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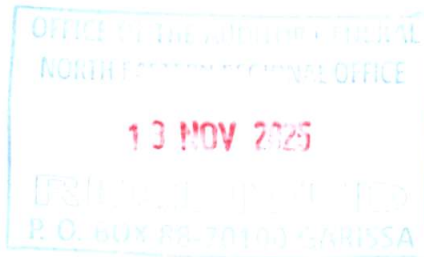
**ON**

**WAJIR WATER AND SEWERAGE COMPANY  
LIMITED**

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

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WAJIR WATER & SEWERAGE COMPANY LIMITED (WAJWASCO)

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)

**Wajir Water and Sewerage Company Limited**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**1. Acronyms and Glossary of Terms**

<i>ICPAK</i>	<i>Institute of Certified Public Accountants of Kenya</i>
<i>IFRS</i>	<i>International Financial Reporting Standards</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>
<i>WAJWASCO</i>	<i>Wajir Water and Sewerage Company Limited</i>

# Wajir Water and Sewerage Company Limited

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

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### 2. Key Entity Information

#### Background information

Wajir Water & Sewerage Co. Ltd, (WAJWASCO) was incorporated in 2013 under the companies Act 2002 (cap.486). The company is currently regulated by WASREB, through a Service Provision Agreement (SPA) dated 30/09/2014 to provide water supply & sewerage services within Wajir Town & its environs. The County Government of Wajir has appointed WAJWASCO as a Water Services Provider (WSP) for the whole of Wajir County.

#### Principal Activities

The principal activity of the Company is to

- To provide & distribute a constant supply of water for commercial, industrial & domestic purposes within the jurisdiction of County Government of Wajir
- To be responsible for the provision & maintenance of water & sewerage services within the jurisdiction of County Government of Wajir.

#### OUR VISION

Water for all & Dignified Sanitation

#### OUR MISSION

To be the best provider of sustainable quality water & sanitation services for Wajir County.

#### OBJECTIVES

- To provide water supply & sewerage services in urban & market growth areas.
- To enhance good governances & performance of rural water supply facilities.
- To increase access to good quality water & sewerage /safe sanitation
- To promote hygiene & safe sanitation (in partnership with other partners & players)
- Reduction of non-revenue water & unnecessary wastages.

#### Directors

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

	<b>Name</b>	<b>Designation</b>	<b>Appointment Date</b>
1	Sahara Ibrahim Dahir	Chair Person	August 2023
2	Rashid Abdullahi Ibrahim	Vice Chair person	August 2023
3	Adan Ismail Kulow	Member	August 2023
4	Hussein Mohammed Olow	Member	August 2023
6	Yahya Mohamed Dahiye	Member	August 2023
7	Mr. Roble Ahmed Subow	Ex officio Member	June 2024
5	Halima Mohamed Subane	Member	November 2024

**Wajir Water and Sewerage Company Limited**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**Company Headquarters**

Wajwasco House  
P.O. Box 708-70200  
Wajir, Kenya.

**Entity Contacts**

**Telephone: +254723238242**  
E-mail: [info@wajirwater.co.ke](mailto:info@wajirwater.co.ke)  
Website: [www.wajirwater.co.ke](http://www.wajirwater.co.ke)

**Corporate Bankers**

Equity Bank Limited  
Wajir Branch  
PO. Box 75104,  
Wajir, Kenya

**Independent Auditor**

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

**Principal Legal Advisers**

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

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**3. The Board of Directors**

Directors	Details
	<p><b>Mrs. Sarah Ibrahim Dahir</b></p> <p><b>Designation:</b> Chair Lady</p> <p><b>Qualification:</b>  Masters in Cultural projects for development  Bsc International Business Administration Finance</p> <p><b>Occupation:</b> Educationist</p> <p><b>Years of Experience:</b> Over 12 years</p>
	<p><b>Mr. Adan Ismail Kulow</b></p> <p><b>Designation:</b> Member</p> <p><b>Qualification:</b>  Master of Public Health  Bachelor of Science Nursing and Public Health</p> <p><b>Occupation:</b> Nursing and Public Health</p> <p><b>Years of Experience:</b> Over 10 years</p>
	<p><b>Mr. Rashid Abdullahi Ibrahim</b></p> <p><b>Designation:</b> Vice chair</p> <p><b>Qualification:</b>  Bachelor of science in nursing  Diploma in Registered Nurse</p> <p><b>Occupation:</b> Administrative medical services</p> <p><b>Years of Experience:</b> Over 20 years</p>
	<p><b>Mr. Hussein Mohammed Olow</b></p> <p><b>Designation:</b> Member</p> <p><b>Qualification</b>  <i>Master of Arts in Development Studies</i></p> <p><b>Occupation:</b> <i>Chief officer water and infrastructure</i></p> <p><b>Years of Experience:</b> Over 10 years</p>

	<p><b>Mr. Yahya Mohamed Dahiye</b></p> <p><b>Designation:</b> Member</p> <p><b>Qualification:</b>                  Master of Arts in Diplomacy, Development &amp; International Security</p> <p><b>Occupation:</b> Chief officer finance and accounting</p> <p><b>Years of Experience:</b> Over 10 years</p>
	<p><b>Mr. Roble Ahmed Subow</b></p> <p><b>Designation:</b> The Managing Director</p> <p><b>Qualification:</b>                  Business Administration (Accounting and Finance) – Kingston University UK, Member of ACCA-UK</p> <p><b>Occupation:</b> Accountant/Risk Analyst</p> <p><b>Years of experience:</b> Over 10 years</p>
	<p><b>Mrs Halima Mohamed Subane</b></p> <p><b>Designation:</b> Member</p> <p><b>Qualification:</b> Bachelor of Education</p> <p><b>Years of Experience:</b> 31 Years</p>

4. Key Management Team

Managers	Details
	<p><b>Mr. Roble Ahmed Subow</b></p> <p><b>Designation:</b> The Managing Director</p> <p><b>Qualification:</b> Business Administration (Accounting and Finance) – Kingston University UK, Member of ACCA-UK</p> <p><b>Years of experience:</b> Over 10 years</p>
	<p><b>Mrs. Maryan S. Abdirahma</b></p> <p><b>Designation:</b> Principal Human Resource</p> <p><b>Responsibility:</b> Recruiting, selecting, orienting, training, coaching, counselling &amp; disciplining staff; planning, monitoring, appraising, &amp; reviewing staff</p> <p><b>Qualification:</b> Bachelor in Human Resource Management (University of Nairobi).</p> <p><b>Years of experience:</b> Over 10 years</p>
	<p><b>Habon Gure Hassan</b></p> <p><b>Designation:</b> Finance Manager</p> <p><b>Responsibility:</b> Providing financial reports &amp; interpreting financial information to managerial staff while recommending further courses of action. Advising on accountability activities &amp; provide strategies that the company should take.</p> <p><b>Qualification:</b> B.com Accounting (Egerton University)</p> <p><b>Years of experience:</b> Over 10 years</p>
	<p><b>Mr. Mohamed Omar Issack</b></p> <p><b>Designation:</b> Compliance Manager</p> <p><b>Responsibility:</b> providing legal counsel to the BoD,s Chairman, of the board, chief executive officer &amp; other senior management. Ensures compliance to all relevant rules &amp; regulations affecting the company.</p> <p><b>Qualification:</b> LLB Mount Kenya University, Post Graduate Diploma KSL</p>



**Mr. Isir Ibrahim Abdi**

**Designation:** Accountant

**Qualification:**

Degree Bcom Finance Options

Qualified Accountant CPA (K) and a registered member  
of Institute of Certified Public Accounts of Kenya  
(ICPAK).

**ICPAK No. 30835**

**Wajir Water and Sewerage Company Limited**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**5. Chairman's Statement**

On behalf of the Board of Directors, the Management & Employees, I present the Annual Financial Reports for the Year ended 30<sup>th</sup> June 2025. The Board of Directors was responsible to oversee the overall management of WAJWASCO for the period under review. the board continued with the implementation of the adopted five (5) year strategic plan (Year 2019-2024). The Company's outlook is promising however the economic challenges left by the prolonged drought & cool winter which slowed business has affected the performance of the company during the financial year. Our Service provision has improved during the financial year building on the successes achieved during the past financial year.

We have continued on our mission to rehabilitate the old & dilapidated water supply system by undertaking numerous rehabilitations & replacements of aged water pipelines & pumping units. The Company improvement has seen us continue attracting investments from Donors including European union, Danish Government & the World Bank through the Ministry of water, sanitation & irrigation and Water Fund. The challenges of water quantity supplied & Sewerage Services will be resolved through the Water & Sewerage infrastructure project financed by World Bank which is ongoing. We are building on the gains made in this financial year with the committed Board, Management & staff. We expect to grow the customer base, revenue & use technology to improve our services.

Finally, I would like to express my appreciation to the Board, CECM Water, Energy, environment & Natural resources, Chief Officer water services, The Management, staff, our customers, suppliers, donors & all other stakeholders for the support to the company.



.....  
Sarah Ibrahim Dahir

**Chairperson of the Board**

Date: 15-10-2025

**Wajir Water and Sewerage Company Limited**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**6. Report of the Managing Director**

I wish to acknowledge the good work & the helping hands we have enjoyed from the County Government of Wajir, World Bank & other development partners. We would also like to thank our consumers & the general public both who have been very co-operative in payment of bills for the water services provided. Despite population growth and increasing urban settlement with population estimated at 781, 263 while on the other hand the animal population is estimated at 1.2 million camels, 0.9 million cattle, 2.1 million sheep, 3.1 million goats, 0.5 donkeys & 0.8 chicken.

According to the Kenya National Bureau of Statistics (KNBS) 2019 census, Currently the company is managing 20 Boreholes with total annual production of 135,572M3 from the boreholes against total annual demand of 528,000M3. WAJWASCO is governed by a board who oversees the operations of the company, spearheaded by a managing director. The company has five key departments with well trained & experienced staff in the various sections of the company. The company continually evaluates human resource needs in order to reduce the current level of overstaffing so as to enhance effective & efficient services delivery.

Total Sales revenue for the year is Kshs.24,800,629 representing a 53% increase from Kshs.15,407,190 sale of water during last financial year ended 30th June 2023, this is largely attributed to more boreholes under Wajwasco during financial year 2024-2025. The company also received Kshs.339,764,695 in capital grants to undertake developmental projects within the county. The slow growth in the sales revenue was largely attributed to the prolonged drought in the area which led to the worsened economic situation of our customers. Our receivables from water sales remained at Kshs.29,771,720. Which is a huge amount of money we couldn't collect because of the prevailing situations.



Role Ahmed Subow

Managing Director, Wajwasco

Date:15-10-2025

**Wajir Water and Sewerage Company Limited**  
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**7. Statement of Performance Against Predetermined Objectives for FY 2024/2025**

Section 164 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the County government entity's performance against predetermined objectives.

WAJWASCO has 4 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the financial year 2024-2025. These strategic pillars/ themes/ issues are as follows:

1. Water and Sanitation Infrastructure Development
2. Commercialization
3. Operational Efficiency
4. Institutional arrangements

WAJWASCO develops its annual work plans based on the above 4 pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly/annually basis. The *Company* achieved its performance targets set for the FY 2024/2025 period for its 4 strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Water and Sanitation Infrastructure Development	To Increase water production and sanitation coverage in Wajir County.	<ul style="list-style-type: none"> <li>□ Volume of water produced (target: 333,150 m<sup>3</sup>/month by 2033/34).</li> <li>□ Sanitation coverage increase (from 0.5% in 2023/24 to 20% by 2033/34).</li> <li>□ Number of operational boreholes under WAJWASCO management.</li> </ul>	<ul style="list-style-type: none"> <li>□ Rehabilitation and operationalization of 10 additional boreholes.</li> <li>□ Community sensitization on sanitation practices.</li> <li>□ Development of sanitation facilities.</li> </ul>	<ul style="list-style-type: none"> <li>□ increased number of households with access to clean water.</li> <li>□ Reduction in waterborne diseases due to improved sanitation.</li> <li>□ Enhanced community awareness and participation in sustainable water usage.</li> </ul>
Commercialization	To Enhance financial sustainability by improving revenue collection and metering.	<ul style="list-style-type: none"> <li>□ Revenue collection efficiency (target: increase from 60% to 95% by 2033/34).</li> <li>□ Metering ratio (target: 100% metered connections by 2033/34).</li> </ul>	<ul style="list-style-type: none"> <li>□ Deploy smart metering systems.</li> <li>□ Train staff on customer relationship management.</li> <li>□ Automate billing processes for efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>□ Increased revenue collection through improved billing systems.</li> <li>□ Reduction in customer complaints and disputes over billing.</li> </ul>

**Wajir Water and Sewerage Company Limited**  
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Operational Efficiency	To reduce non-revenue water (NRW) and operational costs.	<input type="checkbox"/> NRW reduction (target: 25% by 2033/34). <input type="checkbox"/> Cost of water production reduced from Ksh 125/m <sup>3</sup> to Ksh 100/m <sup>3</sup>	<ul style="list-style-type: none"> <li>• Upgrade water distribution infrastructure to prevent leakages.</li> <li>• Conduct regular maintenance and audits of water systems.</li> </ul>	<input type="checkbox"/> Improved financial sustainability. <input type="checkbox"/> Enhanced reliability of water services.
Institutional Arrangements	<input type="checkbox"/> Foster good governance and develop human resources.	<input type="checkbox"/> Staff productivity ratios aligned with sector benchmarks. <ul style="list-style-type: none"> <li>• Employee satisfaction scores from surveys.</li> </ul>	<input type="checkbox"/> Conduct capacity-building workshops for Board of Directors/staff. <input type="checkbox"/> Implement performance management systems. <input type="checkbox"/> Strengthen corporate governance practices through regular reviews.	<input type="checkbox"/> Improved organizational efficiency. <input type="checkbox"/> Retention of skilled and motivated employees.

**Wajir Water and Sewerage Company Limited**  
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**8. Corporate Governance Statement**

WAJWASCO board of directors is accountable to the owners of the water service providers (shareholders) for achieving the corporate objectives. The shareholder is accountable to the citizen who requires the services and owes fidelity to the Constitution 2010. The competence and conduct of the board, in regard to factors such as business ethics and the environment has an impact on legitimate societal interests (stakeholders) and thereby influences the reputation and long-term interests of the water sector enterprise in the whole County and attainment of Vision 2030 and the Sustainable Development Goals.

*Board Composition*

Wajir WASCO LTD Board of Directors comprises of a total of seven (5) Board of Directors constituted as 3 shareholders directors and 2 county government officials namely the chief officers of the county water and Finance departments. The gender aggregation of the Board of directors is 1 female and 4 males.

S.No.	Members Names	Designation	Nominating Institution	Date Appointed
1	Mrs. Sahara Ibrahim Dahir	Chair-Lady	Commercial sector, Wajir South Sub County chapter	24 <sup>th</sup> November 2023
2	Mr. Rashid Abdullahi Ibrahim	Vice chairperson	Water Consumers Association Wajir west sub county	24 <sup>th</sup> November 2023
3	Mr. Adan Ismail Kulow	Member	Professional Body Wajir North Sub County branch	24 <sup>th</sup> November 2023
4	Mr. Yahya Mohamed Dahiye	Member	County Government of Wajir	24 <sup>th</sup> November 2023
5	Hussein Mohammed Olow	Member	County Government of Wajir	24 <sup>th</sup> November 2023
6	Roble Ahmed Subow	Ex officio member		June 2024
7	Halima Mohamed Subane	Member		November 2024

*Board Diversity*

The board is constituted by members who have experience in accountancy, auditing, corporate governance, public finance management and financial background. The utility as the county water service provider has appointed directors from the communities from which they provide services to **minimize conflict**, have meaningful oversight and ensure governance is **localized** as per the aspirations of **Article 174** of the Constitution. The 5 shareholders directors were nominated by shareholders from Wajir south, west, North, Eldas and Tarbaj sub counties of Wajir County in respect to compliance with regional balance.



*Process of appointment and removal of directors,*

**Eligibility Criteria**

To be eligible for appointment, one must meet the criteria: -

- (i) Minimum Diploma from a recognized college in any of the following areas: Law, Business Management, ICT, Human Resources Management or any other related field.
- (ii) Minimum Seven (7) years working experience in the core profession or have run own enterprise for a minimum of 7 years
- (iii) Must be nominated by a stakeholder group registered with WAJWASCO.
- (iv) Must meet the leadership and integrity criteria under the chapter 6 of the Kenya Constitution 2010 and meet the fit and proper test criteria from WASREB (attach the following documents)
  - Certificate of Good conduct from DCI
  - Clearance Certificate from Credit Reference Bureau (CRB)
  - Clearance Certificate from Higher Education Loans Board (HELB)
  - Tax Compliance Certificate from KRA
  - Clearance certificate from Ethics and Anticorruption Commission (EACC)
  - Duly filled fit & proper test form witnessed by a Commissioner for Oaths or Magistrate. (Form is available on WASREB website ([www.wasreb.go.ke](http://www.wasreb.go.ke)))

**NOTE:**

- (i) Suppliers and other trading associates of the company are not eligible for directorship positions of the company
- (ii) Persons in current professional and social relationships with Directors of the company cannot become Directors of the company.

*Removal of Directors*

As provided under Article 83 of WAJWASCO revised Article of Association, the procedure of removal of directors is stipulated as below-

83. (i). A Director shall vacate office as such if: -

- a. He/she is removed from the office pursuant to Section 139 of the Act, or by special resolution by the company in General Meeting.
- b. He/she ceases to be a director under the Act or under section 411 of the Insolvency Act or is prohibited from being a director by law.
- c. He/she ceases to be an officer of the County Government.
- d. He/she becomes bankrupt or makes an arrangement of composition with his/her creditors.
- e. He/she becomes of unsound mind as provided under the Mental Health Act.
- f. He/she fails without reasonable cause and without the consent of the Board to attend three (3) consecutive meetings of the Board, and/or for more than six consecutive months has been absent without the directors' permission from meetings of the Board and/or its committees, and the Board resolves that by reason of such failure he shall cease to be a director.
- g. He/she resigns his office by notice in writing to the company.
- h. He or any persons to who he has personal ties and transacts with the company

## **Wajir Water and Sewerage Company Limited**

### **Annual Report and Financial Statements for the year ended June 30, 2025**

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- i. Unsatisfactory performance on performance evaluation
- j. Breaches the Signed Code of Ethics and Conduct
- k. He/she ceases to be a representative of the stake holder's body entity that has appointed him or her.
- l. He/she is charged with an offence under Penal Code, the Anti-Corruption and Economic Crimes Act or the Water Act 2016.
- m. He becomes a director in any other water sector institution.
- ii). A director who held a share or shares in trust or by virtue of his or her office shall cease to hold such a share or shares and cease to be a director upon vacating the office.

#### *Roles and functions of the Board,*

The duties and powers of the Board of directors is provided under Articles 70-82 of the company Article of Association. Additional functions are provided in the Board charter.

#### *Existence of a board charter,*

Wajir Water and Sewerage Company (WAJWASCO) Board of Directors Charter (the Charter) defines the Board's roles and responsibilities as well as functions and structures in a way that supports the members in carrying out their strategic oversight function. It provides the Board members with an opportunity to think creatively and critically about how the Board's strategic and operational plans align with the organization's strategic direction and expectations, with respect to governance. The Charter will help the Board in guiding the organization to maximize the long-term value of services provided for all stakeholders. It is therefore imperative for Board members to understand their individual and collective roles with the aim of helping the organization fulfil its mandate.

The Charter has been adopted by Wajir Water and Sewerage Company (WAJWASCO) and is complementary to the requirements regarding the Board and Board members contained in applicable Kenyan laws and regulations. In particular, the principles and policies contained in the Charter are in addition to and are not intended to change or interpret any statute, law or regulation.

#### *Board meetings held and the attendance to those meetings by members,*

The board held four meetings during the financial year as indicated in the board minutes.

#### *Succession plan,*

Subject to the guidelines in WASREB corporate Governance 2024 and as provided under paragraph 3.4.7, WAJWASCO Board Succession policies and period in office shall be guided as follows

1. To avoid a situation where all Board members retire at the same time and in order to ensure institutional memory, 3 of the shareholders directors were appointed and their employment commenced on 3<sup>rd</sup> December 2023 while 2 of the shareholders directors were appointed and their employment commenced on 4<sup>th</sup> December 2024.
2. Further, one third of the Board members other than those from the County Governments, shall retire from office by rotation every year starting from the third year after appointment.
3. The retiring members shall be determined on the basis of those who have served longest and, if they have served for the same period of time, then the retirement will be determined by lot.
4. The retiring members shall be required to reapply for their positions if they are eligible for reappointment
5. The county water department as function owner is advised to use annual performance evaluation of the board of directors and WAJWASCO to assess suitability of reapplying members and the need to make changes to improve performance
6. It is important that board service is not disrupted by the election cycle and independent oversight must not be compromised by the election cycle.

# Wajir Water and Sewerage Company Limited

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

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*Induction and training, board and member performance,*

Board members were provided with an effective induction Programme in order to acquaint them with their responsibilities as directors, general principles of corporate governance and Board practices. The induction programme will also provide the Board with an orientation of the organization, strategic plans, financial status and policies, risk management, compliance programs and the Code of Conduct and Ethics.

### **9. Management Discussion and Analysis**

The financial Year 2024-2025 went on well. The company had lined up several projects to implement during the financial Year. Most of the projects are complete while others are ongoing. The projects were meant to improve the service within our service area. The Company has generally continued to improve water production & supply to the residents of Wajir through the projects implemented. Total Number of wet connections has increased by five hundred and forty (540) in the period between June 2024 & June 2025, representing a 9% increase in wet connections during the financial year. Total volume of water produced also increased during the Year. The company had also taken steps in improving the condition of the environment in which the company facilities are by planting more trees & cleaning. The company had undertaken bush clearing on the roads where our water distribution pipelines pass to improve the environmental condition in the town & as a social corporate responsibility. We were able to continuously supply treated water to all our consumers & also established free water points as per the GOK directives in almost all the bus station & the market places. We experienced a slight drop in our collection efficiency meaning that we were billing but not doing much collections because we didn't want to enforce punitive measures on collection e.g., disconnections. We gave our customers some amnesty on payment so that we could navigate through the difficult situations.

### **Challenges**

Huge Payables-The company continue to experience huge trade payables that remains unpaid years. Some of these pending bills relate to previous governments & therefore requires to be adequately budgeted for. We have lined up several interventions to ensure that this process is finalized.

Major interruption of our systems from the effects of the road constructions that touches most of our lines & especially the mainline around Township, Central Area & Corner B where the road is being constructed & the works have already commenced.

Aging infrastructure leading to frequent pipe bursts causing high NRW. We plan to progressively replace the same

Erratic weather, coupled with floods, has led to constant wash away of pipes & causing pipe damages

### **Way Forward**

We have started major sensitization campaigns across all the areas where we are doing major extension works through the assistance of the National government so as to open up all these areas. This coupled with the new water connection charges will be monitored so as to build on our customer base.

One on one visitation of our customers to negotiate the terms to pay for the water. We have also established an adhoc team that is currently calling the customers with huge debts & trying to convince them to pay their dues or come up with a payment plan. This approach has assisted us to collect without necessarily doing mass disconnections as we also maintain the supply of water to our customers at this time when it is very much

## **Wajir Water and Sewerage Company Limited**

### **Annual Report and Financial Statements for the year ended June 30, 2025**

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needed. Conduct debtor's analysis & categorization with a purpose to clean our books from the long outstanding unrecoverable debts.

#### **10. Environmental And Sustainability Reporting**

Wajir Water & Sewerage Company Ltd exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer first, delivering relevant goods & services, & improving operational excellence. Below is an outline of the organization's policies & activities that promote sustainability.

#### **Sustainability strategy & profile –**

Wajir Water & Sewerage Company Ltd has invested heavily in an effort to ensure sustainability of the company. Following a lot of investment on distribution lines, we are working on last mile connectivity through the ongoing Water infrastructure project financed by African Development Bank, which will increase the number of customers & hence the revenue base. The on-going Water & Sewerage Project will open up most parts of our area of jurisdiction with increased flow & more customers. Following the completion of this project, we expect increased service coverage in the area. Other strategies include adoption of new technologies in improving services, e.g. ERP System with customer Service Modules.

#### **Environmental performance**

Wajir Water & Sewerage Company envisions sustainability of the environment as key to its success. Our emphasis is in protection & sustenance of our catchment areas that are our source of water. We achieve this through tree planting events, which we do in close partnership with educational & other institutes. The company is in the process of drafting a comprehensive environmental policy.

#### **Employee welfare**

Regarding employee welfare, the company has clear policies guiding the hiring & separation processes as outlined in our Human Resource & Administration Regulations. All recruitments are on a competitive basis. Those of senior management must be advertised in at least one daily newspaper. Our current gender ratio is about 15% female to 85% male. We however, have a policy of encouraging women to apply for new vacancies as we work towards the one third rule. the company has an annual appraisal system. A reward & recognition policy was formulated this year & has been implemented. The best performers in various categories receive rewards at the end of the calendar year Training & skills improvement is part of our human resource policy. The company liaises with such associations like Water Service Providers Association (WASPA), KEWI & others in conducting training of its staff. In addition, periodic training needs assessments are carried out. The company complies with the provisions of the Occupational Safety & Health Act 2007 as captured in our Human Resource & Administration Manual. We are however, in the process of drafting the policy as a standalone policy.

#### **Market place practices-**

The organisation outlines its efforts to:

**a) Responsible competition practice.**

In our service provision, our main competitors are mainly community self-help & irrigation water projects. Our competitive advantage over them is proper governance structures, which we rely on to ensure better services. We also capitalize on leveraging on emerging technologies in service provision. In this way, the competition is fair & we leave the choice to the customer. In most of the areas however, there are no competitors & we are guided by our commitment to improve the welfare of the community that we serve.

**b) Responsible Supply chain & supplier relations**

Regarding our supply chain, we ensure open tendering for all our suppliers, where due process is followed. We also comply with the Public Procurement & Disposal Act 2015 when it comes to issues of dealing with the supplier's payment.

**c) Product stewardship**

Consumer rights are safeguarded by ensuring value for money. In this regard, we endeavour to offer safe & clean water to the best of our ability. The company also has a customer complains desk in each of its four stations ie Ministry of Water Office & Our Headquarter Office. Customers also complain through SMS & we've recently installed an ERP with a customer relations module that will improve service delivery. We also have other customer friendly tools like part payment plans where customers can clear their dues in instalments.

**Challenges**

- Aging infrastructure contributes to water loss & hence high NRW.
- Pipe damage by road contractors contracted by the various government agencies. A lot of pipes have been damaged & no compensation has been forth coming despite our appeals.
- Lack of adequate finances.

# **Wajir Water and Sewerage Company Limited**

## **Annual Report and Financial Statements for the year ended June 30, 2025**

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### **11. Report of the Directors**

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

#### **Principal activities**

The principal activities of the company continue to be provision of water & sanitation services to Wajir County residents.

#### **Results**

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

#### **Dividends**

The Directors do not recommend the payment of dividend for the year.

#### **Directors**

The members of the Board of Directors served only 10 Month during the year & are shown on page v. The board of Directors was disbanded & the appointment of new directors is in the process as per the Company's Articles of Association the Board of Directors.

#### **Auditors**

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

By Order of the Board



Roble Ahmed Subow

Managing Director, Wajwasco

Date: 15-10-2025

**12. Statement of Directors' Responsibilities**

Section 164 of the Public Finance Management Act, 2012 & section 635 of the company's Act, require the Directors to prepare financial statements in respect of the company, which give a true & fair view of the state of affairs of the company at the end of the financial year/period & the operating results of the company for that period. The Directors are also required to ensure that the entity 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 & presentation of the entity's financial statements, which give a true & fair view of the state of affairs of the entity for & as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements & 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 & maintaining internal controls relevant to the preparation & fair presentation of the financial statements, & ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the company; (v) selecting & applying appropriate accounting policies; & (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable & prudent judgements & estimates, in conformity with International Financial Reporting Standards (IFRS), & in the manner required by the PFM Act, 2012 & Water Act 2016. The Directors are of the opinion that the company's financial statements give a true & fair view of the state of company's transactions during the financial year ended June 30, 2025, & 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's financial statements as well as the adequacy of the systems of internal financial.

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.

**Wajir Water and Sewerage Company Limited**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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The financial statements were approved by the Board on 20-08-2025 & signed on its behalf by:



*Roble Ahmed Subow*  
Managing Director



.....  
*Sahara Ibrahim Dahir*  
Chairperson of the Board

# REPUBLIC OF KENYA



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

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Wajir Water and Sewerage Company Limited set out on pages 1 to 30, 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 Wajir Water and Sewerage Company Limited as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Water (Amendment) Act, 2024 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Trade and Other Receivables**

The statement of financial position reflects the trade and other receivables balance of Kshs.543,923,224 as disclosed in Note 15 to the financial statements. The balance represents an increase of Kshs.495,654,395 or 1027% of the balance from the prior year balance of Kshs.48,268,829. However, the balance was not supported by way of ageing analysis of the individual customers. In addition, the disclosure Notes do not include the ageing analysis as prescribed in the reporting template.

In the circumstances, the accuracy and fair presentation of the trade and other receivables balance of Kshs.543,923,224 as at 30 June, 2025 could not be confirmed.

#### **2. Completeness of Property, Plant and Equipment Balance**

The statement of financial position reflects property, plant and equipment balance of Kshs.993,869,289 and as disclosed in Note 13 to the financial statements. Review of the asset register revealed that the Company owns land on which the headquarters sits. However, the size, LR number and the value of the land have not been disclosed. Further, ownership documents to the land parcel were not provided for audit.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.993,869,289 and rightful ownership to the land parcel could not be confirmed.

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

## Emphasis of Matter

### Budget Performance and Control

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.1,001,885,248 and Kshs.387,500,483 respectively, resulting in revenue shortfall of Kshs.614,384,765 or 61% of the budget.

The revenue shortfall could be an indication of unrealistic revenue projection.

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

#### 1. Unresolved Prior Year Matters

In the prior year audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Company in 2024/2025 revealed that the following thirteen (13) issues remained unresolved as at 30 June, 2025:

No.	Audit Issue
1.	Long-Outstanding Trade Receivables
2.	Unsupported Trade and Other Payables
3.	Budget and Budgetary Control
4.	Under Collection of Operating Revenue
5.	Excessive Personnel Expenditure Against Operating and Maintenance Costs
6.	Non-Revenue Water
7.	Unutilized Assets
8.	Provision of Water Services without a License
9.	Use of Unapproved Water Tariffs
10.	Lack of a Functional Internal Audit Department
11.	Human Resource and Payroll Management Deficiencies
12.	Lack of Approved
13.	Staff Establishment and Scheme of Service

#### 2. Under-Collection of Revenue

The statement of profit or loss and other comprehensive income reflects operating revenue amounting to Kshs.24,800,629. However, the actual amount received in

respect of operating revenue was Kshs.18,614,585 resulting in uncollected revenue (additional receivables) of Kshs.6,186,044.

The low rate of revenue collection may negatively affect the operations of the Company's, cash flows which may impact on the service delivery.

### **Other Information**

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

In connection with my audit on the 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, 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 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. Excessive Wage Bill**

The statement of profit or loss and other comprehensive income reflects staff costs of Kshs.116,073,600, which represents 131% of the total operating and maintenance costs of Kshs.88,536,613. This proportion exceeds the recommended threshold of 29% recommended under Section 8.3 on Commercial Viability Guidelines on Clustering of Water Service Providers, 2018 by Water Services Regulatory Board (WASREB).

The percentage of 102% exceeds the recommended percentage of 29% by 102% which translates to personnel cost of Kshs.90,307,345 which should have been utilized on operational and maintenance cost resulting in enhanced service delivery and improved water sales revenue.

In the circumstance, the Water Company was in breach on WASREB commercial viability guidelines in respect of personnel cost as percentage of operational and maintenance cost.

## **2. Non-Revenue Water**

During the year under review, the quantity of water produced was 281,069M<sup>3</sup>, while the quantity billed to customers was 154,587M<sup>3</sup>, resulting to un-billed volume of 126,482M<sup>3</sup>. The un-billed volume represents 45% of the total volume of water produced which is above the recommended 25% level of Non-Revenue Water by 20%. The estimated financial loss to the Company due to the Non-Revenue Water was Kshs.18,972,300 as per the prevailing tariff of Kshs.150 per cubic meter.

The high level of Non-Revenue Water represents significant loss and ineffective use of public resources.

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

The statement of financial position reflects trade and other payables balances of Kshs.541,120,611 as reflected under Note 18 to the financial statements. The balance includes trade payables balance of Kshs.192,250,789 which were outstanding since 2017/2018. No satisfactory explanation was given for the failure to treat the payables as a first charge on the budget and ensure that they are settled during the year under review. This was contrary to Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015 which provide that Debt service payments shall be a first charge on the County Revenue Fund and the Accounting Officer shall ensure this is done to the extent possible that the County Government does not default on debt obligations.

In the circumstances, Management was in breach of the law. In addition, failure to settle payables within the agreed timelines, exposes the Company to possible losses in case of litigation against the Company by the aggrieved parties.

## **4. Failure to Provide Sewerage Services to the County Residents**

The audit established that the Company did not provide sewerage services to the residents of the Wajir County. The Company lacks the relevant equipment and machinery to facilitate for provision of sewerage services. In addition, the Company lacks a sewage treatment plant that can facilitate proper disposal of sewage. This is in spite of the significant investment made in the previous years through support from development partners.

In the circumstances, the effectiveness of financial resources invested by the Company could not be confirmed.

## **5. Use of Unapproved Water Tariff**

Review of records provided for audit revealed that the Company charged an unapproved water tariff ranging from Kshs.125 to Kshs.150 per cubic meter on metered customers, a flat rate charge of Kshs.1,000 on un-metered customers per month and an undefined rate for livestock watering. However, Management did not seek approval for the tariffs from the Water Services Regulatory Board (WASREB). This was contrary to Section 72(1)(b) of the Water Act, 2016 which states that the powers and functions of the Water Services Regulatory Board include evaluation and recommendation of water and sewerage tariffs to the county water services providers and approve the imposition of such tariffs in line with consumer protection standards.

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

## **6. Non-Compliance with Provision on Employment of Persons Living with Disabilities**

Review of personnel records indicated that the Company had two hundred and twenty-nine (229) employees, out of whom only three (3) were persons living with disabilities representing one (1) percent of the Company's workforce. This is contrary to the requirement by Section 5(1e) of the Persons with Disabilities Act, 2025 which provides that every county government shall promote the inclusion of persons with disability in the county public service by putting in place measures to ensure that at least five per centum of the employment positions are filled by persons with disability;

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

## **7. Provision of Water Services Without a License**

Review of the certificate of operation of the Company revealed that the Company license expired on 29 September, 2019 and therefore the Company was operating without a valid license from the Regulatory Board contrary to Section 85(1) of Water Act, 2016. This is contrary to Section 85(1) of Water Act, 2016 which states that a person shall not provide water services except under a licence issued by the Regulatory Board.

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

### **Conclusion**

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 xix is consistent with the financial statements; and
- iii. The auditable part of the Directors' remuneration report on pages 21 has been properly prepared in accordance with the Companies Act, 2015.

### **Basis for Conclusion**

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

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

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

The Board of Directors is responsible for overseeing the Company'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

28 November, 2025

**Wajir Water and Sewerage Company Limited**  
**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.**

	Notes	2024/2025	2023/2024
		Kshs	Kshs
<b>Revenue</b>			
Operating Revenue	6	24,800,629	15,407,190
Grants income	7	208,907,368	249,314,671
<b>Total Revenue</b>		<b>233,707,997</b>	<b>264,721,861</b>
<b>Expenses</b>			
Staff costs	8	116,073,600	105,663,152
General and Operations expenses	9	68,632,121	105,168,403
Board expenses	10	3,902,185	547,200
Maintenance expenses	11	19,904,492	12,898,635
Depreciation and Amortization expenses	12	24,874,774	35,433,442
<b>Total expenses</b>		<b>233,387,172</b>	<b>259,710,832</b>
<b>Profit/Loss before taxation</b>		<b>320,826</b>	<b>5,011,029</b>
Income tax Expense/Credit			
<b>Total Comprehensive Income for The Year</b>		<b>320,826</b>	<b>5,011,029</b>

Wajir Water and Sewerage Company Limited  
Annual Report and Financial Statements for the year ended June 30, 2025

15. Statement of Financial Position as at 30 June 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant, and Equipment	13	993,869,289	501,052,472
Intangible Assets	14	19,876,784	20,922,931
<b>Total Non-Current Assets</b>		<b>1,013,746,073</b>	<b>521,975,403</b>
<b>Current Assets</b>			
Trade and other Receivables	15	543,923,224	48,268,829
Bank and cash balances	16	25,000,005	39,134,782
<b>Total Current Assets</b>		<b>568,923,229</b>	<b>87,403,611</b>
<b>Total Assets (A)</b>		<b>1,582,669,302</b>	<b>609,379,014</b>
<b>Equity and Liabilities</b>			
<b>Capital Reserves</b>			
Ordinary share capital	17	100,000	100,000
Capital grants		893,970,299	271,808,611
Retained earnings		147,478,392	145,219,611
<b>Capital Reserves</b>		<b>1,041,548,692</b>	<b>417,128,222</b>
<b>Non-current liabilities</b>			
<b>Current liability</b>			
Trade and other payables	18	541,120,611	192,250,789
<b>Total Current Liabilities</b>		<b>541,120,611</b>	<b>192,250,789</b>
<b>Total Equity and Liabilities</b>		<b>1,582,669,302</b>	<b>609,379,011</b>

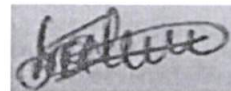
The financial statements were approved by the Board on \_\_\_\_\_ 2025 and signed on its behalf by:



.....  
Sahara Ibrahim Dahir  
Chairman



.....  
Roble Ahmed Subow  
Managing Director



.....  
Isir Ibrahim Abdi  
Accountant  
ICPAK M/No 30835.

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

Description	Ordinary share capital	Retained earnings	Capital/Development Fund	Total
	kshs	kshs	kshs	kshs
<b>As at 1st July 2023</b>	<b>2,685,041</b>	<b>- 136,177,257</b>	<b>- 186,074,585</b>	<b>- 319,566,801</b>
Issue of new share capital	- 2,585,041			- 2,585,041
Profit for the year		5,011,030		5,011,030
Prior year adjustments		276,385,838		276,385,838
Capital/Development grants received during the year			457,883,196	457,883,196
<b>As at 30th June 2024</b>	<b>100,000</b>	<b>145,219,611</b>	<b>271,808,611</b>	<b>417,128,222</b>
<b>As at 1st July 2024</b>	<b>100,000</b>	<b>145,219,611</b>	<b>271,808,611</b>	<b>417,128,222</b>
Profit for the period		320,826		320,826
Prior Year Adjustment	-	1,937,956	- 30,379,985	- 28,442,029
Capital/Development grants received during the year			652,541,673	652,541,673
		-	-	-
<b>As at 30th June 2025</b>	<b>100,000</b>	<b>147,478,392</b>	<b>893,970,299</b>	<b>1,041,548,692</b>

NOTES:

1. Adjustment - calculation for receivables was calculated wrongly by billing department 30,379,985.
2. Payables that was expensed instead of reducing payables 1,937,956.

**Wajir Water and Sewerage Company Limited**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

		2024/2025	2023/2024
	Notes	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Operating Revenue		18,614,585	4,956,803
Grants income		374,396,159	707,197,867
<b>Total receipts</b>		<b>393,010,744</b>	<b>712,154,670</b>
<b>Payments</b>			
Staff costs		99,639,867	105,663,152
General and Operations expenses		70,632,031	105,168,403
Board expenses		3,902,185	547,200
Maintenance expenses		13,403,202	12,898,635
<b>Total payments</b>		<b>187,577,285</b>	<b>224,277,390</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>205,433,459</b>	<b>487,877,280</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE		219,568,235	- 437,708,225
Purchase of Intangible Assets		-	- 20,922,931
<b>Net cash flows from/(used in) investing activities</b>		<b>219,568,235</b>	<b>- 458,631,156</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings			
Repayment of borrowings			
<b>Net cash flows from financing Activities</b>			
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>- 14,134,776</b>	<b>29,246,124</b>
Cash and cash equivalents at the start of the period		39,134,781	9,888,657
<b>Cash and cash equivalents at the end of the period</b>		<b>25,000,005</b>	<b>39,134,781</b>

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

Description	Original budget	Adjustments	Final budget	Actual on a comparable basis	Budget utilization difference	% of utilization
	A	B	C=a+b	D	E=c-d	F=d/c %
<b>Revenue</b>						
Sales from Water and Other sales	20,000,000	-	20,000,000	24,800,629	- 4,800,629	124%
Inkind Contributions(Salaries paid by County)	139,370,000	6,400,000	145,770,000	91,058,806	54,711,194	62%
Development Grant from County Government	65,899,798	-	65,899,798	64,704,248	1,195,550	98%
RAP-Paps Compensation	26,400,000	-	26,400,000	26,400,000	-	100%
HoAGWRP	16,815,450	27,000,000	43,815,450	27,100,800	16,714,650	62%
Water and Sanitation Development Project	700,000,000	-	700,000,000	153,436,000	546,564,000	22%
<b>Total revenue</b>	<b>968,485,248</b>	<b>33,400,000</b>	<b>1,001,885,248</b>	<b>387,500,483</b>	<b>614,384,765</b>	<b>39%</b>
<b>Expenses</b>						
Employees Costs	119,915,520	-	119,915,520	99,639,867	20,275,653	83%
General and operation expenses	145,770,000	-	145,770,000	70,632,031	75,137,970	48%
Board expenses	3,600,000	-	3,600,000	3,902,185	- 302,185	108%
Maintenance expenses	20,000,000	-	20,000,000	13,403,202	6,596,798	67%
<b>Total recurrent expenses</b>	<b>289,285,520</b>	<b>-</b>	<b>289,285,520</b>	<b>187,577,285</b>	<b>101,708,235</b>	<b>65%</b>
<b>Capital items</b>						
Acquisition of PPE	679,199,728	33,400,000	712,599,728	174,367,375	538,232,353	24%
<b>Total expenses Development</b>	<b>679,199,728</b>	<b>33,400,000</b>	<b>712,599,728</b>	<b>174,367,375</b>	<b>538,232,353</b>	<b>24%</b>
<b>Total expenses</b>	<b>968,485,248</b>	<b>33,400,000</b>	<b>1,001,885,248</b>	<b>362,500,478</b>	<b>639,940,588</b>	<b>36%</b>
<b>Surplus/ deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,000,005</b>		

*Budget notes:*

- The variances were as a result of late disbursement of funds from various development partners
- The adjustment original budget by 33,400,000 was as a result of additional funding from development partners

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*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.*

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

### **1. Establishment**

Wajir Water & Sewerage Company was established by & derives its authority & accountability from Company's Act. The Company is wholly owned by the Government of Kenya & is domiciled in Kenya. The principal activities of the entity continue to be provision of water & sanitation services to Wajir residents For Kenyan Companies Act reporting purposes, the balance sheet is represented by the statement of financial position & the profit & loss account by the statement of profit or loss & other comprehensive income in these financial statements

### **2. Statement of Compliance and Basis of Reporting**

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, Water Act 2016 and the Company's Act (*include any other applicable legislation*), and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

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**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 effective in the year ended 30 June 2025.*

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

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

Standard	Effective date and impact:
IPSAS 43	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an MDA. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45-Property Plant and Equipment	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>

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Standard	Effective date and impact:
<p>IPSAS 46 Measurement</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an MDA shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
<p>IPSAS 50: Exploration For &amp; Evaluation of</p>	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p>

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Standard	Effective date and impact:
Mineral Resources	<ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul>

*iii) Early adoption of standards*

WAJWASCO did not early – adopt any new or amended standards in year under review.

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

**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.
- 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.

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

**Summary of Accounting Policies**

**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
Freehold Land		0%
Leasehold Land		0%
Buildings and civil works		4%
Infrastructure works		4%
Plant and machinery		8%
Motor vehicles, including motorcycles	8	12,5%
Computers and related equipment	5	25%
Office equipment, furniture and fittings		8%

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 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. [00]

**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). (*Whichever is applicable*).

**j) Quoted investments**

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/ FIFO (*Whichever is applicable*). 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 amortized cost 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 and when the necessary approval to write off is granted.

**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**

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 is recognized in other comprehensive income and reclassified to profit or loss when the qualifying asset 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 various Commercial Banks at the end of the reporting period.

**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 Company operates a defined contribution scheme for all full-time employees. 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

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registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time.

**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 of Directors on 30/6/2025. 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. The Company'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 profit or loss, 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 Comprehensive income has been presented under section 18 of these financial statements.

**x) Service concession arrangements**

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 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

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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**

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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**6. Operating Revenue**

Description	2024/2025	2023/2024
	Kshs	Kshs
Water sales	24,800,629	15,407,190
<b>Total</b>	<b>24,800,629</b>	<b>15,407,190</b>

**7. Grants Income**

	2024/2025	2023/2024
	Kshs	Kshs
World Bank WSDP	42,145,860	38,101,394
Grants from HOAGWR	23,021,269	31,000,000
Tarbaj project-WSTF	120,000	
Wajir County-Government RAP-1	1,280,064	52,000,000
In Kind contribution from Wajir County Government	142,340,176	128,213,277
<b>Total</b>	<b>208,907,368</b>	<b>249,314,671</b>

**Analysis of grants Income**

Name of the Entity sending the grant	Amount recognized in the Statement of Comprehensive Income	Amount recognised in capital fund	Total grant income during the year
	KShs	KShs	KShs
World Bank WSDP	42,145,860	630,088,153	672,234,012.65
Grants from ,HOAGWR	23,021,269	-	23,021,268.50
Tarbaj project-WSTF	120,000	4,032,773	4,152,772.60
Wajir County-Government Development (RAP)	1,280,064	18,420,748	19,700,812.00
In Kind contribution from Wajir County Government	142,340,176	-	142,340,175.91
<b>Total</b>	<b>208,907,368</b>	<b>652,541,673</b>	<b>861,449,041.66</b>

**8. Staff Cost**

Description	2024/2025	2023/2024
	Kshs	Kshs
Gross salary and allowances (In kind)	99,639,867.00	105,663,152.00
Staff Payables	16,433,733.00	
<b>Total Staff costs</b>	<b>116,073,600.00</b>	<b>105,663,152.00</b>

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**9. General and Operations Expenses**

Description	2024/2025	2023/2024
	Kshs	Kshs
Chemicals	350,500	6,304,396
Electricity	3,121,676	5,897,860
Fuel, oil and lubricants	12,684,118	15,811,657
Office supplies and services	3,539,819	7,568,507
Communication	1,855,325	360,000
Office and administration expenses	-	1,241,695
Agency commissions/Fines/Penalties	214,700	-
Insurance	28,500	-
Hire of equipments and vehicles	390,000	589,655
Domestic travelling and subsistence	29,094,717	19,654,380
Staff training and development	3,520,900	2,578,400
Bank charges	87,715	41,300
security	238,000	-
Publicity and advertising	41,462	3,936,013
Stakeholders expenses	673,400	1,415,172
Hospitality expenses	9,371,289	17,766,736
General Supplies and services (Tyres)	3,420,000	-
Others	-	22,002,632
<b>Total</b>	<b>68,632,121</b>	<b>105,168,403</b>

**10. Board Expenses**

Description	2024/2025	2023/2024
	Kshs	Kshs
Board expenses	3,902,185.00	547,200.00
<b>Total</b>	<b>3,902,185.00</b>	<b>547,200.00</b>

**11. Maintenance Expenses**

Description	2024/2025	2023/2024
	Kshs	Kshs
Infrastructure networks	16,403,448.00	2,949,000.00
Motor vehicles	3,501,044.00	9,949,635.00
<b>Total Maintenance expenses</b>	<b>19,904,492.00</b>	<b>12,898,635.00</b>

**12. Depreciation and Amortization**

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant and equipments	23,828,627.00	35,433,442.00
Arnotization	1,046,146.00	
<b>Total</b>	<b>24,874,773.00</b>	<b>35,433,442.00</b>

Notes to the financial statements (continued)

13. Property, Plant and Equipment

Cost	Building and civil works	Water and Sewer infrastructure	Plant and Machinery	Motor vehicles including motor cycles	Computers and Related equipment	Office equipments fixtures and fittings	Capital Work in Progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs		Kshs
Depreciation Rate	4%	4.00%	8.00%	12.50%	25.00%	8.00%		
At 1 July 2023	46,560,000	81,918,478	7,424,985	122,869,571	(343,200)	433,055		258,862,889
Additions	16,005,971	28,072,155	7,887,470	54,181,724	18,199,400	8,450,934	304,910,571	437,708,225
Transfers/ Adjustments								
As At 30th June 2024	62,565,971	109,990,633	15,312,455	177,051,295	17,856,200	8,883,989	304,910,571	696,571,114
At 1 July 2024	62,565,971	109,990,633	15,312,455	177,051,295	17,856,200	8,883,989	304,910,571	696,571,114
Additions		24,445,983	82,199,840				409,999,621	516,645,444
Transfers/ Adjustments								
As At 30th June 2025	62,565,971	134,436,616	97,512,295	177,051,295	17,856,200	8,883,989	714,910,192	1,213,216,558
Depreciation								
At 1 July 2024	4,442,638	62,829,764	9,883,011	109,656,290	7,491,250	1,215,689	-	195,518,642
Charge for the year	2,324,933	2,864,274	7,010,343	8,424,376	2,591,238	613,464	-	23,828,627
Impairment loss								
Disposal								
As At 30th June 2025	6,767,571	65,694,038	16,893,354	118,080,666	10,082,488	1,829,153	-	219,347,269
Net Book Values								
As at 1 <sup>st</sup> July 2024	58,123,333	47,160,869	5,429,444	67,395,005	10,364,950	7,668,300	304,910,571	501,052,472
As At 30th June 2025	55,798,400	68,742,578	80,618,941	58,970,629	7,773,713	7,054,836	714,910,192	993,869,289

[Work in progress relates to in site sanitation project which is currently in progress]

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Notes to the financial statements (continued)

**14. Intangible Assets**

Description	2024/2025	2023/2024
	Kshs	Kshs
<b>Cost</b>		
As at 1 <sup>st</sup> July	20,922,931.00	
Additions		20,922,931.00
<b>At end of the period</b>	<b>20,922,931.00</b>	<b>20,922,931.00</b>
<b>Amortization and impairment</b>		
As at 1 <sup>st</sup> July 2024	-	
Amortization	1,046,147.00	
Impairment loss		
<b>At end of the period</b>	<b>1,046,147.00</b>	
<b>NBV as at the end of period</b>	<b>19,876,784.00</b>	<b>20,922,931.00</b>

**15. Trade and Other Receivables**

Description	2024/2025	2023/2024
	Kshs	Kshs
Trade receivables (Water sales)	17,888,844.00	48,268,829.00
Receivables from County government	20,065,119.00	
Receivables from WSDP	505,969,261.00	
<b>Total Receivables</b>	<b>543,923,224.00</b>	<b>48,268,829.00</b>

**16. Bank and Cash Balances**

Description	2024/2025	2023/2024
	Kshs	Kshs
Cash in Bank	25,000,005.00	39,134,782.00
Cash on hand		
Others (Specify)		
<b>Total</b>	<b>25,000,005.00</b>	<b>39,134,782.00</b>

**Detailed Analysis of the Cash and Cash Equivalents**

NAME OF ACCOUNT	ACCOUNT NUMBER	CASHBOOK BALANCE
WCG -Development KCB	1333291477	37,170
WCG - Recurrent KCB	1333483791	3,428,131
HOA NATIONAL BANK	7700568162	19,564,541
RAP NATIONAL BANK	77004567646	1,923,874
TARBAJ NATIONAL BANK	01041246169000	- 474
WORLD BANK - Equity	1030278635680	3,007
REVENUE -Kcb	1334687315	31,375
EQUITY Revenue	1030278626125	12,381
<b>TOTAL</b>		<b>25,000,005</b>

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Notes to the financial statements (continued)

**17. Ordinary Share Capital**

	2024/2025	2023/2024
	Kshs	Kshs
<b>Authorized:</b>		
5000 ordinary shares of Kshs. 20 par value each	100,000	100,000
<b>Issued and fully paid:</b>		
5000 ordinary shares of Kshs. 20 par value each	<b>100,000</b>	<b>100,000</b>

**18. Trade and Other Payables**

Description	2024/2025	2023/2024
	Kshs	Kshs
Trade payables (WDSP)	291,395,299.00	
Trade payables (WAJWASCO)	40,226,040.00	
Trade payables (County Government)	193,065,538.00	192,250,789.00
Employee payables	16,433,733.00	
<b>Total</b>	<b>541,120,610.00</b>	<b>192,250,789.00</b>

**19. Aging Analysis for Receivables**

	Insert Current FY	% of the total	Insert Comparable FY	% of the Total
Unde one Year	6,186,044.00			
1-2 Years	3,520,107.00	19.68		
2-3 years	8,182,693.00	45.74		
Over 3 Years				
<b>Total</b>	<b>17,888,844.00</b>			

**20. Aging Analysis for Trade and Payables**

	Insert Current FY	% of the total	Insert Comparable FY	% of the Total
Unde one Year	348,055,072.29			
1-2 Years				
2-3 years				
Over 3 Years	193,065,538.58	35.68		
<b>Total</b>	<b>541,120,610.87</b>			

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

**Other Disclosures**

**21. Related Party Disclosures**

**County Government of Wajir**

The County Government of Wajir is the principal shareholder of the Company, holding 100% of the Company's equity interest. The County of Government of Wajir 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
- Water works Agencies
- WASREB (Water Services Regulatory Board)
- WARMA
- Water Sector Trust Fund
- Key management
- Board of directors

**22. 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:

**(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.

***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 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.

**(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.

**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.

**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**

**a) *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:

- 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

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data when available. The Company considers relevant and observable market prices in its valuations where possible.

**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:

	2024/2025	2023/2024
	Kshs	Kshs
Ordinary Share capital	100,000	-
Capital Grants	883,562,223	-
Retained earnings	147,478,392	-
		-
<b>Total funds</b>	<b>1,031,140,615</b>	-
Total borrowings	-	-
Less: cash and bank balances	-25,000,005	-
Net debt/ (excess cash and cash equivalents)	<b>1,024,409,145</b>	-

**23. Incorporation**

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

**24. Events After the Reporting Period**

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

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**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.

	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Unsupported trade and other receivables.	The report is awaiting invitation to the PIC/PAC committees of the County assembly/Senate for deliberations	Issue Not Resolved	December 2025
2.	Unsupported trade and other payables	The report is awaiting invitation to the PIC/PAC committees of the County assembly/Senate for deliberations	Issue Not Resolved	December 2025
	Other Matter			
1	Unresolved Prior Year Audit Issues	The report is awaiting invitation to the PIC/PAC committees of the County assembly/Senate for deliberations	Issue Not Resolved	December 2025
	Lawfulness in use of Public Resources			
1.	Excess expenditure on personnel cost against maintenance and operation expenses	The report is awaiting invitation to the PIC/PAC committees of the County assembly/Senate for deliberations	Issue Not Resolved	December 2025
2.	Non-Revenue Water	The report is awaiting invitation to the PIC/PAC committees of the County assembly/Senate for deliberations	Issue Not Resolved	December 2025
3.	Unutilized assets	The report is awaiting invitation to the PIC/PAC committees of the County assembly/Senate for deliberations	Issue Not Resolved	December 2025
4.	Operations without a license	The report is awaiting invitation to the PIC/PAC committees of the County assembly/Senate for deliberations	Issue Not Resolved	December 2025
5.	Unapproved water tariffs	The report is awaiting invitation to the PIC/PAC committees of the County assembly/Senate for deliberations	Issue Not Resolved	December 2025
	Internal Controls			

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	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Lack of IT internal control	The report is awaiting invitation to the PIC/PAC committees of the County assembly/Senate for deliberations	Issue Not Resolved	December 2025
2.	Human resource and payroll Management defficiencies	The report is awaiting invitation to the PIC/PAC committees of the County assembly/Senate for deliberations	Issue Not Resolved	December 2025
3.	Lack of approved staff establishment and scheme of service	The report is awaiting invitation to the PIC/PAC committees of the County assembly/Senate for deliberations	Issue Not Resolved	December 2025



Managing Director, Wajwasco

Date: 15-10-2025

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**Appendix II: 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)
1	Pilot On-Site Sanitation Facilities (Eco-san and Ablution blocks)	World Bank Group	12 months	Contractual agreement	yes	yes
2	Drilling of boreholes in Rifeit and Lanbib	World Bank Group	12 months	Contractual agreement	yes	yes
3	Supply and installation of solar PV power and other related borehole equipment –Hybrid	World Bank Group	12 months	Contractual agreement	yes	yes

**Status of Projects completion**

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
KE-WAJWASCO-26664-CW-RFB / Construction of office block and laboratory for WAJWASCO.	59,811,127	59,811,127	100%	68,200,000	59,811,127	World Bank Group
KE-WAJWASCO-220077-CW-RFB /Pilot On-Site Sanitation Facilities (Ablution blocks & Eco-san toilets)	409,706,720	20,472,837	100%	314,526,919	409,706,720	World Bank Group
KE-WAJWASCO-226565-CW-RFB /Drilling of 10 No. boreholes for Lanbib and Rifeit	39,263,680	22,187,932	59%	39,263,680	39,263,680	World Bank Group

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	Supply and installation of solar PV power and other related borehole equipment –Hybrid	97,997,400	97,997,400	100%	97,997,400	97,997,400	World Bank Group
	Wajwasco-372776-CW-RFP Construction of Communal Onsite Sanitation Facilities within Wajir Town	174,937,310	159,073,439	100%	164,945,896	174,937,310	World Bank Group
	KE-WAJWASCO-30393-CW-RFB / Faecal sludge management works and operational auxiliary facilities	578,346,420.82	57,834,642	11%	578,346,420	578,346,420	World Bank Group
	KE-WAJWASCO-205491-CW-RFB /Construction of Sanitary Lanes	131,451,925	96,290,385	89%	105,161,540	105,161,540	World Bank Group
	KE-WAJWASCO-380658-CW-RFQ/ Proposed Construction of buckets washing and storage station, Meeting and changing room in Wajir town.	18,290,000	18,290,000	100%	18,290,000	18,290,000	World Bank Group
	KE-WAJWASCO-373196-GO-RFQ / Supply, Delivery and Installation Of Complete Integrated Billing System	13,790,000	13,790,000	100%	13,790,000	13,790,000	World Bank Group
	KE-WAJWASCO-373202-GO-RFQ / Supply, delivery and installation of Complete Server System	7,370,690	7,370,690	100%	7,370,690	7,370,690	World Bank Group

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KE-WAJWASCO-372799-GO-RFQ / Supply Delivery and Installation of ICT Equipment's	13,149,760	13,149,760	100%	13,149,760	13,149,760	World Bank Group
KE-WAJWASCO-356671-CW-RFB- Supply, Delivery and Installation of Solar Power System for WAJWASCO Office Block and Laboratory	19,985,364	19,985,364.80	100	19,985,364	19,985,364	World Bank Group
KE-WAJWASCO-225067-GO-RFB /Supply of 2No. truck mounted cranes	52,000,000	52,000,000	100%	52,000,000	52,000,000	World Bank Group

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

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
KE-WAJWASCO26664-CW-RFB /	Construction of office block and laboratory	To reduce the administrative cost of the WSP	Construction of office block and laboratory					World Group/IDA	Wajwasco
KE-WAJWASCO-220077-CW-RFB	Pilot On-Site Sanitation Facilities (Ecosan and Ablution blocks)	Improve Sanitation status of Wajir town & its environs	Pilot On-Site Sanitation Facilities (Eco-san and Ablution blocks)					World Group/IDA	Wajwasco
Drilling of boreholes in Rifeit and Lanbib	Drilling of boreholes in Rifeit and Lanbib	Improve water supply of Wajir town & its environs	Drilling of boreholes in Rifeit and Lanbib					World Group/IDA	Wajwasco
KE-WAJWASCO-144915-GO-RFB	Supply and installation of solar PV power and other related borehole equipment – Hybrid	Improve rural water supply of Wajir town sub-counties its environs	Supply and installation of solar PV power and other related borehole equipment –Hybrid					World Group/IDA	Wajwasco

Appendix VI: Recording of Transfers from Other Government Entities

Name of the Entity sending the grant	Amount recognized in the Statement of Comprehensive Income	Amount recognised in capital fund.	Total grant income during the year
	KShs	KShs	KShs
World Bank WSDP	42,145,860	630,088,153	672,234,012.65
Grants from ,HOAGWR	23,021,269	-	23,021,268.50
Tarbaj project-WSTF	120,000	4,032,773	4,152,772.60
Wajir County-Government Development (RAP)	1,280,064	18,420,748	19,700,812.00
In Kind contribution from Wajir County Government	142,340,176	-	142,340,175.91
<b>Total</b>	<b>208,907,368</b>	<b>652,541,673</b>	<b>861,449,041.66</b>

