

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

REPORT

OF

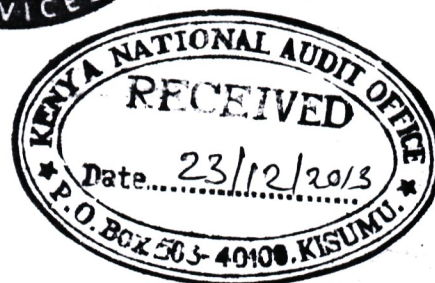
THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
LAKE VICTORIA SOUTH WATER SERVICES
BOARD**

**FOR THE YEAR ENDED
30 JUNE 2013**

LAKE VICTORIA SOUTH WATER SERVICES BOARD



**REPORT AND FINANCIAL STATEMENTS
FOR PERIOD ENDED 30th JUNE 2013**

September 2013



BOARD INFORMATION

Incorporation/ Establishment

Lake Victoria South Water Services Board (LVSWSB) was established vide Gazette Notice No. 1714 of 12th March 2004 and its operations are in line with the Water Act 2002.

Registered Office and Principal Place of Business:

Ring Road, Milimani
P.O. Box 3325
Kisumu
Kenya

Bankers:

Kenya Commercial Bank
Kisumu Branch
P.O. Box 17
Kisumu

Independent Auditor:

The Auditor- General
Kenya National Audit Office
Anniversary Towers
P.O. Box 30084 -00100
Nairobi
Kenya

BOARD OF DIRECTORS

The Directors who held office during the year and to the date of this report are as follows:

Mr. Joseph Nyaumba Weya - Chairman

Ms. Margret A. Sewe

Mrs. Josephine Ombati

Mr. Onesmus Keter

Mr. Amos Sipoi

Mr. Jeremiah Obar Ndong'

Mrs. Perece Jackoyo Ogendo

Mr. Reuben Ombima

Principal Secretary, Ministry of Environment, Water and Natural Resources

1. Principal Secretary, The National Treasury

2. Principal Secretary, Ministry of Devolution and Planning

3. Eng. Moses A. Agumba - Ag. Chief Executive Officer

SENIOR MANAGEMENT STAFF

The Senior Management staffs during the year and to the date of this report are as follows:

- | | |
|--------------------------|----------------------------------|
| 1. Eng. Moses Agumba | Ag Chief Executive Officer |
| 2. Eng. Sammy Mburu | Ag. Chief Manager Technical |
| 3. CPA. Jared O. Otieno | Chief Manager Finance |
| 4. Ms. Beatrice Olwa | Chief Manager Corporate Planning |
| 5. Mr. Sammy K. Kigen | Chief Manager Human Resources |
| 6. Mr. Kelvins B. Otieno | Ag. Chief Accountant |

**LAKE VICTORIA SOUTH WATER SERVICES BOARD FY 2012/2013
BOARD OF DIRECTORS REPORT**

The Directors submit their annual report and financial statements for the period ended 30th June 2013, which shows the state of affairs of Lake Victoria South Water Services Board (LVSWSB).

Principal Activities

The Board's mandate is to ensure efficient and economical provision of water and sanitation services in its area of jurisdiction in line with the Water Act 2002. To achieve this, it undertakes the following activities:

- a) Plan and develop water service infrastructure in the area
- b) Own and manage related assets
- c) Develop and license water service providers as agents of the board
- d) Build capacity of community based organizations to access funding from Water Services Trust Fund and manage the water schemes.

Financial Performance in the period

The performance in the period ended 30th June 2013 is set out in the subsequent pages of this document.

Directors

The directors who held office at the period under review and to the date of this report are listed in page 2.

Auditors

The Board being a state corporation is audited by the Auditor-General, Kenya National Audit Office.

By Order of the Board
Chief Executive Officer

Sign: Moses O. Agumba Date: 30/9/2013
Eng. Moses O. Agumba

LAKE VICTORIA SOUTH WATER SERVICES BOARD FY 2012/2013
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The financial statements are meant to give a true and fair view of the state of affairs of the Board as at the end of each financial year and of its surplus or deficit for that year.

The directors are required to ensure that the Board maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the Board. They are also responsible for safeguarding the assets of the Board.

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, consistent with previous years and in conformity with International Financial Reporting Standards. The directors are of the opinion that the Financial Statements give a true and fair view of the state of the financial affairs of the Board as at 30th June 2013 and of its profits for the period then ended. The directors further confirm the accuracy and completeness of the accounting records maintained by the Board which has been relied upon in the preparation of the financial statements, as well as on the adequacy of the internal controls.

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

This statement is approved by the board of directors and is signed on their behalf by:

Eng. Moses O. Agumba
Chief Executive Officer

Sign: Moses O. Agumba

Date: 30/9/2013

Mr. Joseph N. Weya
Chairman

Sign: [Signature]

Date: 30/9/2013



REPUBLIC OF KENYA

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NAIROBI



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON LAKE VICTORIA SOUTH WATER SERVICES BOARD FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Lake Victoria South Water Services Board set out on pages 6 to 14, which comprise the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Adverse Opinion

1. Property, Plant and Equipment

As noted in the audit report for the financial year ended 2011/2012 and although note 1 (d) to the financial statements indicate that the assets handed over to the Board by the Government have been valued and incorporated in the financial statements, these statements exclude undetermined amounts of water supply infrastructural assets held under Kisumu Water and Sewerage Company Limited and Kericho Water and Sanitation Company Limited. Also included in the property, plant and equipment figure of Kshs.4,749,596,383 are amounts of Kshs.693,000, Kshs.1,232,953,371 and Kshs.3,820,063 relating to addition of computers, Work in Progress and computer software, respectively that could not be vouched due to non-availability of supporting documentation.

Consequently, in light of the above paragraphs, I am unable to confirm the carrying values as stated in the financial statements reflect the fair values of the property, plant and equipment as the statement of financial position date.

2. Trade and other Receivables

The trade and other receivables balance of Kshs. 135,207,187 as at 30 June 2013 includes the following unreconciled and unexplained differences between debt balances as reflected in the records of the Board and the balances reflected in the records of the respective Water Service Providers;

	Balance per Board's Record Kshs.	Balance per WSP Records Kshs.	Difference Kshs.
Sibo Water and Sanitation Co. Ltd	14,409,752	15,819,139	1,409,387
South Nyanza Water Services Co. Ltd	6,550,990	7,382,944	831,954
Gusii Water & Sanitation Kisumu Water & Sewerage Co. Ltd	26,838,036	11,313,666	15,524,370
Mikutra Water	16,139,605	16,995,649	856,044
	2,892,024	2,884,250	7,774

Consequently, the accuracy of the trade and other receivables balance of Kshs. 135,207,187 as at 30 June 2013 could not be confirmed.

3. Payroll Management

Included in the personnel costs figure of Kshs.104,423,785 are payroll expenses amounts of Kshs.94,143,577 which includes Kshs.8,003,943 irregularly paid out as net salary to two non-staff members and one staff member who was paid three monthly separate salaries using three different names. Also, between July 2013 to April 2014, amounts totaling Kshs.6,479,202 was paid to the said persons.

Management has not provided justification for these irregular payments. As a result, I am unable to comment on the adequacy of the payroll procedures and controls in relation to these specific payments.

4. Inaccuracies of accounts

- (a). The statement of financial position, trade and other payable figure of Kshs.18,886,850 as at 30 June 2013 differ with the ledger balance of Kshs.12,390,307 by unexplained difference variance of Kshs 6,496,543.
- (b) The trade and other receivables figure of Kshs 135,207,187 also differ with its respective note 4 to the financial statement amount of Kshs 134,676,680 by resulting to unexplained difference of Kshs 530,507.
- (c) Statement of Cash Flow
 - i) The statement of cash flow reflects changes of receivables and inventories of Kshs 25,316,315 and Kshs 2,395,405 which have not been derived from the statement of financial position as at 30 June 2013.
 - ii) The acquisition of fixed assets figure of Kshs 869,292,092 shown in the statement of cash flows differ with the additional figure of the assets schedule (Note 2) of Kshs 1,237,466,434 by Kshs.368,174,342.
 - ii) The statement of cash flows shows that the Board acquired a long term loan of Kshs 558,656,273 in the year under review, while the statement of changes in equity shows a figure as Kshs 531,162,587.
 - vi. The statement of cash flows indicates that the Board obtained deferred income of Kshs 474,581,077 in the year under review, while the statement of changes in equity shows e figure of Kshs 638,625,444.

In the foregoing circumstances the statement of cash flows has not been prepared as per the requirements of IAS 7 hence it does not provide relevant, reliable and understandable information.

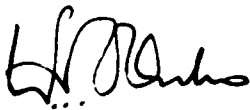
- (d) The cash and bank figure of Kshs. 224,109,831 as at 30 June 2013 include eleven bank accounts whose bank reconciliation statements were not availed for audit review, hence it was not possible to ascertain whether all bank transactions and balances during the year under audit were fairly stated.

5. Board Expenses

The board expenses figure of Kshs. 14,652,938 includes sitting allowance of Kshs. 375,000 paid to a non-gazetted board members and Kshs. 612,000 lunch allowance to board members who were also paid accommodation allowance for the same days. In the circumstances, the propriety of the Kshs. 987,000 in the board expenditure could not be confirmed.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly the financial position of the Board as at 30 June 2013 and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards and does not comply with the Water Act, 2002.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

26 June 2014

LAKE VICTORIA SOUTH WATER SERVICES BOARD FY 2012/2013

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

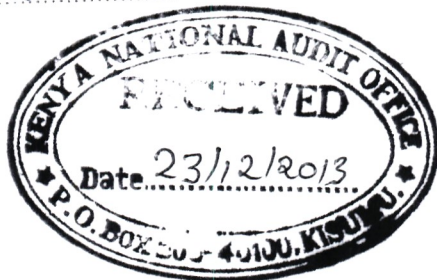
	NOTE	2013 KSHS	2012 KSHS
NON-CURRENT ASSETS			
	2	4,749,596,383	3,527,364,105
		<u>4,749,596,383</u>	<u>3,527,364,105</u>
CURRENT ASSETS			
Inventories	3	6,102,509	8,478,161
Trade and Other Receivables	4	135,207,187	109,360,365
Prepayments	5	-	1,061,492
Loans to WSP'S		1,000,000	1,000,000
Cash and Cash equivalents	6	224,109,831	117,262,330
		<u>366,419,528</u>	<u>237,162,348</u>
		<u>5,116,015,910</u>	<u>3,763,464,961</u>
Total Assets			
EQUITY			
Government Grants	7	2,788,532,711	2,788,532,711
Capital Grants	8	418,022,746	418,022,746
Deferred Income	9	812,575,944	173,950,498
Bank Overdraft	10	-	2,568,150
Surplus/(Deficit) for the year		218,889,776	(53,823,468)
Revenue reserves		<u>4,238,021,177</u>	<u>3,329,250,637</u>
LOANS			
Long Term Loans	11	859,097,883	327,935,296
		<u>859,097,883</u>	<u>327,935,296</u>
CURRENT LIABILITIES			
Trade and Other Payables	12	18,886,850	106,279,028
Total Reserves and Liabilities		<u>5,116,005,910</u>	<u>3,763,464,961</u>

Eng. Moses O. Agumba
Chief Executive Officer

Mr. Joseph N. Weya
Chairman

Sign: Moses O. Agumba
Date: 30/9/2013

Sign: [Signature]
Date: 30/9/2013



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 KSHS	2012 KSHS
INCOME			
GOK Grants	13	37,621,400	30,245,962
Defered Income Transfer		475,289,354	319,848,348
Tender Sales		1,311,250	1,326,816
Laboratory Income		655,200	-
Interest		1,586,483	2,463
WSPs Revenue		38,613,504	31,660,850
		<u>555,077,191</u>	<u>383,084,439</u>
EXPENSES			
Water Supplies Dev. Expenses	15	247,029,463	174,455,132
Personnel Costs	16	104,433,785	88,849,983
Operation and Maintenance Exp.	17	42,226,753	59,200,134
Transport Costs	18	14,034,527	9,233,297
Finance Costs	19	352,191	235,140
Kazi Kwa Vijana Expenses	20	-	14,164,509
Supplies and Services	21	49,660,753	33,559,266
Adm. and Establishment Exp.	22	41,556,236	38,451,268
Depreciation Expenses	23	80,781,623	72,028,573
		<u>580,075,330</u>	<u>490,177,302</u>
Total Expenditure			
		<u>(24,998,140)</u>	<u>(107,092,863)</u>
Excess /Deficit of Income over Expenditure			

LAKE VICTORIA SOUTH WATER SERVICES BOARD FY 2012/2013
STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE 2013

	2013	2012
	KSHS	KSHS
OPERATING ACTIVITIES		
Surplus (Deficit) for the year	(24,998,140)	(107,092,863)
ADJUSTMENTS FOR:		
Depreciation	80,781,623	72,028,573
	<u>55,783,484</u>	<u>(35,064,290)</u>
CHANGES IN WORKING CAPITAL		
(Increase)/Increase in Receivables	(25,316,315)	(8,800,207)
(Increase)/Decrease in Repayments		1,061,492
Decrease in Inventories	2,395,403	26,995,924
increase/(Decrease) in Bank Overdraft	(2,568,150)	2,118,758
(Increase)/Increase in WSP Loan		(1,000,000)
Increase/(Decrease) in Payables	(87,392,178)	(1,039,153)
CASH GENERATED FROM OPERATIONS	<u>(112,881,241)</u>	<u>19,336,814</u>
NET CASH FROM OPERATING ACTIVITIES	<u>(57,097,757)</u>	<u>(15,727,477)</u>
INVESTING ACTIVITIES		
Acquisition of Fixed Assets	(869,292,092)	(427,574,168)
Dividends Received	-	
NET CASH FROM INVESTING ACTIVITIES	<u>(869,292,092)</u>	<u>(427,574,168)</u>
FINANCING ACTIVITIES		
Long Term Loan	558,656,273	289,522,146
Deferred Income	474,581,077	173,950,498
NET CASH FROM FINANCING ACTIVITIES	<u>1,033,237,350</u>	<u>463,472,644</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>106,847,501</u>	<u>20,170,999</u>
CASH AND CASH EQUIVALENTS AT START OF YEAR	<u>117,262,330</u>	<u>97,091,331</u>
CASH AND CASH EQUIVALENTS AT THE YEAR END	<u>224,109,831</u>	<u>117,262,330</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash at Bank	<u>224,109,831</u>	<u>117,262,330</u>
	<u>224,109,831</u>	<u>117,262,330</u>

LAKE VICTORIA SOUTH WATER SERVICES BOARD FY 2012/2013

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 2013

	Government Grants (KSHS)	Capital Grants (KSHS)	ADB Loans (KSHS)	Deferred Income (KSHS)	Bank Overdraft (KSHS)	Revenue Reserves (KSHS)	Total (KSHS)
As at 1st July 2011	2,788,532,711	418,022,746	38,413,150	-	-	53,269,395	3,298,238,002
Movement in the year							
Prior Year Adjustment				173,950,498	2,568,150	(107,092,863)	289,522,146
Loans			289,522,146				173,950,498
Transfer to Grants							(104,524,713)
Surplus/(Deficit) for the year	2,788,532,711	418,022,746	327,935,296	173,950,498	2,568,150	(53,823,468)	3,657,185,933
As at 30th June 2012	2,788,532,711	418,022,746	327,935,296	173,950,498	2,568,150	(53,823,468)	3,657,185,933
As at 1st July 2012	2,788,532,711	418,022,746	859,097,883	812,575,944	(2,568,150)	218,889,776	5,097,119,060
Deferred Income			531,162,587	638,625,446		297,711,384	936,336,830
Revaluation reserves						(24,998,140)	531,162,587
Loans							(27,566,290)
Surplus/(Deficit) for the year	2,788,532,711	418,022,746	859,097,883	812,575,944	(2,568,150)	218,889,776	5,097,119,060
As at 30th June 2013	2,788,532,711	418,022,746	859,097,883	812,575,944	(2,568,150)	218,889,776	5,097,119,060

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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

a) Basis of preparation

The financial statements are prepared under historical cost convention.

b) Funds and revenue recognition

Funds from GoK and development partners are recognized when received. Grants to develop assets are recognized as capital grants.

Income from internally generated activities is recognized upon delivery of service and invoicing.

c) Translation of foreign currencies

All assets and liabilities expressed in foreign currency are converted to Kenya Shillings at the exchange ruling at the balance sheet date. Transactions in foreign currencies during the year are converted at the rates ruling at the date of the transaction. The resulting exchange differences are recognized in the income and expenditure account.

d) Property Plant & Equipment

Items of property, plant & equipment are stated at historical cost less accumulated depreciation.

The depreciation are adopted on straightline basis as follows:

- 2.50% Buildings
- 2.50% Water Supply Infrastructure
- 2.50% Plant Machinery & equipment
- 20% Office equipment
- 33.33% Computer
- 25% Motor Vehicles
- 12.50% Furniture and fittings
- 12.50% Computer Softwares

As at 30th June 2013 the assets handed over to the Board by the government have been valued and their values incorporated in the accounts.

LAKE VICTORIA SOUTH WATER SERVICES BOARD FY 2012/2013

2. Property Plant and Equipment

(a) As at 30th June, 2013, the assets handed over to the Board by the Government have been valued and incorporated in the fixed asset schedule

LAKE VICTORIA SOUTH WATER SERVICES BOARD									
FY 2012/2013 ASSETS SCHEDULE									
FIXED ASSETS SCHEDULE									
	M/Veh & Cycles	Furniture & Fit	Office Equip.	Computers	Land & Buildings	Work in Progress	Comp.Softwares	Water supply Infr	Total
Rate	25%	12.5%	20%	33.3%	2.5%	0%	12.5%	2.5%	
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1st July 2012	5,248,507	3,284,469	-	3,557,950	217,258,800	1,212,770,183	0	0	2,988,808,929
Revaluation	48,791,493	3,959,866	25,240,820	3,557,950	217,258,800	1,212,770,183	0	2,331,051,087	3,851,163,175
1st July 2012	54,040,000	7,244,335	25,240,820	3,557,950	217,258,800	1,212,770,183	0	2,331,051,087	3,851,163,175
Additions	0	0	0	693,000	0	1,232,953,371	3,820,063	0	1,237,466,434
Disposals	0	0	0	0	0	0	0	0	0
30th June 2013	54,040,000	7,244,335	25,240,820	4,250,950	217,258,800	2,445,723,554	3,820,063	2,331,051,087	5,088,629,609
Accum Depreciation	0	0	0	0	0	0	0	258,251,603	258,251,603
1st July 2012	0	0	0	0	0	0	477,508	58,276,277	80,781,623
Charge for 2012/2013	13,510,000	905,542	5,048,164	1,415,566	1,148,566	0	0	0	0
Total Acc. Dep	13,510,000	905,542	5,048,164	1,415,566	1,148,566	0	0	316,527,880	338,555,718
30th June 2013	13,510,000	905,542	5,048,164	1,415,566	1,148,566	0	0	2,331,051,087	5,084,809,546
Net Book Value	40,530,000	6,338,793	20,192,656	2,835,384	216,110,234	2,445,723,554	3,342,555	2,014,523,207	4,749,596,383
1st July 2012	54,040,000	7,244,335	25,240,820	4,250,950	217,258,800	2,445,723,554	3,342,555	2,014,523,207	4,749,596,383
30th June 2013	40,530,000	6,338,793	20,192,656	2,835,384	216,110,234	2,445,723,554	3,342,555	2,014,523,207	4,749,596,383

(b) As at 30th June, 2012, the assets handed over to the Board by the Government have been valued and incorporated into the fixed asset schedule

LAKE VICTORIA SOUTH WATER SERVICES BOARD							
FY 2011-2012 ASSETS SCHEDULE							
FIXED ASSETS SCHEDULE							
	M/Veh & Cycles	Furniture & Fit	Office Equip.	Computers	Work in Progress	Water supply Infr	Total
Rate	0	0	0	0	0	0	0
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1st July 2011	20,024,950	5,966,000	3,488,256	6,059,471	761,435,055	2,589,302,690	3,386,276,422
Additions	0	819,380	409,800	0	426,344,988	0	427,574,168
Disposals	0	0	0	0	0	0	0
30th June 2012	20,024,950	6,785,380	3,898,056	6,059,471	1,187,780,043	2,589,302,690	3,813,850,590
Accum Depreciation	0	0	0	0	0	193,519,036	214,457,913
1st July 2012	9,770,206	2,652,739	3,132,807	5,383,125	0	64,732,567	72,028,572
Charge for 2011/2012	5,006,238	848,173	765,249	676,346	0	0	0
Total Acc. Dep	14,776,444	3,500,912	3,898,056	6,059,471	0	258,251,603	286,486,485
30th June 2012	14,776,444	3,500,912	3,898,056	6,059,471	0	258,251,603	286,486,485
Net Book Value	10,254,744	3,313,261	355,449	676,346	761,435,055	2,395,783,654	3,171,818,509
30th June 2011	10,254,744	3,313,261	355,449	676,346	761,435,055	2,395,783,654	3,171,818,509
30th June 2012	5,248,507	3,284,469	-	-	118,778,043	2,331,051,087	3,527,364,105

3. Inventories

4. Trade and Other Receivables

Kericho Water and Sanitation Co. Ltd.	33,261,894	20,205,148
Kisumu Water and Sewerage Co. Ltd.	17,995,649	24,745,498
Gusii Water and Sanitation Co. Ltd.	25,114,875	14,047,157
Sibo Water and Sanitation Co. Ltd.	14,409,752	8,171,454
South Nyanza Water Services Co. Ltd.	6,550,990	4,298,663
Mikutra Water and Sanitation Co. Ltd.	2,676,088	1,905,279
Tilil be Water and Sanitation Co. Ltd.	19,022,460	12,449,001
Nyanas Water and Sanitation Co. Ltd.	4,253,461	2,859,558
Gulf Water Services Co. Ltd.	3,029,310	1,611,504
Staff Debtors	8,362,203	10,266,896
	<u>134,676,680</u>	<u>100,560,158</u>

5. Land Compensation

The land compensated was in view of those land which were acquired for wayleaves and for sections that Treatment works for Water and sewer were to be built in kajulu-Kisumu, Siaya Bondo and Migori

LAKE VICTORIA SOUTH WATER SERVICES BOARD FY 2012/2013

	2013	2012
	Kshs	Kshs
6. Cash at Bank		
ADB SCB -0400	54,049	90,000,000
ADB SCB - 0401	2,263,088	536,930
ADB SCB FD AC - 0406	199,000,000	-
ADB SCB - 0402	1,086,559	-
ADB - COOP	3,835,242	974,000
ADB - NIC	1,015,302	1,002,463
Development Account	11,715,684	19,909,409
Recurrent Account	1,667,365	819,985
Revenue Account	141,688	-
Deposit Account	31,385	764,767
Sida/Danida Account	203	7,370
EU Account 3	63,267	67,868
Sida/Danida Account 2	5,371	910,754
Unicef Account	3,230,583	2,268,723
Cash in Hand	45	60
	<u>224,109,831</u>	<u>117,262,330</u>
7. Government Grants		
Government developed/donated assets	2,788,532,711	2,788,532,711
8. Capital Grants		
AFD (Assets)	391,333,162	391,333,162
AFD (Assets)	9,046,058	9,046,058
Sida/Danida (Assets)	3,344,000	3,344,000
GTZ (Assets)	1,838,635	1,838,635
JICA (Assets)	521,692	521,692
ADB (Assets)	11,939,199	11,939,199
	<u>418,022,746</u>	<u>418,022,746</u>
9. Deferred Income		
GOK Development Funds	580,450,000	327,035,895
Donor Grants	706,707,021	153,911,206
Ministry of Water & Irrigation	-	12,851,745
Deferred Income Transferred to Income	(475,289,354)	(319,848,348)
	<u>811,867,667</u>	<u>173,950,498</u>
Deferred income is recognized as income when matching expenditure is in respect of the year when the activity is carried out.		
10. Bank Overdraft		
ADB - Development Bank	-	2,568,150
		<u>2,568,150</u>
11. Long Term Loan		
ADB Loan	859,097,883	327,935,296
12. Trade and Other Payables		
Trade Creditors	18,886,850	36,947,429
Staff Pension and gratuity	-	12,024,749
ADB - Goods	-	16,820,153
ADB - Services	-	30,349,706
ADB - Rural Projects	-	10,136,991
	<u>18,886,850</u>	<u>106,279,028</u>

LAKE VICTORIA SOUTH WATER SERVICES BOARD FY 2012/2013

	2013	2012
	Kshs	Kshs
13. GoK Grants/Recurrent Grants		
Recurrent Grants	37,621,400	30,245,962
	<u>37,621,400</u>	<u>30,245,962</u>
14. Donor Grants (Transferred to Defered Income)		
SIDA/DANIDA	226,604	226,604
EU	9,760,400	9,760,400
UNICEF/WSTF	25,104,130	25,104,130
ADB- Rural	560,435,859	108,435,000
ADB - Grant Abolition Mig.	182,325,665	10,385,072
	<u>777,852,658</u>	<u>153,911,206</u>
15. Water Supplies Development Expenses		
Promotion of Safe & Sustainable Rural Water Supplies	238,250	295,710
Drought Mitigation	5,196,470	22,702,408
Unicef Refunds	-	1,241,229
Unicef Wash Activities	131,605,223	50,498,800
EU Project - Support to WSPs	1,102,001	25,358,880
ADB: CBO & SO Activities	92,105,402	61,937,314
Sanitation Facilities Development	-	7,714,830
Drilling of Borehole	16,782,117	4,705,961
	<u>247,029,463</u>	<u>174,455,132</u>
16. Personnel Costs		
Payroll Expenses	94,143,577	85,693,831
Insurance	9,028,933	-
Staff Welfare	1,251,275	3,156,152
	<u>104,423,785</u>	<u>88,849,983</u>
17. Operation and Majntainance Expenses		
Monitoring & Evaluation	23,594,411	25,751,218
Support Organization	6,272,097	21,036,470
Consultancy Fees for ADB Projects	-	2,650,000
Planning & Research	1,227,460	1,436,000
WARMA Fees	-	100,000
Asset Valuation	904,320	-
Maintainance of Water Supplies	2,706,111	5,774,832
Repairs (building & Equipment)	7,522,353	2,451,614
	<u>42,226,753</u>	<u>59,200,134</u>
18. Transport Costs		
Motor Vehicle Operating Expenses	14,034,527	9,233,297
	<u>14,034,527</u>	<u>9,233,297</u>
19. Finance Costs		
Bank Charges & Commissions	352,191	235,140
	<u>352,191</u>	<u>235,140</u>

LAKE VICTORIA SOUTH WATER SERVICES BOARD FY 2012/2013

	2013	2012
	Kshs	Kshs
20. Kazi Kwa Vijana Expenses		
Kazi Kwa Vijana	-	14,164,509
	<u>-</u>	<u>14,164,509</u>
21. Supplies and Services		
Computer Operating Expenses	2,392,516	1,617,814
Baseline Survey	326,650	-
Lease Fees	523,760	-
Feasibility Studies	16,948,100	3,448,784
Cleaning Services	2,308,806	1,314,480
Legal Services	5,526,026	4,094,090
Security Services	1,795,800	2,726,437
Publicity & Advertisement	9,061,940	9,685,416
Stationery	10,321,974	8,856,273
Telephone & Internet	455,181	1,652,496
EU Project - Visibility actions	-	163,476
	<u>49,660,753</u>	<u>33,559,266</u>
22. Administrative and Establishment Expenses		
ISO Certification Expenses	529,200	20,000
Board & Committee Expenses	14,652,938	15,109,574
Electricity	175,482	684,573
Periodicals, Newspaper, Library	93,950	47,135
Office Tea & Official Lunch	1,637,682	757,600
Postage & Delivery Services	1,157,182	909,822
Audit Fees	1,044,000	1,044,000
Provision for Audit Fees	1,044,000	1,044,000
Conferences and Shows	1,678,882	2,287,268
Training & Workshops	7,521,073	8,145,624
Travel & Accommodation & Subsistence	9,352,857	7,579,180
Water & Conservancy WWD	528,775	646,824
Wasreb Levy	1,221,000	
Valuation	919,215	
KRA WHT Remittances		175,668
	<u>41,556,236</u>	<u>38,451,268</u>
23. Depreciation Expenses		
Depreciation	80,073,346	72,028,573
	<u>80,073,346</u>	<u>72,028,573</u>
24. Currency		
The Financial statements were prepared using Kenya Shillings (Kes)		