue,
P.o Box 952-20300
Nyahururu Kenya.

AUDITOR

Auditor General
Kenya National Audit Office
P.O Box 30084
Nairobi

PRINCIPAL BANKERS

Cooperative Bank of Kenya Ltd-Nyahururu Branch
Equity Bank Ltd-Nyahururu Branch

ADVOCATES

Njeri Wamithi & Co. Advocates
KCB Building ,Nyahururu
P.O Box 506-20300, Nyahururu

**NYAHURURU WATER & SANITATION COMPANY LIMITED
REPORT OF THE DIRECTORS,
FOR THE YEAR ENDED 30 JUNE 2013**

The directors submit their report together with the audited financial statements for twelve months ending 30th June 2013 which disclose the state of affairs of the company.

PRINCIPAL ACTIVITY

The company is engaged in the business of Water supply and sanitation services within Nyahururu Municipality.

RESULTS AND DIVIDENDS

The results for the year are shown in page 5.

The directors do not recommend payment of any dividend.

DIRECTORS

The Directors who held office as at 30th June 201⁴ are shown on page 1.

By Order of the Board

.....
Director

..... 23 / May 2013

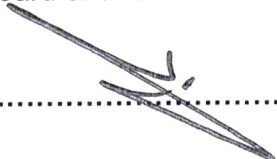
**NYAHURURU WATER & SANITATION COMPANY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 30 JUNE 2013**

The Law requires the Directors to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year. It also requires the Directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company. The Directors are also responsible for safeguarding the assets of the company.

The Directors accept responsibility for the annual financial statements that have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the Company's Act.

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.

Approved by the board of directors onday of.....,2014 and signed on its

.....

..... **Director**

J. Mugo

..... **Managing Director**

**NYAHURURU WATER & SANITATION COMPANY LIMITED
REPORT OF THE INDEPENDENT AUDITOR
FOR THE YEAR ENDED 30 JUNE 2013.**



REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON NYAHURURU WATER AND SANITATION COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Nyahururu Water and Sanitation Company Limited set out on pages 5 to 15, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an independent opinion on the financial statements based on the audit and report in accordance with the provisions of Section 15 (2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229 (7) of the Constitution of Kenya. The audit was conducted in accordance with the International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1. Water Deposits

As similarly reported in the year 2011/2012, the water deposit balance of Kshs.13,937,225 as at 30 June 2013 have not been supported with the relevant documents. Further, the customer deposits bank account as at the same date reflects a figure of Kshs.1,904,353 resulting to unreconciled and unexplained balance of Kshs.12,032,872. Consequently, the completeness and accuracy of the water deposits balance of Kshs.13,937,225 as at 30 June 2013 could not be ascertained.

2. Capital Reserves

As similarly, reported in the previous year, the capital reserves balance of Kshs.79,864,749 as at 30 June 2013 has not been supported with the relevant records. Further, no explanatory note to the financial statements has been provided for the balance. Consequently, it has not been possible to confirm the accuracy and validity of the capital reserves balance of Kshs.79,864,749 as at 30 June 2013.

3. Unaccounted For Water

During the year under review, the Company produced 1,944,540 cubic meters (m³) of water. However, and out of this volume, only 982,965 m³ were billed to consumers. The balance of 961,575 m³ or approximately 49.45% of the total volume represented Unaccounted For Water (UFW) which is 24.55% over and above the allowable loss of 25% in accordance with Water Services Regulations Board guidelines. The UFW of 49.65% may have resulted in loss of sales estimated at Kshs.83,888,912.

The significant level of UFW may negatively impact on the Company's profitability and its long term financial sustainability.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2013, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with both the Water Act 2002 and the Companies Act, Cap 486 of the Laws of Kenya.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Kenya Companies Act, 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. In my opinion, proper books of account have been kept by the Company, so far as appears from my examination of those books; and,
- iii. The Company's statement of financial position and Statement of comprehensive Income are in agreement with the books of account.



Edward R. O. Ouko, CBS

AUDITOR-GENERAL

Nairobi

16 July 2014



NYAHURURU WATER & SANITATION COMPANY LIMITED
RESTATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

		JUNE 2012/2013 KSHS	JUNE 2011/2012 KSHS
ASSETS			
	Notes		
Non Current Assets			
Properties and equipments	2	68,852,751	70,224,083
		68,852,751	70,224,083
Current Assets			
Inventories	3	3,202,793	4,000,663
Receivables	4	31,934,159	39,957,998
Cash & cash equivalents	5(a)	4,367,259	981,989
		39,504,211	44,940,650
Less:Current Liabilities			
Overdrawn Cashbook	5(b)		1,731,366
Creditors & Accruals	6	25,343,360	22,001,800
Water Deposits	7	13,937,225	12,471,848
		39,280,585	36,205,014
Net Current Assets/ (Liabilities)		223,626	8,735,637
TOTAL ASSETS		69,076,378	78,959,719
EQUITY & LIABILITIES			
Share Capital	8	100,000	100,000
Revenue Reserves	9	(10,888,371)	(1,005,030)
Capital Reserves		79,864,749	79,864,749
TOTAL EQUITY & LIABILITY		69,076,378	78,959,719

The financial statements set on pages 5 to 15 were approved by the Board of Directors on 2014 and signed on its behalf by

.....
 Director

J.M. Mugo
 Managing Director

NYAHURURU WATER & SANITATION COMPANY LIMITED
RESTATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Share Capital	Capital Reserves	Revenue Reserves	Totals
	Kshs	Kshs	Kshs	Kshs
Balance at 1 July 2011	100,000	78,754,782	1,831,359	80,686,141
Prior year adjustment		1,109,967		
Net profit/(loss) After Tax			(2,836,389)	(2,836,389)
Balance at 30 June 2012	<u>100,000</u>	<u>79,864,749</u>	<u>(1,005,030)</u>	<u>78,959,719</u>
Balance at 1 July 2012	100,000	79,864,749	(1,005,030)	78,959,719
Prior year adjustment				
Net profit/(loss) After Tax			(9,883,341)	
Balance at 30 June 2013	<u>100,000</u>	<u>79,864,749</u>	<u>(10,888,371)</u>	<u>69,076,378</u>

NYAHURURU WATER & SANITATION COMPANY LIMITED
RESTATED STATEMENT OF CASHFLOWS
FOR YEAR ENDED 30 JUNE 2013

		JUNE 2012/2013	JUNE 2011/2012
	Notes	Kshs	Kshs
Cash flows from Operating activities			
Net loss/profit before Tax		(9,883,341)	(2,836,389)
Adjustments for:			
Depreciation		3,479,391.1	3,928,321
Prior year adjustment			
Net cash generated from Operating Activities		<u>(6,403,950)</u>	<u>1,091,933 -</u>
Changes in working capital			
Increase in Inventories		797,870	(78,706)
Increase in Receivables		8,023,839	(5,304,920)
Increase in Water deposits		1,465,377	1,771,662
Decrease in Creditors & Accruals		3,341,560	(705,375)
Changes in working capital		<u>13,628,646</u>	<u>(4,317,339)</u>
Cash flows from Investing activities			
Purchase of property and equipments	2	(2,108,060)	(3,170,792)
Net cash generated from investing activities.		<u>(2,108,060)</u>	<u>(3,170,792)</u>
Cash flows from Financing Activities			
Changes in capital reserves			1,109,967
Net cash generated in financing activities		<u>-</u>	<u>1,109,967</u>
Net cash inflow/(outflow)		<u>5,116,637</u>	<u>(5,286,232)</u>
Cash & Cash equivalents at the beginning of the year		(749,377)	4,536,855
Decrease/Increase during the year		5,116,637	(5,286,232)
Cash & Cash equivalents at the end of the year	5	<u><u>4,367,259</u></u>	<u><u>(749,377)</u></u>

NYAHURURU WATER & SANITATION COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013
NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Basis for preparation

The accounts are prepared under the historical cost convention and comply with International Financial Reporting Standards (IFRS).
The financial statements cover a period of 12 months from July 2012 to June 2013

(b) Incorporation

The company is incorporated in Kenya under the Companies Act.

(c) Currency

These financial statements are expressed in the functional currency, Kenya Shillings (Kshs).

(d) Revenue Recognition

- (i) Turnover (Revenue) represents the total billings and other income for the period
- (ii) Chemical subsidies granted by the government for the period is recognised as other income

(e) Cost of Sales

This comprises of direct costs associated with production and distribution of water for the period

(f) Provision For Doubtful Debts

Bad and doubtful debts are provided for at the rate of 30% of the aged debtors outstanding over three years

(g) Property, Equipments & Depreciation.

(i). Assets:

All the assets are held by Northern Water Services Board.

(ii) All property and equipments are stated at cost less accumulated depreciation.

Depreciation is calculated on reducing balance method to write off the cost of the assets over their estimated useful life.

(ii) Depreciation rates applicable

Motor vehicles	25%
Generator	25%
Computer equipments	30%
Furniture, fixtures and fittings	12.5%
Tools	33.3%
Office Equipment	12.5%
Water & sewer system	2.5%

(h) Inventories

Inventories are stated at lower of cost and net realizable value

2. PROPERTY & OTHER EQUIPMENTS SCHEDULE

	Sewer & water system	Motor Vehicles	Furniture, Fittings & Equipments	Computer Equipment	Tools	Office Design	Generator	Total
	2.5%	25.0%	12.5%	30.0%	33.3%		25.0%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
COST								
At 1st July 2012	81,612,796	5,904,720	3,189,064	6,678,780	3,300,747	20,000	1,591,756	102,297,863
Additions	1,392,800		138,560	488,700	88,000			2,108,060
At 30 June 2013	83,005,596	5,904,720	3,327,624	7,167,480	3,388,747	20,000	1,591,756	104,405,923
DEPRECIATION								
At 1st July 2012	17,955,659	4,560,424	1,866,463	4,320,884	2,450,117	-	920,234	32,073,780
Charge For the Period	1,626,248	336,074	182,645	853,979	312,564	-	167,881	3,479,391
At 30 June 2013	19,581,908	4,896,498	2,049,108	5,174,863	2,762,680	-	1,088,114	35,553,172
NET BOOK VALUE								
At 1st July 2012	63,657,137	1,344,297	1,322,601	2,357,896	850,630	20,000	671,522	70,224,083
At 30th June 2013	63,423,688	1,008,222	1,278,516	1,992,617	626,067	20,000	503,642	68,852,751

NYAHURURU WATER & SANITATION COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013
NOTES TO THE ACCOUNTS

	JUNE 2012/2013 KSHS	JUNE 2011/2012 KSHS	
3. Inventories			
Stationery	398,761	542,798	
Cleaning	23,695	43,340	
Chemicals	543,680	747,435	671,669
Staff tea	9,792	11,200	
Fittings	2,226,865	2,655,890	
Closing inventory totals	<u>3,202,793</u>	<u>4,000,663</u>	
4. RECEIVABLES			
Opening balance	35,401,355	32,526,318	
Add: Total billings	85,754,994	91,913,081	
Less: Total collections	<u>(97,600,850)</u>	<u>(89,038,045)</u>	
Total Trade Receivables	23,555,499	35,401,355	
Sundry Debtors(marmanet)		-	
Provision for doubtful debts	(925,441)	(1,011,166)	
Prepayments and others (4 a)	9,304,101	5,567,810	
Total receivables	<u>31,934,159</u>	<u>39,957,998</u>	
4.a PREPAYMENTS & OTHERS SCHEDULE			
	PREPAYMENTS	PREPAYMENTS	
Insurance	900,191	1,188,255	
Leave allowance	461,521	421,402	
Office rent	70,000		
	<u>1,431,712</u>	<u>1,609,657</u>	
Northern Water Services Board (adb&others)		3,697,761	
Deposit-kenha	161,300	161,300	
Loans & Advances	121,616	99,092	
Outstanding VAT Claim	7,589,473		
	<u>7,872,389</u>	<u>3,958,153</u>	
Grand Total	<u>9,304,101</u>	<u>5,567,810</u>	
5(a). CASH & CASH EQUIVALENTS			
Cash in Hand	281,427	279,436	
Fixed Deposit investment	1,000,000		
Equity Bank	1,904,353	702,553	
Cooperative Bank (Current Account)	1,181,479		
Totals	<u>4,367,259</u>	<u>981,989</u>	
5(b) OVERDRAWN CASHBOOK BALANCE			
Cooperative Bank (Current Account)	0	1,731,366	
6. CREDITORS & ACCRUALS			
Lease fees and conservancy	6,515,513	6,844,655	
Trade creditors	5,483,098	7,795,837	
payroll deductions	10,542,396	4,275,846	
External auditors	1,114,000	650,000	
Casual wages	18,775	47,787	
Rent	330,000	180,000	
Gratuity	400,735	988,167	
Other accruals - agm expenses	306,500	285,000	
St. martins hospital ✓	80,841 ✓	80,841	
Warma	551,502	853,667	
TOTAL	<u>25,343,360</u>	<u>22,001,800</u>	



NYAHURURU WATER & SANITATION COMPANY LIMITED
RESTATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTES TO THE ACCOUNTS

7. WATER DEPOSITS

	JUNE 2012/2013 KSHS	JUNE 2011/2012 KSHS
Opening balance	12,471,848	10,700,186
Collected	1,980,400	2,091,800
Paid \Refunded	(515,023)	(320,138)
	<u>13,937,225</u>	<u>12,471,848</u>

8. SHARE CAPITAL

Authorised Share Capital: 5,000 Ordinary Shares @ Kshs.20	100,000	100,000
Issued and fully Paid-up : 5,000 Ordinary Shares @ Kshs.20	100,000	100,000

9. REVENUE RESERVES

Balance at 1st july	(1,005,030)	1,831,359
Prior year adjustment		-
Net Profit/(loss) After Tax	(9,883,341)	(2,836,389)
Balance at 30th june 2012	(10,888,371)	(1,005,030)

9(b) CAPITAL RESERVES

Adjustment relates to reconciling differences in the deposits account and related to balance due to municipal account		1,109,967
	79,864,749	79,864,749

10. REVENUE (TURNOVER)

Total Billings for the year	85,754,994	91,913,081
Other Income for the year	4,882,837	4,624,937
Chemical Subsidies for the year	6,015,145	5,961,825
	<u>96,652,976</u>	<u>102,499,843</u>

11. COST OF SALES

Cost of sales for the year	21,305,564	20,769,709
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12. Net operating costs

	81,709,333	84,566,523
--	------------	------------

13. Finance costs

Bank Charges	574,713	182,733
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14. Institutional Capacity Grant

(i) Exhauster Truck (KBL 633G)

Motor bikes (4)

Pick up (KBL 274G)

-

(ii) The above motor vehicles were a grant to the company by Northern Water Services Board under the institutional capacity support programme.

15. WSTF Sanitary Blocks

We constructed 2 masonry water tanks and pipelines extensions with financing from water services trust fund in 2011/12.

The assets were handed over to Northern water services board who are the assets holders as per the SPA
KSHS

Project 1 (Two units)		
Project 2 (Two units)		
Muthengera project		8,888,061
Manguo project		14,950,892
		<u>23,838,953</u>

NYAHURURU WATER & SANITATION COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTES TO THE ACCOUNTS (Appendix 1)

	JUNE 2012/2013		JUNE 2011/2012	
	ksh		ksh	
16(a) DIRECT COST OF SALES				
Chemicals costs	8,769,849		8,821,799	
Electricity-technical	12,535,715		11,947,910	
TOTAL COST OF SALES	21,305,564	21,305,564	20,769,709	20,769,709
16(b) Administrative Expenses				
advertising tenders	473,914		330,368	
abstraction fees	983,326		962,807	
assets lease fees	5,489,450		4,451,902	
wasreb (1%)	840,838		802,284	
audit fees	464,000		400,000	
legal fees	424,000		132,000.0	
professional fees	1,085,340		1,530,793	
Full board allowances	204,000		303,000	
Functions & workshops	173,850		255,500	
Sub committee Allowances	125,000		240,200	
donations	97,130		168,794	
Office water & lighting	300,705		303,413	
Consumables	-		8,585	
Entertainment costs	197,507		168,191	
Licenses and Permits	445,988		61,600	
Cleaning materials	419,283		453,604	
Internet Charges	249,188		306,019	
mobile phone cards	154,300		174,800	
staff tea	329,172		360,716	
transport costs	170,575		157,510	
Other expenses-staff medical checkup	-		19,008.00	
Periodicals and magazines	97,730		83,320	
Printing & stationery	1,664,573		1,610,762	
Rent	1,100,000		1,080,000	
Security costs	2,478,100		2,080,330	
functions,workshops & seminars	1,952,026		2,390,233	
Sports & equivalents	1,422,108		2,165,674	
Training	45,200		856,752	
membership and subscriptions	258,119		169,500	
Postage and Delivery	234,792		163,580	
Telephone	267,645		247,501	
Lunch allowance	517,426		421,945	
Night out allowance	830,144		909,850	
Provision-Agm expenses	330,000		285,000	
VAT Claimable	(7,589,473)			
		16,235,955		24,055,542
16(c) Finance costs				
Bank charges	574,713	574,713	182,733	182,733
16(d) Operations and maintenance				
motor vehicles fuel	1,401,351		1,948,270	
Exhausting-tractor/truck fuel	553,756		392,437	
Building repairs	251,268		487,798	
Computer repairs	162,018		97,280	
Insurance costs	3,403,522		3,060,845	
electric repairs	240,815		284,893	
Equipment repairs	173,706		565,363	
Manholes repairs	3,500		39,660	
Water pumps repairs	174,626		120,899	
repair & maintenance - (Marmanet)	1,158,130		633,324	
repair materials (pipelines repair)	1,218,713		847,291	
casual wages tech	713,019		1,269,338	
motor vehicle repairs	947,706		1,626,674	
Automobile Expense - Other	35,508		31,816	
Exhauster Repairs-tractor /truck	254,065		204,934	
Uniforms	456,881		658,670	
Provision for doubtful debts			85,725	
Depreciation Charge provision	3,479,391	14,627,975	3,928,321	16,283,538
16(e) Personnel Costs				
Christmas bonus	227,000		195,000	
Admin leave allowance	620,729		165,615	
Comm leave allowance	403,371		260,019	
marmanet leave allowance	82,328		72,128	
Leave allowance (Tech)	372,479		338,303	
Nssf contribution-Emp. Cont.	144,800		96,600	
Provident Fund-Emp. Cont.	2,206,813		2,074,029	
Marmanet pension-Emp. Cont.	350,126		321,916	
Gratuity	952,614		951,264	
Casual wages -adm	3,975		447,429	
Casual wages -comm	151,726		741,783	
Casual wages -marmanet	117,894		705,142	
Lunch & Night out Allowance(Exhausting)	56,375		56,530	
Cash handling allowance	252,000		218,800	
Debt control allowances	90,450		89,400	
extraneous allowances	381,790		424,315	
marmanet staff allowances	5,280		29,687	
Salaries & wages	43,850,940		36,399,928	
Provision for accrued leave	-	50,270,690	456,822	44,044,710
GRAND TOTAL	81,709,333	103,014,897	84,566,523	104,806,202

NYAHURURU WATER & SANITATION COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTES TO THE ACCOUNTS

	JUNE	JUNE
(Appendix 2)	2012/2013	2011/2012
<u>Turnover</u>		
<u>Billings</u>	KSHS	KSHS
July	7,103,064	8,090,322
Aug	7,571,684	7,715,568
Sep	7,402,985	8,063,642
Oct'	7,664,432	8,134,745
Nov'	8,130,017	8,049,312
Dec'	7,690,041	8,343,657
Jan'	7,610,286	8,344,058
Feb'	7,641,091	8,245,113
Mar'	7,621,999	8,149,423
Apr'	7,594,020	7,850,933
May'	7,320,277	8,264,751
June'	8,376,549	7,790,208
LESS: Conservancy	(5,971,450)	(5,128,651)
Annual Billing	85,754,994	91,913,081
<u>other income</u>		
Rent	226,400.00	205,550
Bank Charges	550.00	15,035
commission on conservancy	148,926.75	44,271
disconnection on request	-	1,800
Exhauster charges	1,634,500.00	1,761,406
mileage	921,410.00	466,200
Miscellaneous income	295,924.00	-
penalty & fines	17,191.00	211,000
reconnection charges	-	28,500
sale of application forms	-	13,600
sale of drums	22,350.00	28,398
sale of water	230,585.00	328,150
Meter rentals		150,500
search fee	4,750.00	1,750
sewer connection charges	87,500.00	111,000
revenue stamps	-	85,927
sewer inspection charges	24,500.00	27,650
unblocking fees	32,250.00	28,150
water connection charges	1,200,000.00	918,050
Government Subsidy	2,493,725.00	5,961,825
Tender sales	36,000.00	198,000
Total Other Income	7,376,561.75	10,586,762
Total income	93,131,555.75	102,499,843

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14. TAX COMPUTATION	JUNE 2012-2013	JUNE 2011-2012
	<u>KSHS</u>	<u>KSHS</u>
TAXATION		
This is calculated on taxable profit at 30%		
Profit/(loss) as per accounts	(9,883,341)	(2,836,389)
ADD:		
Prior Year Adjustment		-
Depreciation	3,479,391	3,928,321
Less: wear & tear	(3,479,391)	(3,928,321)
Adjusted tax profit (loss)	(9,883,341)	(2,836,389)
Profit (loss) b/f	(1,005,029)	1,831,359
Loss c/f	(10,888,371)	(1,005,029)