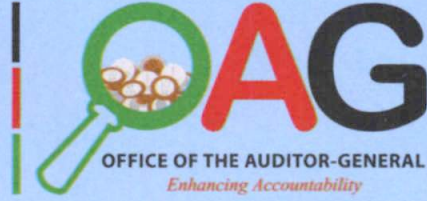


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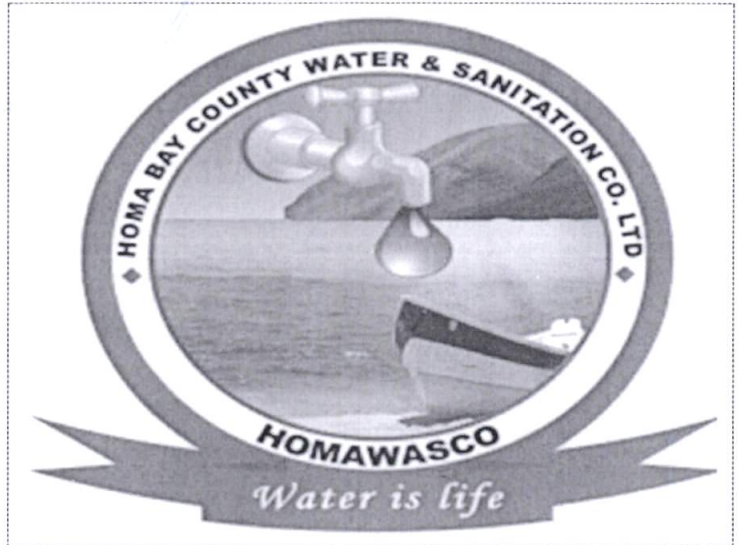
HOMA BAY COUNTY WATER AND  
SANITATION COMPANY LIMITED

FOR THE YEAR ENDED  
30 JUNE, 2025

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HOMA BAY COUNTY WATER AND SANITATION CO. LTD  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2025

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Prepared in accordance with the International Financial Reporting Standards (IFRS)  
Accounting Standards

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**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**1. Acronyms and Glossary of Terms**

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

<i>ICPAK</i>	<i>Institute of Certified Public Accountants of Kenya</i>
<i>IFRS</i>	<i>International Financial Reporting Standards</i>
<i>MD</i>	<i>Managing Director</i>
<i>PFM</i>	<i>Public Financial Management</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>WASREB</i>	<i>Water Services Regulatory Board</i>
<i>NRW</i>	<i>Non Revenue Water</i>

**Homa Bay County Water and Sanitation Company Ltd**  
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**2. Key Entity Information**

**Background information**

Homa Bay County Water and Sanitation Company Limited (the then South Nyanza Water and Sanitation Company), was established under the Company's Act Cap 486 on 12<sup>th</sup> June 2006. The Company was formed by the defunct local authorities and given the mandate of providing water and sanitation services within eight Sub-Counties:- Mbita, Suba, Kasipul, Karachuoyo, Rangwe, Kabondo, Ndhiwa and Homa Bay Township. Homa Bay County Government is the major shareholder of the Company.

In August 2014, South Nyanza Water and Sanitation Company changed its name with the Registrar of Companies Kenya to Homa Bay County Water and Sanitation Company Limited, in the spirit of devolution, which brought fourth County Governments.

**Principal Activities**

The principal activity of the Company is that of offering water and sanitation services within Homa Bay County.

**1.3 Vision, Mission and Core Values**

**1.3.1 Vision**

A recognized and respected leader in provision of water and sanitation services in Kenya

**1.3.2 Mission**

To provide safe, reliable, and affordable water and sanitation services to all residents of Homa Bay County

**1.3.3 Core Values**

- **Customer Focus:** We recognize that our customers are the reason why we exist, and shall therefore endeavour to provide services that meet their needs.
- **Accountability:** We are responsible to the citizens in providing safe and reliable water and sanitation services.
- **Creativity and Innovation:** We encourage and reward creativity and positive risk taking
- **Integrity:** We embrace honesty, truthfulness, and adherence to ethical principles in discharging our mandate
- **Professionalism:** We will take a professional and objective approach in all operations. We will uphold competence, prudence and excellence in our work.
- **Teamwork:** We work as a cohesive team supporting each other and harnessing different skills to achieve its goals.

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**Directors**

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

1. Joseph Ochanda	Chairman	-Appointed on 09.08.2023
2. Alice Agutu	Member	- Appointed on 09.08.2023
3. Phoebe Owiti	Member	- Appointed on 09.08.2023
4. Micheal Oimo	Member	- Appointed on 09.08.2023
5. Eng. Collins Obango	Member-Rep. CEC Water	- Appointed on 09.08.2023
6. Alphonse Wera	Member-CEC Finance	- Appointed on 09.08.2023
7. Thaddeus Odoyo	Member	- Appointed on 09.08.2023
8. Thomas Nyonje	MD	-Appointed on 09.08.2023

NOTE: Member CEC-Member of County Executive Committee

The MD sits in the board as an executive member, the rest of the directors are Non-executive.

**Company Secretary**

Company Secretary

1. Olotch & Company Advocates

Advocates, Commissioners for oaths & Certified Public Secretaries

Queensway House

5th floor, Kaunda Street

P.O. Box 7146-00100

Nairobi, Kenya

**Registered Offices**

Homa Bay County Water and Sanitation Company Ltd

Kendu - Homa Bay Road/Highway

P.O. Box 170, 40300

Homa Bay, KENYA

**Corporate Headquarters**

Homa Bay County Water and Sanitation Company Ltd

Got Asego Rd,

Kenya Rural Roads Authority -Nyanza Regional Offices

P.O. Box 4, 40300...

Homa Bay, KENYA

Telephone: +254717428030

E-mail: homawater@gmail.com

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**Corporate Bankers**

1. Kenya Commercial Kenya  
Homa Bay Branch  
P.O. Box, 40300, Homa Bay  
Kenya
  
2. Co-operative Bank of Kenya  
Homa Bay Branch  
P.O. Box, 40300, Homa Bay  
Kenya
  
3. Equity Bank Ltd  
P.O.Box Homa Bay Branch  
Kenya

**Independent Auditor**

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





**Principal Legal Advisers**

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





**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**3. The Board of Directors**


**I. THE BOARD OF DIRECTORS- DURING THE YEAR 2024/2025**

<p>1. CPA Joseph Ochanda</p> 	<p>Age : 42 years  <b>Qualifications:</b>          BCOM(Accounting option)          Certified Public Accountant (CPAK)          Certified Secretary (CS)</p>	<p><u>CAREER PROFILE</u>          Accountant IEBC Head quarter</p>
<p>2. Phoebe Owiti</p> 	<p>Age : 58YRS  <b>Qualifications</b>          PhD Marketing          MA, Professional Development &amp; Strategic Plan          BSc. Arts and Technology</p>	<p><u>CAREER PROFILE</u>          Currently a lecture at the University of Nairobi</p>
<p>3. Alice Agutu</p> 	<p>Age:54  <b>Qualification:</b>          Diploma in Education (English &amp; Geography).</p>	<p><u>CARRER PROFILE:</u>          Currently a High school Teacher</p>
<p>4. Michael Oimo</p> 	<p>Age: 66yrs  <b>Qualifications:</b>          BCOM (Insurance option)          Post Graduate Diploma in Insurance</p>	<p><u>CAREER PROFILE</u>          Marketing &amp; Strategy Director-Mfarusi Insurance Agency Ltd</p>

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**





<p>5. Thaddeus Odoyo</p> 	<p>Age: 39yrs</p> <p><b><u>Qualifications</u></b>          BSc.Computing&amp;          Information Systems          Diploma in Electrical &amp;          Electronics Engineering          Cisco Certified Specialist</p>	<p><b><u>CAREER PROFILE</u></b>          Technical Director-Network          Four Office Solutions Ltd</p>
<p>6. Thomas O. Nyonje</p> 	<p><b><u>Qualification:</u></b>          Qualifications: MBA,          Bachelor of Education Arts</p> <p><b><u>Responsibility:</u></b>          Managing Director (CEO)</p>	<p><b><u>CAREER PROFILE</u></b></p>
<p>7. Eng. Collins Obango</p> 	<p>Age:36</p> <p><b><u>Qualification:</u></b>          BSc.Mechanical          Engineering</p>	<p><b><u>CAREER PROFILE</u></b>          Chief Officer-Water &amp;          Sanitation Homa Bay County          Government</p>
<p>8. Alphonse Wera</p> 	<p>Age:41yrs</p> <p><b><u>Qualification:</u></b>          MA Finance          BSc.Strategic          Management</p>	<p>Chief Officer-Finance &amp;          Economic Planning Homa Bay          County Government</p>

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**




<p>9. Pamel Olotch</p> 	<p>Age:53yrs <b><u>Qualifications:</u></b> Bachelor of Arts Degree (Economics) (BA Econ), Bachelor of Laws Degree (LLB), Certified Public Secretary (CPS) (K)</p>	<p>Advocate of the high court, in private practice. proprietor of Olotch &amp; Company Advocates</p>
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**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**4. Key Management**

<p>1. Thomas Odhiambo Nyonje</p> 	<p><b><u>Qualification:</u></b></p> <p>Qualifications: EMBA, Bachelor of Education Arts</p> <p><b><u>Responsibility:</u></b></p> <p>Managing Director (CEO)</p>
<p>2. CPA Lydia Ouma.</p> 	<p><b><u>Qualification:</u></b></p> <p>B.Com, Accounting</p> <p>CPA (K)</p> <p><b><u>Responsibility:</u></b></p> <p>Commercial Manager</p>
<p>3. CPA Samuel Ngicho</p> 	<p><b><u>Qualification:</u></b></p> <p>CPA(K)</p> <p>B.Com, Finance</p> <p><b><u>Responsibility:</u></b></p> <p>Internal Audit Manager</p>
<p>4. Devina Atieno</p> 	<p><b><u>Qualification:</u></b></p> <p>Bsc. Business Administration (HR Option)</p> <p><b><u>Responsibility</u></b></p> <p><b>Human Resource Manager</b></p>

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

<p>5. Eng. James Ogweno</p> 	<p><b><u>Qualification:</u></b>          BSc. Water Engineering,</p> <p><b><u>Responsibility:</u></b>          Technical Manager</p>
<p>6. Zeddy Omondi</p> 	<p><b><u>Qualification:</u></b>          BBM(Finance &amp; Banking)          CPA(K)          Member of ICPAK          MBA Ongoing</p> <p><b><u>Responsibility:</u></b>          Finance Manager</p>
<p>7. Pamela Olotch</p> 	<p><b><u>Qualifications:</u></b>          Bachelor of Arts Degree (Economics) (BA Econ),          Bachelor of Laws Degree (LLB),          Certified Public Secretary (CPS) (K)</p> <p><b><u>Responsibility</u></b>          Company Secretary</p>

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**5. Chairman's Statement**

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of Homa Bay Water and Sanitation Company (HOMAWASCO) for the year ended 30th June 2025.

Despite a challenging operating environment marked by climate variability, rising costs, and growing demand for services, the Company made steady progress in expanding access to safe water and sanitation. Key achievements during the year included network rehabilitation and extension, improved non-revenue water control, enhanced revenue collection, and investments in sanitation programs.

The Board continued to provide strategic oversight to ensure compliance with regulatory requirements, strengthen governance, and safeguard resources. We remain committed to efficiency, accountability, and sustainable service delivery.

Looking ahead, the Company will focus on infrastructure development, adoption of technology, strategic partnerships, and environmental sustainability to meet the increasing needs of our customers and stakeholders.

On behalf of the Board, I wish to express appreciation to our customers, the County Government of Homa Bay, WASREB, development partners, management, and staff for their continued support and dedication.

Thank You All.



.....  
**Chairman – Board of Directors**

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**6. Report of the Managing Director**

I am pleased to report that in the year ended 30th June 2025, HOMA WASCO recorded significant progress in service delivery and financial performance. Own-source revenue grew through improved billing and collection, while Non-Revenue Water reduced due to effective metering and leakage control.

Our efforts earned the Company a good ranking by WASREB and national recognition for exemplary performance during Madaraka Day celebrations, which further led to my nomination for a leadership training program in China.

Looking ahead, we will focus on infrastructure development, technology adoption, and partnerships to sustain growth and improve customer service. I thank our customers, the County Government of Homa Bay, WASREB, partners, the Board, and staff for their continued support.

I am pleased to present the operational and financial performance of Homa Bay Water and Sanitation Company (HOMA WASCO) for the year ended 30th June 2025.

The year under review was marked by notable progress in both service delivery and financial sustainability. The Company achieved increased own-source revenue through enhanced billing, improved collection strategies, and prudent cost management. This enabled us to meet operational obligations while continuing to expand access to clean and safe water for our customers.

Our commitment to efficiency bore fruit with a significant reduction in Non-Revenue Water (NRW), driven by improved metering, active leakage control, and customer engagement. These efforts not only enhanced service reliability but also strengthened our financial base.

HOMA WASCO's performance was recognized nationally, with the Company earning a good ranking by the Water Services Regulatory Board (WASREB). During Madaraka Day celebrations, we were further honoured for exemplary performance, a recognition that culminated in my selection to attend a high-level management and leadership training program in China — a testament to the confidence placed in our Company's leadership and direction.

Looking ahead, HOMA WASCO will build on these successes by deepening investments in infrastructure, leveraging technology for operational efficiency, and forging partnerships to support long-term sustainability. We remain steadfast in our mission to deliver reliable water and sanitation services that uplift the lives of our people and contribute to the socio-economic growth of Homa Bay County.

I extend my heartfelt appreciation to our customers, the County Government of Homa Bay, WASREB, development partners, the Board of Directors, and our dedicated staff for their unwavering support and contribution to our success.



.....

**Thomas Nyonje**  
**Managing Director**

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**7. Statement of Performance Against Predetermined Objectives for the FY 2024/2025**

HOMAWASCO had FIVE strategic themes and objectives within the Strategic Plan for the Year 2023-2025.

These strategic themes were as follows:

Theme 1: Improvement of water and sewerage infrastructure development

Theme 2: Improve Operation Efficiency

Theme 3: Attain financial Sustainability

Theme 4: Improve employee productivity

Theme 5: Improve customer experience/satisfaction

Theme 6: Enhance corporate governance

HOMAWASCO develops its annual work plans based on the above six themes. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Company achieved its performance targets set for the FY 2024/2025 period for its five strategic themes, as indicated below:

**Strategic Theme 1: Improvement of water and sewerage infrastructure development**

- a) Objectives: Increase water coverage and access from 47% to 79% by 2028
- b) Increase sanitation coverage from 21% to 70% by 2028

Activities

- i) Rehabilitation of existing boreholes.
- ii) Construction of new treatment plants complete with storage
- iii) Construction of additional storage tanks
- iv) Construction of new boreholes
- v) Replacement of existing 73km pipelines
- vi) Construct new lagoon at Got Asego treatment plant
- vii) Extend 15 Km of Sewerage network
- viii) Rehabilitate existing kiosks 35 in number
- ix) Increase household connections
- x) Construction of new ablution blocks in makongeni and Mbita
- xi) Construction of new decentralised treatment facilities in Oyugis, Ndhiwa and Kendu bay
- xii) Construction of condominium sewer and communal septic tanks in Homa Bay and Oyugis

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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- xiii) Relocation of existing sewer treatment plant in Homa Bay to Nyalkinyi area
- xiv) Rehabilitation of existing sewer network by 13kms in Homa Bay
- xv) Acquire on new exhauster

Key performance Indicators:

- 1) Completed and commissioned water supply schemes
- 2) No of facilities rehabilitated
- 3) Rehabilitated boreholes & schemes
- 4) No of Borehole developed
- 5) Km of Sewerage pipeline Extended
- 6) Completed sewer designs, Approvals and funding proposal and commissioned facilities
- 7) Number of connections

**Strategic Theme 2: Improve Operation Efficiency**

Objectives:

- a) Reduce Non-Revenue Water (NRW) from 46% to 25% by 2028
- b) Improving on water and waste water quality compliance from 93% to 100%

Activities:

- a) Carry out 100% mapping
- b) Purchase and installation of DMA meters
- c) Replace all unserviceable faulty meters/establish meter test benches
- d) Rehabilitated 60% of dilapidated pipeline
- e) Procure leak detectors
- f) Stock pile chemicals
- g) Recruit and capacity build plant/ NRW officers and sewer staff
- h) Develop and implement NRW policy
- i) Conduct and report water and waste analysis

Key performance Indicators:

1. Conduct an energy audit in all operations, plants and process to identify energy saving opportunities
2. Install & operationalize solar water pumping system in boreholes
3. Existence of NRW policy
4. Reduced NRW
5. Increased production

**Strategic Theme 3: attain financial Stability**

Objectives:

**Homa Bay County Water and Sanitation Company Ltd**

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

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- a) Improve O&M Cost coverage from 71% to 150% by the year 2027
- b) Improve revenue collection efficiency from 93% to over 120% by 2027
- c) Improve Billing efficiency from 80% to 100% by 2027
- d) Reduce overdue accounts receivables by 50% annually
- e) Maximization of staff roles in resource mobilization from 1.9% to over 25%
- f) Ensure sound financial management and compliance

Key activities:

1. Develop and seek approvals of a new tariff structure from WASREB
2. Roll out and fully implement reviewed tariff structure
3. Connect and meter 2,500 new connections annually
4. Develop and implement a cost control strategy.
5. Reduce energy costs by using solar, installing energy efficient motors
6. Increase sanitation revenues from 12.5M to 20M
7. Develop and operationalize debt collection policy, negotiate repayments, training the officers
8. Activation of GIS on ERP, training staff on ERP
9. Install prepaid meters
10. Increase resource mobilization staff, train them and establish systems
11. Review and implement financial policy
12. Establish e-procurement

Key performance Indicators:

1. New tariff structure put in place
2. Number of new connection targets achieved
3. Sales revenue targets achieved
4. Reduced debts
5. Trained and equipped staff
6. Existence of DMA's
7. Increased connections

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**Strategic Theme 4: Improve employee productivity and satisfaction**

Objectives:

- a) Improve employee satisfaction

Activities:

1. Set up annual performance targets and carrying out reviews
2. Develop and implement reward/sanction policy
3. Carry out regular review of salaries
4. Review organogram structure to align with succession planning, initiate online learning, initiate and operationalize leadership development program and support learning culture
5. Carry out skill gap exercise, identify in hours workshops, send staff on benchmarking trainings and identify shadow position leaders
6. Develop/review HR policy, develop gender mainstreaming police, develop and implement Health and Occupation safety policy, carry out staff satisfaction policy
7. Develop and implement a change management policy, all staff to sign code of conduct

Key performance Indicators:

1. Gender mainstreaming policy developed
2. Sensitization Done throughout the company
3. Training needs analysis Done and implemented
4. Management and staff trained
5. Presence of performance management system in the company

**Strategic theme 5: improve Customer satisfaction**

Objective: To increase customer satisfaction level from 74% to 85% by 2027

Activities:

- a) Automate customer relations software
- b) Review the current customer service charter
- c) Plan and implement customer clinics
- d) Carry out customer surveys
- e) Develop customer complaint response time to less than 1 hour
- f) Identify the staff to man the customer care section,
- g) Carry out customer identification survey, update billing system

Key performance Indicators:

The review of the charter to be done after upon disbursement of the funds

1. Customer survey report available
2. Customer Complaints report and response

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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3. Functional customer service section
4. Improved ranking from the WASREB impact reports

**Strategic theme 6: Enhance corporate governance**

Objective:

- a) Development and approval of policies
- b) Compliance with laws and regulations
- c) Stakeholder management
- d) Risk management
- e) Operationalization of the board
- f) Core values implementation

Activities:

1. Formulate and operationalize procurement policy, ICT policy, resource mobilization policy, gender mainstreaming policy, water safety policy, risk management policy, M&E policy, waste water policy and reviewing HR, Finance, Audit and O&M policy
2. Ensure statutory deductions are remitted and negotiating on repayment plans for other levies
3. Sign collaboration MOU's with key stakeholders, initiate review resource mobilization strategies, initiate consultative and negotiations meetings with WASREB and LVSWWDA
4. Comply with remittance of levies, PAYE
5. Carry out company corporate rebranding, recruit Heads of departments, provide office space and equipment.
6. Approve the establishment of risk officer functions, review of internal audit plan, review and approve audit plan

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**8. Corporate Governance Statement**

**a. Board Meetings and Attendance**

During the year 2024/25, the Board had a total of twenty sittings. These comprised of seventeen committee sittings, three full board meetings. During these sessions all board members were in attendance.

**Succession Plan**

There is a plan where if the sitting chairperson leaves, members can choose another among themselves to replace the person. There are also rotations of terms of the board members where one must retire every cycle.

**b. Board Charter**

Currently there is an approved board charter.

**Recruitment and Removal Process**

Upon the retirement of a director, the position shall be advertised as per the WASREB guidelines on either of the following or both local notice boards HOMAWASCO offices, Water departments, County Government offices, Daily newspaper or standard newspaper for at least 14 days. HOMAWASCO (Water Company) will receive applications letters from the candidates and send to the CECM in charge of Water as the shareholder who will appoint a select committee of three persons representing different groups to interview applicants for the vacant position. HOMAWASCO MD-Performs the secretariat duties during the interview. The report containing the results and Select Committee recommendation is therefore submitted to the CECM in Charge of Water for approval, after which the person selected, will be presented to the AGM for ratification. This must be captured in the AGM minutes.

**Roles and Functions**

Functions of HOMAWASCO Board of Directors are:

- Develop the Company's approach to, and disclosure of, corporate governance practices and oversee the development by the governance, ethics and its compensation.
- Ensure that strategic planning process is in place and approved, at least on an annual basis, a strategic plan which may take into account, among other things, the longer term opportunities and risks of the business;
- Approve the Company's annual operating and capital budgets;
- Review operating and financial performance results in relation to the Company's strategic plan and budgets.
- Approve all significant decisions outside of the ordinary course of the Company business, including major financings, acquisitions, and dispositions or material departures from the strategic plan or budgets;

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

- Review the disclosure in the Company public disclosure documents relating to corporate governance practices and conduct a periodic review of the relationship between management and the Board, particularly in a view to ensure effective communication and the provision of information to directors in a timely manner;
- Approve all the Company's policies and other management systems

c. Induction and Training

Corporate induction is always done at the initial stage for all newly appointed Directors. There was induction and training for the board members during the financial year. There is always a budget for Directors trainings, but due to financial constraints, it was not done during the financial year under review.

d. Conflict of Interest

It's always the practice to declare conflict of interest before proceedings where a director has an interest. No cases of conflict of interest were shown during the year 2024/2025.

e. Board remuneration

It is always pegged on WASREB regulation which states that it should not surpass 5% of turnover or Ksh.4,000,000 whichever is lower. This has always been observed by management.

f. Ethics and Governance audit

No Governance audit was carried out during the said period.

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**9. Management Discussion and Analysis Performance Overview**

**1.0 Introduction**

The management of HOMA WASCO hereby presents to the shareholders and stakeholders report and statements on the financial performance of the company for the financial year ended 30<sup>th</sup> June 2025. The year came with many challenges emanating from the change of government due to election affecting our businesses as a company. Financially the spillover effect of pandemic liquidity challenge is yet to disappear fully though things are starting to appear good for normal operation. As a result of this, the company may not achieve most of its desired goals by the end of the year. The cash flow still remains a challenge hindering a lot of progress which is at a slower but steady pace. By commissioning one production plant mid this year, there is hope that volumes will change a little bit higher before the end of the financial period.

**1.1 Revenues**

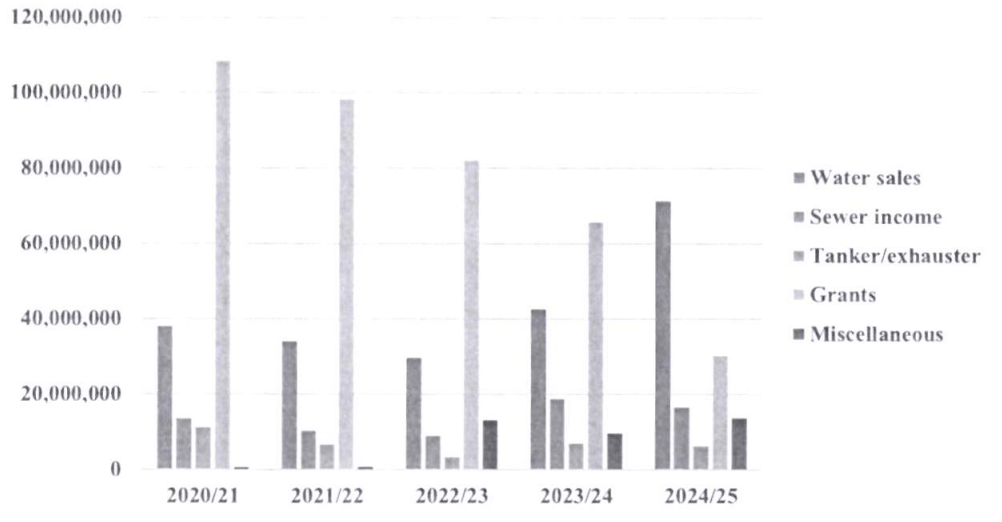
The company achieved a turnover of **Ksh.137.9million** against a budget of **Kshs.179.1million** representing **77%** performance, with a total expenditure of Ksh. **131.6million** against a budget of **Ksh.170.6M** making a surplus before tax of **Kshs.6.2million**.

The company had an average collection efficiency of **88%** against the Water Sector benchmark of >95% as per the WASREB impact report 17 of 2025. The company recorded an average of 40.27% Non-Revenue Water level against a sector benchmark of <25%. Metering ratio was at **100%** against a sector benchmark of 100% metering. The 100% metering refers to active connections only as per the WASREM Impact report 17 of 2025

The major impediments on the achievement of the budget were non-achievement of production target due to inadequate production capacity within the plants. The revenue from Donor grants also fell short of the target during the year by 61% leading to reduced expenditure in project activities.

<b>FY</b>	<b>Water sales</b>	<b>Sewer income</b>	<b>Tanker/exhauster</b>	<b>Grants</b>	<b>Miscellaneous</b>
<b>2024/25</b>	71,266,271	16,502,055	6,214,902	30,176,264	13,738,892
<b>2023/24</b>	42,548,290	18,692,872	6,895,959	65,793,220	9,694,770
<b>2022/23</b>	29,524,085	9,049,662	3,388,241	82,117,679	13,156,634
<b>2021/22</b>	33,967,473	10,314,738	6,644,500	98,309,463	780,665
<b>2020/21</b>	37,936,649	13,612,061	11,144,501	108,323,312	740,277

**Homa Bay County Water and Sanitation Company Ltd**  
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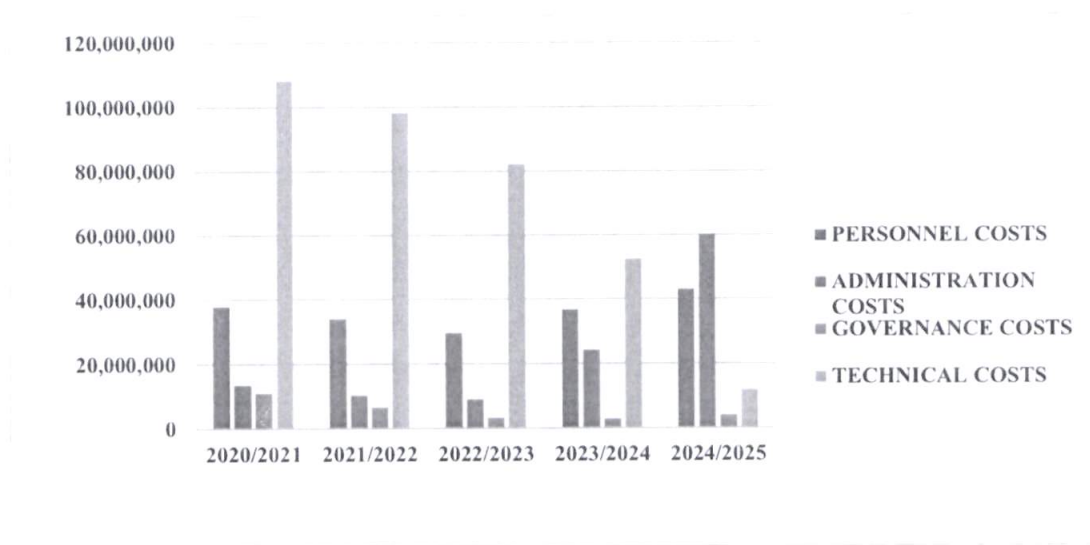


**1.2 Expenditures**

The company incurred total operational expenditures of **KShs. 131.6million** against a budget of KShs. **170.6million**. These amounts included Grants from County and National government for both operational and capital activities. The cost recovery rate of the company stood at 71% against a sector benchmark of >100%. This is due to the suppressed sales as explained above as per the WASREB impact report 17 of 2025

FY	PERSONNEL COSTS	ADMINISTRATION COSTS	GOVERNANCE COSTS	TECHNICAL COSTS
2024/2025	42,978,090	60,160,984	4,067,180	11,957,588
2023/2024	36,862,433	24,283,499	2,945,852	52,612,944
2022/2023	29,524,085	9,049,662	3,388,241	82,117,679
2021/2022	33,967,473	10,314,738	6,644,500	98,309,463
2020/2021	37,936,649	13,612,061	11,144,501	108,323,312

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**1.3 Compliance with Regulatory Requirements**

The company has always strived to pay all statutory obligations as and when they fall due. These levies and fees are payable to WASREB, WASPA and WRA levies. There has been a cash flow challenge crippling this commitment over the past and presently. Amounts owed to these bodies as at 30 June 2025 were as follows:

<u>FY</u>	<u>WASREB</u>	<u>WARMA</u>	<u>LYSWWDA</u>	<u>WASPA</u>
2024/2025	12,105,140	3,789,033	23,564,599	1,641,000
2023/2024	8,269,702.18	3,513,971.35	24,411,441	660,000
2022/2023	6,716,622	1,813,521	24,411,441	530,000

**1.4 RISKS**

The company faces several risks that might impede the achievement of its objectives. The major risks identified are:-

- ▶ Credit risk resulting from debtors not paying all their bills as and when they fall due
- ▶ Delay in electricity bills settlement by the County Government
- ▶ Insecurity caused by Political activities
- ▶ Water pollution at water sources E.g. Rivers and lake
- ▶ Water theft and illegal connections

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- ▶ Inadequate of funding for pipeline expansion
- ▶ Inability to source for funds from the market to finance capital investment
- ▶ Water loss due to persistent bursts and leakages from old and dilapidated pipelines

**1.5 Developments**

As was stated here last financial year the major projects at Oyugis and Kendu Bay have started operation. Production on the newly build water plants in Oyugis and Kendu Bay is 5,800m<sup>3</sup>. This will bring our total water available for the residents of Homa Bay to 33,200 cubic of water per day. New boreholes such as Rodi, Majiwa, Oluodo, Adongo, and Wiamen are already operational with encouraging growth in new customer registration.

**10. Environmental and Sustainability Reporting**

**i. Sustainability strategy and profile -**

The Global Sustainable Development Goal (SDG 6) was meant to ensure access to clean, reliable and affordable water and sanitation for all by the year 2030. This reflection was tasked on Nations to invest on water and sanitation infrastructure improvement to a sustainable level by 2030. While substantial progress has been made in increasing access to clean drinking water and sanitation, billions of people—mostly in rural areas—still lack these basic services. Worldwide, one in three people do not have access to safe drinking water, two out of five people do not have a basic hand-washing facility with soap and water, and more than 673 million people still practice open defecation. Locally this has been attributed to by factors such as:

1. Lack of coherent policies and Strategies at the county levels
2. Weak coordination between Counties and WSPs
3. Poor service standards at the County level
4. Lack of proper Planning and monitoring tools
5. Weak Financial policies and practices
6. Inadequate Financing to the sector
7. Poor human management practices in hiring, training, weak gender parity
8. Lack of effective information and control systems, integrity and transparency
9. Inadequate and in effective stakeholder engagements with the WSPs

At the company level in collaboration with the County Government, HOMA WASCO has put in place several measures to grapple with these inadequacies though not fully. Some of the measures already taken are:

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- a) Developed management policies relating to Finance, HR, Technical, Gender and strategic plan within which the company's activities are run on a day-to-day basis, monitored quarterly and annually.
- b) The county Government of Homa Bay through the parent ministry has established a Governance interaction platform where all the stakeholders (WASREB, WSTF, LVSWWDA, NGOs, WASPA) share, discuss and agree on pertinent action points towards improving the water and sanitation stewardship and service delivery.
- The forum carries out bottleneck analysis on performance to identify challenges underlying county specific challenges and develop action plan.
  - Build capacity of County Management and CMT members including planning, monitoring and review as contained in the PFM act 2021 and water service regulation 2021.
  - The secretariat will help perform bottleneck analysis to identify challenges affecting utility financing and develop action plan that will improve sustainability in terms of quality of service (improve water and sanitation coverage and service area), economic efficiency (increase Operation Cost Recovery and collection efficiency), and operation sustainability (reduce Non-Revenue and increase metering ratio).
  - The company through UNICEF developed a gender policy document that is already being implemented. The secretariat will help the utility strengthen gender parity strategies within the company and staff capacity.
  - In the near future the utility will be guided by the secretariat to ensure budgets and expenditures are uploaded in the website and presented to a wider sector stakeholder to boost transparency through such collaboration, HOMA WASCO is moving towards achieving one of its key goal of providing water to customers sustainably in the next three years.

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**ii. Environmental performance**

In the water treatment process, Aluminium Sulphate is used, which produces Aluminium Hydroxide flocculants/sludge a by-product. In the AfDB-funded CRVWWDA/LVSWWDA -executed projects of Oyugis and Kendu Bay will have sludge drying beds and treatment for safe release to the environment. This also applies to the Belgian Homa Bay Cluster Project/CMI. Our sewerage system also discharges waste water to the lake (Victoria). All mechanisms have been taken to ensure safety of the discharge to the lake. Regular laboratory checks are done on a daily basis to observe accepted limits of waste content applying WHO standards, and NEMA approved parameters. The same tests are done quarterly at the Government laboratory for safety standard and satisfied.

**iii. Employee welfare**

The company carries out competitive recruitment process every time employees' hiring is done. This is managed within a well-documented HR policy which guides the entire process. In most of the departments like finance, HR, Audit the gender balance has been practiced fully. In other departments not mentioned, there is a strategy to fill this gap in the long run though currently it stands at 60 % balance. The entire organisation is at 50% gender balance in staffing. For the last five years, the company has engaged staff both senior, middle and lower cadres to short and long term trainings. Five of senior staff have been trained outside the country on Leadership skills, while majority of low and medium cadre staff have been seconded to KEWI, KASNEB, and Local Universities among others to develop their carriers while in employment. This has significantly boosted the morale and productivity of staff in the entire organisation with several achievements.

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**11. Report of the Directors**

The Directors submitted their report together with the audited financial statements for the year ended 30 June 2025, which show the state of HOMA WASCO'S affairs.

**Principal Activities**

The principal activity of the Company is that of provision of water and sanitation services within Homa Bay County

**Results**

The results of the entity for the year ended 30 June 2025 are set out on pages 1-6

**Directors**

The members of the Board of Directors who served during the year are shown on pages VI-IX In accordance with Regulation of the Company's Articles of Association.

**Auditors**

The Office of the Auditor General is responsible for the statutory audit of the Company in accordance with the Public Audit Act 2015, and sections 14 and 15 of the Public Finance Management (PFM) Act, 2012, which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

**Dividends**

The directors do not propose any dividend for the year.

By Order of the Board



Board Chairman  
Homa Bay County Water & Sanitation Co. Ltd

Date: 13/10/2025

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**12. Statement of Directors' Responsibilities**

Section 81 of the Public Finance Management Act, 2012; - require the Directors to prepare financial statements in respect of the company, which give a true and fair view of the state of affairs of the company at the end of the financial year 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's* financial statements, which give a true and fair view of the state of affairs of the *company* for and as at the end of the financial year ended on June 30, 2025. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) safeguarding the assets of the *company*;
- (v) selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the *Company's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act, 2012. The Directors are of the opinion that the *company's* financial statements give a true and fair view of the state of *company's* transactions during the financial year ended June 30, 2025, and of the *Company's* financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the company, which have been relied upon in the preparation of the *company's* financial statements as well as the adequacy of the systems of internal financial control.

**Approval of the financial statements**

The *company's* financial statements were approved by the Board on 13/10/ 2025 and signed on its behalf by:



Board Chairman  
CPA Joseph Ochanda



Managing Director  
Tom Nyonje

# REPUBLIC OF KENYA

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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON HOMA BAY COUNTY WATER AND SANITATION COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

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

- A. Report on the 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 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, the risk management environment and the 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 for Homa Bay County Water and Sanitation Company Limited set out on pages 1 to 41, which comprise of the statement

of financial position as at 30 June, 2025, and the statement of profit or loss and other comprehensive Income, statement of cash flows, statement of changes in equity and statement of comparison of budget and actual amounts for the year then ended and notes to significant changes in financial and accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respect, the financial position of Homa Bay County Water and Sanitation Company Limited as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Value Added Tax Receivable**

The statement of financial position reflects trade and other receivable balance of Kshs.119,927,431 as disclosed in Note 13 to the financial statements. Included in the balance is Value Added Tax (VAT) receivable from KRA of Kshs.3,302,079. This amount has been carried forward from the previous year but was not supported with any records.

In circumstances, the accuracy and completeness of the VAT balance of Kshs.3,302,079 could not be confirmed.

#### **2. Material Uncertainty Related to Going Concern**

The statement of financial position reflects retained earning deficit of Kshs.27,231,677 and deficit of Kshs.42,869,710 from previous year. Whereas, the narrowing of the deficit indicates progress, the persistent deficit highlights an unsustainable equity position. This limits the Company's ability to finance operations, invest in infrastructure and meet its financial obligations.

In circumstances, the Company continued existence as a going concern is dependent upon its creditors and the County Government of Homa Bay.

#### **3. Unsupported of Non-Current Liabilities**

The statement of financial position reflects non-current liabilities balance of Kshs.253,470,729 and as disclosed in Note 18 of the financial statements. Included in this balance are statutory deductions and other social benefits of Kshs.31,086,385 which were not supported by invoices and have been outstanding for more than two (2) years. Further, the aging analysis was not provided for review. In addition, the management did not provide satisfactory explanation for failure to pay the levies.

In circumstances, the accuracy and completeness balance of Kshs.31,086,385 could not be confirmed.

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

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis amount of Kshs.179,159,476 and Kshs.137,898,384 respectively resulting in an underfunding of Kshs.41,261,092 or 23% of the budget. Similarly, the company expenditure amounted to Kshs.120,329,258 against the realized revenue of Kshs.137,898,394, resulting in an under-utilization of Kshs.17,569,126 or 13% of the actual revenue.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

### **Unresolved Prior Year Matters**

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in the Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Company in 2024/2025 revealed matters detailed in **Appendix 1** which remained unresolved:

## **Other Information**

The Management is responsible for the Other Information set out on pages iv to xxx which comprises, which comprises the Chairperson's Statement, Report of the Managing Director, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis Performance Overview, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors' Responsibilities. The Other Information does not include the financial statements and my auditor's 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 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. Non-Compliance with the Law on Staff Composition**

Analysis of employee bio data records revealed that 90% of the staff of the Homa Bay County Water and Sewerage Company are from one community. This was contrary to the provisions of section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which provides that not more than one-third of employees should form one ethnic community.

In circumstances, Management was in breach of the law.

#### **2. Non-Compliance with the Law on the Two-Thirds Gender Rule**

Analysis of Homa Bay County Water and Sanitation Company staff bio data for the year under review revealed that the gender mix of 78% male staff and 22% female staff contrary to the Article 27(8) of the constitution of Kenya 2010.

In circumstances, Management was in breach of the law.

### **3. Staff in Acting Positions**

Review of employment records revealed that three (3) staff in Management positions have been in acting capacity for more than six (6) months. This is contrary Section 34(3) of the Public Service Commission Act, 2017 which prohibits staff from working in acting capacity for more than six (6) months.

In circumstances, Management was in breach of the law.

### **4. Outstanding Salary Arrears and Statutory Deductions**

The statement of financial position reflects a non-current liabilities balance of Kshs.253,470,729 as disclosed in Note 18 to the financial statement, out of which Kshs.28,998,720 relates to statutory and outstanding employee payables. Included in this balance is Kshs.14,487,725 relating to salary arrears. Management cited liquidity issues for this anomaly, contrary to Section 18 (1) of the Employment Act, 2007.

Further, the balance includes NHIF deductions of Kshs.6,350,967 and NSSF deduction of Kshs.14,619,934 that had not been remitted contrary to Section 19 (4) of Employment Act 2007.

In circumstances, Management was in breach of the law.

### **5. Long Outstanding of Trade Payables**

The statement of financial position reflects trade and other payables balance of Kshs.62,551,539 as disclosed in Note 19 to the financial statements. Included in the balance is an amount of Kshs.31,061,200 that have been out-standing for more than three (3) years. Management could not provide explanation on the plans in place to pay the bills. This was contrary to regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015, which requires debt service payments to be a first charge on the County Revenue Fund and the accounting officer shall ensure this is done to the extent possible that the County Government does not default on debt obligations.

Further, the balance includes tax liabilities of Kshs.7,622,252 that have not been remitted to Kenya Revenue Authority. Further, audit review revealed that this amount has been outstanding for more than three (3) years. Contrary to Section 19(4) of Employment Act, 2007. This may result to the company incurring fines that could be avoided.

In circumstances, Management was in breach of the law.

### **6. Non-Compliance with the Law on Wage Bill**

The statement of profit or loss and other comprehensive reflects staff costs of Kshs.42,978,090 as disclosed Note 4 to the financial statements. When compared to own

generated revenue of Kshs.93,983,228 the wage bill constitutes 45% of the total revenue. This was contrary to Paragraph 3.9(9) of Corporate Governance Standards for the Water Services Sector, 2024 which require remuneration of staff to the total expenditure for each financial year must not exceed the benchmarks set for the services sector which required large companies to comply with 35%.

In 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 are in compliance, 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, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### Basis for Conclusion

#### 1. Non-Revenue Water

The statement of profit or loss and other comprehensive income reflects operating revenue of Kshs.93,983,228 out of which an amount of Kshs.71,266,271 was attributed to water sales income as disclosed in Note 1 to the financial statements. Water production reports indicated that the Company produced 1,369,950 cubic meters of water out of which, only 818,306 cubic meters or 60% were billed leaving out the balance of 551,644 cubic meters or approximately 40% of the production as unaccounted for water (UFW). The abnormal water loss of 15% (actual loss of 40% is more than 25% allowable loss) might have resulted in lost water sale of 342,488 cubic meters.

The large ration of the non-revenue water is an indicator that the Company's water distribution system was inefficient during the year under review.

#### 2. Outstanding Suspense Account

The statement of profit or loss and other comprehensive income reflects a total revenue of Kshs.137,898,384 of which Kshs.5,289,342 relates to unidentified and suspense

amounts as disclosed in Note 3 to the financial statements. The audit established that these amounts related to water bill payments by customers that could not be attributed to specific accounts. However, there was no evidence of managements effort to follow up on who paid and what amounts was relating to which bill or account. Management has since utilized these unidentified or unclassified funds without rights.

In circumstances, the effectiveness of water bills payment controls could not be confirmed.

### **3. Use of Customer Deposits**

The statement of financial position and Note 20 reflect refundable customer deposits amounting to Kshs.15,238,996. An audit review of the customer deposit schedule indicated that during the year under review, the Company received deposits totalling Kshs.3,482,500. However, the customer deposit account held by the Company reflected a balance of Kshs.497,109 as at the close of the year, resulting in an unexplained variance of Kshs.2,985,391. Further, a comparison between the balance of Kshs.497,109 held in the bank account and the Kshs.15,238,996 reported in the financial statements as refundable deposits revealed an unexplained variance of Kshs.14,741,887. These discrepancies are indications that customer deposits were applied in financing the Company's operations. In addition, management did not provide a clear strategy on how the used customer deposits would be reimbursed, creating uncertainty as to whether the Company will be in a position to refund customers when the deposits fall due.

In the circumstances, the effectiveness of the controls on customer deposits could not be confirmed.

### **4. Increase in Trade and Other Receivables**

The statement of financial position reflects the trade and other receivables balance of Kshs.119, 927,431 as disclose in Note 13 to the financial statements. The gross trade and other receivables increased from a balance of Kshs.89,444,007 the previous year to a balance of Kshs.125,611,480 for year under review, an increase of 40%. Management did not give explanation of this increase in trade and other receivables and there were no mechanisms put in place to reduce this amount.

In circumstances, existence of effective debt management measurers could not be confirmed.

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### **Conclusion**

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

- i. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. The information given in the Directors' report on pages 3 to 20 is consistent with the financial statements; and
- iii. The auditable part of the Directors' remuneration report on page 41 has been properly prepared in accordance with the Companies Act, 2015.

### **Basis for Conclusion**

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

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

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

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

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

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

The Board of Directors is responsible for overseeing the Company's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and

systems are in place to address key roles and responsibilities in relation to governance and risk management and ensuring the adequacy and effectiveness of the control environment.

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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



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

**Nairobi**

**03 November, 2025**

## APPENDICES

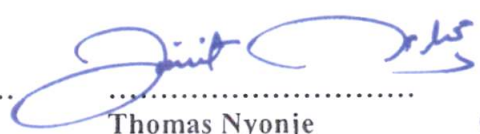
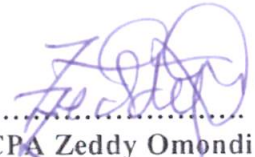
### Appendix 1: Unresolved Prior Year Matters

S/No.	Financial Year	Audit Issue
1	2023/2024	Unconfirmed Property, Plant and Equipment Balance
2	2023/2024	Material Uncertainty Relating to Going Concern
3	2023/2024	Variance in and Irregular Use of Refundable Deposits
4	2023/2024	Budgetary Control and Performance
5	2023/2024	Trade and Other Receivables
6	2023/2024	Unsustainable Wage Bill
7	2023/2024	Late Submission of Financial Statements
8	2023/2024	Non-Compliance with ethnicity Diversity in Staffing
9	2023/2024	Stalled Construction of Ndhiwa Ablution Block
10	2023/2024	Destruction of Water Supply Lines
11	2023/2024	Non-Remittance of Statutory Deductions
12	2023/2024	Delayed Payment of Employee Salaries and Gratuity
13	2023/2024	Non-Revenue Water
14	2023/2024	Duplicated Meter Numbers for Different Customer Accounts
15	2023/2024	Unmetered and Non-Performing Connections
16	2023/2024	Weaknesses in Cash and Bank Management

**Homa Bay County Water & Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**14. Statement of Profit or Loss & Other Comprehensive Income for the year ended 30 June, 2025**

Description	Notes	2024/25	2023/24
<b>Revenue</b>			
Operating Revenue	1	93,983,228	68,137,121
Grants	2	30,176,264	60,243,220
Miscellaneous Income	3	13,738,892	15,244,770
<b>Total Revenue</b>		<b>137,898,384</b>	<b>143,625,111</b>
<b>EXPENSES</b>			
Staff Costs	4	42,978,090	36,862,433
General and Operations Expenses	5	60,160,984	51,198,663
Board Expenses	6	4,067,180	2,945,852
Maintenance	7	11,957,588	21,408,790
Depreciation and Amortization	8	11,367,885	22,331,478
Project Costs	7a	901,070	4,288,990
Finance Costs	9	264,344	367,164
<b>Total Expenses</b>		<b>131,697,141</b>	<b>139,403,370</b>
<b>Profit/(Loss)</b>		<b>6,201,243</b>	<b>4,221,741</b>

		
.....	.....	.....
Joseph Ochanda ICPAK No:21322 Board Chairman	Thomas Nyonje Managing Director	CPA Zeddy Omondi ICPAK No: 28722 Finance Manager

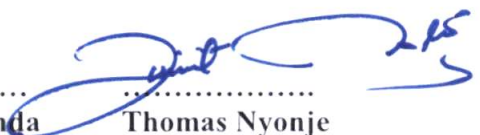
**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

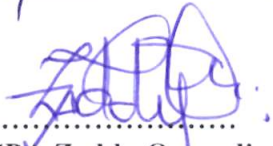
**15. Statement of Financial Position as At 30 June, 2025**

Description	Notes	2024/25	2023/24
<b>ASSETS</b>		<b>KSH</b>	<b>KSH</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	10	199,624,551	210,654,674
Intangible Assets	11		
<b>Total Non-Current Assets</b>		<b>199,624,551</b>	<b>210,955,311</b>
<b>Current Assets</b>			
Inventories	12	16,320,974	15,626,124
Trade and Other Receivables	13	119,927,431	89,444,007
Bank & Cash Equivalent	14	1,585,649	84,659
<b>Total Current Assets</b>		<b>133,732,311</b>	<b>105,154,790</b>
<b>TOTAL ASSETS</b>		<b>337,458,605</b>	<b>316,110,101</b>
<b>EQUITY AND LIABILITIES</b>			
Capital and Reserves			
Ordinary Share Capital	15	2,831,702	2,831,702
Capital Reserves	16	37,724,252	37,724,252
Retained Earnings	17	(27,231,677)	(42,869,710)
<b>Total Capital and Reserves</b>		<b>13,324,277</b>	<b>(2,313,756)</b>
Non-Current Liabilities	18	253,470,729	
Current Liabilities			
Trade and Other Payables	19	55,424,603	128,023,160
Refundable deposits	20	15,238,996	11,746,496
Deferred Income			178,654,201
<b>Total Current Liabilities</b>		<b>70,663,599</b>	<b>318,423,857</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>337,458,605</b>	<b>316,110,101</b>

The financial statements were approved by the Board on 13/10/ 2025 and signed on its behalf by:

  
 .....  
 CPA Joseph Ochanda  
 ICPAK No:21322  
 Board Chairman

  
 .....  
 Thomas Nyonje  
 Managing Director

  
 .....  
 CPA Zeddy Omondi  
 ICPAK No: 28722  
 Finance Manager

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**16. Statement of Changes in Equity for the Year Ended 30<sup>th</sup> June 2025**

	Ordinary share/Initial capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital Reserves	Proposed dividends	Total
At July 1, 2023	2,831,702	-	-	(38,530,357)	37,724,252	-	2,025,597
Prior year adjustment	-	-	-	(8,551,092)		-	(8,551,092)
Total Profit & Loss	-	-	-	4,221,741		-	4,221,741
At June 30, 2024	2,831,702	-	-	(42,869,710)	37,724,252	-	(2,313,756)
At July 1, 2024	2,831,702	-	-	(42,869,710)	37,724,252	-	(2,313,756)
Prior year adjustment	-	-	-	(1,791,889)		-	
Total Profit & Loss	-	-	-	6,201,243		-	6,201,243
At June 30, 2025	2,831,702	-	-	(38,460,356)	37,724,252	-	2,095,598

**Homa Bay County Water & Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**17. Statement of Cash Flow for the Year Ended 30 June, 2025**

DESCRIPTION		2024/25	2023/24
	Notes	Kshs	Kshs
Receipts from operating income			
Operating revenue	1	58,827,008	55,810,160
Conditional Grants from Development Partners	2	30,176,264	60,243,220
Miscellaneous Receipts	3	13,738,892	15,244,770
Customer Deposit	19	3,482,500	3,113,765
<b>Total Receipts</b>		<b>106,224,664</b>	<b>134,411,915</b>
Payments For Operating Expenses			
Staff Costs	4	39,965,829	26,212,355
General and Operations Expenses	5	23,127,091	51,565,827
Board Costs	6	4,067,180	2,945,852
Maintenance Costs	7	36,398,155	21,408,790
Finance Costs	9	264,346	-
Project Costs	7	901,070	4,288,990
<b>Total Payments</b>		<b>104,723,671</b>	<b>106,421,814</b>
<b>Net Cash From/ (Used In) Operating Activities</b>		<b>1,500,993</b>	<b>27,990,101</b>
Cash flow From Investing Activities			
Purchase Of Property, Plant and Equipment (PPE)	10	0	- 28,287,007
<b>Net cash flows from Investing Activities</b>	<b>10</b>		<b>- 28,287,007</b>
Net Increase In Cash And Cash Equivalents		1,500,993	- 296,906
Cash and cash equivalents at BEGINNING of the year	14	84,656.00	381,565
Cash and cash equivalents at END of the year	14	1,585,649	84,659

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**18. Statement of Comparison of Budget & Actual for the Period Ended 30 June, 2025**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of Utilization
	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25
<b>Revenue</b>	Kshs	Kshs	Kshs	Kshs	Kshs	
Water Sales	82,733,021	-	82,733,021	71,266,271	11,466,750	86%
Sewerage Income	20,692,872	-	20,692,872	16,502,055	4,190,817	80%
Tanker/Exhauster Income	9,322,353	-	9,322,353	6,214,902	3,107,451	67%
Other Incomes	15,111,581	-	15,111,581	13,738,892	1,372,689	91%
Grants from Government	51,299,649	-	51,299,649	30,176,264	21,123,385	59%
<b>Total Revenue</b>	<b>179,159,476</b>	<b>-</b>	<b>179,159,476</b>	<b>137,898,384</b>	<b>41,261,092</b>	<b>77%</b>
					-	
<b>Expenses</b>					-	
Staff Costs	50,087,914	-	50,087,914	42,978,090	7,109,824	86%
General Costs	49,265,827	-	49,265,827	60,160,984	10,110,413	79%
Board Costs	5,000,000	-	5,000,000	4,067,180	932,820	81%
Maintenance Costs	50,500,000	-	50,500,000	11,957,588	6,168,959	88%
Project Costs	15,500,000	-	15,500,000	901,070	14,598,930	6%
Finance Costs	400,000	-	400,000	264,346	135,654	66%
Total Expenditure	<b>170,753,741</b>	<b>-</b>	<b>170,753,741</b>	<b>120,329,258</b>	<b>50,424,483</b>	<b>70%</b>
<b>Surplus for the period</b>	<b>8,405,735</b>	<b>-</b>	<b>8,405,735</b>	<b>17,569,126</b>	<b>(9,163,391)</b>	<b>209%</b>

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**Explanation of Variances**

**1. Water Sales**

During budgeting, it was anticipated that three new production plants in Oyugis, Kendu Bay and other rural schemes will be at full capacity production within the period 2024/25 but this didn't materialize due to damages on our pipelines by road contractors. The Production target which is the driver of all these other parameters was not achieved hence shortfall in annual revenue. Management is in discussion with authorities in charge of road constructions so that in future the infrastructure is not damaged and left unattended.

**2. Tanker/Exhauster Income**

Same as in (1) above, water and exhauster sales rely heavily on the stated factors to record targeted sales volumes. The exhauster trucks rely heavily on learning institutions, the intense competition from private trucks has also resulted into our revenue. The trucks are old and breakdowns have been on the rise affecting their smooth operations. This affected sales output in a big way hence the under-achievement of target.

**3. Grants from Government and Other Donors**

There was underperformance in this area due to inadequate resource mobilization strategies and financial constraint from the donor community. However, the company through the board has come up with Resource Mobilization Department to focus fully on the mobilization of funds.

**4. Project Costs**

Because of limited funding, most of the projects were to be differed to the future due to donor hesitant and cash flow challenges. This Gain Excludes the capital project cost spent on various investments as noted above.

**Conclusion**

The overall expenditure target was not fully absorbed as expected by 33% mostly due to constrained Revenue which also fell short of target by 33%. Management had to operate within the constrained revenue to avoid unnecessary huge losses. Another cause was pipeline damages caused majorly by construction of road network within our area of operation.. Infrastructural investment failed to materialise due to Less Donor funding which was the major source of financing for this area. The Grant budget under performed by 93% hindering investment plans which was meant to boost production. Without adequate investment in infrastructure, production remained constant hence the underperformance on revenue.

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**19. Notes to Significant Changes in Financial and Accounting Policies**

**1. General Information**

Homa Bay County Water & Sanitation Co. Ltd is public limited company registered under the company's act 2015, established by Water Act 2002 (repealed and replaced by water act 2016). The company derives its authority and accountability from Section 164 of the PFM act 2012. The entity is wholly owned by the County Government of Homa Bay and is domiciled in Kenya. The entity's principal activity is the provision of water and sanitation services within Homa Bay County.

**2. Basis Of Preparation & Statement Of Compliance**

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost basis of accounting and presented in the functional currency, Kenya Shillings (KShs) rounded to the nearest shilling. The preparation of financial statements in conformity with the IFRS requires 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 notes below.

**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.**

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

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

Title	Description	Effective Date
Liabilities with Covenants (issued in October 2022)	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.	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. Or the following has been assessed to be significant for the company and has been addressed as follows....)*

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

Title	Description	Effective Date
IFRS 18 Presentation and Disclosure in Financial statements	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	The new standard is effective for annual periods beginning on or after January 1, 2027. Earlier application is permitted.

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

**iii. Early adoption of standards**

Homa Bay County Water and Sanitation Company Ltd did not adopt any new or amended standards in year under review.

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**4. Going Concern**

The Company made a profit after tax of KShs 6,201,243 (2024: KShs 4,221,741) during the year which resulted in accumulated losses totalling KShs. (38,460,356) (2023: retained earnings of KShs. (42,869,710). The directors have not indicated any willingness to discontinue the operations of the company in the next twelve months since it is on the rising trajectory in terms of profitability.

**5. Summary Of Significant Accounting Policies**

The company is not intending to implement the standard at the moment. IAS 39 will still be applicable in the circumstances

**a) Earlier Adoption of Standards**

There is no intention to implement any standard in advance this financial year

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

**b) Revenue Recognition**

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

**i) Provision of Water & Sewerage services**

Revenue from provision of water & sewerage services is recognized when these services are delivered to customers & billed by the company.

However, the amounts are subjected to adjustments when errors are realized, in relation to meter readings and subsequent billings. Non-Revenue water is not recognized as income since it's not billed.

**ii) Grants**

Income from donors is recognized on cash basis. Grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

For example, a revenue grant is recognized as income over the years necessary to match the grant on a systematic basis to cost that it is intended to compensate.

Recurrent grants are recognized in the statement of comprehensive income. Development/ Capital grants are recognized in the statement of financial position as deferred income liability and realized in the statement of comprehensive income over the useful life of such assets as an amortized charge equivalent to the rate of depreciation applied on such assets.

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**b) In-Kind Donations**

In-kind donations are made to the company in the form of actual goods/services rather than in money or cash terms. These Donations include vehicles, equipment or personnel services. Where financial value received for in-kind contribution can be reliably determined, the company includes such value in the statement of comprehensive income if revenue in nature or in the balance sheet if Capital.

**c) Property, plant and equipment**

All categories of property, plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses. Costs include expenditure that is directly attributable to the acquisition of the items. The depreciation charge is effected on the year an asset is purchased using straight line method. Disposals of assets is charged on the year an asset is sold or transferred using the fair value method.

**d) The annual depreciation rates in use are:**

Building and civil works-Water Kiosks & buildings	4%
Plant Machinery and Equipment	12.5%
Motor vehicles, including motor cycles	25%
Generators	12.5%
Computers and related equipment	30%
Office furniture and fittings	12.5%
Master meters	12.5%
Computer Software	33.33%

**e) Capital Work-in-Progress**

Work –in-Progress is assessed based on the actual build up costs that are incurred in the course of project implementation. The project period must be longer than one financial period before completion for such process to be declared work in progress.

**f) Intangible assets**

Intangible assets comprise purchased computer software licenses, which are capitalized on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortized over the estimated useful life of the intangible assets from years that they are available for use, usually over three years.

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**g) Inventories**

Inventories are stated at the lower of costs and net realizable value. The costs of inventories comprise purchase price, import duties, transportation and handling charges, and is determined on the weighted average price method.

**h) Trade and other Receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. These are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on review of all outstanding amounts by the year end. Bad debts are written off after all efforts at recovery have been exhausted. The company did not provide for bad debts during the year since it has engaged an external entity to help in the debt recovery.

**i) Cash and Cash Equivalents**

Cash and Cash Equivalents comprises of cash in hand and cash at bank.

**j) Trade and other payable**

Trade and other payables are non-interest bearing and are amortized cost, which are measured at the fair values 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 payment made to the suppliers.

**k) Retirement benefit obligations**

The entity does not have defined contribution scheme for all employees since they are all on contract terms. The company only contributes to the Defined Benefits statutory scheme (National Social Security Fund NSSF). This is a defined Contribution scheme registered under the NSSF act.

**l) Provision for staff leave pay**

Employees' entitlements to annual leave are recognized as they accrue at the employees during the year Unpaid leave are forfeited every year.

**m) Comparative figures**

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

**n) Translation of foreign currencies**

On initial recognition, all transactions are recorded in the functional currency (the currency of the primary economic environment in which the company operates) which is Kenya Shillings.

"Transactions in foreign currencies during the year are converted into the functional currency using the market exchange rate prevailing at the transaction date".

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**Significant Judgments and Sources of Estimation Uncertainty**

In the process of applying the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets, and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key areas of judgment in applying the entities accounting policies are dealt with below:

**a) Critical judgements in applying accounting policies**

There are no critical judgments, apart from those involving estimations (see b below), that the directors have made in the process of applying the company's accounting policies and that the most significant effect on the amounts recognized in financial statements.

**b) Key sources of estimation uncertainty**

i) At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such loss exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

ii) Critical estimates are made by the directors in determining depreciation rates for property, plant, equipment and intangible equipment.

iii) The company is exposed to various contingent liabilities in the normal course of business including a number of legal cases. The directors evaluate the status of these exposures on a regular basis to assess the probability of the company incurring related liabilities. However, provisions are only made in the financial statements where, based on the directors' evaluation, a present obligation has been established.

The Company did not encounter any contingent liabilities in respect of legal claims arising in the ordinary course of business during the year.

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**iv). Provisions for Doubtful Debts**

Provisions are raised and management determines an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligations at the reporting date, and are discounted to present value where the effect is material.

**v) Prior year Adjustments**

An accounting policy is changed only if required by an IFRS, or if the change results in reliable and more relevant information. If none is specified, or if change is voluntary, the new accounting policy is applied retrospectively by restating prior year periods. If it is impracticable to determine period-specific effects for retrospective application, the new accounting policy is applied as of the beginning of the earliest period for which the retrospective application is practicable and cumulative adjustments are made to balances at the beginning of that period. In such a case the new accounting policy is applied prospectively from the start of the earliest period chosen as practicable when the entity cannot determine the cumulative effects of applying the policy to all prior periods.

**Note 8 Financial Risk Management**

The Company is exposed to a variety of normal financial risks and management continuously seeks to minimize potential adverse effects of these risks on its financial performance.

**a) Credit Risk Management**

Over 75% of receivables are recovered within 30 days and utilization of credit limits is regularly monitored.

**b) Liquidity Risk Management**

Liquidity is managed to ensure sufficient cash is available to meet the Company's obligations as they fall due. Cash forecasts are prepared monthly and all cash requirements are met from operational income.

	Over 5 months Kshs	Total Kshs
<b>At 30 June current year</b>		
Trade payables	62,551,539	62,551,539
Deferred income	178,654,201	178,654,201
<b>Total</b>	<b>241,205,740</b>	<b>241,205,740</b>
<b>At 30 June previous year</b>		
Trade payables	41,245,997	41,245,997
Deferred income	178,654,201	178,654,201
<b>Total</b>	<b>219,900,198</b>	<b>219,900,198</b>

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

	<b>2024/2025</b>	<b>2023/2024</b>
<b>1. Description</b>		
<b>Operating Revenue</b>	<b>KShs</b>	<b>KShs</b>
Water Sales Income	71,266,271	42,548,290
Software billing	16,502,055	18,692,872
Direct Water Sales	4,526,902	4,194,856
Exhauster Sales	1,688,000	2,701,103
<b>Operating Revenue</b>	<b>93,983,228</b>	<b>68,137,121</b>

	<b>2024/2025</b>	<b>2023/2024</b>
<b>2. Grants</b>	<b>KShs</b>	<b>KShs</b>
County Government-Electricity	12,310,138	11,897,057
Timiza Usafi Project	1,859,100	41,118,263
Disaster Management	275,000	
General Donations	5,551,743	6,427,900
County Government Grant	6,162,274	800,000
WSTF Grant	4,018,009	
<b>Grants</b>	<b>30,176,264</b>	<b>60,243,220</b>

	<b>2024/2025</b>	<b>2023/2024</b>
<b>3. Miscellaneous Income</b>	<b>KShs</b>	<b>KShs</b>
New Connection fees	2,612,400	2,188,500
Reconnection fee	124,200	131,200
Rural Water Sales		668,280
Surcharge	551,200	1,281,590
Tender Fees		2,000
illegal connection penalties	40,000	385,000
Meter Rent	2,344,550	1,992,350
Statement Printing Fee	49,200	45,000
Lab Testing	104,000	57,600
Cost of material	1,145,000	421,250
Dumping Charges	1,479,000	2,522,000
Unidentified/Suspense	5,289,342	
KeNHA GRANT		5,550,000
<b>Miscellaneous Income</b>	<b>13,738,892</b>	<b>15,244,770</b>

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

	<b>2024/2025</b>	<b>2023/2024</b>
<b>4. Staff Costs</b>	<b>KShs</b>	<b>KShs</b>
Staff Salaries and allowance	36,138,871	32,180,551
NSSF-Employers Contribution	1,887,459	1,436,700
Statutory Penalties	542,078	402,953
Casual Labour	1,442,418	386,819
Internship stipend allowance		120,107
Pensions Gratuity	1,946,014	1,943,879
Staff Welfare	1,021,250	391,424
<b>Total Staff costs</b>	<b>42,978,090</b>	<b>36,862,433</b>

	<b>2024/2025</b>	<b>2023/2024</b>
<b>5. General and Operations Expenses</b>	<b>KShs</b>	<b>KShs</b>
Guest Tea & Entertainment	123,480	125,050
Transport, Travelling, Subsistence	4,612,858	3,025,770
Tele-communication	571,930	841,149
Transport (Hire of Vehicles)	72,000	126,300
Cleaning costs	33,810	52,500
Professional Services & Fees	4,187,483	3,232,000
Compliance Levies Costs(WASREB & WRA)	2,899,818	3,383,531
Motor running expenses(tanker, Exhauster, Motor Vehicles/Cycles)	5,277,900	7,697,084
Printing & Stationery	464,585	695,635
Recruitment costs	106,000	0
Water and sewerage tests	51,076	
M&E costs	239,850	299,767
PR/Corporate affairs costs	1,479,578	1,016,318
Debt collections	1,211,400	2,037,274
Dues and subscriptions	255,426	0
Electricity & Chemical costs	38,573,790	28,630,285
Staff Reward scheme		36,000
<b>Total General and Operations Expenses</b>	<b>60,160,984</b>	<b>51,198,663</b>

	<b>2024/2025</b>	<b>2023/2024</b>
<b>6. Board Expenses</b>	<b>KShs</b>	<b>KShs</b>
Directors emoluments	3,922,400	2,351,852
Board expenses	144,780	594,000
<b>Total Board Expenses</b>	<b>4,067,180</b>	<b>2,945,852</b>

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

Notes to the financial statements (continued)

	2024/2025	2023/2024
<b>7. Maintenance &amp; Project Costs</b>	<b>KShs</b>	<b>KShs</b>
<b>Maintenance Costs</b>		
Plant Repair and Maintenance	1,221,041	1,324,860
Pipeline Repairs and Maintenance	5,353,390	7,565,045
Sewer Network Repairs and Maintenance	193,122	85,550
Pipeline Relocation	700,444	7,305,966
Tanker/Exhauster Running Costs	2,254,081	2,046,850
Repairs & Maintenance (Equipment/Building)	736,892	175,190
Computer Software Maintenance	76,500	48,300
Motor vehicle/Cycles repairs	1,422,118	2,857,029
<b>Maintenance &amp; Project Costs</b>	<b>11,957,588</b>	<b>21,408,790</b>

	2024/2025	2023/2024
<b>7a. Project expenses</b>	<b>KShs</b>	<b>KShs</b>
Total Projects Expenses	901,070	4,288,990
<b>Total project costs</b>	<b>901,070</b>	<b>4,288,990</b>

	2024/2025	2023/2024
<b>8. Depreciation and Amortization Expenses</b>	<b>KShs</b>	<b>KShs</b>
Amortization of intangible assets		7,234,113
Computers	18,488	10,500
Furniture and Fittings		
General Equipment	2,318,143	6,326,548
Generator	61,713	61,713
Land & Building kiosk	8,224,379	8,224,379
Master meters	745,163	474,226
<b>Depreciation &amp; Amortization Expenses</b>	<b>11,367,885</b>	<b>22,331,478</b>

	2024/2025	2023/2024
<b>9. Finance Costs</b>	<b>KShs</b>	<b>KShs</b>
Bank Charges	257,844	266,936
Mpesa charges	6,500	100,228
<b>Total Finance Costs</b>	<b>264,344</b>	<b>367,164</b>

**Homa Bay County Water & Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

**10. Property, Plant & Equipment**

Year	Office furniture & fittings 12,5%	Plant, machinery & Equipment 12.5%	Water kiosk/ Building	Motor vehicles, Motor vehicles	Computers	Capital works in progress	Generator	Master meters	Total
Cost of valuation	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>At 1 July 2023</b>	<b>1,061,751</b>	<b>39,543,118</b>	<b>201,075,021</b>	<b>9,523,613</b>	<b>5,524,665</b>	<b>-</b>	<b>493,700</b>	<b>5,961,304</b>	<b>263,183,172</b>
Additions	-	11,306,863	4,534,444	-	35,000	12,410,700	-	-	28,287,007
Transfers	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
<b>As At 30<sup>th</sup> JUNE,2024</b>	<b>1,061,751</b>	<b>50,849,981</b>	<b>205,609,465</b>	<b>9,523,613</b>	<b>5,559,665</b>	<b>12,410,700</b>	<b>493,700</b>	<b>5,961,304</b>	<b>291,470,179</b>
<b>Depreciation &amp; impairment</b>									
<b>At 1 July, 2023</b>	<b>1,061,751</b>	<b>12,218,596</b>	<b>34,665,153</b>	<b>9,523,613</b>	<b>5,524,665</b>	<b>-</b>	<b>256,226</b>	<b>2,167,499</b>	<b>65,417,503</b>
Depreciation	-	6,326,548	8,224,378	-	10,500	-	61,713	474,226	15,097,365
Impairment	-	-	-	-	-	-	-	-	-
<b>As At 30<sup>th</sup> June,2024</b>	<b>1,061,751</b>	<b>18,545,144</b>	<b>42,889,531</b>	<b>9,523,613</b>	<b>5,535,165</b>	<b>-</b>	<b>317,939</b>	<b>2,641,725</b>	<b>80,514,725</b>
<b>Net book value</b>									
<b>As At 30<sup>th</sup> June,2023</b>	<b>-</b>	<b>27,324,522</b>	<b>166,409,867</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>237,474</b>	<b>3,793,805</b>	<b>197,765,668</b>
<b>As At 30<sup>th</sup> June,2023</b>	<b>-</b>	<b>32,304,837</b>	<b>162,719,934</b>	<b>-</b>	<b>20,500</b>	<b>12,410,700</b>	<b>175,761</b>	<b>3,319,579</b>	<b>210,955,311</b>

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

Year: 2025	Office Furniture & Fittings 12.5%	Plant, Machinery & Equipment 12.5%	Water Kiosk/Buildings	Motor vehicles, including, motor cycles	Computers	Capital work in progress	Generator	Master Meters	Total
<b>COST OR VALUATION</b>									
At July 1, 2024	1,061,751	50,849,981	205,609,465	9,523,613	5,559,665	12,410,700	493,700	5,961,304	263,183,172
Additions	-	-	-	-	37,125	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
<b>At June 30, 2025</b>	<b>1,061,751</b>	<b>50,849,981</b>	<b>205,609,465</b>	<b>9,523,613</b>	<b>5,596,790</b>	<b>12,410,700</b>	<b>493,700</b>	<b>5,961,304</b>	<b>291,507,304</b>
<b>DEPRECIATION</b>									
At July 1, 2024	1,061,751	18,545,144	42,889,531	9,523,613	5,535,165		317,939	2,641,725	80,514,868
Charge for the year		2,318,143	8,224,379		18,488		61,713	745,163	11,367,885
Impairment loss									
<b>At June 30, 2025</b>	<b>1,061,751</b>	<b>20,863,287</b>	<b>51,113,910</b>	<b>9,523,613</b>	<b>5,553,653</b>		<b>379,652</b>	<b>3,386,888</b>	<b>91,882,753</b>
<b>NET BOOK VALUE</b>									
At June 30, 2024	-	32,304,837	162,719,934	-	24,500	12,410,700	175,761	3,319,579	210,955,311
At June 30, 2025	-	29,986,694	154,495,555	-	43,138	12,410,700	114,049	2,574,416	199,624,551

**Work in progress relates to Makongeni rehabilitation works**

**Homa Bay County Water & Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

	2024/2025	2023/2024
<b>11. <u>Intangible Assets</u></b>	<b>KShs</b>	<b>KShs</b>
Intangible Assets Cost		24,064,504
Intangible Assets Amortization		-24,064,504
<b>Total Intangible Assets</b>		

	2024/2025	2023/2024
<b>12. <u>Inventories</u></b>	<b>KShs</b>	<b>KShs</b>
Inventory	3,107,350	2,474,000
Inventory Donations-in-Kind	12,980,400	12,980,400
Tyres		38,500
Store Stationeries	233,224	133,224
<b>Total Inventories</b>	<b>16,320,974</b>	<b>15,626,124</b>

	2024/2025	2023/2024
<b>13. <u>Trade and Other Receivables</u></b>	<b>KShs</b>	<b>KShs</b>
Trade Receivable	108,205,705	71,371,471
Deposits & Prepayments	327,681	410,281
VAT (Value Added Tax)	7,403,822	3,302,079
Staff receivables	4,611,641	6,637,361
Other receivables	5,062,631	13,406,865
<b>Gross Trade and other receivables</b>	<b>125,611,480</b>	<b>1,261,301</b>
Provision for Bad Debts	-5,684,049	-5,684,049
<b>Total Trade and Other Receivables</b>	<b>119,927,431</b>	<b>89,444,007</b>

	2024/2025	2023/2024
<b>14. <u>Bank and Cash Balances</u></b>	<b>KShs</b>	<b>KShs</b>
Co-op Deposit 01120047915004	497,109	26,414
Co-op Exp 01120047915001	2,586	12,793
Coop WSTF-01 120047915003	-738	76
Equity Bank KES 0980277809704	849,045	139,131
Equity UBSUP -0980279319160	6,036	9,533
KCB Revenue 1102291730	145,803	100,128
Mpesa Account	83,937	-620,346
Post Bank-Homa Bay 0744130011081		29,010
Post Bank-Mblta 0744130011117	3,065	
Post Bank-Oyugis 0744130009363	1,306	17,920
KCB- A THOUSAND STREET	10,000	370,000
<b>Total Bank &amp; Cash Equivalent</b>	<b>1,585,649</b>	<b>84,659</b>

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

	<b>2024/2025</b>	<b>2023/2024</b>
<b>15. <u>Ordinary Share Capital</u></b>	<b>KShs</b>	<b>KShs</b>
Initial Capital	2,731,702	2,731,702
5,000 Ordinary Shares of Ksh.20 Par	100,000	100,000
<b>Total Ordinary Share Capital</b>	<b>2,831,702</b>	<b>2,831,702</b>
<b>16. <u>Capital Reserves</u></b>	<b>KShs</b>	<b>KShs</b>
Capital Reserves	37,724,252	37,724,252
<b>Total Capital Reserves</b>	<b>37,724,252</b>	<b>37,724,252</b>
<b>17. <u>Retained Earnings</u></b>	<b>KShs</b>	<b>KShs</b>
Retained Earning	(42,869,710)	(38,530,357)
Prior year adjustments	9,436,790	(8,560,094)
Profit/(loss) for the Year	6,201,243	4,221,741
<b>Total Retained Earnings</b>	<b>-27,231,677</b>	<b>-42,869,710</b>
<b>18. <u>Non-current liabilities</u></b>	<b>KShs</b>	<b>KShs</b>
Accrued levies and fees	45,817,808	
Deferred income	178,654,201	178,654,201
Statutory/Employee benefits payables	28,998,720	
<b>TOTAL</b>	<b>253,470,729</b>	<b>178,654,201</b>
<b>19. <u>Current liabilities</u></b>	<b>KShs</b>	<b>KShs</b>
Trade Payable	31,061,600	37,059,269
Tax liabilities	495,316	48,745,233
Employee payables	23,867,687	42,218,658
<b>TOTAL</b>	<b>55,424,603</b>	<b>128,023,160</b>
<b>20. <u>Refundable deposits</u></b>	<b>KShs</b>	<b>KShs</b>
Customer deposits	15,238,996	11,756,496
<b>Total Refundable deposits</b>	<b>15,238,996</b>	<b>11,756,496</b>

**Homa Bay County Water & Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**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)
	<b>Basis for qualified opinion</b>			
1.0	<p><b>Unconfirmed Property, Plant and Equipment Balance</b>                      The statement of financial position reflects property, plant and equipment balance of Kshs. 210,654,674 as disclosed in Note 10 to the financial statements. However, review of the property, plant and equipment schedule as at 30 June, 2024 revealed that land and buildings of unknown values owned by the Company were not disclosed. Management did not provide explanation for the omission.</p> <p>In the circumstances, the accuracy, completeness and fair presentation of the reported property, plant and equipment balance could not be confirmed.</p>	<p>The Management concurs with the auditor's observation that land and buildings used by the Company were not disclosed in the Financial Statements. This was because the said assets are still owned by the National government through Lake Victoria South Water Works Development Agency (LVSWWDA) and have not been transferred to the HOMAWASCO. The ownership, valuation and depreciation is also done by LVSWWDA. A list of assets operated by HOMAWASCO but owned by LVSWWDA has been provided.</p>	Ongoing	30 <sup>th</sup> June, 2026

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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)
2.0	<p>2.0. Unsupported Long Out- Standing Payables  The statement of financial position reflects trade and other payables balance of Kshs. 127,722,523 which, as disclosed in Note 18 to financial statements, includes accrued audit fees of Kshs. 2,255,201, accrued LSVWB Levies of Kshs. 24,411,441, accrued WARMA Levies of Kshs. 3,513,971, accrued WASPA subscription of Kshs. 660,000 and accrued WASREB Levies of Kshs. 8,194,702, which were not supported by invoices and have been out-standing for more than two (2) years. Further, Management did not provide satisfactory explanation for failure to pay the levies in due time to avoid interest and penalties for non-compliance. This was contrary to Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015, which requires debt service payments to be a first charge on the County Revenue Fund and the</p>	<p>The management concurs with the Auditor’s observation that the outstanding payables balance of kshs. 39,035,315 was not supported by relevant invoices as at the time of audit. This is because the balances were inherited from the defunct Lake Victoria South Water Services Board and the company had not obtained the relevant supporting invoices. However, all the necessary invoices and letters have now been provided to confirm the outstanding amounts. The management further wishes to state that due to cash flow challenges it was not possible to remit the payments in time. Currently, the company has proposed for review of its tariff which has since been approved by WASREB and awaiting gazettelement. The new tariff will help the company increase its revenue leading to prompt payment of the company’s obligations. Additionally, a payment plan has been agreed on between the management and WASREB which the management has honoured. The management has also agreed on a payment plan with the Office of the Auditor General to clear the outstanding audit fees. Further, the company has completed a joint reconciliation exercise with the other agencies; WASPA, LVSWSB, WARMA and intends to enter into payment plans immediately after implementation of the new tariff.</p>	Resolved	We have obtained supporting documents outlining the balances

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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)
	Accounting Officer shall ensure this is done to the extent possible that the county government does not default on debt obligations.			
3.0	<p><b>Unsupported Deferred Income</b></p> <p>The statement of financial position reflects deferred income balance of Kshs.178, 654,201. However, Management has not explained the source and nature of this balance with appropriate documentation. In the circumstance, the accuracy and completeness of the balance could not be confirmed.</p>	<p>The management concurs with the auditor's observation that there was no explanation provided on the source and nature of the deferred income balance in the financial statements. However, the deferred income of KShs. 178,654,201 relates to Olodo Borehole, Majiwa Borehole, Magare, Kendu Bay Rehabilitation, Pap Ndege Borehole, God Bondo and Ogongo Katuma, Homa Bay Rehabilitation, Ndhiwa Rehabilitation, Mbita Rehabilitation, Oyugis Rehabilitation and ERP-Acquisition/training. The assets had not been amortized during the period as shown from the asset register. However, upon meeting all the conditions from the donor they will be amortized.</p>	Resolved	-
4.0	<p><b>Material Uncertainty Relating to Going Concern</b></p> <p>Note 4 to the financial statements indicates that the Company made a profit after tax of Kshs.4, 221,741 (2023: loss of Kshs. 8,047,423) during the year which resulted in accumulated losses totaling Kshs. (34,308,616) (2023: Kshs. (49,420,304)). However, these accumulated</p>	<p>The management wishes to state that this was an error in the explanatory notes to the Financial Statements which did not affect the Financial Position of the company. Further, the current liabilities of kshs. 318,123,220 was inclusive of deferred income of kshs. 178,654,201 and other non-current liabilities which we have reclassified accordingly to give a clear position of the liquidity ratio. Additionally, the Company has a new tariff in place and will start meeting its obligations</p>	ongoing	Jun 2025

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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>losses differ with the corresponding accumulated losses (retained earnings) of KShs. (42,869,710) and Kshs. (38,530,357) reflected in the statement of financial position.</p> <p>Further, the statement of financial position reflects total current liabilities of Kshs. 318,123,220 which exceeds the total current assets of Kshs. 105,154,790 by Kshs. 212,968,430. The ratio of current assets to current liabilities is 0.33: 1 while the recommended ratio is 2:1. The unfavorable financial status implies that the Company may not be able to meet its obligations as and when they fall due. Further, this condition, which indicates existence of a material uncertainty relating to going concern, has not been disclosed in Note 4 to the financial statements.</p> <p>In the circumstances, the disclosure of the existence of material uncertainty related to going concern is both inaccurate and inadequate, and the Company</p>	<p>Furthermore, new plants and last mile connectivity is being done with the aim of increasing revenue which will in turn improve the cash flows.</p> <p>Along with this, The management has put more emphasis on cost reduction measures and reduction of non-revenue water and this savings can be used to pay the outstanding debts hence improving the current ratio.</p> <p>Lastly, improved growth as shown in the statement of Financial Performance of the Financial Statements is an indication that the company's financial health is improving and the surplus will be used to meet the financial obligations.</p>		

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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)
	is technically insolvent and its continued existence as a going concern is dependent upon its creditors and the County Government of Homa Bay.			
5.0	<p>5.0. Variance in and Irregular Use of Refundable Deposits                      The statement of financial position reflects refundable deposits balance of Kshs. 11,746,496, while bank statements for the customer deposit account at Cooperative Bank indicated a credit balance of Kshs. 26,414 as at 30 June, 2024. The resultant variance of Kshs. 11,720,082 represents customer deposits that Management has irregularly used to finance the Company's operations. As a result, the Company may not be in a position to refund the customers deposit when they become due.                      In the circumstances, the accuracy and existence of the refundable deposits balance of Kshs. 11,746,496 could not be confirmed.</p>	<p>The monies were used to meet the company's cash flow needs and are treated as internal borrowing. Further usage of the monies was stopped and the management has drawn a payment plan to repay the deposits into the account on a monthly basis from July, 2025 until it is brought to normalcy.</p>	Ongoing	Continuous
	<b>Emphasis of matter</b>			

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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	<p><b>Budgetary Control and Performance</b></p> <p>The statement of comparison of budget and actual amounts reflects receipts budget and actual on comparable basis amounts of Kshs. 243,725,686 and Kshs. 143,625,111 respectively, resulting to an underfunding of Kshs. 100,100,575 (or 41% of the budget). Similarly, the company expended Kshs. 117,895,527 against an approved budget of Kshs. 243,360,986, resulting in an under expenditure of Kshs.125,465,459 (or 41% of the budget).</p> <p>Further, the Company spent Kshs. 117,071,892 out of the actual revenue of Kshs. 143,625,111, resulting in under-utilization of revenue by Kshs.26,553,219, or 18% of the actual revenue.</p>	<p>The management wishes to state that the variances in revenue arose from non-receipt of budgeted Government Grants (DUNEA AND Water Trust Fund) of KShs. 65,756,780, low water sales due to destruction of water pipes during road construction, vandalism of water infrastructure, and old dilapidated pipes of KShs. 27,093,710, sewer Ksh 2,667,841, and exhauster/Tanker of Ksh. 4,715,433. These resulted in under-absorption of the budget. Further, the under-utilization of actual revenue of KShs. 26,553,219 was as a result of unrealized receivables as at the end of the Financial Year recognized as revenue in the statement of Financial Performance under accrual accounting basis.</p> <p>To improve on revenue, the company reviewed its tariff which has since been approved, deployed water police to minimize vandalism, and reconnected six (6) kilometres of the destroyed lines. Further, the management will ensure water tight agreements with the donors and only budget for assured funds.</p>	Resolved	-

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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)
	The underfunding, under-expenditure and under-utilization of available funds affected planned activities and may have negatively impacted provision of water to the residents of Homa Bay Municipality.			
2.0	<p><b>Trade and Other Receivables</b>            The statement of financial position reflects trade and other receivables balance of Kshs.89,344,007 as disclosed under note 13 to the financial statements. Review of documents and records in support of the balance revealed the following anomalies:            i. Included in the balance is trade receivable balance of Kshs.71,371,471 out of which Kshs.69,561,694 (98%) was in respect of customers whose debts had remained uncollected for over 60 days, contrary to the company's bills settlement period of seven (7) days upon receiving the bill. No evidence was provided to confirm that the company has made any</p>	We have initiated the process of ensuring that clients are advised when to cash the cheques to avoid overdrawing account	Resolved	-

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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>effort to recover the long outstanding debt.</p> <p>ii. Further, included in the balance of Kshs.89,344,007 is an amount of Kshs.9,673,733 in respect to other receivables. However, no documentary evidence was provided to confirm from whom this balance was due and the nature of the receivables.</p> <p>iii. The trade and other receivables balance also Kshs.3,302,079 being VAT input asset which was an opening balance adjustment that was not explained.</p> <p>The overdue debts amounting to Kshs.89,344,007 are likely to have adverse effect on the liquidity position of the Company, thereby hampering service delivery to the residents Homa Bay Municipality.</p>			
3.0	<p><b>Unsustainable Wage Bill</b></p> <p>The statement of profit or loss and other comprehensive income reflects employee costs of Kshs. 36,862,433 as disclosed in Note 4 to the financial statements. When compared to own generated revenue of Kshs. 68,137,121, the</p>	<p>The management concurs with the auditor’s observation on the unsustainability of the wage bill. This was occasioned by low revenue collection which results from high levels of Non-revenue water, and unsustainable tariff. However, the company is expanding its revenue base by;</p> <p>i. Proposed new tariff which will enable the company earn more revenue.</p>	Partially resolved	ongoing

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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>wage bill constitutes 54% of the total own generated revenue. The proportion is very high leading to the Company being dependent on the goodwill of the County Government and other donors to meets it operations cost, while it ought to be making profits and self-sustaining. It's unclear what measures Management is taking to lower the ratio to sustainable levels.</p> <p>In the circumstances, the Company may not pay salaries and wages on time and fund development activities. Further, the Company's going concern is dependent on the goodwill of the County Government and other donors.</p>	<p>ii. Constructing new plants and last mile connectivity which will expand the customer base hence increasing revenue.</p> <p>iii. The management has put more emphasis on reduction of non-revenue water</p>		
	<b>Other matters</b>			
2.1	<p><b>Non-Compliance with Ethnic Diversity in Staffing</b></p> <p>Analysis of the personnel records for the month of June, 2024 revealed that the Company had a workforce of one hundred and two (102), out of which ninety-seven (97) were members of the dominant community. This represents 95% of the total</p>	<p>The management wishes to state that it has always procedurally advertised vacancies on the official company website, mainstream media, and newspaper which are accessible globally to everyone across the country and those from diverse backgrounds are encouraged to apply. Further, the Management has always put structures to</p>	Ongoing	ongoing

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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>workforce which is contrary to the provisions of Section 7(2) of the National Cohesion and Integration Act 2008. In addition, the Company recruited eleven (11) new employees in the year under review out of which, nine (9) representing 82%, were from the same dominant community. This indicates the management unwillingness to address the imbalance.</p> <p>In the circumstances, the Management was in breach of the Law.</p>	<p>ensure that the qualified applicants are invited to an interview by the hiring panel.</p>		
2.2	<p><b>Underpayment of Staff</b></p> <p>Review of the payroll for the month of June, 2024 revealed that nine (9) employees were earning a monthly pay of less than Kshs. 14,025, resulting in total underpayment of Kshs. 17,584 per month. This was contrary to the Regulation of Wages General Amendment Order of May, 2022 which sets the minimum monthly pay for</p>	<p>The management concurs with the auditor's observation that there was an underpayment to some staff. This payment was based on the old Human Resource Manual and the approved budgets then. However, the manual has since been revised and the company has adopted the revised wages and budgeted for the same after reviewing salaries of the affected staff. In addition, the affected officers have been paid the salary arrears.</p>	Resolved	Resolved

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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>employees working in Homa Bay County at Kshs. 14,025.40</p> <p>In the circumstances, Management was in breach of the law.</p>			
3.1	<p>Stalled Construction of Ndhiwa Ablution Block</p> <p>The Company entered into a contract with M/S Okquims General Supplies for the Construction of a Complete Public Ablution Block in Ndhiwa Town Market for a contract sum of Kshs. 5,091,794 on 18 August, 2022. The contract period was set at six (6) months. Review of interim payment certificates indicate a total of Kshs. 3,177,555 has been paid to the contractor. Physical verification of the project on 12 November, 2024 revealed that the project was still incomplete with flooring, fixing window panes and painting being among the works outstanding. records further indicate the contract was terminated on 10 June, 2024 for non-performance. However,</p>	<p>The works have been completed and awaiting final approval by the donor</p>	Resolved	Resolved

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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>despite the contractor providing a performance security valued at Kshs. 1,914,239 to the company upon the signing of the contract, no effort was made to seize the security as compensation having failed to perform.</p> <p>In the circumstances, the value for money realized from the expenditure of Kshs. 3,177,555 already incurred on the project could not be confirmed.</p>			
3.2	<p>Review of the procurement contracts for the Company revealed that the following three (3) procurement contracts totaling Kshs.24,437,494 were not published on the company's notice boards and websites, contrary to Regulation 131 of the Public Procurement and Asset Disposal Regulations, 2020 which stipulates that an accounting officer of a procuring entity shall, in accordance with Section 138 of the Act (a) publish and publicize all procurement contracts at its notice boards and websites within fourteen days after signing the contract; and (b) report all signed contracts to the</p>	<p>The Management takes note of the non-publication of the procurement contracts as observed by the Auditor. However, procurement of the works was done as per the procurement laws as defined by the Public Procurement and Asset Disposal Regulations but the management failed to publish the adverts on the company website.</p> <p>Consequently, the company has made major steps to correct this and has since registered with the PPRA and publishes both the tenders and contracts as required by law.</p>	Resolved	Resolved

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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)
	Authority within fourteen days after the end of every month in the format provided by the Authority:			
3.3	<p><b>Destruction of Water Supply Lines</b></p> <p>The property plant and equipment balance include Kshs. 8,297,330 paid in respect of a contract the Company entered into with a local company for the LTP-Got Simenya tanks Homa Bay pipe replacement at a contract sum of Kshs. 15,102,350 on 20 March, 2023. The contract period was set at eight (8) months. However, it's unclear how much had been paid in total by 30 June, 2024 since the project status report was not provided for audit review. Further, physical verification on 12 November, 2024 revealed that the project distribution lines had been cut off due to an ongoing road construction in the project</p>	<p>The management wishes to state that during the financial year 2023-24, the contractor was paid a total of kshs. 8,297,330 as indicated in the payment vouchers, interim certificates, and project status reports relating to works done during the financial year. Further, the management engaged the contractor doing the road construction on the destroyed water pipes, and he has repaired the water lines and water supply has since been restored to residents of Homa Bay County.</p>	Resolved	Resolved

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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>area, leading to halting the supply of water to the area residents for the last two months. No documentary evidence has been provided to show who will bear the burden of repairing the pipes and why it has taken so long to do so.</p> <p>In the circumstances, the value for money realized from the expenditure of Kshs. 8,297,330 on the project could not be confirmed.</p>			
4.1	<p><b>Non-Remittance of Statutory Deductions</b></p> <p>The trade and other payables balance includes Kshs. 5,933,796 for NHIF deductions, Kshs. 10,843,016 for NSSF deductions and Kshs. 2,787,692 for P.A.Y.E. The amounts that include interest and penalties, had not been remitted to NHIF, NSSF and Kenya Revenue Authority respectively. Failure to remit</p>	<p>The management wishes to state that the payables balances indicated by the auditor were accumulated over several financial years. However, the Management has entered into an agreement with the respective institutions to settle historical debts and has made payments to them as per the payment plan. The management further wishes to state that it has done up to date payment to SHIF and is also making payments to KRA. The management has started negotiations with the NSSF to agree on a payment plan.</p>	Ongoing	Ongoing

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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)
	the statutory deductions will result to the company incurring fines that could have been avoided, and infringed on Section 19(4) of the Employment Act, 2007 which requires statutory deductions to be paid to the relevant authorities in due time. In the circumstances, Management was in breach of the law.			
4.2	<p><b>Delayed Payment of Employee Salaries and Gratuity</b></p> <p>The trade and other payables balance includes payroll liabilities of Kshs. 42,218,658 which further includes net salary arrears and gratuity payable of Kshs. 14,879,719 and Kshs. 5,479,654 respectively, totalling Kshs. 20,359,373 that had been outstanding for more than two (2) years. This was contrary to Section 18 (2)(c) of the Employment Act, 2007 which</p>	The tariff is being implemented and the company will start the payments and clear within the new financial year	Ongoing	March,2026

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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>stipulates that, wages and salaries shall be deemed to be due in the case of an employee in position for a period exceeding one month, at the end of each month or part thereof.</p> <p>In the circumstances, Management was in breach of the law.</p>			
1.1	<p><b>Non-Revenue Water</b></p> <p>The operating revenue amount includes water sales income of Kshs.42,548,290 and direct water sales revenue of Kshs.4,194,856, which comprise the total water sales revenue of Kshs.46,743,146 realized from 570,904M<sup>3</sup> of the billed water as per the annual production report. However, the total production for the year was reported to be 999,530M<sup>3</sup>, out of which only 570,904M<sup>3</sup> was billed leading to a variance of 42.88%</p>	<p>The management seeks to reduce non-revenue water by;</p> <ul style="list-style-type: none"> <li>i. The management has established NRW team to ensure that there is identification and correction of high nrw areas.</li> <li>ii. Repairing and/or replacing most parts of pipeline network damaged under road construction and sealed leakages thereof</li> <li>iii. Systematically replacing pipelines of GI, PVC and uPVC making, which are prone to bursts under high pressure/temperature changes with high class HDPE and PPR pipes in areas of Central</li> </ul>	Ongoing	Continuous

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	<p>representing non-revenue water or 428,626M<sup>3</sup> as per the annual production report.</p> <p>The abnormal water loss of 17.88% (actual loss of 42.88% is more than 25% allowable loss) might have resulted in lost water sales revenue estimated at Kshs.14,632,370 when computed at an average rate of Kshs.81.875 per M<sup>3</sup> achieved on the billed water during the year.</p> <p>The large ration of the non-revenue water is an indicator that the Company's water distribution system was inefficient during the year under review.</p>	<p>iv. Homa Bay Town, Oyugis, Kendu Bay and West Karachuonyo Systematic replacement of substandard/poorly installed pipelines such as in Kapita, Shauri Yako and Makongeni Distribution Mains to restore them. Replacement done using high Class (HDPE PN16-25) pipes</p> <p>v. The management continue to undertake line patrols, alongside community engagement for line policing. We have also engaged Water Police to deter illegal connection practices.</p>		
2.0	<p><b>Weaknesses in Cash and Bank Management</b></p> <p>The statement of financial position, and as disclosed in Note 14 to the financial</p>	<p>The management wishes to state that the monthly account reconciliations were being reviewed by the Finance Manager. However, the management has noted the Auditor's observation and currently have the monthly bank reconciliations reviewed by the</p>	Resolved	Resolved

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	<p>statements, reflect bank and cash equivalents balance of Kshs. 84,659. The Company operated eleven (11) bank accounts and one M-Pesa account. It was noted that the monthly account reconciliations were not reviewed by any senior officer as required by the Financial and Accounting Policies and Procedures Manual for Homa Bay County Water and Sanitation Company Ltd.</p> <p>Also, there was an overdrawn Mpesa account balance of Kshs. 620,346. Management has not provided the authorizations for overdrawing the account or explanations of how this could have happened.</p> <p>In the circumstances, the effectiveness of internal controls over the management of cash and bank transactions could not be confirmed.</p>	<p>Managing Director of the Company as per the attached sample.</p> <p>Further, it is important to note that all payments to HOMAWASCO paybill are immediately channeled to the bank account. However, the negative balance was due to unidentified payments in the ERP system and not the Mpesa Account when customers enter wrong account details while making payments. These payments have since been verified and reconciled by the Company's officers and the respective customers identified and accounts reconciled.</p>		

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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)
2.0	<p><b>Weaknesses in Information and Communication Technology</b></p> <p>Management engaged DSL Smart People Africa Limited for supply, installation, customization, testing, commissioning and maintenance of an Enterprise Resource Planning (ERP) Software at a cost of Kshs. 21,974,989. The software has been used to automate all processes in the Finance, Human Resources and Consumers Departments. Audit revealed the following about the ICT function and systems:</p> <p>i. The Management has only one ICT officer who is the head of the ICT function and manages everything. As a result, it is not possible to implement segregation of duties regarding administration</p>	<p>The management takes note of the Auditor’s observation and wishes to state as follows;</p> <p>i. It has separated roles and is in the process of recruiting an additional staff in the ICT department. Meanwhile, the County Executive has seconded a qualified ICT officer to support the company.</p> <p>ii. The management has a backup system which now stores a copy of the transactions in a cloud account.</p> <p>iii. There is an ICT policy in place</p> <p>iv. The management wishes to state that the Business continuity plan and Disaster recovery plan is based on the County Government’s Disaster Management Plan.</p>	Resolved	Resolved

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	<p>and management of ICT resources. Further, there is no efficiency in administering the ICT systems and implementation of ICT objectives.</p> <p>ii. The ERP system was hosted by the vendor and the Management had no backup copy of the transactions. As a result, the Management could not confirm the integrity of the information stored in the system.</p> <p>iii. There was no approved ICT policy in place to guide the use of ICT resources even though most processes had been automated, all the staff were interacting with the ERP system, and the system had been linked with the banking systems.</p>			

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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>iv. The Management had no approved business continuity plan and disaster recovery plan. As a result, it may not be easier to recover from ICT system breakdown.</p> <p>In the circumstances, the security and integrity of the Company's data could not be confirmed.</p>			

Name: Tom Nyonje

Signature:   
Date: 3/10/2025  
Managing Director

**Homa Bay County Water and Sanitation Company Ltd**  
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**Appendix II: Projects Implemented by the Company**

**Projects**

Projects implemented by the Company Funded by development partners.

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	Rehabilitation of Makongeni pipeline	Dunea	AUG 2023	18,083,410	NO	YES
2	Ndhiwa ablution block	WSTF	AUG 2022	4,732,214.5	YES	YES

**Status of Projects completion**

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Rehabilitation of Makongeni pipeline	22,267,130	18,083,410	81%	22,267,130	18,083,410	Dunea-Timiza Usafi
2	Ndhiwa ablution block	5,091,000	5,091,000	100%	5,091,000	5,091,000	WSTF

## Homa Bay County Water & Sanitation Company Ltd

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#### Vendor - Summary Aging

No.	Name	Balance Due					After...	Balance
		...Before	30/06/25	30/07/25	30/08/25			
			29/07/25	29/08/25	29/09/25			
VEND00001	A.C.K Guest house Homa Bay	-45,000.00	0.00	0.00	0.00	0.00	-45,000.00	
VEND00002	Adacom General Supplies	-10,300.00	0.00	0.00	0.00	0.00	-10,300.00	
VEND00003	Adhola Motors Garage & Spares	-317,160.00	0.00	0.00	0.00	0.00	-317,160.00	
VEND00004	Aliqueens Investments LTD	-19,500.00	0.00	0.00	0.00	0.00	-19,500.00	
VEND00005	Altaq consultant limited	-30,325.00	0.00	0.00	0.00	0.00	-30,325.00	
VEND00006	Amazing Grace Computer	-11,000.00	0.00	0.00	0.00	0.00	-11,000.00	
VEND00007	Andre Enterprises	-16,300.00	0.00	0.00	0.00	0.00	-16,300.00	
VEND00008	Anek General Works Limited	-10,000.00	0.00	0.00	0.00	0.00	-10,000.00	
VEND00009	Annexhold Enterprises Ltd	-21,250.00	0.00	0.00	0.00	0.00	-21,250.00	
VEND00010	Bedrock Holdings Ltd	-71,420.00	0.00	0.00	0.00	0.00	-71,420.00	
VEND00011	Bimamax Insurance	-44,378.00	0.00	0.00	0.00	0.00	-44,378.00	
VEND00012	Bon & Drew Associates.	-96,100.00	0.00	0.00	0.00	0.00	-96,100.00	
VEND00013	Brimic Agencies	-5,920.00	0.00	0.00	0.00	0.00	-5,920.00	
VEND00015	Charlotte Electromech Services	-26,000.00	0.00	0.00	0.00	0.00	-26,000.00	
VEND00016	Comila Construction Company	-100,000.00	0.00	0.00	0.00	0.00	-100,000.00	
VEND00017	Cyprian J Oswago	-5,160.00	0.00	0.00	0.00	0.00	-5,160.00	
VEND00018	Daviko Rewinders	-111,800.00	0.00	0.00	0.00	0.00	-111,800.00	
VEND00019	Dema Enterprises	-23,350.00	0.00	0.00	0.00	0.00	-23,350.00	
VEND00020	Douma Ltd	-161,700.00	0.00	0.00	0.00	0.00	-161,700.00	
VEND00021	Elisha Juma Ogare (ELV Enterprises)	-10,000.00	0.00	0.00	0.00	0.00	-10,000.00	
VEND00023	Everpart Auto Spares	-42,000.00	0.00	0.00	0.00	0.00	-42,000.00	
VEND00024	Fidental commercial & insurance agency	-8,871.00	0.00	0.00	0.00	0.00	-8,871.00	
VEND00025	Five Heads Enterprise	-297,600.00	0.00	0.00	0.00	0.00	-297,600.00	
VEND00026	Genga Enterprises	-7,800.00	0.00	0.00	0.00	0.00	-7,800.00	
VEND00027	Globe IT Systems	-9,320.60	0.00	0.00	0.00	0.00	-9,320.60	
VEND00028	Government Chemist Kisumu	-30,500.00	0.00	0.00	0.00	0.00	-30,500.00	
VEND00029	Homa Bay Tourist Hotel	-83,890.00	0.00	0.00	0.00	0.00	-83,890.00	
VEND00030	Homabay Cleaning & Garbage Collection Serv	-71,000.00	0.00	0.00	0.00	0.00	-71,000.00	
VEND00031	Homawasco	-15,641.60	0.00	0.00	0.00	0.00	-15,641.60	
VEND00032	Hotel Twin Towers Homa Bay	-34,150.00	0.00	0.00	0.00	0.00	-34,150.00	
VEND00033	Ismael Otieno Onyango	-44,300.00	0.00	0.00	0.00	0.00	-44,300.00	
VEND00034	iSoft Systems	-89,678.51	0.00	0.00	0.00	0.00	-89,678.51	
VEND00035	Jacob Odhiambo Amayo	-11,800.00	0.00	0.00	0.00	0.00	-11,800.00	
VEND00036	Jagreen Auto Sparer	-5,500.00	0.00	0.00	0.00	0.00	-5,500.00	
VEND00037	James M Audi	-12,600.00	0.00	0.00	0.00	0.00	-12,600.00	

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VEND00038	Java Web Enterprises	-46,620.00	0.00	0.00	0.00	0.00	-46,620.00
VEND00039	Julius Osongo Anyango	-13,200.00	0.00	0.00	0.00	0.00	-13,200.00
VEND00040	Kebovin General Suppliers	-189,771.00	0.00	0.00	0.00	0.00	-189,771.00
VEND00041	Kel Chemicals Ltd	-3,782,920.00	0.00	0.00	0.00	0.00	-3,782,920.00
VEND00042	Kenya Bureau of Standards	-182,112.00	0.00	0.00	0.00	0.00	-182,112.00
VEND00043	Kenya Postel Directories Ltd	-158,239.20	0.00	0.00	0.00	0.00	-158,239.20
VEND00044	Khoya & Co certified Public Accountants	-155,000.00	0.00	0.00	0.00	0.00	-155,000.00
VEND00045	Kinetics engineering Ltd	-403,600.00	0.00	0.00	0.00	0.00	-403,600.00
VEND00046	Kirui Registrars	-408,080.00	0.00	0.00	0.00	0.00	-408,080.00
VEND00047	Kogero Best Motors	-64,200.00	0.00	0.00	0.00	0.00	-64,200.00
VEND00048	Kongoro Enterprises Ltd	-52,000.00	0.00	0.00	0.00	0.00	-52,000.00
VEND00049	kosiga Building Construction Co	-8,000.00	0.00	0.00	0.00	0.00	-8,000.00
VEND00050	Lake Base Automobile	-27,700.00	0.00	0.00	0.00	0.00	-27,700.00
VEND00051	Lakeatts	-77,600.00	0.00	0.00	0.00	0.00	-77,600.00
VEND00052	Lanosh Chemicals Limited	-179,080.50	0.00	0.00	0.00	0.00	-179,080.50
VEND00053	LVSWB Levy (9%)	-15,000.00	0.00	0.00	0.00	0.00	-15,000.00
VEND00054	Marque Fashions	-93,385.00	0.00	0.00	0.00	0.00	-93,385.00
VEND00056	Mepak Enterprises	-5,550.00	0.00	0.00	0.00	0.00	-5,550.00
VEND00057	Merk Eng co.	-2,000.00	0.00	0.00	0.00	0.00	-2,000.00
VEND00058	Ministry of Interior and Co-ordination	-42,000.00	0.00	0.00	0.00	0.00	-42,000.00
VEND00059	MTN Business	-267,710.96	0.00	0.00	0.00	0.00	-267,710.96
VEND00060	Mumoti Enterprises	-900.00	0.00	0.00	0.00	0.00	-900.00
VEND00061	National Industrial Training Authority	-254,697.50	0.00	0.00	0.00	0.00	-254,697.50
VEND00062	Neon & Robots	-10,000.00	0.00	0.00	0.00	0.00	-10,000.00
VEND00063	Norgen Enterprises Ltd	-184,885.00	0.00	0.00	0.00	0.00	-184,885.00
VEND00065	Obwanda Osum Investments Ltd	-15,000.00	0.00	0.00	0.00	0.00	-15,000.00
VEND00066	Office of the Auditor General	-1,430,400.88	0.00	0.00	0.00	0.00	-1,430,400.88
VEND00067	Otherside Limited	-25,000.00	0.00	0.00	0.00	0.00	-25,000.00
VEND00068	Pakow Enterprises	-40,300.00	0.00	0.00	0.00	0.00	-40,300.00
VEND00069	Pan Africa chemicals Ltd	-1,797,826.00	0.00	0.00	0.00	0.00	-1,797,826.00
VEND00070	Pride Kings Services	-337,568.60	0.00	0.00	0.00	0.00	-337,568.60
VEND00071	Priyann Enterprises	-24,750.00	0.00	0.00	0.00	0.00	-24,750.00
VEND00072	Samson mail Enterprises	-7,500.00	0.00	0.00	0.00	0.00	-7,500.00
VEND00073	Samuel Ochieng Abuor	-160,523.00	0.00	0.00	0.00	0.00	-160,523.00
VEND00074	Serveal Supplies Ltd	-18,610.00	0.00	0.00	0.00	0.00	-18,610.00
VEND00075	Simba Mbili Consortium Company Ltd	-128,800.00	0.00	0.00	0.00	0.00	-128,800.00
VEND00076	Sky World Limited	-19,422.46	0.00	0.00	0.00	0.00	-19,422.46
VEND00077	Soflex Agencies Limited	-10,800.00	0.00	0.00	0.00	0.00	-10,800.00
VEND00078	Standard Group Ltd	-31,200.00	0.00	0.00	0.00	0.00	-31,200.00
VEND00079	Stephen Kungu	-70,000.00	0.00	0.00	0.00	0.00	-70,000.00
VEND00080	Sulis East africa Ltd	-142,000.00	0.00	0.00	0.00	0.00	-142,000.00
VEND00081	Surox Two Agencies Ltd	-1,025,760.80	0.00	0.00	0.00	0.00	-1,025,760.80

**Homa Bay County Water and Sanitation Company Ltd**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

VEND00082	Tasha Enterprises (K)	-35,000.00	0.00	0.00	0.00	0.00	-35,000.00
VEND00083	Telkom Kenya	-19,910.00	0.00	0.00	0.00	0.00	-19,910.00
VEND00084	Topplace Solutions Kenya	-48,700.00	0.00	0.00	0.00	0.00	-48,700.00
VEND00085	Vantage Press Ltd	-21,285.00	0.00	0.00	0.00	0.00	-21,285.00
VEND00086	Victor Autospare	-8,450.00	0.00	0.00	0.00	0.00	-8,450.00
VEND00087	Victoria Enterprises Ltd	-16,800.00	0.00	0.00	0.00	0.00	-16,800.00
VEND00088	WASPA	-220,000.00	0.00	0.00	0.00	0.00	-220,000.00
VEND00089	White Clipping Agency	-42,000.00	0.00	0.00	0.00	0.00	-42,000.00
VEND00090	White Tent Promotions	-84,000.00	0.00	0.00	0.00	0.00	-84,000.00
VEND00091	Wilced Enterprises Limited	-29,500.00	0.00	0.00	0.00	0.00	-29,500.00
VEND00092	WingDing Agencies	-50,000.00	0.00	0.00	0.00	0.00	-50,000.00
VEND00093	Zakayo Ngare	-31,800.00	0.00	0.00	0.00	0.00	-31,800.00
VEND00094	Zimple Auto services	-31,900.00	0.00	0.00	0.00	0.00	-31,900.00
VEND00096	Bimaet Enterprises	-60,900.00	0.00	0.00	0.00	0.00	-60,900.00
VEND00097	Jemic Safe Net Agency	-110,000.00	0.00	0.00	0.00	0.00	-110,000.00
VEND00099	Saomoch Enterprises	-698,660.00	0.00	0.00	0.00	0.00	-698,660.00
VEND00101	Smart People Africa Ltd	-48,498.90	0.00	0.00	0.00	0.00	-48,498.90
VEND00102	Okesa Contractors Ltd	-106,757.80	0.00	0.00	0.00	0.00	-106,757.80
VEND00103	Saodeo Limited	-57,600.00	0.00	0.00	0.00	0.00	-57,600.00
VEND00104	OKUMU JOHN AND ASSOCIATES	-406,007.00	0.00	0.00	0.00	0.00	-406,007.00
VEND00107	Mifteen Company Limited	-15,460.00	0.00	0.00	0.00	0.00	-15,460.00
VEND00108	Olotch Company Advocates	-19,000.00	0.00	0.00	0.00	0.00	-19,000.00
VEND00110	KANYALA MOTOR GARAGE	-144,780.00	0.00	0.00	0.00	0.00	-144,780.00
VEND00111	Milimani Events	-1,000.00	0.00	0.00	0.00	0.00	-1,000.00
VEND00121	DLA SCIENTIFIC LTD	-366,856.55	0.00	0.00	0.00	0.00	-366,856.55
VEND00122	GS Okoth & Company Advocates	-5,248.00	0.00	0.00	0.00	0.00	-5,248.00
VEND00124	Two Brothers Auto Garage	-15,000.00	0.00	0.00	0.00	0.00	-15,000.00
VEND00130	The Zeal Concept	-1,113,000.00	0.00	0.00	0.00	0.00	-1,113,000.00
VEND00131	ROBICON ENGINEERING LIMITED	-2,937,000.00	0.00	0.00	0.00	0.00	-2,937,000.00
VEND00132	EYMOY GENERAL SUPPLY LTD	-116,500.00	0.00	0.00	0.00	0.00	-116,500.00
VEND00135	Red Eagle Investment Security Services	-985,000.00	-312,000.00	0.00	0.00	0.00	-945,000.00
VEND00140	Bapo Printers & Stationers	-20,000.00	0.00	0.00	0.00	0.00	-20,000.00
VEND00143	Foursons Holdings (K) Ltd	-5,056,052.10	0.00	0.00	0.00	0.00	-5,056,052.10
VEND00144	omware cycle dealers	-10,000.00	0.00	0.00	0.00	0.00	-10,000.00
VEND00163	KILIAN ASEGO INVESTMENT	-1,357,475.08	-2,367,023.00	0.00	0.00	0.00	-3,724,498.08
VEND00166	Get lake holdings ltd	-297,000.00	0.00	0.00	0.00	0.00	-297,000.00
VEND00180	Onsongo & Company Advocates	-303,183.00	0.00	0.00	0.00	0.00	-303,183.00
VEND00193	EASYCHEM AFRICA LIMITED	0.00	-17,226.00	0.00	0.00	0.00	-17,226.00
		<b>-28,701,351.</b>					<b>-31,045,600.</b>