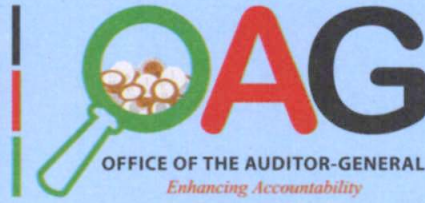


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REPORT

OF

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ON

KIRANDICH WATER COMPANY LIMITED

FOR THE YEAR ENDED
30 JUNE, 2025

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KIRANDICH WATER COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

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

Kirandich Water Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2025

Kirandich Water Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2025

Table Of Contents	Page
1. Acronyms and Glossary of Terms.....	ii
2. Key Company Information.....	iii
3. The Board of Directors.....	vi
4. Key Management Team	viii
6. Chairman’s Statement	ix
7. Report of the Managing Director	x
8. Statement Of Performance Against Predetermined Objectives for FY 2024/2025	xi
9. Corporate Governance Statement.....	xii
10. Management Discussion and Analysis.....	xvi
11. Environmental and Sustainability Reporting	xix
12. Report of the Directors.....	xxi
13. Statement of Directors’ Responsibilities.....	xxii
14. Report of the Auditor General on the Financial Statements of Kirandich Water Company Ltd.	xxiv
15. Statement of Profit or Loss & Other Comprehensive Income for the Year Ended 30 th June, 2025	1
16. Statement Of Financial Position As At 30 th June, 2025.....	2
17. Statement of Changes in Equity for the Year Ended 30 th June, 2025	4
18. Statement of Cash Flows for the Year Ended 30 th June, 2025.....	5
19. Statement of Comparison of Budget & Actual Amounts for the Period Ended 30 th June, 2025 ...	6
20. Notes to the Financial Statements	8
21. Appendices	41

Kirandich Water Company Ltd

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

1. Acronyms and Glossary of Terms

A. Acronyms

CLTS	Community Lead Total Sanitation
CRVWDA	Central Rift Valley Water Works Development Agency
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICPAK	Institute of Certified Public Accountants of Kenya
ICS	Institute of Certified Secretaries
IFRS	International Financial Reporting Standards
KCB	Kenya Commercial Bank
KIRWASCO	Kirandich Water and Sanitation Company Ltd
Kshs	Kenya Shillings
MD	Managing Director
MWS	Ministry of Water and sanitation
NT	National Treasury
PFM	Public Financial Management
PSASB	Public Sector Accounting Standards Board
RVWSB	Rift Valley Water Service Board
WASREB	Water Services Regulatory Board
WRUA	Water Resource User Association
WSP	Water Service Provider
WSTF	Water Sector Trust Fund

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the Company's financial resources.

Kirandich Water Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2025

2. Key Company Information

Background information

The Kirandich-Water company Ltd was established as a Public Limited Company under the provisions of the Company's Act Cap 486 on 7th July, 2015 and started its operations on 1st July 2017 after award of certificate of operation by Water Services Regulatory Board(WASREB) on 29th June 2017. It took over the Management of Kabarnet Water Supply which was formerly managed by Rift Valley Water Services Board as a Service Provider and commission data capture and documentation in preparation for takeover of the water supplies within the Jurisdiction of Baringo Central, Baringo North and Baringo South constituencies prior to signing a Service Provision Agreement (SPA) with the Rift Valley water services Board (Licensee)

It gets its water supply from Kirandich Dam which has a conventional treatment plant treating 14,000m³ per day.

The Company is Wholly Owned by Baringo County Government. Currently, the Company Operation Covers Kabarnet Municipality.

The Company is represented by the County Executive Member responsible for water and sanitation, which together with the board of Directors are responsible for the general policy and strategic direction of the Company.

Vision

“To be the Leading Water Utility in Kenya”

Mission

“To provide quality, Adequate, sustainable water and sanitation service to the delight of our customers”

Core Values

Our Core values include the following:

Customer Focus

Professionalism

Integrity

Team Work

Innovation & Creativity

Performance Oriented

Principal Activities

The principal activity of the Company is to ...

- To provide water and sanitation services in the company's areas of jurisdiction
- To routinely maintain water and sanitation services infrastructure
- To bill water and sanitation services and ensure timely collection of dues
- To ensure that standards and licensing requirements complied with.

Kirandich Water Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2025

Board of Directors

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

Mr. Daniel Kiptum Cherutoi	Chairman, Appointed on 3th June 2024
Mr Richard Rutto	Managing Director (Effective September, 2025)
Dr. Grace Jepkorir Chelagat	Board Member (Effective 3th June 2024)
Mr. Benjamin Boigor	Board Member (Effective 3th June 2024)
Dr. Winnie J. Bore	CO-Water, Irrigation and Sanitation -BCG
Michael Ngetich	CO-Treasury Economic Planning

Management Team

Mr. Richard Rutto	Managing Director (September, 2025)
Greig K. Kiptanui	Technical Manager (Effective November, 2024)
Cynthia J. Rono	Procurement Officer (Effective August 2023)
Mr. Peter K. Keitany	Commercial / Human Resource Manager (Effective October, 2024)
Thomas Chesaro	Accountant (Effective November, 2024)

Company Secretary

Mr. Richard Rutto

Kirandich Water Company Ltd,

P.O. Box 377 – 30400

Kabarnet, KENYA

Registered Office

Maji plaza,

Off Kabarnet-Kabartonjo Road,

P.O. Box 377-30400,

Kabarnet. KENYA

Corporate Headquarters

P.O. Box 377 - 30400

Maji Plaza

Off Kabarnet-Kabartonjo Road

Kabarnet, KENYA

Kirandich Water Company Ltd

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

Corporate Contacts

Telephone: (+254)713779355

E-mail: kirandichwatercompany@gmail.com

Website: www.kirandichwater.co.ke

Corporate Bankers

1. Account No 1211858308 – Consumer Deposit
Kenya Commercial Bank,
P.O Box 175 code 30400,
Kabarnet Branch
2. Account No 1211859827 – Revenue
Kenya Commercial Bank,
P.O Box 175 code 30400,
Kabarnet Branch
3. Account No. 1211860272 - Expenditure
Kenya Commercial Bank,
P.O Box 175 code 30400,
Kabarnet Branch
4. Account No. 1175131318 – Kirandich Water Company Ltd – Small Schemes
Kenya Commercial Bank,
P.O Box 175 code 30400,
Kabarnet Branch
5. Mpesa Pay Bill 4016733

Independent Auditor

Auditor General

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

Nairobi, Kenya

Principal Legal Adviser

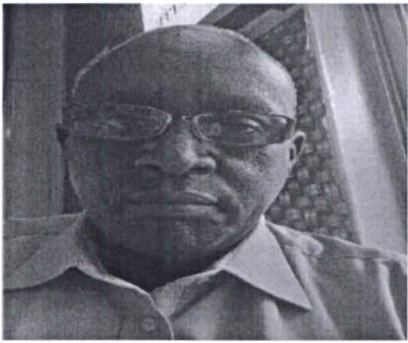



The Attorney General
State Law Office, Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, KENYA

County Attorney

Office of the Governor building
P.O. Box 53 - 30400

Kabarnet, Kenya

3. The Board of Directors

Directors	Details
 <p>1. Mr. Daniel Kiptum Cherutoi</p>	<p>Age: 64 years, appointed on 3rd June 2024 to represent Resident organisations. Chairperson of the Board</p> <p>Key Academic Professional Qualifications Senior Leadership Development Programme; Executive Masters of Education in Leadership and Policy and Bachelor of Education (Arts).</p> <p>Independent Director</p> <p>Work experience - 44 years</p>
 <p>2. Mr. Benjamin Boigor</p>	<p>Age: 48 years, appointed on 3rd June 2024 to represent Resident organisations and an Independent Director. Water Technician. He chairs Technical Services Committee.</p> <p>Key Academic Professional Qualifications:</p> <p>A Higher Diploma (HND) in water Engineering and Diploma in water Technology and Vast in Water Supply Management</p> <p>Work experience - 20 years</p>
 <p>3. Grace Chelagat</p>	<p>Age: 58 Years</p> <p>Key Academic Professional Qualifications Master in Business Administration and holds Post Graduate Diploma in HR</p> <p>Work experience - 40 years</p> <p>She is an independent Director and chairs Corporate Services Committee.</p>
 <p>4. Michael Ngetich</p>	<p>Age: 47 Years</p> <p>Key Academic Professional Qualifications;- Bachelors degree in Statistics</p> <p>Work experience -16 years</p> <p>Chief Officer;- Treasury Economic Planning – Executive Director</p>






Kirandich Water Company Ltd

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

 <p>5. Mr. Richard Rutto</p>	<p>Age: 58 Years</p> <p>Key Academic Professional Qualifications;- Masters of Science (M.Sc.) in Water, Project management course and Senior Management course</p> <p>Work experience -30 years</p> <p>He is the managing Director and the Secretary to the Board</p>
 <p>6. Dr. Winnie J. Bore</p>	<p>Age: 48 Years</p> <p>She was appointed on 3rd June 2024 to represent the County Government of Baringo . She is the current Chief Officer Department of Water, Irrigation and Sanitation.</p> <p>Key Academic Professional Qualifications Master in Health Economy</p> <p>Work experience - 20 years</p> <p>She is an Executive Director.</p>

Kirandich Water Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2025

4. Key Management Team

Managers	Details
 <p>1. Mr. Richard Rutto Managing Director</p>	<p>Age: 58 Years</p> <p>Key Academic Professional Qualifications;- Masters of Science (M.Sc.) in Water, Project management course and Senior Management course</p> <p>Work experience - 30 years</p>
 <p>2. Greig Kiptanui Technical Manager</p>	<p>He was seconded on 1st November, 2024, Before joining the Company, he worked as the Engineer of Chemususu Water Company. holds a Diploma in Water Engineering from Kenya Water Institute.</p> <p>Worked experience - 29 years.</p>
 <p>3. Thomas Chesaro Accountant</p>	<p>Joined Kirandich Water Company in November , 2024 on secondment. He has Bachelor of Commerce from University of Nairobi, CPA (K) and a Member of Certified Public Accountants of Kenya (ICPAK), He has over 24 years working experience in the public sector in Accounting and financial reporting.</p>
 <p>4. Mr. Peter K. Keitany Commercial / Human Resource Manager</p>	<p>He Joined Kirandich in 2024, as Commercial Manager, he Worked Previously with Baringo County Water department. He Holds Masters in Business Administration – Human Resource Management and member of IHRM, Work experience of 30 years</p>
 <p>5. Ms. Cynthia Jepkoech Rono Procurement Officer</p>	<p>Cynthia Joined Kirandich water Company in August 2023 as a procurement officer, she worked previously with Moi High school Kabarak. Holder of Bachelor of Procurement and supply Management and she is a member of KISM.</p>

Kirandich Water Company Ltd

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

6. Chairman's Statement

It is my pleasure to present the Annual Report and Financial Statements of Kirandich Water Company for the year ended 30th June 2025. The organization has continued to perform its key function of provision of quality, clean water and sanitation services.

The Constitution of Kenya recognizes access to water as a basic human right to all citizens. The Company is aware that this presents a challenge to ensure customer satisfaction and needs to respond effectively to the demands. In order to improve service provision, the Company, in collaboration with the department of Water and Irrigation-County Government of Baringo and other stakeholders have partnered together to implement various activities within its area of jurisdiction.

To the Environment, the Company which is located within a touching distance of katimok forest Tarambas forest, Kituro forest and Kabasis recognizes environmental sustainability as the greatest challenge of the 21st century and commits to ensuring that all its major strategies and operations consider environmental and ecological aspects and impacts.

Kirandich strategic plan details various investment plans which aim to ensure KIRWASCO growth includes the completion of Kirandich Dam Phase II. The main objectives of the new strategic plan are: increased water production to meet the demand, reduction of NRW, financial sustainability, improved corporate image and visibility and improved customer service. The company enjoys donor confidence due to its leadership and good corporate governance. This is evidenced by the success in implementation of minor projects and partnership with the EU, WSTF and County Government of Baringo. Finally, the future of Kirandich looks bright. The company has positioned itself to produce more water to meet the demand and introduce sewer network as the completion of Kirandich phase II by CRVWWDA.

Appreciation

I would like to appreciate all our stakeholders, more so the County Government of Baringo and Development partners for their solid commitment and support during the year ended on 30th June 2025. To our esteemed Customers, thank you for your loyalty and support. Thank you my Board colleagues, the management and staff for the good work and together we celebrate our achievements for the year 2024/2025. Let us all practice our core values of Customer focus, Professionalism, Teamwork, Integrity, Innovation and Creativity to the delight of our customers so as to make a difference in our county.



Mr. Daniel K. Cherutoi
Chairperson – Board of Directors

Date 05/12/2025

7. Report of the Managing Director

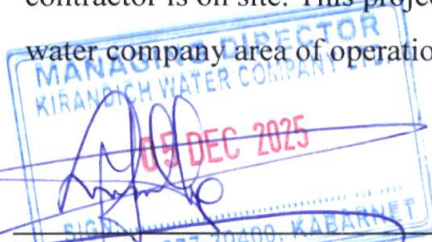
Kirandich Water Company is celebrating its eight years of the existence since June 2017.

Over the years, we have experienced growth although not at desired pace. The financial year in question has had some tremendous strides in development, particularly, in the discharge of our mandate being provision of water within our service provision area particularly Kabarnet. Unlike the other years, water provision has been constant despite breakdowns at the treatment works. The success is attributed to the swift response by the company's technical team under the operation and maintenance.

It is imperative to note that in the last quarter of the financial year, the company advertised for the positions of Managing Director, Human Resource, Technical Manager and Accountant. I hereby wish to report that the company during the financial year, tried its best to put measures for the reduction of non-revenue water which has been a perennially problem to the company, by establishing a field audit team who have been able to visit zones to eradicate illegal connections and report faulty meters which have been for a long time on average billing. I wish to report that the NRW has come down from 59% to 54% against the national average of 25% and we shall continue to strive to put measures to ensure that the company operates within acceptable range.

I also wish to restate that the company has been regular in the purchase of water treatment chemicals. On behalf of the company, I wish to thank the county government for its continuous support on the payment of electricity bills. At Kirandich, we are happy to report that, the company has made continuous improvement on reducing pending bills.

I am also happy to report that during this financial year Kirandich phase 11 is on-going since the contractor is on site. This project shall improve the water supply and coverage within the Kirandich water company area of operation hence increase in revenue once the project is completed.



Mr. Richard Rutto
Managing Director

Date 05/12/2025

Kirandich Water Company Ltd

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

8.Statement Of Performance Against Predetermined Objectives for FY 2024/2025

On Service Delivery the following was achieved against the set targets:

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

Kirandich Water Company Limited has 6 strategic pillars/ themes/issues and objectives within the guidelines from Water Sector Regulatory Authority. These strategic pillars/ themes/ issues are as follows:

SNO	Target Description	Target	Actual	Comments
1	Water Coverage (%)	93%	50%	The water coverage remained as in the previous financial year because during the period under review the company did not have new sources of water due to lack of funds to extend area of coverage. However, the Company anticipate partial completion and handing over of Kirandich Phase II distribution network in the following financial year 2025/2026. New rising main to Chebartigon area is expected to increase area of coverage.
2	Water quality standards (%)	100%	97.7%	The company achieved 97.7% against the required 100%. This is mainly due to high turbidity levels in the dam mainly due to heavy rains in the months of March to December, 2024 which caused landslides at the upstream of the catchment area and loose soil excavation along Kabarnet –Nakuru highway for water and fibre pipeline, including Riwo-Seretunin road works. The loose soil was washed to the dam causing high turbidity and water ph..
3	Non-Revenue Water (NRW) (%)	25%	54%	This was not achieved mainly because of the old and dilapidated infrastructure damaged due to many road construction works, fibre and water pipelines. Billing of connections on an average assessments, faulty water meters, leaks and bursts caused undersigned networks (spaghetti pipe connectivity). The company intends to mitigate NRW through KWASH program and staff training on NRW
4	Hours of Supply (Hrs.)	20	12	This was not achieved due to Pump breakdowns, power outages and under designed pipe networks.
5	Metering ratio (%)	96%	92%	The company did not achieve this due to high average customers, meter thefts, owing to historical data but in the attempt by the company. Through the KWASH project, we will get over 1200 replacement of meters and new consumer meters.
6	Collection Efficiency (%)	100%	96%	The company achieved this due to the efforts, which were put in place to ensure 100% collection efficiency. However, we have a challenge in collecting revenue from some of the County Government of Baringo Departments, Baringo County Referral Hospital among other consumers.

9. Corporate Governance Statement

The Board of Directors of Kirandich Water Company Limited is responsible for the overall management of the Company and is committed to ensuring that its business and operations are conducted with integrity, professionalism, and in compliance with the company's Act (Cap 486), Water Act, 2016 and best practices in corporate governance.

In the recent years various recommendations have been made in several legal and professional publications in an attempt to determine the most appropriate way for companies to be structured to achieve the highest standards of corporate governance. The Board is committed to full compliance of all the relevant laws including the Guidelines on Corporate Governance issued by the Regulator, WASREB

The Corporate Governance of Kirandich Water Company limited takes place within a framework which exists to regulate and guide the conduct of Board members, staff, customers and members of public in assessing the Company's facilities and services. The objective of the framework is to provide for the effective, ethical and accountable governance and management of the Company. The key instruments within the governance framework are:

- The Kenya Constitution
- The Water Act 2016
- The Companies Act, 2015
- The Public Financial Management Act 2012
- The Public Procurement and Asset Disposal Act 2015
- Employment Act 2007
- Kirandich Water Company Ltd approved policies and procedures

For the sake of coherence and legitimacy, it is in the best interest of the Company that its conduct be regulated by the most appropriate type of governance instrument.

Additionally, the company is strategizing to ensure the board of directors are trained to ensure that they are no skill gap.

The Function of the Board of Directors

The Kirandich Water Company Board of Directors are appointed in accordance with section 69 of the Company's Articles of Association

Kirandich Water Company Ltd

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

The Board of Directors are responsible for the following: -

- Implementation of Memorandum and Articles of Association
- Provision of guidelines and control function of the Company
- Approval of the organisation structure and maintenance of staff terms and conditions of service
- Approval of business plans and budgets
- Provision of management guidelines
- Approval of major contracts/projects
- Approval of tariff adjustment
- Prudent investment of funds to ensure continuity of service
- Appointment of Corporate Management Team

The Board is responsible for drawing and implementing strategies for the long term success of the company as well as carrying out the fiduciary duty of monitoring and overseeing the activities of management. The Board meets regularly and has a formal schedule of meetings to discuss matters reserved for its decision with a view of determining and reviewing the strategies of the Company and overseeing the Companies compliance with statutory and regulatory obligations.

Notices and agenda for all Board meetings are circulated to all Directors on a timely basis together with the respective documents for discussion.

Composition of the Board

The Board is composed of 5 non-executive Directors including an independent Chairman and one executive director who is also the Managing Director. The Directors represent various stake holding. They have a wide range of skills and experience and each contributes independent judgement and knowledge to the Board's discussions.

On appointment, each Director is provided with a comprehensive and tailored induction process covering the Company's business and operations and also provided with information relating to their legal and regulatory obligations.

All the Directors except the Managing Director and representatives of the County Government are required to submit themselves for re-election in accordance with the Company's Articles of Association.

Board Meetings

The Board of Directors Meets Quarterly or as required monitoring the implementation of KIRWASCO strategic plan and achievement of the set targets.

Kirandich Water Company Ltd

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

The board of directors also play an overall oversight of other financial and technical issues of the company.

Board Committees

The Board has constituted 2 sub-committees chaired by one director in each, namely Corporate Services and Technical Services Committee. The Board Meet 11 times during the year under review while the sub- committee meet 2 times during the financial year.

The Board appoints other committees as and when necessary.

1. Corporate Services Committee

The overview mandate of the committee of the board is:

- Corporate Strategy and Budget
- Water sales and revenue collection Issues
- Debt Management
- Asset Inventory and Management
- Management Accounts and
- Human Resource Issues.

SNO	Name	Position
1	Grace J. Chelagat	Chairperson
2	Daniel Kiptum Cherutoi	Member
3	Michael Ngetich	Member

2. Technical Services Committee

Sno	Name	Position
1	Benjamin Boigor	Chairman
2	Grace J. Chelagat	Member
3	Dr. Winnie J. Bore	Member

Communication to stakeholders

KIRWASCO is committed to ensuring that all stakeholders are provided with full and timely information about Kirandich Projects and performance. The above commitment climaxed by the planned annual general Meeting.

Statement of Compliance

The Board of directors confirm that Kirandich Water and Sanitation Company Limited during the FY2024/2025 complied with all statutory and regulatory requirements, that KIRWASCO has been managed as per the principles of good corporate governance. During the year, the Company applied for new Tariff structure which currently under review by the regulator (WASREB).

Remuneration of Board of Directors

During the year under consideration, the directors were paid within the water sector benchmark in reference to the ability of the company to pay, and was by way of sitting allowance. Directors also paid travel expenses from their residence to where meetings were held and other expenses incurred in relation to attending and returning from the meeting of directors or general meeting of the company or in connection with the business of the company.

10. Management Discussion and Analysis

Financial Statements

1.0 Overview

During the year under review, the Company reached out to the areas requiring Water Services. Although there is low performance and low revenue base but the company is optimistic that Kirandich Phase II project, Augmentation of Kabarnet Water supply project and continues extension to new areas will be commissioned as soon as possible to enable the Company increase its revenue base, Kirandich Management is looking forward to a good growth trajectory of the Company especially with level of capital investment from grants from county government, Water Fund and other development partners. Also, the Company is in the process of reviewing its tariffs to increase its cost coverage.

2.0 Performance

The company's performance in the year under review was reported as hereunder.

3.0 Revenue items

The total Company's Water Sales income for the financial year 2024/2025 was Kshs 29,265,264, a decrease from prior year by Kshs 678,051. The main source of income is Water Sales.

4.0 Current Assets

Accounts receivables for the year was Kshs 45,895,497, this included Kshs 27, 102,740.00 which was inherited from RVWSB. And a provision of doubtful debt of 5% was provided amounting to kshs 2,159,500 and the net Debtors are: Kshs 43,735,997

5.0 Expenditure Items

The total expenditure for the year amounted to Kshs, 114,672,592 this include the Electricity expenses of Kshs 51,757,422. During the year under review, the Power bills decreased due to power outages and disconnections.

6.0 Current Liabilities

Accounts payables has increased during the year to Kshs 67,756,674, this included Kshs 34,206,560, Kshs 18,082,319 and Kshs 9,680,584 For WRA levies and other suppliers which was inherited from the licensee RVWSB during transition, staff payment arrears and KPLC payment arrears respectively.

7.0 Operating deficit

The Company operated on a deficit of Kshs (21,392,835), the resultant deficit is posted to the revenue Reserve Account.

8.0 Rapid Results Initiative (R.R.I)

The level of Non-Revenue water (NRW) poses considerable challenges to the efforts of the company to operate in a financially sustainable manner. The level of NRW decreased from 59% in the year 2023/2024 to 54% on annual average in the year 2024/2025. We are putting all our efforts in ensuring that we reduce Non-Revenue water to a manageable level. To account for the water produced, we have non-revenue reduction action plan under implementation and in addition to consistent installation of water meters to our consumers. We have also ensured that leaks and bursts are attended to on time. In addition, we have been making frequent patrols and inspection to curb illegalities.

Kirandich Water Company Ltd

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

9.0 Challenges

In the year under review, the company faced challenges which put pressure on profitability in various segments of its operations. These were:

- (i) Rampant illegal connections by private plumbers
- (ii) Kabarnet has not witnessed any major increase in industrial and commercial activities.
- (iii) Metering Services: - the Company didn't attain 100% metering due to malfunctioning water meters and theft of the water meters.
- (iv) The Company's current water distribution network (dilapidated) cannot serve the increased population within its area of Jurisdiction
- (v) Leakages/ bursts due to aged pipeline systems.
- (vi) Electricity Cost: Since the Company does not meet its electricity bills, the MOU with the County government has been of great assistance but since the budget is controlled from the department of water. Hence, any delay in payment led to disconnection, which impacts on our service provision finally low revenue collection. The company is engaging the regulator with the review to increase the tariff to cover the cost of power.

10.0 Maintenance

The main works carried out composed of pipe distribution maintenance, inspection of water works and repair of machineries, equipment and cleaning of sedimentation tanks at Kirandich Treatment Works. This would improve on the quality of water supplied.

11.0 Training, Capacity Building and Human Resources Development

The Company values and appreciates the enormous contribution and commitment of personnel towards improving service delivery. In this regard, the company is focusing on developing its human capital and enhancing the skills and abilities for the personnel development to meet the company's business challenges.

12.0 Performance Management

In response to the emerging challenges, the company is putting up measures to taking up several steps to improve and sustain its role of Water Provision. In addition, strategic business planning and periodic business review will be invigorated and strengthened. The Company developed strategic and business plan which was approved by the Board of Directors during the year under review.

The company is in the process of establishing a performance management system where the Board of Directors and the Corporate Management Team (C.M.T) are going to appraise their performance. Through this system, all the company staff will be appraised as well.

From the performance appraisals, skills gaps will be established and filled through training and capacity building.

13.0 Public Relations

Public relations remained good during the year. The company engaged consumers through public barazas and customer clinics. This led to improved customer relations and employee performance. The Company created WhatsApp groups for every Zone to enable consumer engagements on reporting of bursts and leakages, concerns on water bills, shortages and all notices.

14.0 Health and Safety

The company is in the process of establishing an Occupational Health and Safety committee in keeping line with the requirements of the Factories and Other Places of Work Act.

15.0 Corporate Social Responsibility

The company is in the process of forming a committee to foster strong relationship with the community. The company will achieve this after implementing a well-defined corporate social responsibility framework. Also during the year, the company contributed towards World Water Day and Forest Service week.

16.0 Corporate Governance Issues

The company is in the process of implementing the Corporate Governance guidelines as set out by the Water Services Regulatory Board. This is aimed at achieving transparency, accountability efficiency and effectiveness in service delivery.

17.0 Internal Control Systems and their Adequacy

The Company has proper and adequate systems of internal controls geared towards achieving efficiency in its various business operations, safeguarding of assets, optimum utilization of resources, and compliance with the law and statutory regulations.

18.0 Disclosures

During the year under review, the transactions reported in the notes to the Accounts in relation to the Directors and Management did not have any conflict with the company's interest.

19.0 Towards building capacity

With the view of supporting the young people actively engaged in water improvement, the Company took in students from various colleges as trainees. The young participants then may have an opportunity to grow and to gain new ideas to enhance water related issues.



Mr. Daniel K. Cherutoi
Chairman – Board of Directors
Date 05/12/2025



Mr. Richard Rutto
Managing Director / Secretary to the Board
Date _____

11. Environmental and Sustainability Reporting

***i)* Employee welfare**

During the period, the company continued to improve staff competence in an effort to maintain good service delivery. The managers who are members of various professional bodies attended seminars, benchmarking, workshops and symposiums for purposes of improving their skills, networking and job satisfaction.

The Company sensitized staff on the Human Resource, Metering and Debt Management Policies. The Policies have principles that ensure the company follow during recruitment we follows issues in the human resource appraisal criteria and reward mechanism, Metering and Debt Management strategies. The organisation has not developed a policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA) but this will be developed in the coming year.

***ii)* Market place practices-**

a) Responsible competition practice.

Kirandich water company Ltd in its strategic plan has committed to adopt, customise strong anti-corruption plans and policies from EACC and be stringent in disciplining dishonest staff; the company respects political rights to all staff. Furthermore, the company in delivering its mandate it respects competition and its competitors. In addition, the company has engaged small rural water supply within our area of coverage so as we support in reporting through the company infrastructure.

b) Responsible Supply chain and supplier relations

The Company adheres to its contractual agreements entered into, with its suppliers and it maintains good relationship with them by honouring our payment plans and practices.

c) Responsible marketing and advertisement

In our marketing, the company engages its customers through barazas, Kabarnet Show exhibition, customer clinics, WhatsApp engagements, both print and electronic media outlets within our area of jurisdiction. We also do stakeholder engagements to advance our presence in the market and Annual General meeting.

d) Product stewardship

The company in its delivery of water to its customers follows stringent policies and guideline from WASREB, which in this case has the mandate to protect the Water Consumer in Kenya.

iii) Sustainability strategy and profile -

Kirandich Water Company and sanitation Company limited exist to provide water in Kabarnet and its environs, Baringo south and Baringo North. The company continuously deliver on its mandate the board of directors has developed a framework for sustainable water provision. This has included both corporate strategy and resource mobilisation strategy developed and approved by the Board of Directors. It has the following pillars;

- i. Corporate Governance strategy
- ii. Financial Sustainability strategy
- iii. Production and operation and service delivery strategy
- iv. Institutional Capacity development strategy.

iv) Environmental performance

During the year under review the company planted 200 trees at Kirandich Dam through the help of SPA hotel in Lake Bogoria, Also, through assistance of WSTF the company completed the implementation of Community Led Total Sanitation in six villages within the dam catchment area to attain ODF free status and six villages at Kipsaraman. Also, the company assisted Kapkirwok WRUA to plant trees and is currently supporting two WRUAs Endao and Narosura to implement environmental conservation activities along the Narosura river and Endao river funded by WSTF.

v) Employee welfare

During the period, the company continued to improve staff competence in an effort to maintain good service delivery.

The staff who are members of various professional bodies attended seminars, benchmarking, workshops and symposia for purposes of improving their skills, networking and job satisfaction.

Kirandich Water Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2025

12. Report of the Directors

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

i) Principal activities

The principal activities of the Company are (continue to be)

- To provide water and sanitation services in the company's areas of jurisdiction
- To routinely maintain water and sanitation services infrastructure
- To bill water and sanitation services and ensure timely collection of dues
- To ensure that standards and licensing requirements complied.

ii) Results

The results of the company for the year ended June 30, 2025 are set out on page 1 below is summary of the profit or loss made during the year. The company registered a slight improvement in the Financial Performance during the year under review and recorded a loss of Kshs 14.1M as compared with the previous financial year 2023/2024 loss of Kshs 19.3M

iii) Dividends

Subject to the approval of the shareholders, the Directors recommend the payment of a first and final dividend for the year of Kshs. Nil per ordinary share, amounting to Kshs. Nil million, subject to withholding tax where applicable. An interim dividend of Kshs. Nil (2024 Kshs. Nil) per ordinary share was not paid in FY 2024/2025. The total dividend for the year, therefore, is Kshs. Nil (2024– Kshs. Nil) per ordinary share. If approved, no dividend will be paid to shareholders registered in the books of the Company at the close of business. Or The company has not declared dividends for the year ended 30th June, 2025 due to insufficient resources and non-profitability.

iv) Directors

The members of the Board of Directors who served during the year are shown on pages **vi and vii** In accordance with Regulation ... of the company's Articles of Association.

v) Auditors

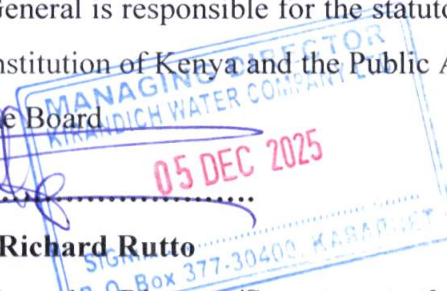
The Auditor General is responsible for the statutory audit of the Company in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

Name : Mr. Richard Rutto

Company Managing Director/Secretary to the Board

Date: 05/12/2025



13. Statement of Directors' Responsibilities

Section 164 of the Public Finance Management Act, 2012 and companies Act 2015 and was established as the Public limited Company under the provisions of the Company's Act Cap 486 and its operations regulated by Water Services Regulatory Board (WASREB). The Directors are responsible for the preparation and presentation of the Company financial statements, which give a true and fair view of the state of affairs of the Company for and as at the end of the financial year (period) ended on June 30, 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 Company; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Company; (v) selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors responsibility for the Company financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act, 2012, water Act 2016, Companies Act 2015 and the provisions of the Company's Act Cap 486 and its operations regulated by Water Services Regulatory Board (WASREB).

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 financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the Company's ability to continue as a going concern, the Company has a project in the progress that will make it a going concern despite the current financial status that the Company's budget is financed by the County government of Baringo. Phase II of the Dam project involves a solution to our main perennial power problems and extension of water supply to Kabartonjo and the environs of Kabarnet town. Also the board of director has initiated a raft of measures to lower NRW and increase the revenues, furthermore the tariff is being reviewed currently to ensure at least the company cover its costs 100%. The directors has no reason that the company's ability to operate in going concern is intact

Kirandich Water Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2025

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

Approval of the financial statements

The company financial statements were approved by the Board on 05/12 2025 and signed on its behalf by:



.....

Name: Mr. Daniel K. Cherutoi
Chairperson of the Board


.....
Name: Mr. Richard Rutto
Managing Director



Kirandich Water Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2025

14. Report of the Auditor General on the Financial Statements of Kirandich Water Company Ltd.

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KIRANDICH WATER COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the 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

Adverse Opinion

I have audited the accompanying financial statements of Kirandich Water Company Limited set out on pages 1 to 48, which comprise of the statement of financial position as

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

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Kirandich Water 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 do not comply with the Companies Act, 2015, the Water Act, 2016, the County Government Act, 2012 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Undisclosed Material Uncertainty Related of Going Concern

The statement of financial position reflects current assets totalling Kshs.46,149,130 against current liabilities totalling Kshs.68,118,572 resulting to negative working capital of Kshs.21,969,442 or current ratio of 0.48. The negative liquidity position was an indication of the existence of material uncertainty on the Company ability to continue as a going concern. The financial statements however, were prepared on a going concern basis on the assumption that the Company will continue to receive financial support from the County Government and its creditors. Management did not disclose the material uncertainty related to sustainability of services or measures taken to mitigate this.

In the circumstances, the Company may not meet its short-term financial obligations when they fall due and the sustainability of the Company could not be confirmed.

2. Inaccuracy in the Staff Costs

The statement of profit and loss and other comprehensive income reflects staff costs of an amounts of Kshs.22,718,310 and as disclosed in Note 11 to the financial statement. However, review and re-computation of the amounts in the gross payroll revealed amount totalling to Kshs.19,188,249 resulting to unexplained and unreconciled variance of Kshs.3,530,061.

Further, review of casual wage payments revealed an amount of Kshs.1,008,701 which differs with an amount of Kshs.189,819 in Note 11 to the financial statements resulting to unexplained and unreconciled variance of Kshs.818,819. In addition the amount was extra payment to permanent staff members as casual wages in addition to their normal salaries in the payroll. This is contrary to Section 129 (1) of Water Act, 2016 states that everybody corporate established under this Act shall cause to be kept all proper books and records of account of the income, expenditure, assets and liabilities.

In the circumstance, the accuracy and completeness of the staff costs of Kshs.22,718,310 and could not be confirmed and Management was in breach of the law.

3. Inaccuracy in the Employers Contributions to Pension Scheme

The statement of profit and loss and other comprehensive income reflects staff costs of an amounts of Kshs.22,718,310 which includes an amount of 2,814,029 in respect of employers contributions to pension scheme and as disclosed in Note 11 to the financial statement. However, review of the supporting schedule provided for audit review revealed an amount of Kshs.2,353,519 resulting to an unexplained and unreconciled variance of Kshs.461,510.

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

4. Inaccuracy of Electricity Costs

The statement of profit or loss and other comprehensive income reflects general and operations expenses of an amount of Kshs.63,049,748 which includes an amount of amount of Kshs.51,757,422 in respect of electricity and as disclosed in Note 12 to the financial statements. Review of the supporting schedule revealed that the payment totalling to Kshs.48,267,054 were made to Kenya Power and Lighting Company by the Baringo County Executive on behalf of the company in respect the production of clean water. However, review of the supporting documents including payment vouchers revealed payments totalling to Kshs.58,287,576 resulting to an unexplained and unreconciled variance of Kshs.10,020,522 and Kshs.6,530,154 respectively.

In the circumstances, the accuracy and completeness of electricity expenses of an amount of Kshs.51,757,422 could not be confirmed.

5. Unsupported Grants Income

The statement of profit or loss and other comprehensive income reflects grants income amount of Kshs.45,334,481 and as disclosed in Note 7 to the financial statements. However, the amount was not supported by ledgers, payment vouchers of grants paid by the County Government of Baringo and other government entities.

In the circumstance, the accuracy and completeness of grants income of amount of Kshs.45,334,481 could not be confirmed.

6. Unsupported Other Income

The statement of profit or loss and other comprehensive income reflects grants income of an amount of Kshs.191,200 in respect of rental income and as disclosed in Note 9 to the financial statements. However, the amount was not supported by ledgers or schedules.

In the circumstance, the accuracy and completeness of other income amount of Kshs.191,200 could not be confirmed.

7. Unsupported Depreciation and Amortization Expenses

The statement of profit or loss and other comprehensive income reflects total expenses of Kshs.88,914,342 which includes an amount of Kshs.1,222,668 in respect of depreciation and amortization expenses and as disclosed under Note 15 to the financial statements. However, the amount was not supporting with the assets register detailing the assets being depreciated or amortized, book value, list of disposals or acquisitions, Company's depreciation policy and method used and the depreciation rates used.

In the circumstances, the accuracy and completeness of the depreciation and amortization expenses of an amount of Kshs.1,222,668 could not be confirmed.

8. Unsupported Property, Plant and Equipment

The statement of financial position reflects balance of Kshs.156,640,228 in respect of non-current assets which includes an amount of Kshs.9,121,294 in relation to property, plant and equipment and as disclosed under Note 19 to the financial statements. However, the balance was not supported with assets register providing details on the nature and types of property, plant and equipment with their respective individual cost, revaluation sheet or report.

In the circumstances, the accuracy of the property, plant and equipment balances of Kshs.156,640,228 could not be confirmed.

9. Unsupported Work in Progress

The statement of financial position reflects non-current assets balance of Kshs.156,640,228 which includes balance of Kshs.147,518,934 in respect of work in progress as disclosed under Note 19 to the financial statements. The work in progress relates to the incomplete projects or project which were implemented but not yet handed over to the company. However, the balance was not supported with schedules detailing the names of the projects and contractors, contract date and cost, locations, total amount spent, percentage of completion and status report.

In the circumstances, the, accuracy and completeness of balance work in progress balance of Kshs.147,518,934 could not be confirmed.

10. Non-Existent Deferred Tax Liability

The statement of financial position as at 30 June, 2025 reflects deferred tax liability (Inherited from RVWSB) of Kshs.27,102,739. However, this is a long term payable inherited from Central Rift Valley Water Works Development Agency (CRVWDA) and as disclosed in Note 25 to the financial statements. However, the balance was not

supported with invoices, completion certificate, inspection and acceptance of completed water works, handover minutes and contract documents.

In the circumstances, the accuracy and completeness and fair statement of long-term payable of an amount of Kshs.27,102,739 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.216,370,169 and Kshs.94,192,696 respectively resulting to an under-funding of Kshs.122,177,473 or 56% of the budget. Similarly, the Company spent Kshs.88,914,342 and Kshs.25,758,250 in respect of total payments and capital expenditure respectively totalling to Kshs.114,672,59 against actual receipts of Kshs.94,192,696 resulting to an over-absorption of Kshs.20,479,896 or 22% of the actual receipts.

The under-funding affected the planned activities and may have impacted negatively on service delivery to the public and the over-expenditure and spending above the approved budget results to unauthorized expenditure.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Adverse 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 previous year's audit report, several issues were raised under the on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance as per

the attached **Appendix I**. Review of the status during audit of the Company in 2024/2025 revealed that the issues remained unresolved:

Other Information

The Directors is responsible for the Other Information set out on page iii to xxiii which comprise of Key Company information, The Board of Directors, Key Management Team, Chairman's' Statement, Report of the Managing Director, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of the Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Company's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Procurement and Supply of Water Chemicals

The statement of profit or loss and other comprehensive income reflects general and operations expenses amount of Kshs.63,049,748 which includes an amount of Kshs.3,242,260 in respect of chemicals cost and as disclosed in Note 12 to the financial statements. Review of the contract documents revealed that tender for the supply of water chemicals was placed on 17 January 2025 to prequalified suppliers and evaluation was on 29 January 2025. However, review of the evaluation report and professional opinion

bidding documents revealed the documents lack of appointment letters to the tender opening and evaluation committee members, evaluation report not signed.

Further, review of the evaluation report revealed that the recommended supplier by the evaluation committee was altered by the Accounting Officer in favor of a supplier who did not submit their bids for evaluation. This is contrary to Section 59 (2) of the Public Procurement and Asset Disposal Act, 2015 which states that a State Officer or a Public Officer shall not award or influence the award of a contract to himself or herself, the State officer's or public officer's spouse or child, a business associate or agent; or a corporation, private company, partnership or other body in which the officer has a substantial or controlling interest.

In the circumstances, Management is in breach of law.

2. Excessive Non-Revenue Water

The statement of profit and loss and other comprehensive income reflects operating revenue of Kshs.29,265,264 in respect of water sales. Review of the water records revealed that the Company produced 1,402,410 cubic meters (M³) of water out of which only 578,644 M³ was billed to customers resulting to unbilled water of 823,760 cubic meters (M³) (or 59%) of the produced water produced which exceeds the Water Services Regulatory Board (WASREB) guideline of 25% by 34% totaled to 476,819 cubic meters which would have earned the Company revenue of Kshs.25,864,570 equivalents at the average billing rate for the year.

In the circumstances, the Company lost revenue as a result of NRW and Management was in breach of the WASREB guidelines.

3. Payroll Deductions Made in Excess of One Third Basic Pay Rule

Review of the payroll for the period from July 2024 to June 2025 revealed that salary deductions were recovered from employees' salaries in excess of the one third rule threshold in breach of the Employment Act 2007 provisions.

In the circumstance, the affected employees were exposed to economic hardship, pecuniary embarrassment and low morale due to failure by the payroll administrator to strictly enforce compliance with the provisions of the Employment Act 2007.

4. Irregular in Kind Contribution from the County Government

The statement of profit or loss and other comprehensive income reflects grant income from Baringo County Government of an amount of Kshs.45,334,481 in respect of operational grants from County Government and as disclosed in Note 7 to the financial statements. Further review of the financial records revealed that the grants was utilized on payment of electricity bills on behalf of the company. This is contrary to the provisions of Section 71(4) of the Public Finance Management (County Governments) Regulations,

2015 that provides that a county government entity is not allowed to give a county government entity cash donations to augment the budgetary resources of designated departments.

In the circumstances, Management and the County Government were in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of an Approved Staff Establishments

As reported previously, the Company did not have an approved staff establishment contrary to the requirements of Section B5(2) of the County Public Service Human Resource Manual hence positions held by staff are not based on clear or well-defined structure.

In the circumstances, it was not possible to confirm whether the company staffing levels were optimal.

2. Weakness in the Information Technology System

As reported previously, the company did not have a functional ICT department. Further, the entity used payroll and billing systems for which it did not have full control. The systems were in the control of Central Rift Valley Water Works Development Agency. This contravenes Government ICT Standards and exposes the Company to risk of losing confidential information to unauthorized persons. Further, the Company's staff have not been trained on the use of the system.

In the circumstances, the confidentiality, integrity and availability of data in the Company's system may be compromised.

3. Tagging of Fixed Assets

The statement of financial position reflects net book value of property plant and equipment balance of Kshs.9,121,294. However, buildings, water sewers and infrastructure, plant and machinery, computer and related equipment, office equipment, furniture and fittings, and meters that do have unique registration and identification numbers and have not been tagged contrary to Section 132(1) Public Finance Management Act, 2012 (County Governments) Regulations, 2015 which states that the Accounting Officer of a County Government Entity shall take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse;

In the circumstances, the Company's assets are prone to abuse due to weak controls in asset monitoring and control.

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 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 page xxi is consistent with the financial statements; and
- iii. The auditable part of the Directors' remuneration report 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 Management and the Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to dissolve the Company or 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 responsible for ensuring that the activities, financial transactions, and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Board of Directors are responsible for overseeing the Company's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 December, 2025

Appendix 1

Unresolved Prior Year Matters

No.	Financial Year	Audit Issue
1	2023/2024	Unsupported Grant Income
2	2023/2024	Unsupported Casual Workers' Wages
3	2023/2024	Misstated Current Liabilities
4	2023/2024	Inaccuracies in Project Expenses
5	2023/2024	Unsupported Property, Plant and Equipment
6	2023/2024	Unsupported Work in Progress.
7	2023/2024	Unsupported and Long Outstanding Trade and Other Receivables Balance
8	2023/2024	Unsupported Inventories
9	2023/2024	Unsupported Bank and Cash Balances
10	2023/2024	Unsupported Long-Term Receivables Inherited from RWWSB
11	2023/2024	Unsupported Retirement Obligations
12	2023/2024	Unsupported Trade and other payables
13	2023/2024	Unsupported Refundable Deposits and Prepayments
14	2023/2024	Unconfirmed Ordinary Share Capital.
15	2023/2024	Undisclosed Material Uncertainty Related to Going Concern
16	2023/2024	Budgetary Control and Performance
17	2023/2024	Unresolved Prior Year Matters
18	2023/2024	Excessive Non-Revenue Water
19	2023/2024	Irregular In Kind Contribution from the County Government
20	2023/2024	Irregular Procurement of Chemicals
21	2023/2024	Failure to Implementation an E - Procurement System
22	2023/2024	Lack of Staff Training Need Assessment
23	2023/2024	Non-Compliance with Imprest Management Requirements
24	2023/2024	Failure to Maintain a Register of Bank Accounts
25	2023/2024	Failure to file Annual Company Returns
26	2023/2024	Excessive Non-Revenue Water
27	2023/2024	Lack of Internal Audit and Audit Committee
28	2023/2024	Lack of Risk Management Policy
29	2023/2024	Lack of an Approved Staff Establishments
30	2023/2024	Weakness in the Information Technology System
31	2023/2024	Tagging of Fixed Assets
32	2023/2024	Lack of Assets Register

Kirandich Water Company Ltd

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

15. Statement of Profit or Loss & Other Comprehensive Income for the Year Ended 30th June, 2025

	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue			
Operating Revenue	6	29,265,264	31,387,865
Grants Income – Baringo County Government	7	45,334,481	46,906,661
Other Income – Donors / Supporters / Partners	8	18,488,812	3,171,309
Other Income – House Rents	9	191,200	198,200
Total Revenue		93,279,757	81,664,035
Expenses			
Staff Costs	11	22,718,310	23,515,687
General and Operations expenses	12	63,049,748	71,082,440
Board Expenses	13	898,050	362,973
Maintenance Expenses	14	1,025,566	2,568,659
Depreciation and Amortization expenses	15	1,222,668	1,527,546
Project Expenses	16	25,758,250	1,934,818
Total Expenses		114,672,592	100,992,123
Profit/(Loss) Before Taxation		(21,392,835)	(19,328,088)
Income Tax Expense/(Credit)		-	-
Profit/(Loss) After Taxation		(21,392,835)	(19,328,088)
Earnings Per Share – Basic and Diluted		-	-
Dividend per share		-	-
Other Comprehensive Income			
Profit/ (Loss) After Taxation		(21,392,835)	(19,328,088)
Surplus or deficit on revaluation of PPE		-	-
Re-measurement of net defined benefit liability		-	-
Fair Value Gain/(Loss) On Investments In Equity Instruments Designated As At FVTOCI (Fair Value Through Other Comprehensive Income)		-	-
Total Comprehensive Income for The Year		(21,392,835)	(19,328,088)

Kirandich Water Company Ltd.


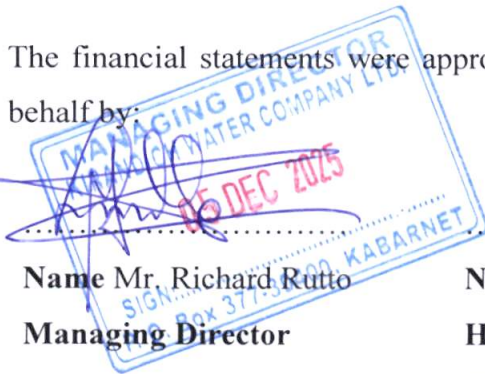
Annual Report and Financial Statements for the year ended June 30, 2025


16. Statement Of Financial Position As At 30th June, 2025


	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Non-current assets			
Property, plant and equipment	19	9,121,294	10,343,962
Investment property – Work in Progress	19	172,767,508	147,518,934
Total Non-current assets		181,888,802	157,862,896
Current assets			
Inventories	20	1,400,317	2,891,988
Trade and receivable	21	43,735,997	43,195,562
Bank and cash balances	22	1,012,816	8,632,118
Total non-current assets		46,149,130	55,059,004
Total Assets		228,037,932	212,921,900
Equity and liabilities			
Capital and Reserves			
Ordinary share capital	23	100,000	100,000
Revaluation reserve	24	199,292,481	170,002,375
Fair value adjustment reserve		-	-
Retained earnings	28	(66,576,952)	(45,183,325)
Capital and Reserves		132,816,621	124,919,050
Non-current liabilities			
Long Term Liabilities (Inherited from RVWSB)	25	27,102,739	27,102,739
Total non-current liabilities		27,102,739	27,102,739
Current liabilities			
Retirement benefit obligations	29	7,328,710	4,864,444
Provisions for Bad Debts	21	2,159,500	2,243,545
Trade and other payables	30	58,268,464	55,288,497
Refundable deposits and Prepayments	31	624,553	2,297,198
Deferred income	32	-	1,070,870
Total current Liabilities		68,118,572	65,650,810
Total Equity and Liabilities		228,037,932	212,921,900

Kirandich Water Company Ltd.
Annual Report and Financial Statements for the year ended June 30, 2025

The financial statements were approved by the Board on 05/12/ 2025 and signed on its behalf by:



Name Mr. Richard Rutto
Managing Director


.....
Name Thomas Chesaro
Head of Finance
ICPAK M/No: 15566


.....
Name Mr. Daniel K. Cherutoi
Chairman of the Board

Kirandich Water Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2025

17. Statement of Changes in Equity for the Year Ended 30th June, 2025

	Notes	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/Development Fund	Total
As at July 1, 2023		100,000	-	-	(25,855,237)	-	131,112,777	105,357,540
New capital issued		-						-
Profit for the year		-	-	-	(19,328,088)	-	-	(19,328,088)
Capital/Development grants received during the year		-	-	-	-	-	38,889,598	38,889,598
Proposed final dividends		-	-	-	(-)	-	-	-
As at June 30, 2024		100,000	-	-	(45,183,325)	-	170,002,375	124,919,050
As at July 1, 2024		100,000	-	-	(45,183,325)	-	170,002,375	124,919,050
Issue of new share capital		-	-	-	-	-	-	-
Capital/Development grants received during the year		-	-	-	-	-	29,290,106	29,290,106
Profit for the year		-	-	-	(21,392,835)	-	-	(21,392,835)
Proposed final dividends		-	-	-	(-)	-	-	-
At June 30, 2025		100,000	-	-	(66,576,160)	-	199,292,481	132,816,321

Kirandich Water Company Ltd

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

18. Statement of Cash Flows for the Year Ended 30th June, 2025

	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash Flows from Operating Activities			
Receipts			
Operating Receipts	6	27,389,296	28,425,148
Grants Income	7	-	2,203,853
Billed Other Income	6	1,875,968	1,444,550
Other Income –Capital WSTF	8	18,488,812	-
Customer Deposits	31	224,200	319,025
Total Receipts		47,978,276	32,392,576
Payments			
Staff Costs	11	17,033,745	18,365,431
General And Operation Expenses	12	10,841,175	8,035,910
Board Expenses	13	898,050	362,973
Maintenance Expenses	14	1,025,566	2,568,659
Production Costs	12	-	1,529,510
CLTS Kipsaraman, PSF and WRUA	16	25,758,250	1,829,724
Regulatory Levy	12	-	24,362.00
Total Payments		55,556,786	32,716,569
Net Cash From/ (Used In) Operating Activities	33	(7,578,510)	(323,993)
Cash Flows from Investing Activities			
Purchase Of Property, Plant And Equipment (PPE)		(-)	(77,147,926)
Proceeds From Disposal Of PPE		-	-
Purchase Of Intangible Assets		(-)	(-)
Purchase Of Investment Property		(-)	(-)
Proceeds From Disposal of Quoted Investments		-	-
Net Cash From/ (Used In) Investing Activities		-	(77,147,926)
Cash Flows from Financing Activities			
Project funding received during the year		-	37,054,698
Refund to WSTF		(40,792)	(97,290)
Transfer to Chemosus water Company Counter fund Funding		(-)	(1,100,000)
Dividends Paid		-	-
Net Cash From/(Used In) Financing Activities		(40,792)	35,857,408
Increase/(Decrease) In Cash and Cash Equivalents		(7,619,302)	(41,614,511)
Cash And Cash Equivalents At Beginning of Year		8,632,118	50,246,629
Effects Of Foreign Exchanges Rate Fluctuations		-	-
Cash And Cash Equivalents At End of the Year		1,012,816	8,632,118

Kirandich Water Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2025

19. Statement of Comparison of Budget & Actual Amounts for the Period Ended 30th June, 2025

Description	Original budget	Adjustment s	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=a+b	d	e= c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year*	-	912,939	912,939	912,939	-	100%
Receipts						
Operating Revenue	42,800,450	(10,000,000)	32,800,450	29,265,264	3,535,186	89%
Non-Operating Revenue – H/ Rent	196,800	-	196,800	191,200	5,600	97%
Grants – Baringo County Govt.	58,026,830	-	58,026,830	45,334,481	12,692,349	78%
Other Income – Partners/WB	136,264,274	(11,831,124)	124,433,150	18,488,812	105,944,338	15%
Total Receipts	237,288,354	(20,918,185)	216,370,169	94,192,696	122,177,473	44%
Payments						
Staff Costs	(31,999,550)	4,404,500	(27,595,050)	-22,718,310	(4,876,740)	82%
Board Expenses	(1,190,000)	-	(1,190,000)	-898,050	(291,950)	75%
General and operations Expenses	(75,722,730)	6,165,500	(69,557,230)	-63,049,748	(6,507,482)	91%
Maintenance	(4,315,000)	(570,000)	(4,885,000)	-1,025,566	(3,859,434)	21%
PPE - Depreciation	(1,500,000)	-	(1,500,000)	-1,222,668	(277,332)	82%
Total Payments	(114,727,280)	10,000,000	(104,727,280)	--88,914,342	(15,812,938)	87%
Capital Expenditure Payments	(122,561,074)	(10,918,185)	(111,642,889)	-25,758,250	(85,884,639)	23%
Surplus / (Deficit)	-	(-)	-	(20,479,896)	20,479,896	



PFM Act section 164(2) ii and iv requires a County Government Company to present appropriation accounts showing the status of each vote compared with the appropriation for the vote and a statement explaining any variations between actual expenditure and the sums voted. IFRS does not require entities complying with IFRS standards to prepare budgetary information because most of the entities that apply IFRS are private entities that do not make their budgets publicly available.

However, for public sector entities, the PSASB (PUBLIC SECTOR ACCOUNTING STANDARDS BOARD) has considered the requirements of the PFM Act, 2012 which these statements comply with, the importance that the budgetary information would provide to the users of the statements and the fact that the public entities make their budgets publicly available and decided to include this statement under the IFRS compliant financial statements.

Budget notes: The budget allocations for projects implementation was not done due to non-financing and the intended revenue target was not achieved hence low expenditure rates.

Budget Reconciliation

No.	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	(20,479,896)
1	Staff Costs pending	5,394,746
2	General Expenses not paid in cash	12,675,006
3	Refund to WSTF	40,792
3	Provisions for Bad and Doubtful Debts	2,159,500
4	Depreciation and Amortization	1,222,668
	Closing Cash and Cash Equivalent as per the statement of Cash flows	1,012,816

20. Notes to the Financial Statements

1. General Information

Kirandich Water Company Ltd is established by and derives its authority and accountability from Company's Act Cap 486 and its operations are regulated by Water Services Regulatory Board (WASREB). The Company wholly owned by the Baringo County Government and domiciled in Kenya. The Company's principal activity is ensure that it possesses and retain all the expertise necessary to the Technical, Commercial, and Financial and administrative functions as water service provider. For Kenyan Companies Act reporting purposes, the balance sheet represented by the statement of financial position and the profit and loss account by the statement of profit or loss and other comprehensive income in these financial statements.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Company. The figures rounded off to the nearest Kenyan shilling.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, Water Act 2016, the Company's Act Cap 486 and regulations by the Water Services Regulatory Board(WASREB), and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

Kirandich Water Company Ltd**Annual Report and Financial Statements for the year ended June 30, 2025****Notes to the financial statements (continued)****3. Application of New and Revised International Financial Reporting Standards (IFRS)****i. New and amended standards and interpretations in issue and effective in the year ended 30th June, 2025.**

Title	Description	Effective Date
Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020, amended in October 2022)	The amendments, applicable to annual periods beginning on or after 1st January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an Company 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 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 permitted.
Amendments to the Classification and Measurement of Financial Instruments Amendments to IFRS 9 and IFRS 7	The amendments specify: i. when a financial liability settled using an electronic payment system can be deemed to be discharged before the settlement date. ii. how to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs; and iii. new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.	1 January 2026

Kirandich Water Company Ltd**Annual Report and Financial Statements for the year ended June 30, 2025****ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30th 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 Company's assets, liabilities, equity, income and expenses.	The new standard is effective for annual periods beginning on or after January 1, 2027. Earlier application permitted.
IFRS 19 Subsidiaries without Public Accountability	IFRS 19 Subsidiaries without Public Accountability: Disclosures issued in May 2024. IFRS 19 permits some subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. These entities apply the requirements in other IFRS Accounting Standards except for their disclosure requirements. Instead, these entities apply the requirements in IFRS 19	The Company may elect to apply this Standard for reporting periods beginning on or after 1 January 2027. Earlier application permitted.

iii. Early adoption of standards

Kirandich Water Company Ltd did not early – adopt any new or amended standards in the year under review.

Notes to the financial statements (continued)

4. Summary of Accounting Policies

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

a) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product or service to a customer.

- i) Revenue from the sale of goods and services** is recognized in the year in which the Company delivers products/services to the customer, the customer has accepted the products/services and collectability of the related receivables is reasonably assured.
- ii) Grants from Government Entities** are recognized in the year in which the Company actually receives such grants. Recurrent grants recognized in the statement of comprehensive income. Development/capital grants recognized in the statement of financial position and realised in the statement of comprehensive income, over the useful life of the assets, acquired using such funds.
- iii) Finance income** comprises interest receivable from bank deposits and investment in securities and recognized in profit or loss on a time proportion basis using the effective interest rate method.
- iv) Dividend income** is recognized in the income statement in the year in which the right to receive the payment is established.
- v) Rental income** is recognized in the income statement as it accrues using the effective interest implicit in lease agreements.
- vi) Other income** recognized as it accrues.

Notes to the financial statements (continued)

Summary of Accounting Policies

b) In-kind contributions

In-kind contributions are donations that are made to the Company in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment, utilities or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Company includes such value in the statement of comprehensive income both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded but disclosed.

c) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses. Certain categories of property, plant and equipment are subsequently carried at re-valued amounts, being their fair value at the date of re-valuation less any subsequent accumulated depreciation and impairment losses. Where re-measurement at re-valued amounts is desired, all items in an asset category are re-valued through periodic valuations carried out by independent external valuers.

d) Depreciation and impairment of property, plant and equipment

Freehold land and capital work in progress not depreciated. Capital work in progress relates mainly to the cost of ongoing but incomplete works on buildings and other civil works and installations.

Depreciation on property, plant and equipment is recognized in the income statement on a reducing balance basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use are:

Item	Years	Rates
Buildings and civil works	50	2%
Infrastructure works	50	2%
Plant and machinery	8	12.5%
Motor vehicles, including motorcycles	4	25%
Computers and related equipment	3	33.3%
Office equipment, furniture and fittings	8	12.5%
Water Meters	7	14%

A full year's depreciation charge is recognized both in the year of asset purchase and none in the year of asset disposal. Items of property, plant and equipment are reviewed annually for impairment and accounted for in line with the provisions in the standard.

e) Intangible assets

Intangible assets with finite useful lives acquired separately carried at cost less accumulated amortization and accumulated impairment losses. Amortization recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that acquired separately carried at cost less accumulated impairment losses.

f) Amortization and impairment of intangible assets

Amortization is calculated on the straight-line basis over the estimated useful life of the intangible asset. All intangible assets reviewed annually for impairment. Where the carrying amount of an intangible asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognized and the asset is written down to its estimated recoverable amount.

g) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise. An investment property derecognized upon disposal or when the investment property permanently withdrawn from use and no future economic benefits expected from the disposal. Any gain or loss arising from derecognized of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Summary of Accounting Policies

h) Right of Use Asset

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

i) Biological Assets

The Company recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the Company, and when the fair value or cost of the asset can be measured reliably. Biological assets initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

j) Fixed interest investments (bonds)

Fixed interest investments refer to investment funds placed under Central Bank of Kenya (CBK) long-term infrastructure bonds and other corporate bonds with the intention of earning interest. Fixed interest investments are freely traded at the Nairobi Securities Exchange. The bonds are measured at amortized cost or at fair value through profit or loss or at fair value through other comprehensive income (FVOCI).

Summary of Accounting Policies

k) Quoted investments

Quoted investments are classified as non-current assets and comprise marketable securities traded freely at the Nairobi Securities Exchange or other regional and international securities exchanges. Quoted investments are stated at fair value.

l) Unquoted investments

Unquoted investments stated at cost under non-current assets, and comprise equity shares held in other Government owned or controlled entities that are not quoted in the Securities Exchange. These are measured at fair value through profit or loss (FVTPL).

m) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

n) Trade and other receivables

Trade and other receivables are recognized at amortized cost less allowances for any uncollectible amounts. These are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off after all efforts at recovery have been exhausted and when the necessary approval to write off is granted. A report on losses and write offs is disclosed on page xxx of this report.

o) Taxation

i) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Company operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the profit or loss statement. Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered

Summary of Accounting Policies

from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Company and the same taxation authority.

Summary of Accounting Policies

p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognized in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalized borrowing costs reflect the hedged interest rate. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various Commercial Banks at the end of the reporting period.

r) Restricted cash

Restricted cash refers to cash and cash equivalent balances that have usage constraints. An Company shall disclose, together with a commentary by management, the amount of significant cash and cash equivalent balances held by the Company that are not available for use by the Company.

s) Borrowings

Interest bearing loans and overdrafts are initially recorded at fair value being received, net of issue costs associated with the borrowing. Subsequently, these are measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue cost and any discount or premium on settlement. Finance charges, including premiums payable of settlement or redemption are accounted for on accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Loan interest accruing during the construction of a project is capitalized as part of the cost of the project.

Summary of Accounting Policies

t) Trade and other payables

Trade and other payables are non-interest bearing and are carried at amortized cost, which is measured at the fair value of contractual value of the consideration to be paid in future in respect of goods and services supplied, whether billed to the Company or not, less any payments made to the suppliers.

u) Retirement benefit obligations

The Company operates a defined contribution scheme for all full-time employees from July 1, 2024. The scheme is administered by an in-house team and is funded by contributions from both the company and its employees. The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 2,160 per employee per month.

v) Provision for staff leave pay

Employees' entitlements to annual leave are recognized as they accrue. A provision is made for the estimated liability for annual leave at the reporting date.

w) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Company operates, Kenya Shillings. Transactions in foreign currencies during the year/period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

x) Budget information

The original budget for FY 2024-2025 was approved by the Board of Directors on 30th June, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Company upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Company recorded additional appropriations of Kshs Nil on the 2024-2025 budget following the governing body's approval. The Company's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of

Summary of Accounting Policies

profit or loss, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Comprehensive income has been presented under section 15 of these financial statements.

y) Service concession arrangements

The Company analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Company recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Company also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

z) Comparative figures

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

aa) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value for disposal:

- The condition of the asset based on the assessment of experts employed by the Company.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the assets.

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions excluded.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. The Company make provisions for bad debts guided by its debt management policy and provides for obsolete stocks.

Kirandich Water Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the financial statements (continues)

6. Operating Revenue

	2024-2025	2023-2024
	Kshs	Kshs
Water sales	28,730,564	29,943,315
Sewerage Services	-	-
Billing for other services*	534,700	1,444,550
Total	29,265,264	31,387,865

7. Grants Income – Baringo County Government

	2024-2025	2023-2024
	Kshs	Kshs
Operational Grants from County Government	45,334,481	46,906,661
Recurrent/operational grants from other agencies	-	-
In Kind contribution/donations from other agencies	-	-
Total	45,334,481	46,906,661

The detailed analysis of grants received from the County Government of Baringo is provided in the table below:

Name of the Company sending the grant	Amount recognized in the Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	2023-2024 KShs
Water and Irrigation Department	45,334,481	-	-	45,334,481	46,906,661
Total	45,334,481	-	-	45,334,481	46,906,661

Notes to the financial statements (continued)

8. Other Income – Donors/ Supporters/ Partners/WSTF/World Bank

	2024-2025	2023-2024
	Kshs	Kshs
Recurrent/operational grants from other agencies	72,750	2,100,439
Capital grants	18,416,062	1,070,870
Total	18,488,812	3,171,309

9. Other Income – Staff Housing Rent

	2024-2025	2023-2024
Description	Kshs	Kshs
Rental income	191,200	198,200
Total	191,200	198,200

10. Other Gains and Losses

	2024-2025	2023-2024
Description	Kshs	Kshs
Foreign exchange gains / (losses)	-	-
Loss/gain on disposal on sale of investments	-	-
Total	-	-

11. Staff Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Gross Salary and Allowances	18,760,193	19,179,021
Casual workers' Wages	189,819	2,202,933
Employer's contributions to social security schemes	854,269	492,570
Employer's contributions to pension scheme	2,814,029	1,641,163
Gratuity provisions	100,000	-
Total	22,718,310	23,515,687
The average number of employees during the year	34	28

Kirandich Water Company Ltd
Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the financial statements (continued)

12. General and Operations Expenses

	2024-2025	2023-2024
Description	Kshs	Kshs
Chemicals	3,242,260	2,172,680
Electricity	51,757,422	55,790,260
Fuel, oil, lubricants, and gases	1,047,600	1,178,389
Staff Welfare and weekend	53,765	1,364,315
General Office supplies/Stationeries	335,890	509,070
Uniform and protective clothing	-	27,500
Telecommunication	535,944	572,315
Postage and courier	22,934	21,014
Hospitality Expenses	-	434,000
Insurance	-	80,200
Hire of Equipment and vehicles	-	41,550
Laboratory Expenses	35,900	75,530
Domestic Traveling and subsistence	3,213,529	2,488,670
Recruitment Expenses	-	220,000
Staff training and development	198,600	19,200
Bank Charges	86,700	120,715
Security services	-	249,110
Newspaper and Library Materials	-	9,960
Publicity and advertising	119,314	72,030
Audit fees	-	300,000
Legal fees	1,000	-
Licensing and levies	-	2,626,617
Printing and Publishing	132,545	91,150
Donations/CSR	106,845	124,050
Provision for doubtful debts	2,159,500	2,243,545
Others (KRA)	-	250,570
Total	63,049,748	68,455,823

Notes to the financial statements (continued)

13. Board Expenses

Description	2024-2025	2023-2024
	KShs	KShs
Sitting allowances	759,800	268,823
Induction and Training	108,000	-
Travel and accommodation	30,250	70,150
Other allowances	-	24,000
Total Board Expenses	898,050	362,973

14. Maintenance Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Plant and Equipment	-	53,250
Buildings	-	141,870
Infrastructural networks	623,515	1,542,830
Motor vehicles and Motorbikes	240,956	437,960
ICT (Information Communication Technology)	-	110,749
Maintenance of treatment works and tanks	161,095	225,000
Electrical maintenance	-	57,000
Total Maintenance Expenses	1,025,566	2,568,659

15. Depreciation and Amortization Expenses

Description	2024-2025	2023-2024
	KShs	KShs
Property, plant, and equipment	1,222,668	1,527,546
Investment property carried at cost	-	-
Total Depreciation and Amortization	1,222,668	1,527,546

16. Project Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
WRUA Support and CLTS Expenses	25,248,574	1,831,948
General Project Expenses	509,676	102,870
Total	25,758,250	1,934,818

Notes to the financial statements (continued)

17. Earnings Per Share

The earnings per share is calculated by dividing the profit after tax of Kshs. Nil (2023-2024: KShs. Nil) by the average number of ordinary shares in issue during the year of Nil (2023/2024: Nil). There were not dilutive or potentially dilutive ordinary share as at the reporting date.

18. Dividend Per Share

Proposed dividends are accounted for as a separate component of equity until they have been ratified and declared at the relevant Annual General Meeting (AGM). At the AGM to be held before the end of 2024, a final dividend in respect of the year ended June 30, 2025 of Kshs. nil (2024: Kshs. Nil) for every ordinary share of par value of KShs. Nil is to be proposed. An interim dividend of Kshs. Nil (2024: Kshs. Nil) for every ordinary share of par value of KShs. Nil was declared and paid during the year. This will bring the total dividend for the year to KShs. Nil (2024: KShs. Nil).

Notes to the financial statements (continued)

19. Property, Plant and Equipment

Description	Water Meters	Buildings & civil works	Water & Sewer Infrastructure	Plant and machinery	Motor vehicles, including, motorcycles	Computers & related equipment	Office equipment, furniture & fittings	Capital work in progress	Total
Depreciation rate	14%	2%	2%	12.5%	25%	33.3%	12.5%	0%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1st July, 2023	3,275,000	6,178,711	2,585,430	2,896,000	444,210	205,840	154,550	70,486,113	15,739,741
Additions	-	-	-	-	-	77,610	16,995	77,032,821	94,605
As at 30th June, 2024	3,275,000	6,178,711	2,585,430	2,896,000	444,210	283,450	171,545	147,518,934	15,834,346
Additions	-	-	-	-	-	-	-	25,248,574	25,248,574
As at 30th June, 2025	3,275,000	6,178,711	2,585,430	2,896,000	444,210	283,450	171,545	172,767,508	15,834,346
Depreciation And Impairment									
At 1st July, 2023	935,714	257,099	738,694	1,746,250	177,684	68,578	38,819	-	3,962,838
Depreciation	467,857	123,574	369,347	362,000	88,842	94,483	21,443	-	1,527,546
As At 30th June, 2024	1,403,571	380,673	1,108,041	2,108,250	266,526	163,061	60,262	-	5,490,384
Depreciation	458,500	123,574	51,709	362,000	111,053	94,389	21,443	-	1,222,668
As at 30th June, 2025	1,862,071	504,247	1,159,750	2,470,250	377,579	257,450	81,705	-	6,713,052
As at 30th June, 2024	1,871,429	5,798,038	1,477,389	787,750	177,684	120,389	111,283	172,767,508	10,343,962
As at 30th June, 2025	1,412,929	5,674,464	1,425,680	425,750	66,631	26,000	89,840	172,767,508	9,121,294

The capital Work in progress relate to the incomplete projects or project which were implemented but not yet handed over to the company

Kirandich Water Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2025

Valuation

Land and buildings, Motor Vehicles etc were not valued by an independent valuer but the basis of valuation is through estimation. These amounts brought forward from the prior year.

20 (b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Water Meters	3,275,000	1,862,071	1,412,929
Buildings	6,178,711	504,247	5,674,464
Water & Sewer Infrastructure	2,585,430	1,159,750	1,425,680
Plant and machinery	2,896,000	2,470,250	425,750
Motor vehicles, including motorcycles	444,210	377,579	66,631
Computers and related equipment	283,450	257,450	26,000
Office equipment, furniture, and fittings	171,545	81,705	89,840
	15,834,346	6,713,052	9,121,294

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

	Cost or valuation	Normal annual depreciation charge
Plant and machinery	-	-
Motor vehicles, including motorcycles	-	-
Computers and related equipment	-	-
Office equipment, furniture and fittings	-	-
Total	-	-

Kirandich Water Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2025

Notes to the financial statements (continued)

20. Inventories

	2024-2025	2023-2024
	Kshs	Kshs
General stores	-	-
Chemicals & Laboratory items	140,300	421,080
Water fittings and Accessories	815,647	1505,058
Water meters	373,350	952,500
Stationery and general stores	70,840	13,350
Total	1,400,137	2,891,988

20. a) Inventory movement details

Description	2024-2025	2023-2024
	KShs	KShs
At the beginning of the year	2,891,988	1,036,243
Additional provisions during the year	335,890	1,855,745
Recovered during the year	(-)	(-)
Written off during the year	(-)	(-)
Others Utilized / Consumed	(1,827,741)	-
At the end of the year	1,400,317	2,891,988

21. Trade and Other Receivables

	2024-2025	2023-2024
	KShs	KShs
Trade receivables (note (29a))	45,895,497	44,870,907
Deposits and prepayments	-	-
VAT (Value Added Tax) recoverable	-	-
Staff receivables (note 29 (c))	-	-
Other receivables	-	568,200
Gross trade and other receivables	45,895,497	45,439,107
Provision for bad and doubtful receivable	(2,159,500)	(2,243,545)
Net trade and other receivables	43,735,997	43,195,562
Analysed as:		
Short- Term Trade and Other Receivables	3,555,777	6,570,009
Long- Term Trade and Other Receivables	40,180,220	36,625,553

Kirandich Water Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2025

Notes to the financial statements (continued)

21. (a) Trade Receivables

	2024-2025	2023-2024
	Kshs	Kshs
Gross trade receivables	45,895,497	45,439,107
Provision for doubtful receivables	(2,159,500)	(2,243,545)
Net trade receivables	43,735,997	43,195,562
As at June 30, the ageing analysis of the gross trade receivables was as follows:		
Less than 30 days	1,344,820	3,634,130
Between 30 and 60 days	1,519,793	1,804,663
Between 61 and 90 days	1,465,414	1,458,966
Between 91 and 120 days	1,385,250	1,347,595
Over 120 days	40,180,220	36,625,553
Total	45,895,497	44,870,907

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

Description	2024-2025	2023-2024
	KShs	KShs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	(-)	(-)
Written off during the year	(-)	(-)
At the end of the year	-	-

21. (c) Staff Receivables

	2024-2025	2023-2024
	Kshs	Kshs
Gross staff loans and advances	-	-
Provision for impairment loss	(-)	(-)
Net staff loans	-	-
Less: Amounts due within one year	(-)	(-)
Amounts due after one year	-	-

Kirandich Water Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2025

Notes to the financial statements (continued)

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

Description	2024-2025	2023-2024
	KShs	KShs
At the beginning of the year	-	-
At the end of the year	-	-

22. Bank and Cash Balances

	2024-2025	2023-2024
	Kshs	Kshs
Cash at bank	930,085	8,608,758.00
Cash in hand	-	-
Mobile money account	82,731	23,360.00
	1,012,816	8,632,118.00

Detailed analysis of the cash and cash equivalents

Financial institution	Account number	2024-2025	2023-2024
		KShs	KShs
a) Current account			
KCB – Kirandich Revenue A/c	1211859827	100,658	76,510
KCB – Kirandich Expenditure. A/c	1211860272	84,928	747,137
KCB – Kirandich. A/c	1175131318	50,223	65,932
Sub- total		235,809	889,579
b) On – call deposits			
KCB – Consumer Deposit A/c	1211858308	624,553	405,159
Sub- total		624,553	405,159
c) Others(specify)			
OI arabal WSP Project(Access Bank)	0140100000207	69,289	3,515,709
PSF Oinobmoi(Equity Bank)	1390282113319	0	1,031
Augmentation Of KWS(Access Bank)	0140100000164	78	406,115
CLSG(Access Bank)	0140100000342	115	115
PSF Kabartonjo(Coop Bank)	01141941067200	0	2,724,330
PSF Koriema(Coop Bank)	01141941065700	0	460,564
WRUA Support(Coop Bank)	01141941071700	241	271,211
CLTS Kipsaraman(Coop Bank)	01141941065000	0	878
Mobile Money Account	4016733	82,731	23,360
Sub- total		152,454	7,337,380
Grand total		1,012,816	8,632,118

Kirandich Water Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2025

Notes to the financial statements (continued)

23. Ordinary Share Capital

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

24. Capital/Development Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
As at 1 st July 2024	170,002,375	131,112,777
Capital Development grant during the year	29,290,106	38,889,598
As at 30 th June 2025	199,292,481	170,002,375

25. Long Term Liabilities

Description	2024-2025	2023-2024
	Kshs	Kshs
Long Term Liabilities (Inherited from RVWSB)	27,102,739	27,102,739
Total	27,102,739	27,102,739

26. Revaluation Reserve

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

27. Fair Value Adjustment Reserve

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

Kirandich Water Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2025

28. Retained Earnings

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

Description	2024-2025	2023/2024
	Kshs	Kshs
As at 1 st July 2024	(45,183,325)	(25,855,237)
Profit for the Year	(21,392,835)	(19,328,088)
As at 30 th June 2025	(66,576,160)	(45,183,325)

29. Retirement Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current benefit obligation	7,328,710	-	-	7,328,710	4,864,444
Total	7,328,710	-	-	7,328,710	4,864,444

Retirement benefit Asset/ Liability

The Company operates a defined benefit scheme for all full-time employees from July 1, 2024. The scheme is administered by National Water while National Water Pension Fund are the custodians of the scheme. The scheme is based on 22.5% percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was not carried out as at 30th June, 2025. On this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

The Company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at variable amount per employee per month in accordance with the monthly employee remuneration. Other than NSSF the Company also has a defined contribution scheme operated by National Water Pension Fund. Employees contribute 7.5% while employers contribute 15% of basic salary. Employer

Kirandich Water Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2025

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

30. Trade and Other Payables

	2024-2025	2023-2024
	Kshs	Kshs
Trade payables	47,514,855	32,818,597
Accrued expenses	-	-
Employee payables	10,753,609	22,469,900
Total	58,268,464	55,288,497

Aging Analysis for Trade and other Payables

	2024-2025	% of the total	2023-2024	% of the total
Under one year	6,992,216	12%	10,365,207.00	19%
1-2 years	13,984,431	24%	12,365,207.00	22%
2-3 years	11,071,008	19%	9,488,436.00	17%
Over 3 years	26,220,809	45%	23,069,647.00	42%
Total	58,268,464	100%	55,288,497.00	100%

31. Refundable Deposits and Prepayments

	2024-2025	2023-2024
	Kshs	Kshs
Customer deposits	624,553	405,159.00
Prepayments by customers	-	-
Retention/Contract deposits	-	-
Others (Specify)	-	-
Total	624,553	405,159.00

Aging Analysis for Refundable Deposits and Prepayments

	2024-2025	% of the total	2023-2024	% of the total
Under one year	624,553	100%	405,159	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Total	624,553		405,159	

Kirandich Water Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2025

Notes to the financial statements (continued)

32. Deferred Income

Description	2024-2025	2023-2024
	KShs	KShs
National/County government	-	1,070,870
Total deferred income	-	1,070,870

The deferred income movement is as follows:

	County government	International funders	Public contributions and donations	Total
Balance brought forward	-	-	-	-
Additions	-	-	-	-
Balance carried forward	-	-	-	-

33. Notes to The Statement of Cash Flows

	2024-2025	2023-2024
	Kshs	Kshs
(a) Reconciliation of operating profit/(loss) to cash generated from/ (used in) operations		
Profit or loss before tax	(21,392,835)	(19,328,088)
Depreciation	1,222,668	1,527,546
Amortization	-	1,070,870
Operating profit/(loss) before working capital changes	(20,170,167)	(16,729,672)
Working capital changes:		
(Increase)/decrease in inventories	1,491,851	(1,855,744)
(Increase)/decrease in trade and other receivables	540,435	(1,791,881)
Increase/(decrease) in trade and other payables	10,144,162	17,886,067
Increase/(decrease) in retirement benefit obligations	415,209	2,167,237
Cash generated from/ (used in) operation	(7,578,510)	(323,993)
(b) Analysis of cash and cash equivalents		
Cash at bank	1,012,816	8,632,118
Balance at end of the year	1,012,816	8,632,118

Notes to the financial statements (continued)

Other Disclosures

34. Related Party Disclosures

County Government of Baringo

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

Other related parties include:

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

35. Financial Risk Management

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

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial

Kirandich Water Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2025

position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

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

	Total amount Kshs	Fully performing Kshs	Past due but not Impaired Kshs	Past due and Impaired Kshs
At 30 June 2025				
Trade Receivables	45,895,497	5,715,277	40,180,220	-
Other Receivables	-	-	-	-
Investments	-	-	-	-
Bank balances	1,012,816	1,012,816	-	-
Total	46,908,313	6,728,093	40,180,220	-
At 30 June 2024				
Trade Receivables	44,870,907	10,286,093	34,584,814	-
Other Receivables	-	-	-	-
Investments	-	-	-	-
Bank balances	8,632,118	8,632,118	-	-
Total	53,503,025	18,918,211	34,584,814	-

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

The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Company's directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

Kirandich Water Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2025

Notes to the financial statements (continued)

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June, 2025				
Trade payables	1,423,362	794,669	31,988,529	34,206,560
Provisions	-	-	2,159,500	2,159,500
Deferred income	-	-	-	-
Employee benefit obligation	7,004,452	1,956,027	9,121,840	18,082,319
Total	8,427,814	2,750,696	43,269,869	54,448,379
At 30 June, 2024				
Trade payables	5,433,929.00	769,115.00	37,127,124.00	43,330,168.00
Provisions			2,243,545.00	2,243,545.00
Deferred income			1,070,870.00	1,070,870.00
Employee benefit obligation	1,976,385.00	1,593,527.00	8,388,417.00	11,958,329.00
Total	7,410,314.00	2,362,642.00	48,829,956.00	58,602,912.00

(iii) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the Company on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The company's Department in charge of risk management is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

Kirandich Water Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2025

There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The Company has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

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

	Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June Current Year			
Financial assets			
Investments	-	-	-
Financial Liabilities			
Trade and other payables	-	-	-

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

	Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June Previous year			
Financial assets			
Investments	-	-	-
Financial Liabilities			
Trade and other payables	-	-	-

b) Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Kirandich Water Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2025

Notes to the financial statements (continued)

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2024/2025			
Euro	10%	0%	0%
USD	10%	0%	0%
2023/2024			
Euro	10%	0%	0%
USD	10%	0%	0%

c) Interest rate risk

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

i) Management of interest rate risk

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

ii) Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs Nil (2024: KShs Nil). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs Nil (2024 – KShs Nil)

iii) Fair value of financial assets and liabilities

a) Financial instruments measured at fair value

Determination of fair value and fair values hierarchy, IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect

Kirandich Water Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2025

the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

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

Financial instruments not measured at fair value

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

iv) Capital Risk Management

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

	2024-2025	2023-2024
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	(66,576,160)	(45,183,325)
Capital reserve	199,292,481	170,002,375
Total funds	132,716,321	124,819,050
Total borrowings	-	-
Less: cash and bank balances	(1,012,816)	(8,632,118)
Net debt/ (excess cash and cash equivalents)	131,703,505	116,186,932
Gearing	99%	93%

36. Incorporation

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

37. Events After the Reporting Period

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

Kirandich Water Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2025

Notes to the financial statements (continued)

21. 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)
Report on the Financial Statements	1.Unsupported Grant Income	Funds received from WSTF for CLTS – Kipsaraman, WRUA – Endao and Narosura and Marigat Public Sanitation Facility	Resolved	
	2.Unsupported Casual Worker’s Wages	The Company has implemented the right procedure of engaging Casuals	Resolved	
	3.Misstated Current Liabilities	The same has been corrected in the subsequent financial year 2024/2025	Resolved	
	4.Inaccuracies in Project Expenses	Provision of payment vouchers available for WRUA and CLTS projects	Resolved	
	5.Unsupported Property, Plant and Equipment	The handing was incomplete, but the process of ownership documents of the Land has commenced	Not Resolved	During the Financial year 2025/2026
	6.Unsupported Work in Progress	The cumulative amount was from WSTF for various projects implemented during	Resolved	

Kirandich Water Company Ltd
Annual Reports 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)
		the year 2023/2024 Payment certificates, payment vouchers and Schedules of projects implemented with costs, payments and outstanding balances available. There is Assets register		
	7.Unsupported and Long Outstanding Trade and Other Receivable Balance	The company has approved debt management policy that will be implemented to mitigate the debts, Use of Mass disconnections, enforcement officers, Non-Revenue Water team, Demand letters and Customer outreach Clinics	Not Resolved	Ongoing
	8.Unsupported Inventories	The management has put measures to comply by constituting stock taking team to carry out the process in the subsequent financial year 2024/2025	Resolved	
	9.Bank Reconciliation Statements	The same was done through quick books but in the subsequent financial year 2024/2025 it was done by Excel with Cash Books	Resolved	

Kirandich Water Company Ltd
Annual Reports 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)
	10.Unsupported Long Term Liabilities (Receivables Inherited from Rift Valley Water Services Board (RVWSB))	The board through the Corporate Services Committee to consider if the whole inherited account sum be retired from the books of Accounts	Not Resolved	During the financial year 2025/2026
	11.Unsupported retirement Obligations	Provision of monthly Schedules for the outstanding retirement obligations	Not resolved	During the financial year 2025/2026
	12.Unsupported Trade and Other Payables	List of outstanding payables available	Resolved	
	13.Unsupported Refundable Deposits and Prepayments	The certificate of bank balance showed understatement due to withdrawal of some deposit to meet other obligations and yet to refund	Not Resolved	During the subsequent financial years
	14.Unconfirmed Ordinary Share Capital	The management has written to the shareholders to pay the shares	Not Resolved	During the financial year 2025/2026
	15.Undisclosed Material Uncertainty	There is need to do Tariff review, implement KWASH Performance Improvement	Not Resolved	Ongoing

Kirandich Water Company Ltd
Annual Reports 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)
	Related to Going Concern	Plan, proper plans of reducing NRW, enhance revenue generation, improve on financial management, maximize last mile connectivity through Kirandich Phase II project and use of Solar Power to reduce electricity costs		
Report on Lawfulness and Effectiveness in Use of Public Resources	1.Excessive Non-Revenue Water	The company endeavour to comply with the laws governing water supply with a view to reduce Non-Revenue water from 59% by focusing on identification and removal of illegal and bypass connections, neutralizing water theft points, elimination of multiple registrations, re-routing some of the service and leaking lines. Procuring integrated software and smart meters. Conducting customer identification survey, use of NRW management equipment and leak detectors. Prioritize on	Not Resolved	Ongoing

Kirandich Water Company Ltd
Annual Reports 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)
		staff capacity building while taking into consideration training needs targeting NRW strategies.		
	2.Irregular In Kind Contribution from the County Government	The County Government makes budget allocation to grant the company subsidy in terms of payment of electricity bills for the production from the dam and storage tank pump station to other higher points	Not Resolved	Ongoing
	3.Irregular procurement of Chemicals	The company got chemicals supply from one supplier since then there were no enough responsive prequalified suppliers, but in the subsequent financial year the made advertisement and has followed due process to secure a prequalified supplier	Resolved	
	4.Failure to Implement an E-Procurement System	The company has registered in the current Electronic Government Procurement (eGP), hence from the subsequent financial year 2025/2026 there will be a	Resolved	

Kirandich Water Company Ltd
Annual Reports 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)
		compliance on the use of desired E-Procurement System		
	5.Lack of Staff Training Need Assessment	The Company management did the survey the establishment of the Staff Training Needs Assessment to comply with the required nature of training	Resolved	
	6.Non-Compliance with Imprest Management Requirements	The company has imprest register in place with warrants used for issuing of imprests for specific purpose duly authorised in accordance with the right rates while ensuring prompt surrender within the stipulated timelines	Resolved	
	7.Failure to Maintain a Register of Bank Accounts	The Company Bank Accounts register is in place in compliance with Regulation 87(3) of the Public Finance Management Act, 2012 and County Government Regulation 2015	Resolved	

Kirandich Water Company Ltd
Annual Reports 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)
	8.Failure to File Annual Company Returns	The Company Management filed the annual company returns as required	Resolved	
Report on the Effectiveness of Internal Controls, Risk Management and Governance	1.Lack of Internal Audit and Audit Committee	The company management utilized internal Audit staff from the county government as a stopgap measure and plans to recruit an internal Audit is underway.	Not Resolved	During the financial year 2025/2026
	2.Lack of Risk Management Policy	The Company board of Directors adopted the Baringo County Risk Management Policy as a stopgap measure since it is applicable to the County Executive Services, Departments, its affiliate entities and agencies' activities and forms part of the County's governance framework.	Resolved	
	3.Lack of an Approved Staff Establishment	The Company Staff Establishment was approved alongside the Strategic Plan by the Board of Directors	Resolved	

Kirandich Water Company Ltd
Annual Reports 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)
	4.Weakness in the Information Technology System	The company is in the process of recruiting an ICT officer and procurement of the integrated System through the Central Rift Valley Water Works Development Agency	Not Resolved	During the financial year 2025/2026
	5.Tagging of Fixed Assets	This not done fully, due to insufficient resources, but incorporated in the subsequent financial year work plan.	Not Resolved	During the financial year 2025/2026
	6.Lack of Assets Register	There is Assets Register in Place but most assets don't have updated value hence there is need for Assets revaluation by a Valuer	Not Resolved	During the financial year 2025/2026
	7.Lack of Debt Management Policy	During the financial year 2024/2025 the Board of Directors approved Debt Management Policy of the Company	Resolved	

Name: Mr. Richard Rutto
Signature: 
Managing Director
Date: 05/12/2025



Kirandich Water Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2025

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						
2						

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

❖ Didn't implement any project due to non-financing by the partners

Kirandich Water Company Ltd
Annual Reports and Financial Statements
For the year ended June 30, 2025

Appendix III- Inter-Company Confirmation Letter

Name of Transferring Company: Baringo County Government - Water and Irrigation Department

Name of Beneficiary Company: Kirandich Water Company Ltd

Confirmation of Grants in terms of paid electricity bills indicated as amounts received by Kirandich Water Company Ltd as at 30 th June, 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Pv Electricity	October, 2024		14,500,000	14,500,000	Not transferred to the Company but Electricity bills are paid on its behalf by the County Government through the Water Department
	February, 2025		6,566,724	6,566,724	
	March, 2025		10,019,246	10,019,246	
	June, 2025		14,248,511	14,248,511	
Total			45,334,481	45,334,481	

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

Head of Accounts Department - Disbursing Company:
 Nam: DAVID BERIMOS Sign [Signature] Date 06-19-25

Head of Accounts Department - Beneficiary Company:
 Name: Thomas Chesaro Sign [Signature] Date 05/12/2025

Appendix IV: Reporting of Climate Relevant Expenditures

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

❖ Didn't make allocation of funds

Appendix V: Reporting Disaster Management Expenditure

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

❖ Didn't make allocation of funds



Appendix VI: Recording of Transfers from Other Government Entities

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

❖ Didn't make allocation of funds