

REPUBLIC OF KENYA



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**REPORT
OF
THE CONTROLLER
AND AUDITOR-GENERAL**

ON

**THE FINANCIAL STATEMENTS OF
TANA WATER SERVICES BOARD FOR
THE YEAR ENDED 30 JUNE 2006**

6/3

TANA WATER SERVICES BOARD

**ANNUAL REPORT
AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
30TH JUNE, 2006**

TANA WATER SERVICES BOARD

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TANA WATER SERVICES BOARD

INSTITUTIONAL DETAILS

REGISTERED OFFICE

Maji House, Nyeri
Boden Powell Road
P. O. Box 1292 - 10100
NYERI.

BANKERS

Kenya Commercial Bank Ltd.
P. O. BOX 215, 10100,
NYERI.

AUDITORS

Controller and Auditor General
Kenya National Audit Office
P.O. Box 30084-00100
NAIROBI.

TANA WATER SERVICES BOARD
DIRECTORS' REPORT
FOR THE YEAR ENDED 30TH JUNE 2006

The Directors present their report and Audited Accounts for the year ended 30th June 2006, which disclose the state of affairs of the Board at that date.

PRINCIPAL ACTIVITY

The principal activity of the board is to ensure efficient and sustainable provision of quality and affordable water and sewerage services in the area of our jurisdiction.

Tana Water Services Board has the Key and central role in water and sewerage management. Its mandate covers :-

- i) Ownership and Holding of water and sewerage Assets/Infrastructure.
- ii) Planning, development and expansion of water and sewerage services Infrastructure.
- iii) Contracting out of effective and efficient Water Service Providers (WSPs).
- iv) Monitoring and supervision of water and Sewerage services provision.

VISION

To be the model Water Services Board in Kenya.

MISSION

To ensure provision of affordable, reliable and sustainable water and sewerage services by developing facilities and contracting effective Water Services Providers.

RESULTS FOR THE YEAR

Surplus for the year was Kshs. 43,737,452 as presented on page 9.

BOARD MEMBERS

The Board Members who held office during the year were:

LIST OF BOARD MEMBERS

NAME	ORGANIZATION
1. HARON WACHIRA	CHAIRMAN
2. J. N. WANJAGE	KENYA CHAMBERS OF COMMERCE AND INDUSTRY
3. ASHWIN PADIA	KENYA ASSOCIATION OF MANUFACTURERS
4. J. M. MUTONGA	CLERK, EMBU COUNTY COUNCIL
5. E. MWAMBURI	CLERK, KITUI COUNTY COUNCIL
6. K. K. MBULUSI	CLERK, MWINGI COUNTY COUNCIL
7. PHILIP K. MWANGI	MERU COUNTY COUNCIL
8. ENG. GAKUBIA	DIRECTOR, MINISTRY OF WATER
9. PIUS NJOGU	MWEA MULTI-PURPOSE SOCIETY
10. GRACE NDEGWA	GENDER REPRESENTATIVE
11. P. WAINAINA	CLERK, NYERI COUNTY COUNCIL
12. JANE WERU	REPRESENTATIVE OF THE INSPECTOR OF STATE CORPORATIONS

BY ORDER OF THE BOARD

For and on its behalf



Date: 28.12.02

CHIEF EXECUTIVE OFFICER

CORPORATE GOVERNANCE STATEMENT

Tana Water Services Board is committed to operating under a clear governance framework and strongly adheres to sound management and control practices. The board is committed to ensuring compliance with the provisions of Water Act 2002 among other regulatory and supervisory corporate governance requirements.

Essential to the establishment of a good governance framework is formal governance structures designed to ensure accurate reporting to the Board to facilitate an informed decision-making process, assessment and improvement of conformance.

Board Members

The Structure of Tana Water Services Board starts with the Board Members comprising of twelve members representing various stakeholder interest. The Board Members exercises leadership, enterprise, integrity and judgment in directing Tana Water Services' Board.

They are expected to determine the purpose and values of Tana Water Services Board, determine the strategy to achieve that purpose and implement its values in order to ensure the corporation survives and thrives.

The Board Members are expected to enhance the corporate governance practices in running of Tana Water Services Board to bring the level of governance in the Corporation in line with international standards. The essence of corporate governance is to protect stakeholder interests including the Government, Water services providers, consumers and the communities.

Governance Structures

The Minister of Water and Irrigation appoints the Board Members according to the Water Act 2002. During the Year ending 30th June 2006, Tana Water Services Board operated under the leadership of its current Board. The Board has a wider representation, which brings a multidisciplinary composition to ensure independence, transparency, accountability and consistency in its operations.

The following are the directorships of the Board representing various stakeholders in water and sewerage services:

BOARD COMMITTEES:

In ensuring that corporate governance is enhanced and that the power of Tana Water Services Board is exercised in the stewardship of the corporation's total portfolio of assets and resources with the objective of maintaining stakeholder value, the board of directors has established the following committees:

PROCUREMENT COMMITTEE

The Procurement Committee constitution has been created in fulfillment of legal notice No. 51 (The exchequer and Audit public procurement) regulations 2001. The obligations of the committee are guided by the said regulations.

As a state corporation, Tana Water Services Board will be using public resources. This puts a lot of responsibility on the Procurement Committee to ensure public resources are used and managed prudently.

HUMAN RESOURCES COMMITTEE

Tana Water Services Board makes cognizance of the fact that the Human resource is one single asset that cannot be replicated. It's the duty of the Human Resources committee to ensure that they have the right staff at the right place and doing the right thing. More so, it is the committee's responsibility to ensure that the staff welfare is guaranteed.

Their terms of reference shall include but not confined to human resource planning, employee welfare, recruitment, training, performance appraisal, discipline, health and safety and HIV/ AIDS.

FINANCE AND AUDIT COMMITTEE

The Finance and Audit Committee will be the overseer of the financial reporting process and the corporation's internal controls.

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

In order to promote good corporate governance, the Committee is also charged with the role of monitoring on the boards' behalf, the effectiveness of the processes in force with particular focus on:

- Safeguarding of the Assets
- Scope and effectiveness of the internal controls.
- Preparation & Audit of the Annual financial statements
- Compliance with all applicable regulatory requirements and accounting standards.

All committees have their terms of reference.

Corporate Social Responsibility

As part of its corporate social responsibility, Tana Water Services Board supports communities in their endeavor to access safe and clean water.



TANA WATER SERVICES BOARD

STATEMENT OF BOARD MEMBERS RESPONSIBILITIES

FOR THE YEAR ENDED 30TH JUNE 2006

Tana Water Services Board keeps proper books and records of accounts as required by the States Corporations Act, the Exchequer and Audit Act and the Public Audit Act. This requires the Board members to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Board as at the end of the financial year and of its operating results for the year. It also requires the Board members to ensure the Board keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Board. They are also responsible for safeguarding the assets of the Board.

The Board Members accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, consistent with previous years, and in conformity with International Financial Reporting Standards. The Board Members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Board as at 30th June 2006 and of its surplus for the year then ended. The Board Members further confirm the accuracy and completeness of the accounting records maintained by the Board which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the internal financial controls.

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

HARON WACHIRA

BOARD CHAIRMAN

DATE: 29/09/06... 2006

BOARD MEMBER

DATE: 29/09/06... 2006



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF TANA WATER SERVICES BOARD FOR THE YEAR ENDED 30 JUNE 2006

I have audited the financial statements of Tana Water Services Board for the year ended 30 June 2006 in accordance with the provisions of Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit. The financial statements are in agreement with the books of account.

Respective Responsibilities of the Board and the Controller and Auditor General

The Board is responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Board and its operating results. My responsibility is to express an independent opinion on the financial statements based on my audit.

Basis of opinion

The audit was conducted in accordance with the International Standards on Auditing. Those standards require that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the Board as well as an evaluation of the overall presentation of the financial statements. I believe the audit provides a reasonable basis for my opinion.

1. Property, Plant and Equipment.

1.1 Valuation and Registration of motor vehicles

Non-current assets balance of Kshs.12, 370,869 as at 30 June 2006 includes five motor vehicles with a gross value of Kshs.9,506,000 donated during the year by the Ministry of Water and Irrigation and the German Agency for Technical Cooperation (GTZ) under the Kenya Water and Sewerage Program. The values assigned to each motor vehicle could not be ascertained, as no information on valuation was provided for audit review. In addition four out of five vehicles have not been registered in the Board's name as they still bear GK registration numbers. It was not, therefore, possible to confirm their ownership.

1.1. Expensing of Motor bikes

In June 2006, the Board purchased ten (10) motor bikes at a cost of Kshs. 2,791,600. The entire cost was expensed in the Income and Expenditure Statement, contrary to prudent accounting principles which deem such assets to be capital assets which should be recognized as such and be capitalized. The accounting treatment by management has the effect of understating the surplus and the value of property, plant and equipment.

1.2. Work in Progress

The financial statements reflect an amount of Kshs.17,764,010 as work in progress as at 30 June 2006 out of which only Kshs.5,000,000 had been budgeted for.

1.3. Transferred Assets

On coming into operation and in line with the Water (plan of transfer of Water Services) Rules, 2005, the Board inherited a number of non-current assets previously held by the Ministry of Water and Irrigation and the National Water Conservation and Pipeline Corporation, some of which have not been incorporated in these financial statements. These assets include, Maji House Building in Nyeri and the surrounding land, seven (7) motor vehicles currently allocated to area managers of water schemes in the region and forty (40) motor vehicles currently being held by the District Water officers. Consequently, I am unable to confirm that the carrying values as stated in the financial statements reflect the fair value of property, plant and equipment of the Board.

2.0 Debtors and Deposits

2.1. Trade debtors

Included in the debtors figure of Kshs.8,129,118 as at 30 June 2006 is an amount of Kshs.6,859,738 being trade debtors whose supporting schedule was not provided for audit review. Verification of trade debtors was further hampered by inadequate water billing information as the only billing information seen was in respect to Aguthi, Othaya, Kahuti and Kandara water schemes.

2.2. Un-surrendered imprest

Further, included in the Debtors and Deposits figure of Kshs.8,756,425 in financial statements is an amount of Kshs.596,692 in respect of unsurrendered imprests. However the supporting schedules made available for audit reflect an amount of Kshs.668,404. The difference of Kshs.71,712 has not been explained. Further, examination of the imprests register revealed it was not properly updated as it reflected a balance of Kshs.4,253,489 as at 30 June 2006, while the financial statements reflect a balance of Kshs.596,692. Under the

circumstances, I am unable to confirm whether Debtors and Deposit balance is fairly stated in these financial statements.

3. Cash and Bank balances

Balance as per cash book for account number 212972043 was overstated by Kshs. 45,120 as a result of an overstatement of un-credited deposits. Further bank reconciliation statement for account number 212971959 reflected Kshs.3,798,071 as bank balance which did not agree with the confirmed bank balance of Kshs.3,260,625. The difference of Kshs.537,446 has not been explained. In addition, cash book balances reflected in the accounts did not agree with reconciliations as follows;

Bank Account	Accounts	Reconciliation	Variance
212972014	14,570,723	13,570,723	1,000,000
212971942	13,746,450	13,476,450	270,000
212971959	3,809,159	3,305,326	503,833

Under the circumstances I have not been able to ascertain whether cash and bank balances are fairly stated.

4. Revenue

4.1. Water sales

The water sales figure of Kshs. 65,365,126 did not take into account the accrual concept of accounting and as such the figure did not give a true representation of the water sales and reconnection fees. The schedule produced to support the sales figure was based on actual cash received amounting to Kshs.63,529,502 as opposed to amount billed to the various water consumers. In addition, the amount shown in the schedule extracted from cash sales differed from the reported figure in the Income and Expenditure Account of Kshs.65,365,126 by Kshs.1,835,624. In the circumstances, it was not possible to confirm the propriety of the reported water sales figure of Kshs.65,365,126 for the year ended 30 June 2006.

5. Drought Intervention

During the year ended 30 June 2006, the Board received a total of Kshs. 3,000,000 from Kenya Water and Sewerage Program for drought intervention. Examination of the payment vouchers showed that this amount was utilized in supplying clean water in the affected areas by various firms contracted by the Board. However, no evidence was provided that these firms actually supplied water to various institutions like schools and health centers as delivery notes were not signed as an acknowledgement by the benefiting institutions. Under the circumstances, it was not possible to confirm whether funds meant for drought intervention were properly applied to the intended purposes.

6. Inaccuracies in financial statements

The following differences were noted between the financial statements and the supporting documentation as follows:

Item	Schedules Kshs.	Fin. Statements Kshs.	Differences Kshs.
Travelling & Accommodation	9,246,961	9,202,706	44,255
Telephone & Postage	1,897,012	1,976,249	79,237
Advertising	1,481,121	1,475,052	6,069
Printing and stationery	1,390,331	753,939	636,392
Rates and rent	966,000	960,000	6,000
Security expenses	410,708	403,133	7,575
IT expenses	432,793	424,509	8,284
Chemicals	4,727,750	5,027,750	300,000
Hire of vehicles	80,138	44,036	36,102
Electricity	2,831,631	2,795,469	36,162
Fuel and oils	2,805,448	2,295,635	509,813
Operation and maint.	5,647,095	5,378,112	268,983
Motor vehicles maint.	1,874,434	1,462,505	411,929
Printing of water bills	-	720,000	720 000

Under the circumstances, I am unable to confirm whether the surplus for the year as reflected in these financial statements is fairly stated.

Opinion

Except for any adjustment that might be necessary arising from the foregoing reservations, in my opinion, proper books of account have been kept and the financial statements give a true and fair view of the state of affairs of the Board as at 30 June 2006 and of its surplus and cash flows for the year then ended and comply with the Water Act, 2002.



P. KOMORA
CONTROLLER AND AUDITOR GENERAL

Nairobi

07 February 2007

TANA WATER SERVICES BOARD

INCOME AND EXPENDITURE ACCOUNT FOR YEAR ENDED 30TH JUNE 2006

	Notes	Kshs.
SALES	4	65,365,126
OTHER INCOME	5	104,316,485
TOTAL INCOME		<u>169,681,611</u>
EXPENSES:		
O & M Ex-NWCPC Schemes	6	17,723,507
Administration	8	83,846,598
Direct Expenses	15	19,720,719
Financial	7	4,653,335
TOTAL EXPENSES		<u>125,944,159</u>
 SURPLUS FOR THE PERIOD		 <u>43,737,452</u>

TANA WATER SERVICES BOARD

FINANCIAL ACCOUNTS

FOR THE YEAR ENDED

30TH JUNE 2006

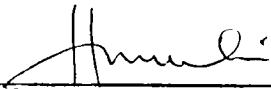
TANA WATER SERVICES BOARD

BALANCE SHEET AS AT 30TH JUNE 2006

ASSETS

NON-CURRENT ASSETS	Notes	Kshs.
Property, Plant and Equipment	16	<u>12,370,869</u>
Work in progress	14	<u>17,464,010</u>
CURRENT ASSETS		
Debtors & Deposits	10	8,129,118
Inventories	1c	241,153
Cash & Bank balances	11	<u>36,077,861</u>
		44,448,132
TOTAL ASSETS		<u><u>74,283,011</u></u>
Surplus for the Year		43,737,452
Capital grant	9	<u>13,260,783</u>
Fund Account		<u>56,998,235</u>
CURRENT LIABILITIES		
Creditors	13	<u>17,284,776</u>
TOTAL FUNDS AND LIABILITIES		<u><u>74,283,011</u></u>

The financial statements on pages 9 to 18 were approved for release by the board of Directors on 29th December 2006 and were signed on its behalf by:

Haron Wachira  29/12/06, Chairman

Kaio K. Mbulusi  Director

29/12/2006

TANA WATER SERVICES BOARD
STATEMENT OF CHANGES IN EQUITY

	Surplus for the Year Kshs.	Capital Grant Kshs.	TOTAL Kshs.
Balance as at 1st July 2005	0	0	0
Surplus for the year ended 30th June 2006	43,737,452	0	43,737,452
Capital grant received during the year	0	13,260,783	13,260,783
TOTAL	43,737,452	13,260,783	56,998,235

TANA WATER SERVICES BOARD
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 TH JUNE 2006

CASH FLOWS FROM OPERATING ACTIVITIES

Net surplus for the period	13,737,457
Adjustment for:	
Depreciation	<u>4,309,512</u>
Operating surplus before working capital changes	18,046,964
Debtors & Deposits	(8,129,118)
Inventories	(241,153)
Creditors and consumer deposits	<u>17,284,776</u>
Net cash generated from operating activities	<u>56,961,469</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Capital grant	<u>13,260,783</u>
Net cash flows from financing activities	<u>13,260,783</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Work in progress	<u>(17,464,010)</u>
Purchase of assets	<u>(16,680,381)</u>
Net cash flows from investing activities	(34,144,391)
Net increase in cash and cash equivalents	36,077,861
Cash and cash equivalents at the beginning	0
Cash and cash equivalents at the end of the period	<u>36,077,861</u>

TANA WATER SERVICES BOARD

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Accounting Standards (IAS).

The financial statements have been prepared on a historical cost basis.

b) Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Board and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognized:-

- (i) **Water Sales, Connection and Reconnection Fees**
Income is recognised upon supply of water and represents amounts billed.
- (ii) **Grants**
Income is recognized upon receipt. These grants include allocations from the Ministry of Water and Irrigation and Development partners. The grants were received both in cash and in kind. These grants were received in order to assist the Board to take off from its inception.
- (iii) **Lease Fees**
Lease fees from Water Service Providers (WSPs) are recognised upon receipt.
- (iv) **Interest**
Interest income is accrued on a time proportion basis, by reference to the principal amount outstanding and the effective interest rate applicable.

c) Inventories

Inventories are stated at lower of cost and net realizable value. The cost of inventories comprise purchase price.

d) Trade Debtors

Trade Debtors are recognized and carried at the water billings less a general provision for bad and doubtful debts at 10% as at the balance sheet date. The general practice in the Industry reveals that revenue collection rate ranges between 90 – 95% of the billing.

e) Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on a straight line basis over the expected useful life's of the assets. The annual rates of depreciation are as follows:-

Motor vehicles	25%
Furniture and Fittings	12.5%
Plant and Equipment	20%
Computer and Accessories	33.3%
Boat	25%

f) Leave accrual

Management employees' entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave at the balance sheet date.

2. INCORPORATION

The Board is incorporated in Kenya under the Water Act 2002, Legal Notice No. 1329 of 27th February, 2004.

3. CURRENCY

These financial statements are prepared in Kenya Shillings (Kshs.)

TANA WATER SERVICES BOARD

NOTES TO THE ACCOUNTS (CONTINUED)
 FOR THE YEAR ENDED 30TH JUNE 2005

	Kshs.
4. WATER SALES AND CONNECTION & RECONNECTION FEE-EX-NWCPC	<u>65,365,126</u>
5. OTHER INCOME	
GOK	
Recurrent	
GOK Recurrent	6,000,000
GOK for Management Emolument	4,000,000
Rent paid by GOK	720,000
Development	
Drought Intervention(GOK)	26,000,000
Donation in Kind(Chemicals) (GOK)	3,362,750
GOK Development	14,750,000
GOK Ruiru Project	1,200,000
GOK Kaluti project	5,000,000
Donors	
KWSP-SIDA/DANIDA & GTZ	31,666,250
Drought Intervention(KWSP)	<u>3,000,000</u>
	<u>95,699,000</u>
Lease Fees	
Lease Fees From WSPs	12,089,352
LESS: Asset Owner Fees	1,208,935
Regulatory Fees	<u>2,817,398</u>
	<u>8,063,019</u>
Others	
World Water Day Celebrations Donation	25,000
Interest	805
Penalties (Damages of pipes)	277,900
Sale of Tender Documents	216,400
Miscellaneous	34,361
	<u>554,466</u>
TOTAL OTHER INCOME	<u>104,316,485</u>
6. O & M Ex-NWCPC Schemes	
Operation & Maintenance	5,378,112
Chemicals	5,027,750
Motor Vehicle Maintenance	1,462,505
Fuel & Oil	2,295,635
Hire of Vehicle	44,036
Electricity	2,795,469
Printing of water bills	<u>720,000</u>
	<u>17,723,507</u>
7. FINANCIAL	
Bank charges	343,823
Depreciation	<u>4,309,512</u>
	<u>4,653,335</u>

TANA WATER SERVICES BOARD
 NOTES TO THE ACCOUNTS (CONTINUED)
 FOR YEAR ENDED 30TH JUNE 2006.

ADMINISTRATION AND GENERAL EXPENSES

Kenya Sh.

Staff Cost	
Salaries and Wages	45,284,060 ✓
Leave Accrual	202,287 ✓
NSSF Employer's Contribution	5,000
	<u>45,491,947</u>
Motor running Expenses	
Fuel & Oil	1,316,116
Repairs & maintenance	657,464
	<u>1,973,580</u>
Operational Costs	
Workshop and seminars	7,748,674
Consultancy Fee	1,493,661
	<u>9,242,335</u>
Board Expenses	
Honoraria	480,000
Normal Board Meeting	1,348,000
Special Board Meeting	2,551,348
Procurement Committee	184,000
Finance and Audit Committee	53,000
Human Resources Committee	269,000
	<u>4,885,348</u>
Administrative Expenses	
Construction of pit latrine	141,900
Show expenses	589,520
Printing and Stationery	753,939
Staff training	2,728,403
Rates & Rents	960,000
Telephone and Postage	1,976,249
Office Expenses	1,071,003
Travelling and Accommodation	9,202,706
Electricity and Water	34,726
Donations	25,700
Advertising	1,475,052
VAT	693,530
Security	403,133
IT Expenses	424,509
Hire of vehicles	36,103
Newspaper and periodicals	30,450
General Provision for bad and doubtful debts	616,986
Anti-corruption campaign boxes	21,009
	<u>21,184,918</u>
General Expenses	
World Water Day Expenses	115,000
General repairs and maintenance	593,764
Membership Fee	30,575
Legal Fees	329,131
	<u>1,068,470</u> ✓
TOTAL ADMINISTRATION AND GENERAL EXPENSES	<u>83,846,598</u>

TANA WATER SERVICES BOARD
 NOTES TO THE ACCOUNTS
 FOR YEAR ENDED 30TH JUNE 2006

16. PROPERTY, PLANT AND EQUIPMENT

COST/VALUATION	Boat Kshs	Motor Vehicles Kshs	Furniture and Fittings Kshs	Plan. and Equipment Kshs	Computer and Accessories Kshs	Total Kshs
Purchases	215,000	9,506,000	1,629,852	745,381	4,583,333	16,680,381
Balance as at 30.06.06	215,815	9,506,000	1,629,852	745,381	4,583,333	16,680,381
DEPRECIATION						
Charge for the year	53,954	2,376,500	203,732	149,076	1,526,250	4,309,512
Balance as at 30.06.06	53,954	2,376,500	203,732	149,076	1,526,250	4,309,512
Net Book Value as at 30.06.06	161,861	7,129,500	1,426,120	596,305	3,057,083	12,370,869

TANA WATER SERVICES BOARD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR PERIOD ENDED 30TH JUNE 2006

9. CAPITAL GRANT ACCOUNT

Capital grant accounts comprise the following :

Value of assets donated by	
GOK	3,034,783
KWSP	7,406,000
MWI	2,820,000
	<u>13,260,783</u>

10. DEBTORS AND DEPOSITS

Trade debtors	6,234,429
Unsurrendered imprest	596,697
Deposits	18,490
Schemes unsurrendered imprests	325,184
Salary Recoverable (Othaya)	954,318
	<u>8,129,118</u>

11. CASH AND BANK BALANCES

	Kshs.
Account no. 007- Consumer Deposit	2,030,032
Account no. 014- GOK	14,570,723
Account no. 020 - Vahuti	39,551
Account no. 043 - Isitha	1,037,592
Account no. 066- Othaya	1,098,510
Account no. 072 - Kandara	108,478
Account no. 089- Masinga/Kitui	131,192
Account no. 942 - Donor	13,746,450
Account no. 959- Aguthi	3,305,326
Cash balance	10,017
	<u>36,077,861</u>

12. SURPLUS

Surplus for the period	<u>43,737,452</u>
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13. CREDITORS

Consumer Deposit	2,030,032
Trade Creditors	15,254,744
	<u>17,284,776</u>

14. Work in Progress

This relates to Tuthu water project(Kahuti)and Nyaki water project which are on going	<u>17,464,010</u>
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15. DIRECT EXPENSES

Drought intervention (GOK)	16,725,526
Drought intervention (KWSP)	2,995,193
	<u>19,720,719</u>