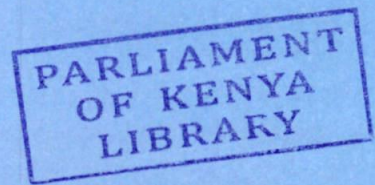


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

**NYAHURURU WATER AND SANITATION
COMPANY LIMITED**

**FOR THE YEAR ENDED
30 JUNE, 2024**

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NYAHURURU WATER AND SANITATION COMPANY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2024

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

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

Table Of Contents	Page
1. Acronyms and Glossary of Terms.....	ii
2. Key Entity Information	iii
3. The Board of Directors.....	vi
4. Key Management Team	x
5. Chairman’s Statement	xii
6. Report Of the Managing Director	xiv
7. Statement Of Performance Against Predetermined Objectives for FY 2023/2024	xvi
8. Corporate Governance Statement.....	xviii
9. Management Discussion and Analysis.....	xxi
10. Environmental And Sustainability Reporting	xxv
11. Report Of the Directors	xxviii
12. Statement Of Directors’ Responsibilities	xxix
13. Report Of the Independent Auditors for the financial statements of Nyahururu Water and Sanitation Company Ltd.....	xxx
14. Statement Of Profit or Loss & Other Comprehensive Income for the Year Ended 30 June 2024.	1
15. Statement Of Financial Position As at 30 June 2024	2
16. Statement Of Changes in Equity for the Year Ended 30 June 2024	4
17. Statement Of Cash Flows for The Year Ended 30 June 2024.....	7
18. Statement Of Comparison of Budget & Actual Amounts for The Period Ended 30 June 2024....	9
19. Notes To the Financial Statements.....	11
20. Appendices	73

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

1. Acronyms and Glossary of Terms

Provide Acronyms and glossary of terms that appear in this annual report and financial statements.

ICPAK	Institute of Certified Public Accountants of Kenya
IFRS	International Financial Reporting Standards
IAS	International Accounting Standards
MD	Managing Director
PFM	Public Financial Management
PSASB	Public Sector Accounting Standards
WASREB	Water Services Regulatory Board
NYAHUWASCO	Nyahururu Water and Sanitation Company Ltd
NSSF	National Social Security Fund
CPF	Central Provident Fund
WRA	Water Resources Authority
HELB	Higher education Loan Board
CSR	Corporate Social Responsibility.
NRW	Non-Revenue Water
JICA	Japan International Cooperation Agency
NITA	National Industrial Training Authority

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

2. Key Entity Information

Background information

The Nyahururu Water and Sanitation company Ltd was established by the Water Act of Parliament in 2002. At County level, the Company is represented by the County Executive Member responsible for water and sanitation, who together with the board of Directors are responsible for the general policy and strategic direction of the Company. The Company is domiciled in Kenya and has branches/regions in Nyahururu, Igwamiti, Marmanet and Rumuruti.

Principal Activities

The principal activity of the Company is to provide clean and healthy drinking water and sanitation services to the residents of Nyahururu (Town and Environs), Igwamiti, Marmanet, Rumuruti, Salama and Kinamba in compliance with the Service Provision Agreement (SPA).

Company Vision

To be the leading Water and Sanitation Services Provider.

Mission

To offer high quality services in the most efficient and cost-effective manner.

Core Objectives

To provide access to safe clean water and reliable sanitation services for all within the area of jurisdiction.

Directors

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

1.	Rev. Fr. David Munyeki	Chairperson	Appointed in January 2023
2.	Damaris Wanjiku Waiharo	Vice Chairperson	Appointed in January 2023
3.	Maureen Muriithi	Director	Appointed in January 2023
4.	Kipkoech Birgen	Director	Appointed in January 2023
5.	Caesar Mwangi	Director	Appointed in January 2023
6.	Leah Njeri	Director	Appointed in January 2023
7.	George Waweru Gichingiri	Director	Appointed in January 2023

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

			LEFT in May 2024
8.	Samuel Wachira Gichigi	Director	Appointed in May 2024
9.	Benard Mwaura Mbuthia	Managing Director Board Secretary	Appointed in April 2023
10.	Richard Gikuhi Kiana	Company Secretary	Appointed on 4 th June 2021

Company Secretary

Mr. Richard Gikuhi Kiana (**Member ICS**) P.O. Box 1271-10100; **Nyeri**.

Registered Offices

Nyahururu Office (Main); Hekima Building- Kenyatta Avenue
 Marmanet Office (Subsidiary); Ol-jabet Chief's Camp Compound
 Rumuruti Office (Subsidiary); Behind County Headquarters Building.
 Igwamiti Office (Subsidiary); Karuga Trading Centre.

Corporate Headquarters

P.O. Box 952-20300
 Hekima Building
 Kenyatta Avenue
 Nyahururu, KENYA

Corporate Contacts

Telephone: (254) 065-2032774
 E-mail: info@nyahuwasco.co.ke
 Website: www.nyahuwasco.co.ke

Corporate Bankers

Co-operative Bank

Nyahururu

P.O Box 48231-00100
 Nairobi

Equity Bank Kenya

Nyahururu

P.O Box 1048-20300
 Nyahururu

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

Family Bank of Kenya
Nyahururu
P.O Box 74145-00200
Nairobi

Post Bank of Kenya
Nyahururu
P.O Box 30311-00100
Nairobi




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



3. The Board of Directors

Directors	Details
 <p>Rev. Fr. David Munyeki , Chairman (50 Years)</p>	<p>Fr. David kamiru Munyeki is a non-executive director representing resident organizations. He is the chairperson of board of directors.</p> <p>Fr. Munyeki holds a Bachelor’s degree in Canon Law from University of Pontificia Pius X Venice, Bachelor’s degree in Sacred Theology and a Bachelors of Arts in Philosophy from Urbaniana University</p> <p>He has previously served as a Board Member at County Assembly Services Board in Nyandarua County and Chaired various board committees. He also served in various Parishes, Saccos and The Nyahururu Sports club.</p>
 <p>Mrs. Damaris Waiharo (43 Years)</p>	<p>Ms. Damaris is a non-executive director representing Women and Youth Organizations.</p> <p>She holds a Bachelor of Commerce (Finance) Degree from Egerton University and a Master of Business Administration Degree (Finance) from Laikipia University.</p> <p>Currently she is undertaking a Phd in Finance at Laikipia University.</p> <p>She is a Certified Public Accountant (CPA, K) and a Member of the Institute of Certified Public Accountants of Kenya (ICPAK). She has wide experience in auditing, financial management and corporate governance.</p>

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

 <p>Ms. Maureen Muriithi (33 Years)</p>	<p>Maureen is a non-executive director representing manufacturing and business community.</p> <p>Maureen is An Advocate of the High Court of Kenya, Commissioner of Oaths with over five years' experience in the legal field. She is a partner in a firm based in Nyahururu town and an active member of the Law Society of Kenya Nyahururu Chapter. She previously worked as a Manager in a successful business company based in Nyahururu town and continues to be an active member of the Nyahururu business community.</p> <p>She holds a Post Graduate Diploma from the Kenya School of Law, and a Bachelor's degree in Law (LLB) from Moi University.</p> <p>She also serves as a member of the Board in Igwamiti Secondary School within Laikipia County.</p>
 <p>Kipkoech Birgen (45 Years)</p>	<p>Kipkoech J Birgen is a non-executive director representing professional organizations. He is a Trained educator with a certificate in primary teacher education, diploma in early childhood development education and a bachelor degree in education primary option.</p> <p>Birgen is also a trade unionist representing teachers in Kenya National Teachers Union (KNUT)Laikipia branch</p>
 <p>Ceasar Maina Wanjau (49 Years)</p>	<p>Director Ceasar is a non-executive director representing rural schemes. He holds a Bachelor's degree in Education (BED) from the University of Nairobi. He is currently undertaking a Masters in Marketing at the Dedan Kimathi University of Technology.</p> <p>Ceasar has over 20 years in the education sector. He is the head teacher of Murichu Primary School.</p>

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

	<p>He is also a member of other Boards. He serves as the vice chair of Unison Sacco and a member of KTDA board.</p>
 <p>Hon. Leah Njeri (56 Years)</p>	<p>Madam Leah Njeri is the County Executive Committee Member for Water, Environment and Natural Resources.</p> <p>She represents the County Government of Laikipia.</p>
 <p>Hon. Samuel Wachira Gichigi (47 Years)</p>	<p><i>CECM Finance and County planning and Development</i></p> <p>He represents the County Government of Laikipia.</p>
 <p>George Mugweru- LEFT (46 Years)</p>	<p>George Mugweru is a non-executive director representing the County Government of Laikipia. He is a Senior Advisor to His Excellency the Governor of Laikipia, Hon Joshua Irungu E.G.H. In his role, he advises the Governor on matters trade, financial markets, economic planning, and development. As a Financial Inclusion Expert, he has previously worked as an advisor on housing finance at HOPE International, Housing finance systems manager at Habitat for Humanity and Microfinance Lead at Habitat for the “Building Assets, Unlocking Access” project, in Kenya and Uganda funded by the Mastercard Foundation.</p> <p>George has also conducted numerous consulting assignments and technical assistance projects at</p>




Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

	<p>MicroSave as Senior Analyst. He has over 15 years' experience in financial inclusion and has working experience in Ethiopia, Kenya, Nigeria, South Sudan, Tanzania, Republic of Congo, Rwanda, and Uganda.</p> <p>George love serving people. He serves at Parkland Baptist Church, an urban church in Nairobi as an Elder. He is also a Rotarian.</p>
 <p>Bernard Mwaura (57 Years)</p>	<p>Mr Benard Mwaura Mbutia is the Managing Director. He holds a masters in International Studies and a Bachelor of Science in Information Science.</p> <p>He is an astute Managing Director experienced in driving the attainment of corporate objectives through leadership in strategy formulation and ensuring efficient, cost effective and sustainable delivery of water and Sanitation services to the public.</p> <p>He has served as the Managing Director of Multi-focus Ltd, Managing Director of Nyahururu Water and Sanitation Company Ltd and as General Manager of Ngummo (K) Ltd among other roles.</p>
 <p>FCS, Richard Gikuhi, Company Secretary</p>	<p>FCS Richard Gikuhi holds an MBA in Strategic Management, is a member of ICS with over thirty years of professional experience</p>

4. Key Management Team

Manager	Details
 <p><i>Bernard Mwaura</i></p>	<p>Managing Director</p> <p>Holds a Master’s degree in Intentional studies and a Bachelor’s of science degree in in Information Science with over 20 years’ experience in corporate leadership as Managing Director. He is experienced in driving the attainment of corporate objectives through leadership in strategy formulation and ensuring efficient, cost-effective and sustainable delivery of water and Sanitation services to the public.</p>
 <p><i>Joseph Gitau Mboi</i></p>	<p>Technical Services Manager.</p> <p>Holds a Master’s degree in Engineering (<i>Civil and Environment</i>) and a Bachelor’s degree in Agricultural Engineering. Has over 10 years’ experience in water service provision management in public sector.</p> <p>He is Graduate Engineer and a member of E.B.K.</p>
 <p><i>CPA Francis Ndegwa</i></p>	<p>Commercial Manager.</p> <p>Francis Ndegwa holds a Bachelor's Degree in Education Arts (Mathematics and Economics) and Certified Public Accountant of Kenya with 15 years’ experience in Public Sector Accounting and Commercial services management. He is a Member of ICPAK</p>

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

 <p>Esther Muthoni</p>	<p>Finance Manager(Former)</p> <p>Holds a Bachelor’s degree in Commerce (<i>Finance Option</i>) CPA K and CISA with over 12 years in public sector accounting and Internal Audit.</p> <p>Member of ICPAK and ISACA</p>
 <p>Ann Mwongera</p>	<p>Human Resource and Administration Manager.(Former)</p> <p>Holds a Bachelor’s degree in Management and Leadership (<i>HRM Option</i>) and a Diploma Human Resource Management. Has over 15 years’ experience as Human Resource Manager both in private and public sectors.</p> <p>CHRP-K, Member of IHRM</p>
 <p>FCS, Richard Gikuhi, Company Secretary</p>	<p>FCS Richard Gikuhi holds an MBA in Strategic Management, is a member of ICS with over thirty years of professional experience</p>

5. Chairman's Statement

It is my pleasure to present the Chairman's Report for Nyahururu Water and Sanitation Company (NYAHUWASCO) for the financial year ended 30th June 2024. This report highlights the company's performance, challenges, achievements, and strategic direction as we strive to provide sustainable water and sanitation services to our esteemed customers.

Company Performance

The year 2023-2024, presented both opportunities and challenges for NYAHUWASCO. Despite the challenging macroeconomic environment, the company recorded positive progress in key areas such as service delivery, financial sustainability, and customer satisfaction.

- **Revenue Growth:** The company posted an operating revenue of Kshs 239,226,528, representing an upward growth compared to the previous year's revenue of Kshs 221,965,326. This growth was driven by improved customer billing efficiency, an increase in water connections, and enhanced service delivery. Additionally, NYAHUWASCO posted Kshs 14,950,189 in other incomes (excluding grants), up from Kshs 14,163,986 in the previous 2022-2023 financial year.
- **Cost Management:** Cost-cutting measures were introduced across all departments to mitigate the financial challenges brought about by rising operational costs. This has allowed us to maintain a healthy balance sheet while continuing to invest in critical infrastructure.

Water and Sanitation Infrastructure Development

Infrastructure development has remained a key focus for NYAHUWASCO as we aim to improve access to clean water and sanitation services across the service area. Key projects during the year included:

Expansion of Water Networks:

With the generous support of the Water Sector Trust Fund (WSTF), we implemented and commissioned a water distribution system in Oljabet Town and Site Phase II in Nyahururu Town under UPC 8th Call. County Government of Laikipia also extended grants towards implementation of water network in Kinamba. This collaboration has enabled us to extend our reach and enhance the water infrastructure, ensuring that more communities benefit from reliable and clean water supply.

Challenges

As we celebrate our achievements, it is essential to recognize the challenges we encountered throughout the year. Financial constraints have been significant, driven by increased operational costs, including maintenance and power bills, compounded by inflationary pressures and difficult national and global economic conditions, which have strained our budget and limited financial flexibility. Additionally, non-revenue water (NRW) continues to be a major challenge, with losses exceeding our targets. We are addressing this issue by upgrading old infrastructure and investing in leak detection technologies as part of our mitigation strategy.

Corporate Governance and Compliance

NYAHUWASCO remains committed to upholding the highest standards of corporate governance. The Board of Directors provided oversight on strategic decision-making and ensured compliance with regulatory requirements. During the year, we also conducted capacity-building initiatives for both the management team and the board to ensure they remain up to date with best practices.

Future Outlook

Looking ahead, NYAHUWASCO is committed to strengthening its position as a leader in water and sanitation services through several strategic goals. We aim to secure sustainable financing by exploring public-private partnerships and leveraging grants for infrastructure projects. Our water pricing strategy will be reviewed in collaboration with the Water Services Regulatory Board (WASREB) to balance service costs with affordability. We will invest in technological innovations, including digital payment systems and automated billing, to improve service delivery and customer engagement. Additionally, we will focus on environmental sustainability by conserving water sources and protecting catchment areas to ensure a reliable water supply for future generations.

Appreciation

I would like to express my sincere gratitude to the Board of Directors, management, and staff of NYAHUWASCO for their tireless efforts and dedication throughout the year. I also thank our customers, partners, and stakeholders for their continued trust and support in our mission to provide quality water and sanitation services.

Finally, I extend my appreciation to the County Government of Laikipia and the Water Services Regulatory Board (WASREB) for their regulatory guidance and partnership.

Thank you.



Rev. Fr. David Munyeki,
Chairman, Board of Directors.

6. Report Of the Managing Director

1. Water Production

During the period under review , Nyahururu Water and Sanitation Company abstracted a total of 3.38 million cubic meters of raw water for treatment, while producing 3.21 million cubic meters of treated water for distribution. The peak in both abstraction and production occurred in September 2023, with the highest abstraction of 295,868 cubic meters and production of 281,779 cubic meters. The lowest figures were seen in January 2024, likely due to seasonal factors, with abstraction dropping to 268,675 cubic meters and production to 255,881 cubic meters. Overall, we maintained a consistent trend in water production, though there remains a noticeable gap between water abstracted and treated, suggesting some inefficiencies or losses during the treatment process. Moving forward, we should focus on optimizing our treatment operations to close this gap and improve efficiency.

2. Financial Results for the Year 2023-2024

The financial statements for the year highlighted several key points:

Annual Turnover: The Company achieved an operating revenue of Ksh 239,226,528, reflecting an increase from the previous year's Ksh 221,965,326. This growth was attributed to improvements in billing efficiency, customer service, and collection efficiency. Additionally, NYAHUWASCO posted Kshs 14,950,189 as other incomes (excluding grants), up from Kshs 14,163,986 in the previous 2022-2023 financial year. The increase has been attributed to improved billing efficiency, good customer service and Improved operation efficiency.

The company also received grants of Ksh 3,191,048 from the Water Sector Trust Fund and Kshs 8,809,943 from the County Government of Laikipia. These funds helped financing the water projects, which is expected to boost the company's revenue once fully operational. However, only kshs 300,025 has been recognized in the income statement as required by IAS20 on treatment of Capital grants.

Expenses: Total expenses rose to Kshs 294,869,484 compared to Kshs 268,365,958 reported the previous year. The increase was largely due to high electricity bills, fuel and lubricant costs, and increased fees and levies.

Profit/Loss for the Year: The company reported a loss of Kshs 40,392,742, significantly higher than the Kshs 7,438,685 loss recorded the previous year. The increased loss was mainly driven by inflation and rising operational costs, including electricity and chemicals.

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

Capital Investment: NYAHUWASCO invested Kshs 12,000,991 in capital works, financed through grants from the County Government of Laikipia and the Water Sector Trust Fund. Additionally, office renovations were funded through a Kshs 10,900,000 loan from Family Bank.

3. Challenges in the Operational Environment

During the year, the company faced several operational challenges that affected its financial performance. Chief among these was the high cost of water production, which was exacerbated by rising electricity prices, and general inflation leading to high chemical costs. Additionally, the existing water tariffs did not fully cover the cost of service provision, further straining the company's finances. These factors collectively made it difficult for the company to maintain profitability and deliver services sustainably.

4. Strategic Plan and New Tariff Development

In response to these challenges, the Company implemented a strategic plan focused on long-term sustainability. A critical component of this plan was the development of a new, cost-reflective tariff structure designed to cover rising operational costs such as electricity, inflation, and abstraction levies. The new tariff aimed to ensure full cost recovery while balancing the need for financial sustainability and customer affordability, especially for vulnerable populations. The company worked closely with stakeholders, including the Water Services Regulatory Board (WASREB), to analyze costs, customer segments, and the potential impacts of the tariff changes. The new tariff is currently awaiting approval from WASREB and is expected to improve the company's financial stability once implemented.



Benard Mwaura Mbuthia,
Managing Director.

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

7. Statement Of Performance Against Predetermined Objectives for FY 2023/2024

In Compliance with Section 164 Subsection 2(f) of the Public Finance Management Act, 2012, Nyahururu Water and Sanitation Company Limited presents its performance against predetermined objectives for the fiscal year 2023/2024. The company's operations are structured around five key strategic pillars defined in its 2019-2024 Strategic Plan. These pillars guide the organization's annual work plans and performance evaluations, which are conducted on a quarterly basis.

Strategic Pillars and Performance

The following table outlines the performance of Nyahururu Water and Sanitation Company against its strategic pillars for FY 2023/2024:

Strategic Pillar	Objectives	Key Performance Indicators	Activities	Achievements
Access to Clean/Safe Potable Water	- Increase access to safe drinking water.	- Number of new customer connections.	- Extended pipelines to underserved areas.	- Installed 7.14 km HDPE pipeline in Phase 2.
	- Rehabilitate and upgrade the distribution network.	- Reduction in physical water losses.	- Planted trees and fenced abstraction points.	- Installed 10 km HDPE pipeline at Oljabet.
	- Safeguard and maintain raw water quality.	- Reduction in chemical treatment costs.	- Implemented infrastructure upgrades.	- Installed 29.64 km UPVC pipeline at Kinamba. - Reduced chemical treatment costs
Sanitation	- Increase sewer network coverage	- Number of new sewer connections.	- Extended sewer lines and performed system maintenance.	- Fitted 22 synthetic manhole covers on the main sewer trunk.
	- Increase onsite sanitation coverage	- Number of new toilet blocks.	- Conducted regular maintenance and unblocking of sewer lines.	- Replaced sewer unblocking rods. - Increased sewer coverage and onsite sanitation
Institutional Capacity	- Strengthen institutional capacity through improved HR practices.	- Compliance with job placement criteria.	- Conducted staff training and refresher courses.	- Completed in-house training for all staff.
	- Ensure digitalization of HR systems and compliance with OSHA regulations.	- Digitization of HR systems.	- Implemented digital performance monitoring and OSHA compliance training.	- Achieved 99% OSHA compliance and implemented a new digital HR

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

Strategic Pillar	Objectives	Key Performance Indicators	Activities	Achievements
				performance monitoring system.
	-Enhanced Compliance	- Compliance with OSHA regulations.	-instituted Safety and Health Committee	- Operationalized the Safety and Health Committee.
Financial Sustainability	- Enhance financial health and sustainability of the company.	- Increase in annual revenue.	- smart phone meter reading technology to improve billing and collection efficiency.	- Increased annual revenue through improved billing and collection processes.
	- Improve creditworthiness and operational efficiency.	- Improvement in creditworthiness.	- Review of payables finance management policies -Timely payment of payables within stipulated dates	- Enhanced processing of invoices payable to suppliers within the stipulated days
	- Optimize cost management to improve financial performance.	- Reduction in operational costs and overheads.	- Conducted a thorough review of operational expenses and identified cost-saving measures.	- Reduced operational costs by through efficient resource management and cost-cutting initiatives.
	- Increase revenue from non-core activities and grants.	- Increase in grants and non-core revenue.	- Secured additional grants from development partners and explored new revenue streams.	- Secured Ksh 3,191,048 from Water Sector Trust Fund and Ksh 8,809,943 from County Government of Laikipia.
	- Enhance financial reporting and transparency.	- Improved accuracy and timeliness of financial reports.	- Implemented advanced financial reporting tools and regular audits.	- Improved financial reporting accuracy and timeliness, leading to better stakeholder confidence.
	- Improve cash flow management to ensure liquidity.	- Improved cash flow and liquidity ratios.	- Streamlined cash flow management processes and optimized payment schedules.	- Achieved a more stable cash flow and improved liquidity ratios through optimized cash

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

Strategic Pillar	Objectives	Key Performance Indicators	Activities	Achievements
				management practices.
Corporate Governance	- Improve governance structures and practices.	- Implementation of Board Charter.	- Developed and implemented a comprehensive Board Charter.	- continuous implementation and monitoring of the Board Charter.
	- Develop and implement a Board Evaluation framework.	- Board training and evaluations.	Conduct board training and evaluations.	- Enhanced governance practices through board evaluations and training.

8. Corporate Governance Statement

The Company is fully owned by the County Government of Laikipia and is registered with 5,000 shares of Kshs 20 each. According to the Company Memorandum and Articles of Association the shares are held in trust and they are as follows:

Shareholding	Number of Shares held:
The County Government of Laikipia (CGL)	4,996
His Excellency the Governor, CGL	1
The CEC, Finance and Economic Planning, CGL	1
The CEC, Environment, Water and Natural Resources, CGL	1
The County Secretary, CGL	1
TOTAL	5,000

NYAHUWASCO is governed by a Board of Directors that oversees the overall management of the Company. It is tasked with ensuring that company business and operations are conducted with integrity, professionalism, and in compliance with the law, internationally accepted principles and best practices in corporate governance.

These include compliance with Corporate Governance Guidelines issued by WASREB as well as Mwangozo Guidelines.

The Board of Directors are responsible for the following:

- a) Making policies and approving strategies and development plans;

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

- b) Implementation of Memorandum and Articles of Association
- c) Approval of business plans, budgets and tariff adjustment.
- d) Approval of major projects and ensuring prudent investment of funds
- e) Appointment of CMT and provision of management guidelines
- f) Fiduciary duty of monitoring and overseeing the activities of management.

Board Composition:

NYAHUWASCO Board of Directors is composed of 7 Non-Executive Directors and one (1) Executive director (Managing Director). The Directors represent various stake holders and have varying skills and experiences.

On appointment, each Director is provided with a comprehensive and tailored induction process detailing their legal and regulatory obligations.

Appointment of Directors:

Once a vacancy in any stakeholder group is identified, an advert is done in at least one daily newspaper. The stakeholders are also invited to select a committee to shortlist the applicants. The committee should include three members from the stakeholder group, the managing director and a nominee of the county government of Laikipia. The committee shortlists the applicants and a list of the shortlisted applicants is submitted to the shareholder for appointment of the director(s) in the respective stakeholder groups.

Board Charter:

The Board charter is in place.

Board Meetings: The Board has a regulated formal schedule of meetings to conduct its business. The Board meets 4 times in one financial year except for instances where there are special board meetings. The following is a tabular schedule of the meetings held and the attendance details during the year under review:

Special Full Board Meetings

Category of meeting	No. of members	Date Held	Members attendance
Special board meeting	7	26/07/2023	6
Special board meeting	7	09/05/2024	7

Full Board Meeting

Category of meeting	No. of members	Date Held	Members attendance
Full board meeting	7	22/09/2023	7
Full board meeting	7	07/12/2023	7
Full board meeting	7	26/03/2024	6
Full board meeting	7	25/06/2024	7

Board Committees: The Board has constituted 3 sub-committees chaired by one director in each, namely; Finance and Administration, Technical, Audit, Risk and Governance. Each committee meets 4 times in one financial year. The Board may occasionally appoint adhoc committees as and when necessary to undertake special assignments.

Below is a tabular summary of the committee meetings held during the year;

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

Category of meeting	No. of members	Date Held	Members attendance
Technical committee	4	6/6/2024	4
Technical committee	4	14/03/2024	4
Technical committee	4	27/11/2023	4
Technical Committee	4	07/09/2023	3

Category of meeting	No. of members	Date Held	Members attendance
Finance and Administration committee	4	21/06/2024	4
Finance and Administration committee	4	12/03/2024	4
Finance and Administration committee	4	28/11/2023	4
Finance and Administration committee	4	8/09/2023	3

Category of meeting	No. of members	Date Held	Members attendance
Audit, Risk and Governance committee	4	05/06/2024	4
Audit, Risk and Governance committee	4	11/03/2024	4
Audit, Risk and Governance committee	4	06/09/2023	4
Audit, Risk and Governance committee	4	23/11/2023	4

Board succession plan: The county government ensures that tenures of board of directors are staggered with a 1/3 of directors retiring every AGM. The retiring directors are eligible for re-election subject to a maximum of two terms of three years each. The retiring members are determined on the basis of members who have served longest.

Process of removal of directors:

Directors can be removed from office on the following grounds;

- He/She is removed from the office pursuant to Section 185 of the Act, or by special resolution by the company in General Meeting.
- He/She ceases to be a director by virtue of Section 183 and 186 of the Act.

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

- He/She ceases to be an officer of the County Government.
- He/She becomes bankrupt or makes an arrangement of composition with his creditors.
- He/She becomes prohibited from being a director by reason of any order under section 189 of the Act.
- He/She becomes of unsound mind.
- He/She fails without any reasonable cause and without consent of the board to attend three (3) consecutive meetings of the Board and the Board resolves that, the reason of such failure he shall cease to be a director.
- He/She resigns his office by notice in writing to the company.
- He/She or any persons to who he has personal ties and transacts with the company
- Unsatisfactory performance on performance evaluation
- He/She breaches the Signed Code of Ethics and Conduct
- He/She ceases to be a representative of the stake holder's body entity that has appointed him or her.
- He/She is charged with an offence under the Anti-Corruption and Economic Crimes Act or Water Act 2002.
- He becomes a director in any other water sector institution.

Board induction and training:

The board induction and training are done once every year.

Board Evaluation:

Board evaluation is carried out every year

Conflict of Interest:

Directors sign a conflict of interest register in every meeting.

Code of Conduct:

All directors have signed the code of conduct and ethics

9. Management Discussion and Analysis

This section provides an overview of the company's performance, evaluating key performance indicators:

a) Operational Performance:

Throughout the review period, the company successfully delivered water and sanitation services across all its service areas, in accordance with the service provision license issued by WASREB. The company adhered to the quality standards set by WASREB, NEMA, and WRA, ensuring that both the treated water supplied to consumers and the sewer effluent released into the environment met required quality benchmarks.

b) Financial Performance:

In the review period, NYAHUWASCO showed improvement in most of its key financial performance indicators compared to the previous period. The table below summarizes the key financial highlights.

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

Performance Indicator	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020	Benchmark
New Water Connections	229	830	2510	2746	1596	
New Sewer Connections	10	40	19	19	20	
Metering Ratio	100%	100%	100%	99%	100%	100%
Billings (Kshs)	267,490,216	236,129,312	242,941,360	251,037,172	235,640,251	
Revenue Collection	258,095,634	227,241,414	238,490,409	254,046,623	229,039,422	
R Collection Efficiency	96%	96%	98%	101%	97%	100%
Production (M3)	3,214,663	3,241,297	3,310,236	3,184,387	3206263	
Billing (m3)	1,963,983	2,007,969	1,981,260	1,931,100	1976276	
NRW (M3)	1,250,680	1,233,328	1,328,976	1,253,287	1,229,987	
Non-Revenue Water (%)	39%	38%	40%	39%	38%	<25%
Annual Income (Turnover)	254,476,742	260,927,273	271,198,588	297,254,623	235,640,251	
O & M Costs	294,869,484	268,365,958	259,360,405	255,719,420	241,319,320	
Depreciation & Provision for Doubtful Debts	10,132,459	7,898,671	7,598,085	6,922,570	17,195,357	
Net O & M Costs	284,737,025	260,467,287	251,762,320	248,796,850	224,123,963	
O + M Costs Coverage	86%	97%	105%	116%	98%	>150%
Personnel Expenditure	145,246,749	144,228,248	136,367,137	124,783,740	119,232,657	
Personnel Expend as a % of Net O+M Cost	51%	55%	54%	50%	53%	<35%
Accrued Statutory Obligations	28,453,430	19,228,755	18,018,228	19,745,690	21,808,352	

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

Explanatory Notes:

1. New Water Connections: Declined from 830 (2022-2023) to 229 in 2023-2024.
2. New Sewer Connections: Dropped from 40 in 2022-2023 to 10 in 2023-2024.
3. Metering Ratio: Remained at 100% for most years except 2020-2021 (99%).
4. Billings: Steady increase from Kshs 236,129,312 (2022-2023) to Kshs 267,490,216 (2023-2024).
5. Revenue Collection: Similar trend to billings, reaching Kshs 258,095,634 in 2023-2024.
6. Revenue Collection Efficiency: Stable at 96% for the last two years 2022-2023 and 2023-2024 financial year.
7. Water Production: Slight decrease over the years, from 3,241,297 M3 in 2022-2023 to 3,214,663 M3 in 2023-2024.
8. Water Billing (m3): Fluctuated, standing at 1,963,983 M3 in 2023-2024.
9. Non-Revenue Water (NRW): Remains high at 38-40%, with 39% in 2023-2024.
10. O&M Costs: Significant increase from Kshs 268,365,958 in 2022-2023 to Kshs 294,869,484 in 2023-2024.
11. O&M Costs Coverage: Dropped to 86% in 2023-2024 from a high of 97% in 2022-2023.
12. Personnel Expenditure: Steady increase, reaching Kshs 145,246,749 in 2023-2024.
13. Personnel Expenditure as % of net O&M: Consistently high, averaging around 51% in 2023-2024, far above the target of <35%.
14. Accrued Statutory Obligations: Increased sharply from Kshs 19,228,755 in 2022-2023 to Kshs 28,453,430 in 2023-2024.

b) Disclosure of material uncertainty in relation to going concern and steps being taken to address it.

The company incurred an operating loss of kshs 40,392,742 during the year under review. In addition, the company's current liabilities balance totalling to ksh 172,664,392 exceeded the current asset balance of ksh 79,459,208 by ksh 93,205,184 as at 30th June 2024.

The company is taking the following measures to improve its performance;

- Implementing cost reduction strategies such as encouraging emails for internal communication as opposed to printed to reduce printing costs, sending customer bills via SMS
- Reduce high power costs by solarizing the production plant
- Minor investments aimed at extending services to unserved areas to increase revenue. Such investments include 25km pipeline extensions in rural schemes and 5km pipeline extensions in Nyahururu.
- Approaching development partners including WSTF, County Government of Laikipia and Central Rift Water Works Agency for funding for extension of services

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

- Applying for a cost recovery tariff

c) Key Projects/ Investment Decisions:

Despite the uncertainty in the economy, the Company in conjunction with other development partners managed to achieve the following during the year:

- ❖ Renewed 7.14 km of water pipelines in Nyahururu site phase 2 and 10km in Oljabet town
- ❖ Installed 29.64 km of pipelines in Kinamba town in partnership with the County government of Laikipia
- ❖ Drilled one borehole at kinamba
- ❖ Upgraded and equipped GG borehole at Kinamba

The Company was however not able to achieve some of its targeted projects due to the revenue strain occasioned by inflation and high cost of operation.

The ear marked projects that have been carried forward to the next financial year include the following:

- Procure an additional water pump for the intake
- Procure additional motorbikes for the schemes
- Construction of 2nd water intake
- Carry out customer identification survey (CIS)
- Fence off the Rumuruti water treatment plant compound.
- Explore alternative power sources such as solar energy to complement electric and diesel power at the intakes, treatment units and pump houses. The company implemented solarization in Nyahururu treatment and is in the process of solarizing the intake plant.

d) Compliance with Statutory/Other Financial Obligations:

The Company is cognizant of its statutory and other financial obligations. This is well reflected in the annual company budgets and other finance planning tools such as the cash flow projections. The Company commits to ensure that there is total compliance with these obligations as and when they fall due.

During the period under review, the Company was able come up with Settlement plans to clear the pending obligations.

e) Major Risks facing the Company:

The Company faces a number of risks arising from: Its operations, the general economy, global factors among other contributors. Some of the critical risks facing the Company include:

- Deteriorating raw water quality at the source causing high usage of water treatment chemicals and thereby overstressing the Company's budget;
- Inadequate water sources.
- Vandalism of sewerage infrastructure causing open deep sewerage manholes and providing avenue for entry of foreign materials that clog the sewer network.
- Damage of pipelines by road, electricity and fibre optic contractors causing massive water and business losses to the Company.
- Some major raw water pipelines passing through areas prone to landslides
- Irregular revenue patterns due to low spending power of customers caused by macro-economic factors such as inflation

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

- Uncertainties caused by global external factors such as economic recessions.

10. Environmental And Sustainability Reporting

Nyahururu Water and Sanitation Company Ltd exists to impact livelihoods, which serves as our purpose and driving force. This core mission guides us in delivering our strategy by prioritizing the customer and citizen, providing essential services, and continuously enhancing operational efficiency. Below is an overview of the organization's policies and activities that support sustainability across various areas:

i. Sustainability Strategy and Profile

The company's sustainability strategy is built on five pillars:

a) Financial Sustainability

The company is committed to ensuring long-term financial health and sustainability by efficiently managing its resources and operations. We implement a cost-recovery tariff model that ensures sufficient revenue generation to cover our operational and maintenance (O&M) costs, while also enabling reinvestment in infrastructure and service improvements. Additionally, we have established partnerships with development organizations such as the Water Sector Trust Fund and the County Government to fund projects that extend service coverage and improve infrastructure in both new and existing areas. Through sound financial planning, we aim to maintain the economic viability of our operations, contributing to both the financial sustainability of the company and the well-being of the communities we serve.

b) Human Sustainability

The company prioritizes the well-being and growth of its employees. We provide comprehensive medical insurance for all staff annually. Additionally, employees are encouraged to pursue further education and skills development, with opportunities for both in-house and external training programs aimed at building capacity and enhancing expertise.

c) Social Sustainability

The company seeks to build and maintain strong relationships with surrounding communities. We achieve this through public participation forums, educational tours for schools, student attachment programs, and supporting causes like aiding persons with disabilities. By engaging the community and contributing to social initiatives, we foster a positive social impact and ensure that our services benefit those who need them most.

d) Economic Sustainability

The company ensures the efficient use of assets to sustain economic growth and consistently provide quality services to its customers. This is made possible through the implementation of a cost recovery tariff and prudent resource management. Partnerships with the Water Sector Trust Fund and the County Government play a crucial role in helping the company expand services into underserved areas while enhancing the infrastructure in regions already covered.

e) Environmental Sustainability

Environmental conservation is at the heart of our sustainability strategy. We focus on protecting natural resources, particularly our water catchment areas, through tree planting initiatives and preventing river pollution. These efforts ensure the preservation of water sources, contributing to both environmental and operational sustainability in the long term

ii) Environmental performance

While the company does not have an elaborate environmental policy, it strives to ensure that its water is fit for human consumption and that sewerage is effectively treated. This is achieved through quality monitoring of both drinking water and waste water.

iii) Employee welfare

The company has a recruitment policy embedded in its human resource manual. The policy indicates that corporate management team positions shall be advertised in at least one national daily newspaper while other positions may be advertised through local community channels, partner organizations or if the board of directors deemed it fit, may be advertised in a national daily newspaper.

The company is committed to gender parity and has the corporate management team being composed of 40% female and 60 % male. Overall, the company has 34% of its workforce being female and 66% being male.

The company has a performance management system which involves setting of annual targets for all employees and performance appraisal. The human resource manual is subject to review on need basis. The Occupational Health and Safety committee is in place while the Occupational Health and Safety Policy is awaiting board of director's approval.

iv) Marketplace Practices

a) Responsible Competition Practices

Nyahuwasco operates within a regulated environment, with its service area and tariffs overseen by the Water Services Regulatory Board. The company consistently adheres to these regulations, and all employees are required to remain politically neutral.

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

b) Responsible Supply Chain and Supplier Relations

Goods and services are procured through open tenders and requests for quotations from registered suppliers, strictly following the Public Procurement and Asset Disposal Act 2015 and Public Procurement and Asset Disposal Regulations 2020 to ensure value for money and fairness. Payments to suppliers are made on a first-come, first-served basis within the agreed credit periods.

c) Responsible Marketing and Advertisement

Nyahuwasco promotes its products through public barazas, social media, and local radio stations.

d) Product Stewardship

Nyahuwasco upholds a strong customer relations system, with a customer care desk available at every location in all the branches

v) Corporate Social Responsibility / Community Engagements

During the year ended 30 June 2024, the Company spent a sum of **Kshs 75,000** on corporate social responsibility activities.

The company organized and funded the following activities;

1. CSR to Central Kenya Youths-kshs 5,000
2. Donations to Dennis Kimathi for disability day-kshs 5,000
3. Donations to Larche Kenya During anniversary-Kshs 5,000
4. Donations of food during Governors Christmas tree lighting-kshs 10,000
5. Donations to Redcross-Kshs 5,000
6. Public Health Sensitization for schools -Kshs 40,000
7. Csr to St Martin Nyahururu- kshs 5,000

Nyahururu Water & Sanitation Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

11. Report Of the Directors

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

i) Principal activities

The principal activities of the Company continue to be provision of clean water and sanitation services reliably to its clients.

ii) Results

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

iii) Dividends

The company has not declared dividends for the year ended 30th June 2024 due to company's shareholder policy not to issue dividend on any surplus but instead it should be reinvested back to upgrade water and sewerage network.

iv) Directors

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

v) Auditors

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

By Order of the Board


.....
Name BERNARD MWAURA
Company Secretary/Secretary to the Board
Date: 26th September,2024

12. Statement Of Directors' Responsibilities

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

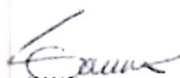
The Directors are responsible for the preparation and presentation of the Company financial statements, which give a true and fair view of the state of affairs of the Company for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Company; (v) selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors responsibility for the Company financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act, 2012, water act 2016 and companies Act 2015. The Directors are of the opinion that the Company's financial statements give a true and fair view of the state of Company's transactions during the financial year ended June 30, 2024, and of the Company's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Company, which have been relied upon in the preparation of the company financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The company financial statements were approved by the Board on **26/09/ 2024** and signed on its behalf by:



.....
Name DAVID MUNYEKI
Chairperson of the Board



.....
Name BERNARD MWAURA
Managing Director

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON NYAHURURU WATER AND SANITATION COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 2024

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 Nyahururu Water and Sanitation Company Limited set out on pages 1 to 94, which comprise of the statement of financial

Report of the Auditor-General on Nyahururu Water and Sanitation Company Limited for the year ended 30 June, 2024

position as at 30 June, 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and the 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 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 Nyahururu Water and Sanitation Company Limited as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) and comply with the Companies Act, 2015, the Water Act, 2016 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Material uncertainty Related to Going Concern

As previously reported, the statement of financial position reflects current assets and liabilities of Kshs.79,459,208 and Kshs.172,664,392 respectively, resulting in negative working capital of Kshs.93,205,184. Further, the Company's statement of profit or loss and other comprehensive income for the year ended 30 June 2024 reflects Kshs.254,476,742 in respect to total revenue and Kshs.294,869,484 in respect to total expenditure resulting in an operating loss of Kshs.40,392,742. This deficit has reduced the retained earnings from negative Kshs.7,011,559 on 30 June 2023 to a negative of Kshs.47,404,301 as of 30 June 2024 as reflected in the statement of financial position. The Company may, therefore, be unable to meet its financial obligations as and when they fall due and may, therefore, be technically insolvent on the basis of the negative working capital position.

In the circumstances, the sustainability of services delivery and the going concern as a water company is in doubt.

2.0 Unrecognized Property, Plant and Equipment

As previously reported, the statement of financial position reflects property, plant and equipment balance of Kshs.233,154,127. However, the ownership documents for four (4) motor vehicles of unknown value granted by the Northern Water Services Board and the County Government of Laikipia had not been transferred and registered in the name of the water company. Further, the fixed assets register was incomplete and all assets were not tagged.

In the circumstances, the accuracy and completeness of the property, plant, and equipment balance of Kshs.233,154,127 as at 30 June 2024 could not be confirmed.

3.0 Trade and Other Receivables

As previously reported, the statement of financial position and as disclosed in Note 29 to the financial statements reflects a balance of Kshs.60,995,751 in respect to trade and other receivables net of provision for doubtful debts of Kshs.8,414,254. However, the provision was less than outstanding customer debts that have remained uncollected for a period exceeding 120 days of Kshs.33,020,513 (representing 54%). Further, there was no evidence confirming that management has determined an allowable credit period in accordance with Chapter 10 of the Company's Financial Manual.

In the circumstances, the recoverability of receivables of Kshs.60,995,751 as at 30 June 2024 could not be confirmed.

4.0 Inaccuracy of Customer Deposits Account

As previously reported, the statement of financial position and as disclosed in Note 43 to the financial statement reflects Kshs.36,153,747 in respect to customer deposits, which includes Kshs.5,093,550 in respect to customer deposits received during in the year under review. However, a review of bank confirmation certificate and bank statements revealed that the actual customer deposit balance as at 30 June 2024 stood at Kshs.2,703,755 resulting to a variance of Kshs.33,449,992. The variance constituted funds spent by Management without authority from the Company's Board of Directors and which had not been refunded to the customer deposits account as of 30 June, 2024.

Further, records provided for audit review show that the board decided to build up the customer deposit account by authorizing a standing order of Kshs.2,000,000 to be deposited into this account every financial year until the balance in the account is equal to the corresponding balance reported in the financial statements. However, there was no evidence to show that Kshs.2,000,000 was banked into the customer deposits account in the year under review.

In the circumstances, the accuracy of the customer deposits of Kshs.36,153,747 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2024 reflects final receipts budget and actual on a comparable basis of Kshs.380,245,045 and Kshs.285,297,658, respectively resulting to revenue under realization Kshs.95,787,285 or 25% of the budget. Similarly, the Company expended Kshs.341,850,465 against an approved expenditure budget of Kshs.379,931,113, resulting to an under-expenditure of Kshs.38,080,648 or 10% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this/these matter(s).

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 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

Prior Year Matters

In the audit report of the previous year, several paragraphs 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. However, management had not resolved all the issues raised in the previous year's audit report. There was no evidence showing that the issues were discussed and resolved by the relevant oversight bodies.

Other Information

The Directors are responsible for the other information set out on page iii to xxix which comprise of Key Entity Information, The Board of Directors, Management Team, Chairman's Statement, Report of the Managing Director, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Directors Responsibilities, Statement of Performance Against Predetermined Objectives. 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

1.0 Excess Non-Revenue Water

The statement of profit or loss and other comprehensive income and as disclosed in Note 6 to the financial statements reflects Kshs.239,226,528 in respect to operating revenue which includes Kshs.171,695,087 in respect to revenue from the sale of water. Information provided for audit review revealed that the Company produced 3,241,297 cubic meters (M³) of water out of which only 2,007,969 M³ were billed to the customers. The balance of 1,233.328 M³ or approximately 38% of the total volume of water produced, therefore, represents non-Revenue water (NRW) which was 13% over and above the allowable loss of 25% in accordance with schedule E of Water Service Regulatory Board (WASREB) guidelines. The significant level of Non-Revenue Water could be an indication of inefficiency and ineffectiveness in the use of public and water resources, which may negatively impact on the Company's profitability and its ability to sustain services.

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

2.0 Non-Remittance of Revenue Collected

As previously reported, the statement of comparison of budget and actual amounts for the period ended 30 June, 2024 reflect Kshs.7,800,000 and Kshs.8,219,950 in respect to budgeted revenue from Conservancy and actual receipt respectively. This represented revenue collected by the water Company for garbage collection on behalf of the County Government. The water company was supposed to retain 2% of the revenue collected and remit the balance to the County Government of Laikipia. However, the Company remitted only Kshs.2,657,848 of out of the Kshs.8,055,551 (98% of the revenue collected) resulting to unremitted conservancy revenue collection of Kshs.5,397,703. The water company spent the conservancy revenue without the authority from the County Government. Further, as reflected in Note 42 to the financial statement, the water company reported unremitted conservancy revenue of Kshs.15,945,198 payable to the County Government of Laikipia (Conservancy).

In addition, the agreement for conservancy revenue collection was entered between the water company and the defunct Municipal Council of Nyahururu which was dated 19 September, 2003 on garbage collection for a conservancy fee. However, this agreement has not been renewed to reflect the reality on the ground and to incorporate the policies of County Government of Laikipia. The continued collection of conservancy revenue by the water company based on 'obsolete' agreement conflicts with the mandate of Laikipia county revenue board which is mandated by law to collect and account for all revenues for the county government of Laikipia.

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

3.0 Payables Not Taken as the First Charge

As previously reported, Note 42 to the financial statements reflects Kshs.124,351,959 in respect to trade and other payables which includes Kshs.26,709,033 in respect to trade and other payables which has been outstanding for more than three year contrary to the Treasury circular No.7/2021 paragraph 22 which requires accounting officers to ensure that all payments emanating from the previous periods are treated as the first charge against the current financial year budgetary allocation before entering into new commitments.

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

4.0 Audit Fee Arrears

The Statement of Financial Position and as disclosed in Note 42 to the financial statements reflects Kshs.124,351,958 in respect to trade and other payables which further includes Kshs.55,626,422 in respect to trade payables as at 30 June 2024 which includes Kshs.40,272,106 charged under fees and levies. Included in the balance is an amount of Kshs.2,960,00 in respect to audit fees payable to the Office of the Auditor General. The fees arrears relate to audit fees for the previous years. Therefore, Management of the Company did not comply with Section 41(1) of the Public Audit Act, 2015 which empowers the Auditor General to charge audit fees at the rates prescribed and the same paid by the audited entities.

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

5.0 Non-Remission of Local Authorities Provident Fund

Note 42 to the financial statements as trade and other payables is an amount of Kshs.17,008,375 balance in respect to Local Authorities Provident fund. The amount has accumulated from the previous years and no explanation was given as to why the deduction was not remitted to the Authority when it fell due. The Company therefore risks being charged with interest and penalties, and possible attachment of its properties for delay in payment of the deducted amount to local authority provident fund.

In the circumstance, the management has exposed the Company to possible legal tussles/confrontations with the local Authorities Provident Fund, which may result to huge financial losses.

6.0 Employee cost

6.1 Over-Representation of One Ethnic Community

As reported in the previous year, a review of human resource records revealed that during the year under review, the Company had a total of one hundred and fifty-two (152) employees out of which one hundred and thirty-nine (139) or ninety one percent (91%) were from the dominant ethnic community, with only about nine percent (9%) being from non-dominant ethnic community. This is contrary to Section 65(e) of the County Governments Act, 2012 which requires the County Governments to ensure that at least thirty percent (30%) of the vacant posts at entry level are filled by candidates who are not from the dominant ethnic community in the County

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

6.2 Non-Compliance with the One-Third of Basic Salary Rule

The statement of receipts and payments and as disclosed in Note 11 to the financial statements reflects Kshs.145,246,749 in respect of staff costs. However, examination of the payroll records revealed that ten (10) employees earned a net salary of less than a third (1/3) of the basic salary contrary to Section 19 (3) of the Employment Act, 2007 which states that the total amount of deduction of the wages of an employee shall not exceed two thirds (2/3) of such wages.

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

6.3 Non-Adherence to Gender rule

During the year under review, the Company had a staff establishment of one hundred and fifty-two (152) employees consisting of one hundred and nine (109) or 72% as male and forty-three (43) employees or 28% as female. This was contrary to Article 27(8) of the Constitution of Kenya, 2010 which states that that in addition to the measures Contemplated in clause (6), the State shall take legislative and other measures to Implement the principle that not more than two-thirds of the members of elective or appointive bodies shall be of the same gender.

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

6.4 Exceeding Industrial Sector Bench Mark on Personnel Costs

The statement of profit or loss and other comprehensive income and as disclosed in Note 11 to the financial statement reflects Kshs.145,246,749 in respect of staff costs compared to total operation and maintenance cost of Kshs.132,542,637. However, review of the

WASREB Impact Assessment Report Issue No.16-2024 on performance report of Kenya's water service Sector-2022/2023 revealed that Nyahururu water and sewerage company was ranked as a large company and its personnel expenditures as a percentage of total operation and maintenance cost was 51% which is poor contrary to Paragraph 3.6 of WASREB Impact Assessment Report No.16-2024 on performance analysis and ranking under economic efficiency which states that the personnel expenditure for any company ranked as large Company should not exceed 30% as percentage of Operation and Maintenance Cost Coverage.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- i. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. The information given in the Directors' report on pages xxviii is consistent with the financial statements; and

- iii. The auditable part of the Directors' remuneration report on pages 1 has been properly prepared in accordance with the Companies Act, 2015.

Responsibilities of Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2015 and for maintaining effective internal control 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 assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the ability of the Company 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 liquidate the Company or 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 are in compliance 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 for 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 IFPP 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

30 December, 2024

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

14. Statement Of Profit or Loss & Other Comprehensive Income for the Year Ended 30 June 2024.

	Note	2023-2024	2022-2023
		Kshs	Kshs
Revenue			
Operating Revenue	6	239,226,528	221,965,326
Grants Income	7	300,025	24,797,961
Other Income	8	14,950,189	14,163,986
Finance income	9	-	-
Other gains/(losses)	10	-	-
Total Revenue		254,476,742	260,927,273
Expenses			
Staff Costs	11	145,246,749	144,228,248
General and Operations expenses	12	122,900,163	96,335,566
Board Expenses	13	6,417,355	5,510,039
Maintenance Expenses	14	9,642,474	14,393,434
Depreciation and Amortization expenses	15	10,132,459	7,898,671
Finance Costs	16	530,284	-
Total Expenses		294,869,484	268,365,958
Profit/(Loss) Before Taxation		(40,392,742)	(7,438,685)
Income Tax Expense/(Credit)	17	-	-
Profit/(Loss) After Taxation		(40,392,742)	(7,438,685)
Earnings Per Share – Basic and Diluted	18	-	-
Dividend per share	19	-	-
Other Comprehensive Income			
Profit/ (Loss) After Taxation		(40,392,742)	(7,438,685)
Surplus Or Deficit on Revaluation Of PPE		-	-
Remeasurement Of Net Defined Benefit Liability		-	-
Fair Value Gain/(Loss) On Investments In Equity Instruments Designated As At FVTOCI (Fair Value Through Other Comprehensive Income)		-	-
Total Comprehensive Income for The Year		(40,392,742)	(7,438,685)

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

15. Statement Of Financial Position As at 30 June 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Non-current assets			
Property, plant and equipment	20	233,154,127	207,875,589
Intangible assets	21	-	-
Investment property	22	-	-
Right-of-use assets	23	-	-
Biological assets	24	-	-
Fixed interest investments	25	-	-
Quoted investments	26	-	-
Unquoted investments	27	-	-
Total non-current assets		233,154,127	207,875,589
Current assets			
Inventories	28	13,488,989	10,276,239
Trade and receivable	29	60,995,751	55,720,662
Staff Receivables	29	-	30,740
Tax recoverable	30	-	-
Short-term deposits	31	-	-
Bank and cash balances	32	4,974,468	9,002,861
Total Current assets		79,459,208	75,030,502
Total Assets		312,613,335	282,906,091
Equity and liabilities			
Capital and Reserves			
Ordinary share capital	33	100,000	100,000
Revaluation reserve	34	-	-
Fair value adjustment reserve	35	-	-
Capital /Development fund	35B	176,810,964	165,109,998
Retained earnings	36	(47,404,301)	(7,011,559)
Capital and Reserves		129,506,663	158,198,439
Non-current liabilities			
Deferred tax liability	37	-	-

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
Borrowings	38	10,442,280	-
Lease liability	39	-	-
Provisions	40	-	-
Retirement benefits	41	-	-
Total non-current liabilities		10,442,280	-
Current liabilities			
Borrowings	38	-	-
Lease liability	39	-	-
Provisions	40	457,720	-
Retirement benefit obligations	41	-	-
Trade and other payables	42	124,351,959	89,812,707
Refundable deposits and Prepayments	43	36,153,747	34,894,945
Deferred income	44	11,700,966	-
Dividends payable	45	-	-
Taxation	46	-	-
Total current Liabilities		172,664,392	124,707,652
Total Equity and Liabilities		312,613,335	282,906,091

The financial statements were approved by the Board on 26/09/ 2024 and signed on its behalf by:




Name : Bernard Mwaura
Mbuthia

Managing Director



Name: Dancun Chege Irungu

Head of Finance
ICPAK M/No:22580



Name: Rev. Fr. David
Munyeki

Chairman of the Board

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

16. Statement Of Changes in Equity for the Year Ended 30 June 2024

	Notes	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings (Restated)	Proposed dividends	Capital/Development Fund	Total
		kshs	kshs	kshs	kshs	kshs	kshs	kshs
As at July 1, 2022(Previous FY)		100,000			427,126		165,109,998	165,637,124
New capital issued		-			-			-
Revaluation gain		-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation		-	-	-	-	-	-	-
Deferred tax on excess depreciation		-	-	-	-	-	-	-
Fair value adjustment on quoted investments		-	-	-	-	-	-	-
Profit for the year		-	-	-	(7,438,685)	-		(7,438,685)
Capital/Development grants received during the year		-	-	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings		-	-	-	-	-	-	-
Dividends paid – prior year		-	-	-	-	-	-	-
Interim dividends paid – current year		-	-	-	-	-	-	-
Proposed final dividends		-	-	-	-	-	-	-
As at June 30, 2023		100,000	-	-	(7,011,559)	-	165,109,998	158,198,439

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

	Notes	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings (Restated)	Proposed dividends	Capital/Development Fund	Total
		kshs	kshs	kshs	kshs	kshs	kshs	kshs
As at July 1, 2023(Current Yr)		100,000	-	-	(7,011,559)	-	165,109,998	158,198,439
Issue of new share capital		-	-	-	-	-	-	-
Revaluation gain		-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation		-	-	-	-	-	-	-
Deferred tax on excess depreciation		-	-	-	-	-	-	-
Fair value adjustment on quoted investments		-	-	-	-	-	-	-
Profit for the year		-	-	-	(40,392,742)	-	-	(40,392,742)
Capital/Development grants received during the year		-	-	-	-	-	12,000,991	12,000,991
Transfer of depreciation/amortisation from capital fund to retained earnings		-	-	-	-	-	(300,025)	(300,025)
Dividends paid – prior year		-	-	-	-	-	-	-
Interim dividends paid – current year		-	-	-	-	-	-	-
Proposed final dividends		-	-	-	-	-	-	-
At June 30, 2024(Current FY)		100,000	-	-	(47,404,301)	-	176,810,964	129,506,663

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

Note:

- I.** The Company has not done any revaluation of assets
- II.** No dividends were declared during the period under review
- III.** A total of kshs 12,000,991 were received as capital grants from wstf and County of Laikipia each contributing kshs 3,191,048 and kshs 8,809,943 respectively
- IV.** Kshs 300,025 was recognized as grant income in the year under review.

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

17. Statement Of Cash Flows for The Year Ended 30 June 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash Flows from Operating Activities			
Receipts			
Operating Receipts		238,051,895	215,443,477
Grants Income		12,000,991	24,797,961
Finance Income		-	-
Other Income		9,162,192	11,797,839
Customer Deposits		5,093,550	5,660,547
Conservancy		5,787,997	6,620,323
Total Receipts		270,096,625	264,320,147
Payments			
Staff Costs		145,246,749	143,017,721
General And Operation Expenses		96,146,561	81,410,142
Board Expenses		6,417,355	5,510,039
Maintenance Expenses		9,642,474	8,570,433
Finance Costs		530,284	-
Refund Of Customer Deposits		3,834,748	2,585,281
Remission of Conservancy to county		2,657,848	2,172,918
Total Payments		264,476,019	243,266,534
Net Cash From/ (Used In) Operating Activities		5,620,606	21,053,613
Cash Flows from Investing Activities			
Purchase Of Property, Plant And Equipment (PPE)		(19,560,995)	(36,926,610)
Proceeds From Disposal Of PPE		-	-
Purchase Of Intangible Assets		-	-
Purchase Of Investment Property		-	-
Purchase Of Quoted Investments		-	-
Proceeds From Disposal of Quoted Investments		-	-
Net Cash From/ (Used In) Investing Activities		(19,560,995)	(15,872,997)
Cash Flows from Financing Activities			
Proceeds From Issues of New Share Capital		-	-
Proceeds From Borrowings	38	10,900,000	-

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
Repayment Of Borrowings		(988,004)	-
Dividends Paid		-	-
Net Cash From/(Used In) Financing Activities		9,911,996	-
Increase/(Decrease) In Cash and Cash Equivalents		(4,028,393)	(15,872,997)
Cash And Cash Equivalents At Beginning Of Year	32	9,002,861	24,875,858
Effects Of Foreign Exchanges Rate Fluctuations		-	-
Cash And Cash Equivalents At End of the Year	32	4,974,468	9,002,861

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

18. Statement Of Comparison of Budget & Actual Amounts for The Period Ended 30 June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	a	b	C=a+b	d	e= e-d	f=d/c %
	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024
REVENUE	Ksh	Ksh	Ksh	ksh	Ksh	
Operating revenue	273,359,080	14,142,815	287,501,895	239,226,528	48,275,368	83%
Non-Operating Revenue	31,659,948	-	31,659,948	14,950,189	16,709,759	47%
Grant Income	42,383,200	-	42,383,200	12,000,991	30,382,209	28%
Commercial Borrowing	5,450,000	5,450,000	10,900,000	10,900,000	-	100%
Conservancy	7,800,000		7,800,000	8,219,950	419,950	105%
TOTAL REVENUE	360,652,228	19,592,815	380,245,043	285,297,658	95,787,286	75%
EXPENSES						
Staff Cost	156,737,741	800,000	157,537,741	145,246,749	12,290,992	92%
General and Operations Expenses	112,636,775	7,578,600	120,215,375	122,900,163	- 2,684,788	102%
Board Expenses	6,025,200	-	6,025,200	6,417,355	- 392,155	107%
Depreciation and Amortization Expenses	8,426,843	-	8,426,843	10,132,459	- 1,705,616	120%
Maintenance Expenses	19,725,281	6,438,996	26,164,277	9,642,474	16,521,803	37%
Finance costs	818,067		818,067	530,284	287,783	65%
TOTAL RECURRENT EXPENDITURE	304,369,907	14,817,596	319,187,503	294,869,484	24,318,019	92%
PROFIT/LOSS	56,282,321	4,775,219	61,057,540	- 40,392,742	101,450,282	-66%
Capital Expenditure	39,978,000	4,500,000	44,478,000	35,410,997	9,067,003	80%
Conservancy Remission	7,800,004	-	7,800,004	2,657,848	5,142,156	34%
Accrued Liabilities	8,465,606	-	8,465,606	8,912,136	- 446,530	105%
TOTAL EXPENDITURE	360,613,517	19,317,596	379,931,113	341,850,465	38,080,648	90%

Explanation of the Budget Variance

1. The company did not achieve the set target of operating revenue missing by 17%. This was due to increased non revenue water (NRW) Losses which affected the amount billed to customers by the company.
2. The company had expected kshs 42,383,200 from grants to support its infrastructure but only received kshs 12,000,991 that year under review which was due to low number of donors.
3. General and Operations Expenses exceeded the budget by 2,684,788 which was due to rising fuel prices, high power utility costs and unforeseen repairs to infrastructure resulting to this overspend. Operational inefficiencies including unanticipated breakdowns of key machinery also contributed to the excess spending.
4. Staff costs were underutilized by 8% due to cost reductions through cost saving measures
5. Board expenses were overutilized by 7% above budget as the activities critical to the institution such as strategic plan, Tariff setting increased meeting activities which required more resources
6. Capital expenditure was 20% below the budget due to reduced funding from the targeted donors in financing the earmarked capital projects
7. Finance costs was 35% below the budget due to delayed borrowing that led to lower finance costs during the period.
8. Depreciation and amortization expenses were 20% above budget due to acquisition of assets of capital in nature which increased depreciation.
9. Maintenance expenses were 63% below the budget due to cost saving measures and deferred maintenance activities

19. Notes To the Financial Statements

1. General Information

Nyahururu Water and Sanitation Company Ltd is established by and derives its authority and accountability from the companies Act 2015 and Water Act 2016. The Company is wholly owned by the Laikipia County Government and is domiciled in Kenya. The Company's principal activity is provision of clean water and sanitation services. For Kenyan Companies Act reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of profit or loss and other comprehensive income in these financial statements.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

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 and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the financial statements (continued)

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

i. New and amended standards and interpretations in issue and effective in the year ended 30 June 2024.

Title	Description	Effective Date
Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020, amended in October 2022)	The amendments, applicable to annual periods beginning on or after 1st January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendment to IFRS 16 titled Lease Liability in a Sale and Leaseback (issued in September 2022)	The amendment, applicable to annual periods beginning on or after 1st January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss.	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendments to IAS 1 titled Non-current Liabilities with Covenants (issued in October 2022)	The amendments, applicable to annual periods beginning on or after 1st January 2024, improve the information an entity provides about liabilities arising from loan arrangements for which an entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.

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

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

Title	Description	Effective Date
IAS 1 — Presentation of Financial Statements	IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.	The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.
Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020)	The amendments, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.	The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.
Amendments to IAS 1 titled Disclosure of Accounting Policies (issued in February 2021)	The amendments, applicable to annual periods beginning on or after 1st January 2023, require entities to disclose their material accounting policy information rather than their significant accounting policies	The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.
IAS 12 — Income Taxes	IAS 12, "Income Taxes" implements a so-called 'comprehensive balance sheet method' of	The amendments are effective for annual

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

Title	Description	Effective Date
	accounting for income taxes which recognizes both the current tax consequences of transactions and events and the future tax consequences of the future recovery or settlement of the carrying amount of an entity's assets and liabilities. Differences between the carrying amount and tax base of assets and liabilities, and carried forward tax losses and credits, are recognized, with limited exceptions, as deferred tax liabilities or deferred tax assets, with the latter also being subject to a 'probable profits' test.	reporting periods beginning on or after January 1, 2023. Early adoption is permitted.
IAS 8- Accounting Policies, Errors and Estimates	The amendments, applicable to annual periods beginning on or after 1st January 2023, introduce a definition of 'accounting estimates' and include other amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.	The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early adoption is permitted.

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

iii. Early adoption of standards

Nyahururu Water and Sanitation 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.

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	unlimited	0%
Leasehold Land	NA	0%
Buildings and civil works	10	10%
Infrastructure works	40	2.5%
Plant and machinery	4	25%
Motor vehicles, including motorcycles	4	25%
Computers and related equipment	3.33	30%
Office equipment, furniture and fittings	8	12.5%
Tools & Equipment	3	33.3%

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.

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).

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

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

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 . 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

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

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 does not operate a defined contribution scheme for the full-time employees. The company however contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at between Kshs. And 1,080 per employee per month. The company also has a pension scheme with Local Authorities Pension Fund (Lapfund) for employees under permanent and pensionable terms and a gratuity scheme with County Pension Fund (CPF) for management staff engaged under fixed term contracts.

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 2023-2024 was approved by the Board of Directors on 23/06/2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Company recorded additional revenue appropriations of Kshs 19,592,815 and cost of 14,817,596 on the 2023-2024 budget following the governing body's approval. 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.

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

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 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, 2024

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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. Additional disclosure of these estimates of provisions is included.

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

The applicable provision for the company is the provision for bad debts. Management estimates this provision at different rates of the gross receivables as indicated in note 20a and the provision is recognized in the statement of financial performance.

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the financial statements (continues)

6. Operating Revenue

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Water sales	171,695,087	160,913,245
Sewerage Services	57,790,296	51,751,906
Meter charges	9,741,145	9,300,175
Total	239,226,528	221,965,326

7. Grants Income

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Operational grants from Government entities	-	12,000,000
Recurrent/operational grants from other agencies	-	12,797,961
Capital grants amortised	300,025	-
Donations from County Governments	-	-
In Kind contribution/donations from other agencies	-	-
Total	300,025	24,797,961

(Note: For capital/development grants the amount recognized in the statement of comprehensive income should be the depreciation/amortisation equivalents for assets that have been acquired using such capital/development grant as per IAS 20).

[Provide a detailed analysis of grants received from the Government in the table below:]

Name of the Entity sending the grant	Amount recognized in the Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year 2023-2024 KShs	Total grant income during the year 2022-2023 KShs
Laikipia County- Kinamba water Project	220,249	8,589,694	-	8,809,943	12,000,000
Water Sector Trust Fund- UPC 8 th Call	79,776	3,111,272	-	3,191,048	12,797,961
Total	300,025	11,700,966	-	12,000,991	24,797,961

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

8. Other Income

	2023-2024	2022-2023
	Kshs	Kshs
Exhauster Services	1,014,500	953,700
Exhauster License	720,000	910,000
Private Exhausters Emptying	4,200	134,700
Reconnection Fees	3,682,000	3,118,000
Mileage Charges	2,778,460	1,456,565
Miscellaneous	53,000	594,124
Penalties for illegal water use	1,375,120	606,316
Refuse collections (conservancy commission)	205,499	167,196
Rental Income	651,000	473,000
Sewer Connection Fees	138,000	176,949
Sewer Inspection	25,500	29,250
Sewer unblocking	64,800	39,000
Toilet Income	7,558	513,236
Water Connection fees	1,597,551	2,647,350
Water Sale (Bowser)	2,338,950	2,344,600
Water Sale (Private Bowser)	8,000	-
Disconnection on request	11,751	-
Bank transaction charges	32,740	-
Weekend Surcharges	25,500	-
Student Visitation	60,000	-
Pipe Damage and Leakage detection charges	38,100	-
Labour Charges	46,600	-
Others (Empty Drums sale, copy of bills printouts, application fees)	27,100	-
Meter Test	33,200	-
Fittings Charges	11,060	-
Total	14,950,189	14,163,986

9. Finance Income

	2023-2024	2022-2023
Description	Kshs	Kshs
Interest income from treasury bonds	-	-
Interest income from treasury bills	-	-

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

Interest from receivables	-	-
Interest from commercial banks and financial institutions	-	-
Interest on staff loans	-	-
Dividends	-	-
Total	-	-

There was no Finance income in the year under review

10. Other Gains and Losses

	<i>2023-2024</i>	<i>2022-2023</i>
Description	Kshs	Kshs
Foreign exchange gains / (losses)	-	-
Loss/gain on disposal on sale of investments	-	-
Gain on sale of fixed assets	-	-
Fair value gain/loss on biological Assets	-	-
Fair value gain or losses on revaluation of investment property	-	-
Revaluation losses on inventory	-	-
Unrealized foreign exchange gains/(losses)	-	-
Total	-	-

Notes to the financial statements (continued)

11. Staff Costs

Description	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Gross Salary and Allowances(commuter, hardship,hazard, House, Overtime and other allowances)	116,883,549	115,735,546
Casual workers' Wages	2,066,360	1,110,495
Staff Medical insurance schemes	7,963,214	7,900,009
Employer's contributions to social security schemes-nssf	2,493,454	1,020,480
Contributions to National Water Marmanet pension schemes(Employers)	255,249	313,366

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

Description	2023-2024	2022-2023
	Kshs	Kshs
Local Authorities Provident Fund (Employers)-Lapfund Pension	3,786,365	4,396,112
National industrial Training Institute Levy-NITA	87,200	91,880
Provisions for Leave pay	3,318,696	3,060,126
County Pension Fund (Pension)-CPF	106,299	8,842,157
Gratuity (Lapfund)	2,766,693	838,077
Gratuity (CPF)	3,579,884	-
Staff welfare-retirees payouts	-	300,000
Other allowances-christmas Bonus	624,000	620,000
Staff Benovelent employer	-	-
Housing Levy	1,315,786	
Total	145,246,749	144,228,248
The average number of employees during the year		
Permanent employees-Management	2	9
Permanent employees-Unionisable	76	69
Corporate Management Team (Contract)	4	4
Temporary and Contracted employees	75	66
Total	157	148

[Provide short appropriate explanations as necessary]

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

12. General and Operations Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Chemicals	19,592,025	21,801,460
Utility-Electricity	41,931,148	23,164,030
Fuel, Oil, Lubricants and gases	10,087,590	7,713,275
Advertising and Publicity	407,168	572,444
Audit Fees	580,000	580,000
Abstraction WRA Levy-Kes 0.5 per m3 abstracted	1,687,698	3,926,580
Effluent Discharge-Wra (0.1 /M3 Discharged)	148,336	86,126
WASREB Regulatory Levy(4% of Billings)	10,167,069	9,551,404
Bank charges	276,718	218,376
cleaning materials	2,021,621	838,399
Donations/CSR	75,000	118,000
Disconnection Materials	28,200	34,525
Mobile Phone Cards	627,299	596,760
Telephone	11,689	34,389
Other communication expenses	17,979	
Functions, Workshops & Seminars	1,393,457	679,657
Internet Charges	534,491	476,721
Licenses & Permits	163,100	876,363

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

Membership & Subscriptions	393,000	434,300
Newspapers & Periodicals	57,485	94,358
Office Water & Lighting	847,194	1,129,187
Other Expenses(Staff Welfare)	406,700	56,000
Postage and Courier	1,278,935	928,095
Printing and Stationery	3,696,701	1,199,835
Consultancy Fees	2,234,564	4,641,826
Legal Fees	977,401	472,070
Rent and Rates	1,934,852	2,853,544
Security Services	5,727,360	5,189,800
Sports and Recreation	-	60,000
Staff Tea & Official Catering(Hospitality Expenses)	3,554,877	2,016,110
Staff training and Development	727,760	265,600
Transport-Domestic Travelling	926,140	471,890
Staff Uniform and protective clothing	1,793,799	267,250
Lunch allowances	1,686,820	1,320,670
Night out Allowances	5,262,372	2,701,600
General Insurance	746,626	964,922
Consumables	64,000	-
Entertainment	21,845	-

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

Other fees and levies(other than Wasreb and Wra)	23,067	-
Repairs and Maintenance	166,539	-
provision for bad debts(increase)	614,094	-
Other General Expenses	7,444	-
Total General and Operations Expenses	122,900,163	96,335,566

Notes to the financial statements (continued)

13. Board Expenses

Description	2023-2024	2022-2023
	KShs	KShs
Chairman Honoraria	396,480	195,160
Sitting allowances(Full Board)	600,580	1,120,980
Sub-Committee Sitting allowances	900,900	500,420
AGM expenses	290,120	260,000
Induction and Training	910,840	710,810
Other Functions & Workshops	2,274,850	1,534,030
Tax on allowances	1,043,585	1,188,639
Medical Insurance	-	-
Total Board Expenses	6,417,355	5,510,039

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

14. Maintenance Expenses

	<i>2023-2024</i>	<i>2022-2023</i>
Description	Kshs	Kshs
Plant and Equipment repairs	743,879	314,379
Building Repairs and Maintenance	1,243,640	856,371
Infrastructural water networks repairs	3,242,608	6,767,969
infrastructural Sewer networks repairs	494,970	48,460
Electric repairs	561,477	601,002
Motor Vehicles Repairs(Automobile Expenses)	1,424,100	3,020,228
Software Maintenance and Upgrading	870,000	1,592,500
computer -repairs	157,380	124,896
pumps and generators	904,420	1,067,629
Total Maintenance Expenses	9,642,474	14,393,434

15. Depreciation and Amortization Expenses

	<i>2023-2024</i>	<i>2022-2023</i>
Description	KShs	KShs
Depreciation-Property, Plant and Equipment(PPE)	10,132,459	7,898,671
Amortisation for Intangible Assets	-	-
Amortisation for Grant income		-
Total Depreciation and Amortization	10,132,459	7,898,671

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

16. Finance costs

	<i>2023-2024</i>	<i>2022-2023</i>
Description	Kshs	Kshs
Interest expense on loans	530,284	-
Interest expense on bank overdrafts	-	-
Interest on lease liabilities	-	-
Interest expense on water bowser loan	-	-
Total Finance Costs	530,284	-

The interest is on the loan taken by the company during the period under review

17. Income Tax Expense/(Credit)

Current taxation

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Current taxation based on the adjusted profit for the year at 30%	-	-
Current tax: prior year under/(over) provision	-	-
Current year deferred tax charge	-	-
Prior year under-provision for deferred tax	-	-
Total	-	-

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

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Profit before before taxation	(40,392,742)	(7,438,685)
add Back		
Depreciation	10,132,459	7,898,671
Prior Year Adjustment		
Less		
Capital Allowances (Wear & Tear)	(10,132,459)	(7,898,671)
Disallowable Expenses		
Adjusted Taxable Profit/(loss)	(40,392,742)	(7,438,685)

Nyahururu Water & Sanitation Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2024

Profit or Loss B/F	(7,011,559)	427,126
Profit or Loss C/F	(47,404,301)	(7,011,559)
Corporate Tax Payable @30%	-	-

18. Earnings Per Share

The earnings per share is calculated by dividing the profit after tax by the average number of ordinary shares in issue during the year under review. There were not dilutive or potentially dilutive ordinary share as at the reporting date.

19. Dividend Per Share

Proposed dividends are accounted for as a separate component of equity until they have been ratified and declared at the relevant Annual General Meeting (AGM). During the year ended 30th June 2022, the shareholders did not propose payment of dividends.

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2024

Notes to the financial statements (continued)

20. Property, Plant and Equipment

	Freeh old Land	Building & Civil Works	Water & Sewer Infrastructure	Plant & Machinery	Motor Vehicles including Motor cycles	Computers & related equipment's	Office Equipment, Furniture & fittings	Tools & Equipment	Capital Work in Progress	Totals
2022-2023	KSH S	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS
Annual Rates	0%	10%	2.5%	25%	25%	30%	12.5%	33.3%		
Cost or Valuation										
As at 1st July 2022	-	1,714,220	206,487,580	2,684,538	8,479,720	22,905,765	6,045,638	6,574,998	-	254,892,459
Additional		1,382,836	37,677,086			1,019,990	14,000	146,000		40,239,912
Transfers										-
Disposals	-									-
As at 30th June 2023	-	3,097,056	244,164,666	2,684,538	8,479,720	23,925,755	6,059,638	6,720,998	-	295,132,371
Depreciation										
Dep as at July 1 2022		171,422	40,905,251	2,189,010	7,606,202	19,115,706	4,154,724	5,215,796	-	79,358,111
Charge for the year	-	292,563	5,081,485	123,882	218,380	1,443,015	238,114	501,232	-	7,898,671
Eliminated on Disposal		-	-	-	-	-	-	-	-	-
Total Acc. Dep as at 30th June 2023	-	463,985	45,986,736	2,312,892	7,824,582	20,558,721	4,392,838	5,717,028	-	87,256,782
NBV As at 30.06.2023	-	2,633,071	198,177,930	371,646	655,139	3,367,034	1,666,800	1,003,970	-	207,875,589

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Property, Plant and Equipment (Continued)

2023-2024	Freehold Land	Building & Civil Works	Water & Sewer Infrastructure	Plant & Machinery	Motor Vehicles including motor cycles	Computers & related equipments	Office Equipment, Furniture & fittings	Tools & Equipment	Capital Work in Progress	Totals
Annual Rates	0%	10%	2.5%	25%	25%	30%	12.5%	33.3%		
Cost or Valuation										
As at 01.07.2023	-	3,097,056	244,164,666	2,684,538	8,479,720	23,925,755	6,059,638	6,720,998	-	295,132,371
Additional		12,501,466	16,713,069	1,958,577	777,000	1,832,840	1,628,046			35,410,997
Transfers										
Disposals										
Assets as at 30th June 2024	-	15,598,522	260,877,735	4,643,115	9,256,720	25,758,595	7,687,684	6,720,998	-	330,543,368
Depreciation										
Cum. Dep as at 1 July 2023	-	463,985	45,986,736	2,312,892	7,824,582	20,558,721	4,392,838	5,717,028	-	87,256,782
Charge for the year	-	1,513,454	5,372,275	582,556	358,035	1,559,962	411,856	334,322	-	10,132,459
Eliminated on Disposal	-	-	-	-	-	-	-	-	-	-
Total Acc. Dep as at 30th June 2024	-	1,977,439	51,359,011	2,895,448	8,182,616	22,118,683	4,804,694	6,051,350	-	97,389,241
NBV As at 30.06.2024	-	13,621,083	209,518,724	1,747,667	1,074,104	3,639,912	2,882,990	669,648	-	233,154,127

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2024

Notes to the financial statements (continued)

Valuation

No valuation for land and buildings was done during the period under review.

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2024

20 (b) Property, Plant and Equipment at Cost

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

Asset	Cost	Accumulated Depreciation	NBV
2022-2023	Kshs	Kshs	Kshs
Freehold Land	-		-
Building & Civil Works	3,097,056	463,985	2,633,071
Water & Sewer Infrastructure	244,164,666	45,986,736	198,177,930
Plant & Machinery	2,684,538	2,312,892	371,646
Motor Vehicles including motor cycles	8,479,720	7,824,582	655,139
Computers & related equipments	23,925,755	20,558,721	3,367,034
Office Equipment, Furniture & fittings	6,059,638	4,392,838	1,666,800
Tools & Equipment	6,720,998	5,717,028	1,003,970
Total	295,132,371	87,256,782	207,875,589

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

Asset	Cost	Accumulated Depreciation	NBV
2023-2024	Kshs	Kshs	Kshs
Freehold Land	-	-	-
Building & Civil Works	15,598,522	1,977,439	13,621,083
Water & Sewer Infrastructure	260,877,735	51,359,011	209,518,724
Plant & Machinery	4,643,115	2,895,448	1,747,667
Motor Vehicles including motor cycles	9,256,720	8,182,616	1,074,104

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Computers & related equipment's	25,758,595	22,118,683	3,639,912
Office Equipment, Furniture & fittings	7,687,684	4,804,694	2,882,990
Tools & Equipment	6,720,998	6,051,350	669,648
Total	330,543,369	97,389,241	233,154,128

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Notes to the financial statements (continued)

21. Intangible Assets

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Cost		
At July 1	-	-
Additions	-	-
Disposals	-	-
At June 30	-	-
Amortization		
At July 1	-	-
Charge for the year	-	-
Disposals	-	-
Impairment loss	-	-
At June 30	-	-
Net book value		
At June 30	-	-

22. Investment Property

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Opening valuation	-	-
Movements during the year	-	-
Additions	-	-
Disposals	-	-
Fair value gains/(losses)	-	-
Closing valuation	-	-
Depreciation (if at cost)	-	-
At July 1 2023	-	-
Charge for the year	-	-
Disposals	-	-
Impairment loss	-	-
At June 30 2024	-	-
Net book value	-	-
At June 30 2024	-	-

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

23. Right-of-use assets

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

24. Biological Assets

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Cattle	-	-
Trees	-	-
Others (Specify)	-	-
Total	-	-

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Notes to the financial statements (continued)

25. Fixed Interest Investments (Bonds)

	2023-2024	2022-2023
	Kshs	Kshs
Central Bank of Kenya 12.5% 15-Year Bond	-	-
AB Corporate Bond (give details)	-	-
CD Corporate Bond (give details)	-	-
Total	-	-

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

Details	2023-2024	2022-2023
	Kshs	Kshs
Balance at 1 July	-	-
Additions during the year	-	-
Interest accrued during the year	-	-
Investment maturities during the year	-	-
Fair value gain/(loss) – if measured at FVOCI/FVTPL	-	-
Balance at 30 June 2024	-	-

(state whether these investments are carried at amortized cost or at FVTOCI or at FVTPL). Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

26. Quoted Investments

	2023-2024	2022-2023
	Kshs	Kshs
Opening valuation	-	-
	-	-
Movements during the year	-	-
Additions	-	-
Disposals	-	-
Fair value gains/(losses)	-	-
Closing valuation	-	-

[Provide short appropriate explanations as necessary, including make-up of the investments in the table below] Disclose also the amount of dividends received with respect to quoted investments and the valuation methodology).

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Notes to the financial statements (continued)

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

27. Unquoted Investments

	2023-2024	2022-2023
	Kshs	Kshs
Cost		
At July 1	-	-
Additions	-	-
Fair value gains/(losses)	-	-
Disposals	-	-
At June 30	-	-
Impairment		
At July 1	-	-
Disposals	-	-
Impairment loss in the year	-	-
At June 30	-	-
Net book value	-	-

*Provide short appropriate explanations as necessary, including make-up under the table below].
Disclose any dividends received with respect to unquoted investments and the valuation methodology. [OB]*

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Notes to the financial statements (continued)

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

28. Inventories

Description	2023-2024	2022-2023
	Kshs	Kshs
Cleaning Materials	73,004	108,942
Chemicals & Laboratory items	844,973	2,273,096
pipe fittings and Accessories	10,027,216	4,241,945
staff Tea Items	301	2,890
Stationery and general stores	661,539	1,148,539
Water meters	1,756,000	2,500,827
Tools	7,650	-
Uniform and protective clothing	118,306	-
Total	13,488,989	10,276,239

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

28. a) Reconciliation of Impairment Allowance for Inventories

Description	2023-2024	2022-2023
	KShs	KShs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

29. Trade and Other Receivables

	2023-2024	2022-2023
	KShs	KShs
Trade receivables (note (29a))	69,410,005	63,520,822
VAT recoverable	-	-
Staff receivables (note 29 (c))	-	30,740
Other receivables	-	-
Gross trade and other receivables	69,410,005	63,551,562
Provision for bad and doubtful receivable	(8,414,254)	7,800,160
Net trade and other receivables	60,995,751	55,751,402

29. (a) Trade Receivables

Description	2023-2024	2022-2023
	KShs	KShs
Gross trade receivables	69,410,005	63,520,822
Provision for doubtful receivables b/f	-	5,570,111
Provision for uncollectable Refuse	-	2,230,049
provision for doubtful receivables(current)	(8,414,254)	-
Total Provision of Doubtful receivable	(8,414,254)	7,800,160
Net trade receivables	60,995,751	55,720,662

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

[Entities are allowed to provide the aging analysis relevant to their institution.]

As at June 30, the ageing analysis of the gross trade receivables was as follows:		
	2023-2024	2022-2023
	Trade receivables	Trade receivables
Less than 30 days	18,048,562	19,762,743
Between 30 and 60 days	8,176,773	5,811,823
Between 61 and 90 days	6,075,935	2,887,053
Between 91 and 120 days	4,088,222	1,954,460
Over 120 days	33,020,513	33,104,743
Total	69,410,005	63,520,822

Provision for Doubtful Debts

Ageing	2023-2024	% of provision of Doubtful debt	Prov for doubtful debt 2023-2024
Less than 30 days	18,048,562	1%	180,486
Between 30 and 60 days	8,176,773	5%	408,839
Between 61 and 90 days	6,075,935	10%	607,593
Between 91 and 120 days	4,088,222	15%	613,233
Over 120 days	33,020,513	20%	6,604,103
Total	69,410,005		8,414,254

29. (b) Reconciliation of Impairment Allowance for Trade Receivables

Description	2023-2024	2022-2023
	KShs	KShs
At the beginning of the year	(7,800,160)	-
Additional provisions during the year	(8,414,254)	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	(16,214,414)	-

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

29. (c) Staff Receivables

Description	2023-2024	2022-2023
	KShs	KShs
Gross staff loans and advances	-	30,740
Provision for impairment loss	-	-
Net staff loans	-	30,740
Less: Amounts due within one year	-	(30,740)
Amounts due after one year	-	-

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

Description	2023-2024	2022-2023
	KShs	KShs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

30. Tax Recoverable

	2023-2024	2022-2023
	Kshs	Kshs
At beginning of the year	-	-
Income tax charge for the year (note 17)	-	-
Under/(over) provision in prior year/s (note 17)	-	-
Income tax paid during the year	-	-
At end of the year	-	-

[Provide short appropriate explanations as necessary]

Notes to the financial statements (continued)

31. Short Term Deposits

	2023-2024	2022-2023
	Kshs	Kshs
Commercial banks		
Cooperative Bank of Kenya	-	-
Kenya Commercial Bank	-	-

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Barclays Bank of Kenya	-	-
Others (specify)	-	-

[Provide short appropriate explanations as necessary]. Example: The average effective interest rate on the short-term deposits as at June 30, 20xx was xx% (20xx: xx %)

32. Bank and Cash Balances

Description	2023-2024	2022-2023
	kshs	KShs
Cash at Bank	4,347,563	8,642,866
cash in Hand	27,500	84,115
Mobile Money Account-Mpesa paybill no	599,405	275,880
Total	4,974,468	9,002,861

Notes to the financial statements (continued)

Detailed analysis of the cash and cash equivalents

Financial institution	Account number	2023-2024	2022-2023
		KShs	KShs
a) a) Current account			
Cooperative Bank	01120037721500	803,566	961,687
Equity Bank	0160264259445	118,108	129,277
Family Bank	023000028400	176,669	136,598
b) Post Bank	0744130014862	233,195	607,970
Sub- total		1,331,538	1,835,532
b) On – call deposits			
c) Equity Bank (Customer Deposits)	0160293799872	2,703,755	6,789,743
Family Bank (Reserve Account)	023000039073	-	-
Sub- total		2,703,755	6,789,743
c) Fixed deposits account			
d) Cooperative Bank	02003772150	-	-
others		-	-
Sub- total		-	-
d) Others(specify)			
CLSG (Equity)	0160280465854	-	16,045
Wstf UPC 8th Call Project acc(Family Bank)	'023000042457	312,270	1,546

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

		2023-2024	2022-2023
Financial institution	Account number	KShs	KShs
cash in hand-pettycash		27,500	84,115
Mobile money account		599,405	275,880
Sub- total		939,175	377,586
Grand total		4,974,468	9,002,861

33. Ordinary Share Capital

Description	2023-2024	2022-2023
	KShs	KShs
Authorized:		
5000 ordinary shares of Kshs 20 par value each	100,000.00	100,000.00
Issued and fully paid:		
5000 ordinary shares of Kshs 20 par value each	100,000.00	100,000.00

[Provide short appropriate explanations as necessary]

34. Revaluation Reserve

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

Notes to the financial statements (continued)

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

35. Fair Value Adjustment Reserve

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

35(B) Capital/ Development Fund

	Notes	Ordinary share capital	Retained earnings	Proposed dividends	Capital/ Development Fund	Total
		kshs	kshs	kshs	kshs	kshs
As at July 1, 2022(Previous FY)		100,000	427,126		165,109,998	165,637,124
New capital issued		-	-			-
Revaluation gain		-	-	-	-	-
Transfer of excess depreciation on revaluation		-	-	-	-	-
Deferred tax on excess depreciation		-	-	-	-	-
Fair value adjustment on quoted investments		-	-	-	-	-
Profit for the year		-	(7,438,685)	-		(7,438,685)
Capital/Development grants received during the year		-	-	-	-	-
Interim dividends paid – current year		-		-	-	-
Proposed final dividends		-	-	-	-	-
As at June 30, 2023		100,000	(7,011,559)	-	165,109,998	158,198,439

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

	Notes	Ordinary share capital	Retained earnings	Proposed dividends	Capital/ Development Fund	Total
		kshs	kshs	kshs	kshs	kshs
As at July 1, 2023(Current Yr)		100,000	(7,011,559)	-	165,109,998	158,198,439
Issue of new share capital		-	-	-	-	-
Revaluation gain		-	-	-	-	-
Fair value adjustment on quoted investments		-	-	-	-	-
Profit for the year		-	(40,392,742)	-	-	(40,392,742)
Capital/Development grants received during the year		-	-	-	12,000,991	12,000,991
Transfer of depreciation/amortisation from capital fund to retained earnings		-	-	-	(300,025)	(300,025)
Dividends paid – prior year		-	-	-	-	-
Interim dividends paid – current year		-	-	-	-	-
Proposed final dividends		-	-	-	-	-
At June 30, 2024(Current FY)		100,000	(47,404,301)	-	176,810,964	129,506,663

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

36. Retained Earnings

	Notes	Ordinary share capital	Retained earnings	Proposed dividends	Capital/ Development Fund	Total
		kshs	kshs	kshs	kshs	kshs
As at July 1, 2022(Previous FY)		100,000	427,126		165,109,998	165,637,124
New capital issued		-	-			-
Revaluation gain		-	-	-	-	-
Transfer of excess depreciation on revaluation		-	-	-	-	-
Fair value adjustment on quoted investments		-	-	-	-	-
Profit for the year		-	(7,438,685)	-		(7,438,685)
Capital/Developm ent grants received during the year		-	-	-	-	-
Interim dividends paid – current year		-	-	-	-	-
Proposed final dividends		-	-	-	-	-
As at June 30, 2023		100,000	(7,011,559)	-	165,109,998	158,198,439
As at July 1, 2023(Current Yr)		100,000	(7,011,559)	-	165,109,998	158,198,439
Issue of new share capital		-	-	-	-	-
Revaluation gain		-	-	-	-	-
Fair value adjustment on quoted investments		-	-	-	-	-
Profit for the year		-	(40,392,742)	-	-	(40,392,742)
Capital/Developm ent grants received during the year		-	-	-	12,000,991	12,000,991

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

	Notes	Ordinary share capital	Retained earnings	Proposed dividends	Capital/ Development Fund	Total
		kshs	kshs	kshs	kshs	kshs
Transfer of depreciation/amortisation from capital fund to retained earnings		-	-	-	(300,025)	(300,025)
Dividends paid – prior year		-	-	-	-	-
Interim dividends paid – current year		-	-	-	-	-
Proposed final dividends		-	-	-	-	-
At June 30, 2024(Current FY)		100,000	(47,404,301)	-	176,810,964	129,506,663

The retained earnings represent amounts available for distribution to the *entity's* shareholders. Undistributed retained earnings are utilised to finance the *entity's* business activities.

37. Deferred Tax Liability

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

	2023-2024	2022-2023
	Kshs	Kshs
Accelerated capital allowances	-	-
Unrealised exchange gains/(losses)	-	-
Revaluation surplus	-	-
Tax losses carried forward	-	-
Provisions for liabilities and charges	-	-
Net deferred tax liability	-	-

The movement on the deferred tax account is as follows:

	2023-2024	2022-2023
	Kshs	Kshs
Balance at beginning of the year	-	-

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Credit to revaluation reserve	-	-
Under provision in prior year	-	-
Income statement charge/(credit)	-	-
Balance at end of the year	-	-

38. Borrowings

Description	2023-2024	2022-2023
	KShs	KShs
a) External Borrowings		
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-
b) Domestic Borrowings		
Balance at beginning of the year	-	-
Domestic borrowings during the year	10,900,000	-
Repayments during the year	457,720	-
Balance at end of the year	10,442,280	-
C) Total Balance at end of the period c = a+b	10,442,280	-

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

	2023-2024	2022-2023
	KShs	KShs
External Borrowings		
Dollar denominated loan from 'xxx Organization'	-	-
Sterling Pound denominated loan from 'yyy organization'	-	-
Euro denominated loan from 'zzz organization'	-	-
Domestic Borrowings		
Kenya Shilling loan from Family bank	10,442,280	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
Total balance at end of the year	10,442,280	-

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Description	2023-2024	2022-2023
	KShs	KShs
Short term borrowings (current portion)	0	0
Long term borrowings	10,900,000.00	0
Total	10,900,000.00	0

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

39. Lease Liability

Description	2023-2024	2022-2023
	KShs	KShs
At the start of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

	2023-2024	2022-2023
Maturity analysis	KShs	KShs
Year 1	-	-
Year 2	-	-
Year 3	-	-
Year 4	-	-
Year 5	-	-
On wards	-	-
	-	-
Less: unearned interest	-	-
	-	-
Analysed as:	-	-
Non-Current	-	-
Current	-	-

40. Provisions

Description	Leave Provision	Bonus Provision	Gratuity provision	Other Provision	Total
	KShs		KShs	KShs	KShs
	KShs		KShs	KShs	KShs
Balance at the beginning of the year	-	-	-	-	-
Additional Provisions	3,285,673	-	457,720	-	3,743,393
Provision utilised	- 3,285,673	(0)	(0)	(0)	- 3,285,673
Change due to discount and time value for money	-	-	-	-	-
Balance at the end of the year	0	-	-	-	457,720

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Notes to the financial statements (continued)

Provisions details

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Current Portion of Provisions	-	-
Long-term portion of Provisions	-	-
Total	-	-

41. Retirement Benefit Obligations

Description	Defined benefit plan	Post- employe nt medical benefits	Other Benefits	Insert Current FY	Insert Comparat ive FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current benefit obligation	-	-	-	-	-
Non-current benefit obligation	-	-	-	-	-
Total	-	-	-	-	-

Retirement benefit Asset/ Liability

The company does not operate a defined benefit scheme for full-time employees. Employees are however entitled to join a registered retirement benefit scheme of their choice. The company and its employees contribute to the Local Authority Provident Fund and National Water Pension Scheme.

Employees contribute 7.5% while the employer contributes 12.5% of basic salary for LAP Fund.

Employer contributions are recognized as expenses in the statement of financial performance within the period they are incurred

The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Ksh 2,160 per employee per month.

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Notes to the financial statements (continued)

	2023-2024	2022-2023
	Kshs	Kshs
Discount rates	-	-
Future salary increases	-	-
Future pension increases	-	-
Mortality (Pre- retirement)	-	-
Mortality (Post- retirement)	-	-
Withdrawals	-	-
Ill health	-	-
Retirement	-	-

Recognition of Retirement Benefit Asset/ Liability

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

	Insert Current FY	Insert Comparative FY
Description	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial gains/ losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (Specify)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

b) Amounts recognised in the Statement of Financial Position

	2023-2024	2022-2023
Description	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded Status(=a-b)	-	-
Restrictions on asset recognized	-	-
Others	-	-
Net Asset or liability arising from defined benefit obligation	-	-

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Notes to the financial statements (continued)

42. Trade and Other Payables

	2023-2024	2023-2024
	Kshs	Kshs
Trade payables	55,626,422	35,947,051
Sub-Total	55,626,422	35,947,051
Accrued Expenses		
Fees and Levies		
Office of Auditor General	2,960,000	2,380,000
WASREB	12,489,490	11,232,421
Water Resources Authority(WRA)	396,434	2,160,400
Laikipia County Government(Conservancy)	15,945,198	10,383,096
Northern Water Works Agency (Lease Fees)	8,480,984	8,480,984
Sub-Total	40,272,106	34,636,901
Employee Payables		
Payroll Liabilities		
Local Authorities Provident Fund	17,008,375	12,541,235
CPF	2,532,919	-
Other Payroll Payables	8,912,137	6,687,520
Sub-Total	28,453,431	19,228,755
Other Payables		
Total Trade and other Payables	124,351,959	89,812,707

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Notes to the financial statements (continued)
Aging Analysis for Trade and other Payables

	2023-2024	% of the Total	2022-2023	% of the Total
	kshs		kshs	
Under one Year	24,870,392	65%	58,000,489	65%
1-2 years	80,828,773	25%	4,523,185	5%
2-3 years	12,435,196	5%	580,000	1%
over 3 years	6,217,598	5%	26,709,033	30%
Total	124,351,959	100%	89,812,707.00	100%

43. Refundable Deposits and Prepayments

	2023-2024	2022-2023
	Kshs	Kshs
Opening Balance	34,894,945	31,819,679
Add: deposits received during the year	5,093,550	5,660,547
Less: Refunded deposits during the year	(2,315,255)	(2,585,281)
less : Water Bill Set-off during the year	(1,519,493)	0
Closing balance	36,153,747	34,894,945

Customer deposits constitute monies paid by customers to cushion the company against non-payment of outstanding bills. The deposit is refundable upon formal request of termination of services by the customers and upon clearance of any outstanding bills

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Notes to the financial statements (continued)

Aging Analysis for Refundable Deposits and Prepayments

	2023-2024	% of the Total	2022-2023	% of the Total
	kshs		kshs	
Under one Year	3,186,203	9%	3,075,266	9%
1-2 years	1,249,523	3%	1,206,017	3%
2-3 years	3,325,296	9%	3,209,516	9%
over 3 years	28,392,725	79%	27,404,146	79%
Total	36,153,747	100%	34,894,945	100%

44. Deferred Income

Description	2023-2024	2022-2023
	KShs	KShs
National/County government	11,700,966	-
International funders	-	-
Public contributions and donations	-	-
Total deferred income	11,700,966	-

The deferred income movement is as follows:

	2023-2024	2023-2024
Balance brought forward	-	-
Additions	12,000,991	-
Transfers to Capital fund	-	-
Transfers to income statement	(300,025)	-
Other transfers	-	-
Balance carried forward	11,700,966	-

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Entity (Donor of the Grant)	Amount
Wstf UPC 8th Call Project	3,191,048
Laikipia County-Kinamba project	8,809,943
Total	12,000,991

The deferred income movement is as follows:

	County government/ Agencies	International funders	Public contributions and donations	Total
Balance brought forward	-	-	-	-
Additions	12,000,991	-	-	12,000,991
Transfers to Capital fund	-	-	-	-
Transfers to income statement	300,025	-	-	300,025
Other transfers	-	-	-	-
Balance carried forward	11,700,966	-	-	11,700,966

45. Dividends Payable

The balance of dividends payable relates to unclaimed dividends, payable to different shareholders. The balances are analysed in annual amount below.

	2023-2024	2022-2023
	Kshs	Kshs
At the beginning of the year	-	-
Additional declared during the year	-	-
Paid during the year	-	-
Balance at end of the year	-	-

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Dividend Payable analysis

	Insert Current FY	% of the total	Insert Comparative FY	% of the total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	-	-	-	-

No dividend were paid during the period under the review

46. Taxation

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

[Provide short appropriate explanations as necessary]

47. Notes to The Statement of Cash Flows

	2023-2024	2022-2023
	Kshs	Kshs
(a) Reconciliation of operating profit/(loss) to cash generated from/ (used in) operations		
Profit or loss before tax	(40,392,742)	(7,438,685)
Depreciation	10,132,459	7,898,671
Amortization	-	-
(Gain)/loss on disposal of property, plant and equipment	-	-
Increase in provision for bad debts	614,094	
Operating profit/(loss) before working capital changes	(29,646,189)	459,986
Working capital changes:		
Increase / (Decrease) in Trade and Other Receivables	(5,275,089)	(331,572.0)
Increase / (Decrease) in Trade Payables	19,112,866	(5,472,986.0)
Increase / (Decrease) in Trade Inventory	(3,212,749)	16,322,738
Increase / (Decrease) in loans and advances	30,740	-
Increase / (Decrease) in prepayments	16,750	-

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

	2023-2024	2022-2023
	Kshs	Kshs
Increase / (Decrease) in fees and levies	5,692,341	(30,740.0)
Increase / (Decrease) in payroll liabilities	9,224,675	(16,750)
Increase / (Decrease) in consumer deposits	1,258,802	9,150,447
Increase / (Decrease) in deferred income	11,700,966	1,210,526
Net changes in working Capital	39,115,807	20,831,663
Cash generated from/ (used in) operation	9,469,618	21,291,649
(b) Analysis of changes in loans		
Balance at beginning of the year	-	-
Receipts during the year	10,900,000	-
Repayments during the year	-	-
	457,720	
Repayments of previous year's accrued interest	-	-
Foreign exchange (gains)/losses	-	-
Accrued interest	176,020	-
Balance at end of the year	10,442,280	-
(c) Analysis of cash and cash equivalents		
Short term deposits	-	
Cash at bank	4,347,563	8,642,866
Cash in hand	27,500	84,115
Mobile Money Account-Mpesa paybill no	599,405	275,880
Balance at end of the year	4,974,468	9,002,861
(d) Analysis of interest paid		
Interest on loans	176,020	-
Interest on bank overdraft	-	-
Interest on lease liabilities	-	-
Interest on loans capitalised	-	-

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

	2023-2024	2022-2023
	Kshs	Kshs
Balance at beginning of the year	-	-
Balance at end of the year (note 35(b))	176,020	-
Analysis of dividend paid		
Balance at beginning of the year	-	-
20xx dividends paid	-	-
20xx dividends paid	-	-
20xx interim dividends paid	-	-
Balance at end of the year	-	-
Dividend paid	-	-

Other Disclosures

47. Related Party Disclosures

County Government of Laikipia

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

Other related parties include:

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

Transactions with related parties

	2023-2024	2022-2023
	Kshs	Kshs
a) Sales to related parties		
Rent Income from govt. agencies	-	-
Water sales (Bowser)to County Govt. agencies	3,195,250	1,031,900
Exhauster Services to county Government agencies	99,450	396,950

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Water Bills for County Gov installations	1,658,110	634,157
Interest income from Govt Commercial Banks	-	-
Interest income from T-bills and Bonds	-	-
Others (Specify)	-	-
Total	4,952,810	2,063,007
b) Purchases from related parties		
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Bank charges paid to Govt Commercial banks	-	-
Interest expense to investments by other govt. entities	-	-
Others (specify)	-	-
Total	-	-
b) Grants from the Government		
Grants from National Govt Agencies-wstf	3,191,048	12,797,961
Grants from County Government	8,809,943	12,000,000
Donations in kind	-	-
Total	12,000,991	24,797,961
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for county employees	-	-
Payments for goods and services for county government	-	-
Total	-	-
d) Key management compensation		

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Directors' emoluments	6,285,195	5,510,039
Compensation to key management	20,761,351	15,159,709
Total	27,046,546	20,669,748
Capital Commitments		
Capital commitments at the year- end for which no provision has been made in these financial statements are:		
	2023-2024	2022-2023
	Kshs	Kshs
Amounts authorised and contracted for	-	-
Amounts authorized but not contracted for	-	-
Less: Amounts included in Work in progress	-	-
Contingent Assets and Liabilities		
Contingent Assets		
	2023-2024	2022-2023
	Kshs	Kshs
Contingent assets		
Insurance reimbursements	-	-
Assets arising from determination of court cases	-	-
Reimbursable indemnities and guarantees	-	-
Receivables from other government entities	-	-
Total	-	-
Contingent Liabilities		
	2023-2024	2022-2023
	Kshs	Kshs
Contingent liabilities		
Court case against the entity-WRA Court suit on new water use charges	-	8,596,696

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from contracts including PPPs (Public Private Partnership)	-	-
Total	-	8,596,696

The Water regulations 2021 increased water use charges from ksh 0.5 per m3 to ksh 5 per cubic meter. The rates were contested in court and the rate of 0.5 per m3 was reinstated. In the opinion of the directors, no provision is required in these financial statements as the liabilities are not expected to crystallize

48. Financial Risk Management

The Company's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The company's financial risk management objectives and policies are detailed below:

Notes to the financial statements (continued)

(i) Credit risk

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

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

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

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

	Total amount Kshs	Fully performing Kshs	Past due but not Impaired Kshs	Past due and Impaired Kshs
At 30 June 2024				
Trade Receivables	69,410,005	18,048,562	42,947,189	8,414,254
Other Receivables	-	-	-	-
Investments	-	-	-	-
Bank balances	4,974,468	4,974,468	-	-
Total	74,384,473	23,023,030	42,947,189	8,414,254
At 30 June 2023 (previous Year)				
Trade Receivables	63,520,822	25,574,567	31,594,173	6,352,082
Other Receivables	-	-	-	-
Investments	-	-	-	-
Bank balances	9,002,861	9,002,861	-	-
Total	72,523,683	34,577,428	31,594,173	6,352,082

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

Credit Risk (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The company has significant concentration of credit risk on amounts due from over 120 days

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.

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Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 current year				
Trade payables	6,883,990	7,450,495	41,294,937	55,629,422
Current portion of borrowings	-	-	10,442,280	10,442,280
Fees and Levies	5,034,013	12,073,756	23,164,337	40,272,106
Deferred income	-	-	11,700,966	11,700,963
Employee benefit obligation	3,867,893	9,025,083	15,560,454	28,453,430
Total	15,785,896	28,549,334	102,162,974	146,498,201
At 30 June 2023 previous year				
Trade payables	5,797,551	9,039,660	21,109,840	35,947,051
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	5,797,551	9,039,660	21,109,840	35,947,051

(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.

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

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

	Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June Current Year			
Financial assets			
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Financial Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

The company did not have any foreign currency risk exposure

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

	Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June Previous year			
Financial assets			
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Financial Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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.

The company did not have any foreign sensitivity exposure

	Change in	Effect on Profit	Effect on
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Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

	currency rate	before tax	equity
	Kshs	Kshs	Kshs
2024 Current FY			
Euro	-	-	-
USD	-	-	-
2023 Previous FY			
Euro	-	-	-
USD	-	-	-

c) Interest rate risk

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

i) Management of interest rate risk

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

ii) Sensitivity analysis

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

iii) Fair value of financial assets and liabilities

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

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

with significant unobservable components. This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

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

At 30 June 2024 Current FY	Level 1 Kshs	Level 2 Kshs	Level 3 Kshs	Total Kshs
Financial Assets				
Quoted equity investments	-	-	-	-
Non- financial Assets	-	-	-	-
Investment property	-	-	-	-
Land and buildings	-	-	-	-
	-	-	-	-
At 30 June 2024 Previous FY				
Financial Assets				
Quoted equity investments	-	-	-	-
Non- financial Assets	-	-	-	-
Investment property	-	-	-	-
Land and buildings	-	-	-	-
	-	-	-	-

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

Financial instruments not measured at fair value

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

Notes to the financial statements (continued)

iv) Capital Risk Management

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

	2023-2024	2022-2023
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	(47,404,301)	(7,011,559)
Capital reserve	176,810,964	165,109,998
Total funds	129,506,663	158,198,439
Total borrowings(Family bank)	10,442,279	-
Trade and other payables	124,351,959	89,812,707

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Water Deposits	36,153,747	34,894,945
Less: cash and bank balances	(4,974,468)	(9,002,861)
Net debt/ (excess cash and cash equivalents)	165,973,517	115,704,791
Gearing=(Net Debt/ Equity) x 100%	128%	73%

49. Incorporation

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

50. Events After the Reporting Period

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

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>1.0 Material Uncertainty Related to Going Concern</p>	<p>As previously reported, the statement of financial position reflects current assets and liabilities of Kshs.75,030,502 and Kshs.133,304,348 respectively, resulting in negative working capital of Kshs.58,273,846. Further, the Company's statement of Profit or Loss and other comprehensive income for the year ended 30 June, 2023 reflects Kshs.260,927,273 in respect to total revenue and Kshs.268,365,958 in respect to total expenditure resulting in an operating loss of Kshs.7,438,685. The deficit has reduced the</p>	<p>To address the material uncertainty regarding the company's going concern, management has taken the following steps to counter the financial challenges raised by the audit findings improve the company's financial situation:</p> <p>1. Cost Rationalization and Expense Control</p> <p>Management have introduced cost-cutting measures to reduce operational expenses and improve profitability. These steps include:</p> <ul style="list-style-type: none"> • Reduction of Non-Essential Expenses: Limiting spending on non-core activities. • Staff Optimization: Reviewing staff levels and implementing 	<p>Not Resolved</p>	<p>June 2026</p>

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>retained earnings from Kshs.427,126 on 30 June, 2022 to a negative of Kshs.7,011,559 as of 30 June, 2023 as reflected in the statement of financial position. Therefore, the Company may be unable to meet its financial obligations as and when they fall due and may, therefore, be technically insolvent on the basis of the negative working capital position. In the circumstances, the sustainability of services delivery and the going concern as a water company was in doubt</p>	<p>layoffs to align labor costs with revenue.</p> <ul style="list-style-type: none"> • Operational Efficiency: Streamlining processes to eliminate inefficiencies, reduce wastage, and cut operational overheads. <p>2. Debt Management</p> <ul style="list-style-type: none"> • Debt Collection: the Company has Strengthened debt collection efforts by focusing on recovering outstanding receivables to improve cash flow and has so far come up with a debt management policy which boost cashflow. <p>3. Revenue Generation</p> <ul style="list-style-type: none"> • Tariff Review: The Company has engaged in the Review of the pricing structure for water services to ensure it reflects current operational costs and market conditions. This has been done in collaboration with regulatory authorities (WASREB) 		

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>to implement modest increases in water tariffs to generate more revenue.</p> <p>4. Capital Infusion and External Funding</p> <ul style="list-style-type: none"> • Seeking Grants or Financial Support:The Company has been Engaging with government bodies such as Waterfund, county governments of Laikipia, and development partners such as JICA to secure additional funding or grants to support operational costs and capital investments. <p>5. Restructuring Operations</p> <ul style="list-style-type: none"> • Segment Analysis: The management has initiated the process of Implementing a cost-center framework .The Management would closely monitor the financial performance of each segment and take action if one fails to meet break-even targets. 		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<ul style="list-style-type: none"> • Profitability Focus: the Company is Prioritizing profitable services and divesting or scaling down on non-profitable operations. <p>6. Strategic Partnerships</p> <ul style="list-style-type: none"> • Public-Private Partnerships (PPP):The Company has started Collaborating with private investors for infrastructure development projects such solarization , which could help alleviate financial strain while still expanding services. • Collaboration with County Governments: The management is Strengthening partnerships with local government of Laikipia for better funding and support. <p>7. Monitoring and Reporting Management may have implemented a more rigorous system of financial monitoring and internal controls, allowing for better visibility over</p>		

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		financial health and quicker reactions to potential shortfalls		
2.0 Inaccuracy of Customer Deposits Account	<p>The statement of financial position and Note 28 to the financial statement reflects Kshs.34,894,945 in respect to customer deposits, which includes Kshs.5,660,547 in respect to customer deposits received during in the year under review. However, the customer deposit account reflects a balance of Kshs.2,026,840 in respect to additional deposit during the year resulting to unexplained variance of Kshs.3,633,707. Further, records provided for audit review show that the board decided to build up the customer deposit account by authorizing a standing order of Kshs.2,000,000 to be</p>	<p>During the year, kshs 5,660,547 was collected as customer deposits. Of this kshs 2,585,281 was refunded to customers. The remainder of kshs 1,048,426 is the amount that had not been remitted to the customer deposit bank account. The company put in place a bank standing order effective 15th September 2023 to refund the amount.</p>	Not Resolved	June 2026

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>deposited into this account every financial year until the balance in the account is equal to the corresponding balance reported in the financial statements. However, there was no evidence to show that Kshs.2,000,000 was banked into the customer deposits account in the year under review. In the circumstances, the accuracy of the customer deposits of Kshs.34,894,945 could not be confirmed</p>			
3.0 Unrecognized Property, Plant and Equipment	<p>As previously reported, the statement of financial position reflects property, plant and equipment balance of Kshs.207,875,589. However, the ownership documents for four (4) Report of the Auditor-General on Nyahururu Water and Sanitation Company Limited for the year ended 30 June, 2023</p>	<p>The Company has been following up with the transfer of ownership from Northern Water works and County Government of Laikipia but the process is yet to be concluded.</p>	Not Resolved	31 st Dec 2024

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>3 motor vehicles of unknown value granted by the Northern Water Services Board and the County Government of Laikipia had not been transferred and registered in the name of the water company.</p> <p>In the circumstances, the accuracy and completeness of the property, plant, and equipment balance of Kshs.207,875,589 could not be confirmed</p>			
<p>4.0 Un-utilized and Idle Digital Water Meters</p>	<p>The statement of financial position and Note 19 to the financial statements reflects Kshs.10,276,239 in respect to inventories, which excludes unvalued 1,000 digital water meters of 3/4 inches donated to the company in the year 2019 by a Non-Governmental organization. However, records pertaining to the donation of the digital meters together</p>	<p>The ¾ inches water meters that were in the store were of low pressure and therefore the company had to purchase other meters that were of high pressure rating that could work well in the schemes where the pressures were high. However, the company has taken note of the issue and the meters are being used in areas where they are best suited.</p>	<p>Not Resolved</p>	<p>31st Dec 2024</p>

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>with their value was not provided for audit review.</p> <p>Available information and a physical count of the digital meters revealed that 400 meters were in the store while 600 digital meters had been modified and issued out and installed to customers premises.</p> <p>In addition, the Company procured three quarter (¾) inches meters during the year under review when indeed there were useable/convertible ¾ inches meters lying idle in the stores. The value of the inventories has therefore been understated by omitting the value of the 1,000 ¾ inches digital water meters.</p> <p>In the circumstances, the accuracy of the inventories reported in the financial statements could not be ascertained.</p>			

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5.0 Trade and Other Receivables	<p>Note 20 (a) to the financial statement reflects Kshs.63,520,822 in respect to total trade receivables, which includes Kshs.33,104,743 (or 52%) in respect to customers debts which have remained uncollected for a period of over 120 days. Management did not provide evidence on follow up on the outstanding debtors, casting doubt on the ability of the company to recover all the outstanding debts. The recoverability of the long outstanding debts is therefore doubtful. In the circumstances, the recoverability of the Kshs.33,104,743 reported as debts could not be confirmed.</p>	<p>The management took note of the issue and it has so far put measure to ensure all the outstanding receivables has been collected. The management has formulated a debt policy which will be pivotal in ensuring that all receivables are recovered.</p>	Not resolved	June 2026
Emphasis of Matter	<p>The statement of comparison of budget and actual amounts for the year ended</p>	<p>The management wishes to report that we are implementing measures to improve</p>	Not Resolved	June 2026

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Budgetary Control and Performance	<p>30 June, 2023 reflects final receipts budget and actual on a comparable basis of Kshs.349,388,235 and Kshs.267,547,596, respectively resulting to revenue under realization Kshs.81,840,639 or 23% of the budget. Similarly, the Company expended Kshs.310,778,788 against an approved expenditure budget of Kshs.349,301,907, resulting to an under-expenditure of Kshs.38,523,119 or 11% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public. My opinion is not modified in respect of this matter</p>	<p>both revenue collection and cost management. Our focus is on enhancing receivables collection across all cost centers to boost cash flow and ensure consistent revenue realization. In addition, we are reviewing our tariffs to ensure they align with the actual cost of service delivery. On the expenditure side, we are optimizing project execution to ensure that future spending remains aligned with approved budgets while maintaining cost-saving measures. These actions will help improve overall financial performance and ensure uninterrupted service delivery.</p>		
Basis for Conclusion	The statement of profit or loss and other comprehensive income and Note 6 to the	Nyahururu Water and Sanitation Company acknowledges the Auditor-General's findings concerning the Non-	Not resolved	June 2026

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0 Excess Non-Revenue Water	<p>financial statements reflects Kshs.221,965,326 in respect to operating revenue which Report of the Auditor-General on Nyahururu Water and Sanitation Company Limited for the year ended 30 June, 2023</p> <p>5 includes Kshs.160,913,245 in respect to revenue from the sale of water. Information available revealed that the Company produced 3,241,297 cubic meters (M3) of water out of which only 2,007,969 cubic meters ((M3) were billed to the customers. The balance of 1,233.328 cubic meters or approximately 38% of the total volume of water produced, therefore, represents non-Revenue water (NRW) which was 13% over and above the</p>	<p>Revenue Water (NRW), which constituted 38% of the total water produced, surpassing the 25% limit set by the Water Services Regulatory Board (WASREB). We understand that this affects the company's profitability and efficient use of resources.</p> <p>In response, we are implementing a targeted NRW reduction plan, which includes:</p> <ol style="list-style-type: none"> 1. Infrastructure Improvements: Upgrading water distribution systems to reduce leaks and water loss. 2. Improved Monitoring: Introducing advanced metering and real-time tracking systems for more accurate water usage data. 3. Staff Training: Expanding capacity-building programs for staff to enhance NRW management. 4. Public Engagement: Increasing community awareness on water 		

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>allowable loss of 25% in accordance with schedule E of Water Service Regulatory Board (WASREB) guidelines. The significant level of Non-Revenue Water could be an indication of inefficiency and ineffectiveness in the use of public and water resources, which may negatively impact on the Company's profitability and its ability to sustain services.</p> <p>In the circumstances, Management was in breach of the WASREB guidelines</p>	<p>conservation and encouraging prompt leak reporting.</p> <p>We remain dedicated to meeting WASREB standards and ensuring long-term sustainability of our services.</p>		
<p>2.0 Non-Compliance with the Law on Fiscal Responsibility on Wage Bill</p>	<p>As previously reported, the statement of profit or loss and other comprehensive income and Note 9 to the financial statements reflects Kshs.144,228,248 in respect to expenditure on staff costs which was equivalent to 65% of the total operating revenue of</p>	<p>Nyahururu Water and Sanitation Company acknowledges that staff costs, at 65% of total operating revenue, exceeded the 30% benchmark set by WASREB. To address this, we have initiated staff restructuring, streamlined roles, and implemented a slowed hiring. Additionally, we are optimizing operational efficiency through</p>	<p>Not resolved</p>	<p>June 2026</p>

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs.221,965,326. The acceptable benchmark for a large entity according to the WASREB guidelines table 3.2 is less than 30%. Nyahururu Water and Sanitation Company Ltd was 35% over and above the industrial benchmark. The excess staff costs may negatively impact on the Company's profitability and sustainability of services if measures are not put in place to contain the cost within the acceptable level. In the circumstances, Management was in breach of the guidelines</p>	<p>automation and performance-based management.</p>		
<p>3.0 Non-remittance of Revenue Collected</p>	<p>The statement of comparison of budget and actual amounts for the period ended 30 June, 2023 reflect Kshs.8,200,000 and Kshs.6,620,323 in respect to budgeted revenue from Conservancy and actual receipt respectively. This represented revenue</p>	<p>The Management take note on the issue and the company has so far engaged the company on regularization of the conservancy collection agreement. The company has also entered into an agreement to increase the current standing order to the county government of laikipia from kshs 200,000 to kshs</p>	<p>Resolved</p>	

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>collected by the water company for garbage collection on behalf of the County Government. The water company was supposed to retain 2% of the revenue collected and remit the balance to the County Government of Laikipia. However, the Company remitted only Kshs.2,172,918 of out of the Kshs.6,620,323 conservancy revenue collected in the year under review, resulting to unremitted conservancy revenue collection of Kshs.4,447,405. The water company spent the conservancy revenue without the authority from the County Government. Further, as reflected in Note 27 to the financial statement, the water company reported unremitted conservancy revenue of</p>	<p>500,000 to pay the outstanding balance and be submitting the monthly current collections as they fall due. It has also been resolved that the county government of laikipia to pay all the water bills owed to the company .</p>		

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs.10,383,096 payable to the County Government of Laikipia (Conservancy). In addition, the agreement for conservancy revenue collection was entered between the water company and the defunct Municipal Council of Nyahururu which was dated 19 September, 2003 on garbage collection for a conservancy fee. However, this agreement has not been renewed to reflect the reality on the ground and to incorporate the policies of County Government of Laikipia. The continued collection of conservancy revenue by the water company based on 'obsolete' agreement conflicts with the mandate of Laikipia county revenue board which is mandated by law to collect and account for all</p>			

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>revenues for the county government of Laikipia.</p> <p>Report of the Auditor-General on Nyahururu Water and Sanitation Company Limited for the year ended 30 June, 2023</p> <p>6</p> <p>In the circumstances, Management was in breach of the agreement</p>			
<p>4.0 Audit Fee Arrears</p>	<p>Note 27 to the financial statement reflects Kshs.98,409,403 in respect to trade and other payables which includes Kshs.43,233,597 charged under fees and levies. Included in the balance is an amount of Kshs.2,380,000 in respect to audit fees payable to the Office of the Auditor General. The fees arrears relate to audit fees for the previous years.</p> <p>Therefore, Management of the Company did not comply with Section 41(1) of the Public</p>	<p>The management has taken note of the issue and it has planned to make part payment on or before the audit of 2023-2024 financial statement owing to the financial constraints the company is going through</p>	<p>Not resolved</p>	<p>June 2025</p>

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Audit Act, 2015 which empowers the Auditor General to charge audit fees at the rates prescribed and the same paid by the audited entities.</p> <p>In the circumstances, Management was in breach of the law.</p>			
<p>5.0 Payables Not Taken as the First Charge</p>	<p>As previously reported, Note 27 to the financial statements reflects Kshs.89,812,707 in respect to trade and other payables which includes Kshs.26,709,033 in respect to trade and other payables which has been outstanding for more than three year contrary to the Treasury circular No.7/2021 paragraph 22 which requires accounting officers to ensure that all payments emanating from the previous periods are treated as the first charge</p>	<p>The management take note of the query and it is taking all measures to ensure that pending bills of over 2 years are cleared and are treated as first charge</p>	<p>Not resolved</p>	<p>To be fully resolved by June 2025</p>

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>against the current financial year budgetary allocation before entering into new commitments.</p> <p>In the circumstances, Management was in breach of the law.</p>			
6.0 Unbalanced Budget	<p>The statement of comparison of budget and actual amounts for the year ended 30 June, 2023 reflects Kshs.349,388,235 in respect to the final revenue budget against final expenditure budget of Kshs.349,301,907 resulting in a budget surplus of Kshs.86,328. contrary to Section 31(c) of the Public Finance Management (County Government) regulations, 2015 which provides that budgeted revenue and expenditure appropriations shall be balanced.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>The management of Nyahururu Water and Sanitation Company acknowledges the budget imbalance of Kshs.86,328. We are taking steps to ensure future compliance with Section 31(c) of the Public Finance Management regulations by aligning revenue and expenditure in our budgetary processes</p>	Not resolved	It is an ongoing process which will be fully realised in 2024-2025 financial statements

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>7.0 Lack of Diversity in Staff Ethnicity</p>	<p>As reported in the previous year, review of human resource records revealed that during the year under review, the Company had a total of one hundred and fifty-six (156) employees out of which one hundred and forty-two (142) or ninety one percent (91%) were from the dominant ethnic community, with only about nine percent (9%) being from non-dominant ethnic community. This was contrary to Section 65(e) of the County Governments Act, 2012 which requires the County Governments to ensure that at least thirty percent (30%) of the vacant posts at entry level are filled by candidates who are not from the dominant ethnic community in the County.</p>	<p>The management wishes to respond that the company places advert of any open position in the website and local daily(ies) in order to attract labor diversity. The company encourages members of other communities other than the dominant Kikuyu community to apply and will continue giving equal chances to men and women of other tribes.</p>	<p>Resolved</p>	

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>In the circumstances, Management was in breach of the law.</p> <p>Report of the Auditor-General on Nyahururu Water and Sanitation Company Limited for the year ended 30 June, 2023</p> <p>7</p> <p>The audit was conducted in accordance with ISSAI 4000. The standard requires that I</p> <p>comply with ethical requirements and plan and perform the audit to obtain assurance</p> <p>about whether the activities, financial transactions and information reflected in the</p> <p>financial statements are in compliance, in all material respects, with the authorities that</p> <p>govern them. I believe that the audit evidence I have obtained is sufficient and appropriate</p> <p>to provide a basis for my conclusion</p>			

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Unauthorized Spending of Customer Deposits	<p>As previously reported, Note 28(b) to the financial statements reflects Kshs.34,894,945 in respect to customer deposits. However, the customers deposit bank account reflects a balance of Kshs.6,789,743 resulting to a variance of Kshs.28,105,202. The variance constituted funds spent by Management without authority from the Company's Board of Directors and which had not been refunded to the customer deposits account as of 30 June, 2023.</p> <p>In the circumstances, the ability of the Company to refund the water deposits to the consumers as and when demanded could not be ascertained.</p>	<p>The management has taken note of the query and wishes to respond that the company has resolved to make a standing order of kshs 800,000 per month through equity Bank as a measure to boost the customer deposit account. A dedicated deposit account is also in place</p> <p>The company has also resolved that any deposit utilization request has to be approved by the Board of Directors and the County Government of Laikipia</p>	Not fully resolved	On going-To be fully resolved by 2024-2025 financial reporting.

Guidance Notes:

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

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

Name BERNARD MWAURA

Managing Director

Signature 

Date 26/09/2024

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Appendix II: Projects Implemented by the Company

Projects

Projects implemented by the Company Funded by development partners.

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Kinamba distribution Pipeline	Kinamba distribution pipeline instalation	County Government of Laikipia	1 st July 2022 to 30 th June 2023	Yes	No	Yes
Nyahururu Site Phase 2 distribution network upgrade	UPC 8 th Call	Water Sector Trust Fund	1 st September 2022 to 30 th June 2024	Yes	Yes	Yes
Oljabet town distribution network upgrade	UPC 8 th Call	Water Sector Trust Fund	1 st September 2022 to 30 th June 2024	Yes	Yes	Yes

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Kinamba distribution pipeline instalation	60,000,000	12,000,000	100%	60,000,000	20,809,943	County Government of Liakipia
2	Nyahururu	19,044,585	14,796,415	100%	19,044,585	17,675,193	Water
	Site Phase 2 and Oljabet town distribution network upgrade						Sector Trust Fund

**Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024**

Appendix III- Inter-Entity Confirmation Letter

Name of Transferring entity.....

Name of Beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

Head of Accounts Department - Disbursing Entity:

Name **Sign** **Date**

Head of Accounts Department - Beneficiary Entity:

Name **Sign** **Date.....**

Appendix IV: Reporting of Climate Relevant Expenditures

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

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30 2024

Appendix V: Reporting Disaster Management Expenditure

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

(Attach forms from each transferring Government entity.)

Nyahururu Water & Sanitation Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2024

Appendix VI: Recording of Transfers from Other Government Entities

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