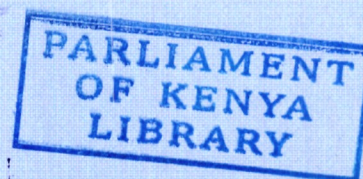


REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS
MATHIRA WATER AND SANITATION
COMPANY LIMITED

FOR THE YEAR ENDED
30 JUNE 2013





R E C E I V E D
OFFICE OF THE AUDITOR - GENERAL
CENTRAL HUB - NYERI
P.O. Box 267 - 10100, NYERI
Date: 5/5/2014

MATHIRA WATER & SANITATION COMPANY

AUDITED ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013

Chairman - Eng J M Muriuki

Board of Directors: Mr Wambugu Kogi, Nicholas Mahitu, Mrs. Rosemary W Wachira, Mr Patrick Wachira Gabriel

Mrs. Emerenziana Njuna, Mr Charles Mwangi Karingithi,

Francis Kamuki - CEO TWSB, Patrick M Mburu Managing Director



**MATHIRA WATER AND SANITATION COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30TH JUNE 2013**

INSTITUTIONAL DETAILS

REGISTERED OFFICE

Ragati Water Offices
P. O. Box 1981 – 10101

KARATINA

Tel: 020-2659069

Email: info@mawasco.co.ke

BANKERS

Co-operative Bank of Kenya
Karatina Branch
P. O. Box 931 - 10101

KARATINA

AUDITORS

Auditor General,
Kenya National Audit Office,
Anniversary Towers,
P.O Box 30084,

NAIROBI

COMPANY SECRETARY

Gikuhi Kiana & co certified public secretary.
Po Box 1271 -10100

NYERI KENYA



MATHIRA WATER AND SANITATION COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30TH JUNE 2013

BOARD OF DIRECTORS' REPORT

The Board of Directors presents their report and unaudited accounts for the year ended 30th June 2013 which discloses the state of affairs of MAWASCO as at that date.

PRINCIPAL ACTIVITY

The principal activity of MAWASCO is to ensure efficient and sustainable provision of quality and affordable water and sewerage services to all residents of Mathira East & Mathira west Districts.

MAWASCO has been mandated by Tana Water Services Board through a Service Provision Agreement (SPA) to carry out water and sewerage services in both urban and rural areas of the two Districts. The company manages public resources in order to provide quality, affordable, reliable, sustainable and potable water and sewerage services.

VISION

To be a model water & sanitation company limited.

MISSION

Ensure provision of Quality, Affordable, Reliable, Potable and Sustainable Water and Sanitation Services to all Residents of Mathira and its environs.

MOTTO

Quality Water to All Always.

CORE VALUES

- Be tenacious and professional in pursuing mission.
- Observe professional ethics and uphold integrity at all times.
- Exercise prudence and foresight in use of public resources for maximum benefits.
- Improve staff skills to enhance performance and service delivery.
- Be the role model of excellence in service delivery, efficiency and effectiveness.
- Be relevant in operations and in line with company's functions.
- Encourage and respect team work including the rights of other staff members.



**MATHIRA WATER AND SANITATION COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30TH JUNE 2013**

- Be responsive, sensitive and attentive when dealing with the members of public.
- Actively participate in the fight against graft to achieve zero tolerance to corruption.
- Be accommodative and create an enabling working environment for growth.
- Be fair, impartial and accountable in all our operations

- Creativity and innovation in all areas of work and assignments.
- Integrity and patriotism in the performance of the organizational work.
- Embrace modern technology and key performance standards in all areas of MAWASCO'S businesses.
- Non-partisan to political issues in the operating environment.

LIST OF BOARD OF DIRECTORS

The Board of Directors who held office during the year were:

NAME	REPRESENTING INTEREST
1. Eng J.M Muriuki (Chairman)	Representing local professional bodies
2. Mr. John K Wambugu	Representing Business and manufacturing Community
3. Mr. Nicholas Mahihu	Representing Tea farmers Organizations
4. Mrs. Rosemary W Wachira	Representing Women Organizations
5. Mr. Patrick Wachira Gabriel	Representing Coffee farmers Organizations
6. Mr. Charles M Karingithi	Representing Youth And Peoples With Disabilities
7. Mrs. Emerenziana Njuma	Representing Health Institutions
8. F.K Kariuki	Representing Karatina Municipal Council
9. Chief Executive Officer	Tana Water Services Board.



**MATHIRA WATER AND SANITATION COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30TH JUNE 2013**

Eng J.M Muriuki - Board Chairman

Board Committees

1. Staff and Finance Committee.

Mr. Wambugu Koigi - Chairman
Mr. Emezeriana Njuma
Chief Executive Officer Tana Water Services Board.

2. Technical Committee.

Mrs. Rose Mary Wangari - Chair Person
Mr. F K Kariuki
Chief Executive Officer Tana Water Services Board.

3 Audit committee.

Mr. Nicholas Mahihu -Chairman
Mr. Patrick Wachira Gabriel
Mr. Charles Mwangi
Chief Executive Officer Tana Water Services Board.

By Order of the Board

For and on its behalf

MANAGING DIRECTOR



Date

30/4/2014



MATHIRA WATER AND SANITATION COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30TH JUNE 2013

CORPORATE GOVERNANCE STATEMENT

MAWASCO is committed to operating under a clear governance framework and strongly adheres to sound management and internal control practices.

MAWASCO is committed to ensuring compliance with the provisions of Water Act 2002 among other regulatory and supervisory corporate governance requirements. Essential to the establishment of a good governance framework are formal governance structures designed to ensure accurate reporting to the Board to facilitate an informed decision making process, assessment and improvement of conformance.

BOARD OF DIRECTORS

The structure of MAWASCO starts with the Board of Directors representing various stakeholders' interests. The Board of Directors exercise leadership, enterprise, integrity and judgment in directing MAWASCO.

The Board of Directors is expected to determine the purpose and values of MAWASCO, determine the strategy to achieve that purpose and implement its values in order to ensure the company survives and thrives.

The Board of Directors is expected to enhance the corporate governance practices in running of MAWASCO to bring the level of governance in the company in line with international standards. The essence of corporate governance is to protect stakeholders' interests.

BOARD COMMITTEES

In ensuring that corporate governance is enhanced and that the power of MAWASCO is exercised in the stewardship of the company's total portfolio of assets and resources with the objective of maintaining stakeholders value, the Board of Directors have constituted the following committees: -

Staff and Finance Committee

MAWASCO takes cognizance of the fact that human resource is the single most important asset in any organization. It's the function of the staff and finance committee to ensure that MAWASCO has the right staff at the right place and doing the right thing. More so, the committee will ensure that the staff welfare is taken care of.

The committee also oversees the financial reporting process, company's internal controls and efficient allocation and utilization of resources.

Technical Committee

The committee ensures that there is adequate operations and maintenance, including infrastructure improvement geared towards customer satisfaction.

Audit Committee

The Audit Committee shall assist the Board of Directors in the oversight and maintaining the integrity of the financial statements of the Company. Enhancing the effectiveness of the internal control over financial reporting, Strengthening the performance of the Company's internal audit function, Ensuring the Company's compliance with legal and regulatory requirements.



**MATHIRA WATER AND SANITATION COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30TH JUNE 2013**

**STATEMENT OF BOARD OF DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL
STATEMENTS**

Mathira Water and Sanitation Company Limited keep proper books and records of accounts as required by the Companies' Act (CAP 486) and the Public Audit Act. This requires the Board of Directors to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the company as at the end of the Financial Year and of its operating results for the year. It also requires the Board of Directors to ensure that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safe guarding the assets of the company.

The Board of Directors accept responsibility for the annual accounts, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates in conformity with International Financial Reporting Standards (IFRS) and in the manner required by the Companies' Act (CAP 486). The Directors are of the opinion that the accounts give a true and fair view of the state of the financial affairs of the company and of its operating results. The Board of Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of accounts as well as adequate systems of internal control.

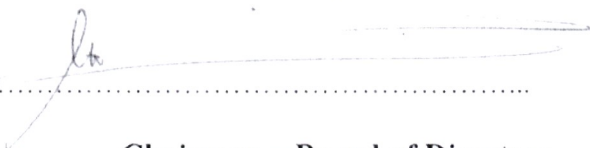
Nothing has come to the attention of the Board of Directors to indicate that the company will not remain a going concern for at least the next twelve (12) months from the date of this statement.



.....
Managing Director

Date

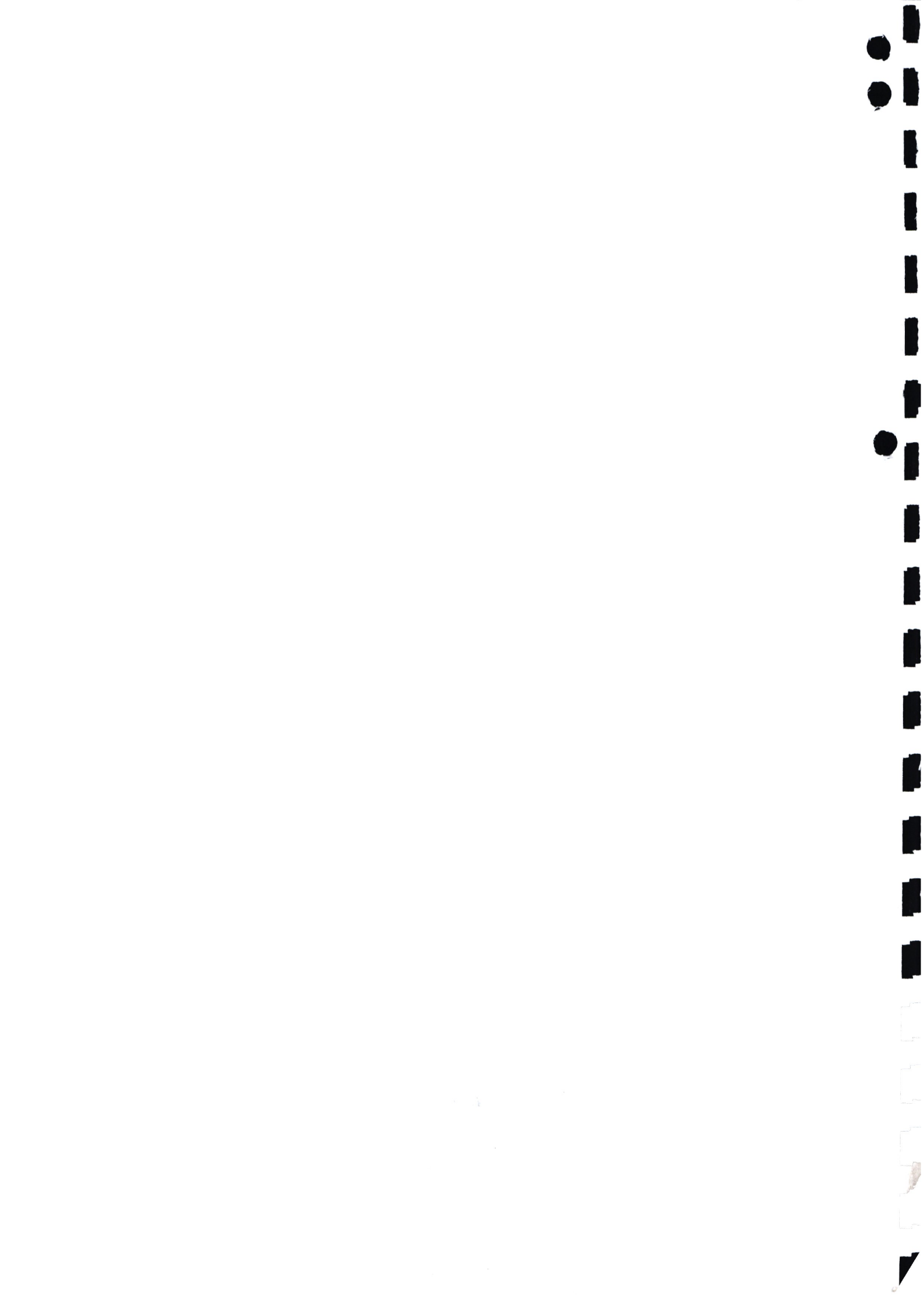
30/4/14



.....
Chairman – Board of Directors

Date

30/4/2014



REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON MATHIRA WATER AND SANITATION COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE 2013

REPORT OF THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Mathira Water and Sanitation Company Limited which comprise the statement of Financial Position as at 30 June 2013 and the Statement of comprehensive Income, the Statement of the changes in Equity, Statement of cash flows for the year then ended; and a summary of significant accounting policies and other explanatory notes in accordance with the Provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Act, 2013. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

The Board of Directors Responsibility for the Financial Statements

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

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

Auditor General's Responsibility

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

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

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

Basis of a Qualified Opinion

1. Property, Plant and Equipment

The property, plant and equipment balance of Kshs.15,753,334.00 as at 30 June 2013, as previously reported, include capital expenditure incurred by the Company since inception amounting to Kshs.9,941,607.00 and related accumulated depreciation of Kshs.6, 912,406.00 in respect of water distribution infrastructure. However, as per the Service Provision Agreement, these assets belonged to Tana Water Services Board and the Company could only incur capital expenditure with prior approval from the Board and then place a reimbursement claim of the expenditure incurred with the Board. Also, the Company did not maintain a Fixed Asset Register (FAR) to show the movement, transactions and balances at any given point in time.

In the circumstances, the accuracy and ownership of the property, plant and equipment balance of Kshs.15,770,334.00 as at 30 June 2013, could not be confirmed.

2. Customer Deposits

The payables balance of Kshs.15,195,692.00 as at 30 June 2013, includes an amount of Kshs.5,697,191.00 relating to customer deposits. However, the corresponding bank accounts reflect a balance of Kshs.1,643,142.00 at the same date, resulting to unexplained and unreconciled variance of Kshs.4,054,048.45.

In the circumstances, the accuracy of customer deposits balance of Kshs.5,697,191.00 as at 30 June 2013, could not be confirmed.

3. Capital Grants

As previously reported, the statement of financial position capital grants balance of Kshs.50,468,411.00, includes development grants totaling Kshs.41,597,900.00. However, only grants amounting to Kshs.32,673,194.00 were supported by a listing of the Government of Kenya funded projects undertaken before the inception of the Company thus leaving unexplained variance of Kshs.8,924,706.00, which has not been resolved as at 30 June 2013.

In the circumstances, it has not been possible to confirm the validity and accuracy of the balance as at 30 June 2013.

4. Unaccounted For Water (UFW)

During the year under review, the company produced a total of 4,203,612.00 cubic meters³ (cm³) of water. However, and out of the total volume, only 1,420,157.00 was billed to customers. The balance of 2,783,455.00 or approximately 66% of the total

volume represented Unaccounted for Water (UFW), which is 41% over and above the allowable loss of 25% in accordance with Water Services Regulatory Board guidelines. The UFW of 44% may have resulted in loss of sales estimated at Kshs.73,098,699.00. The significant levels of UFW may negatively impact on the company's profitability and its long term financial sustainability.

5. Share Capital

As previously reported, the share capital of Kshs.100,000 divided into 5,000 shares of Kshs.20 each represents shares issued to the defunct Municipal Council of Karatina. However, the former Council had not paid for the shareholding as at 30 June 2013. In the circumstances, it has not been possible to confirm whether or not the former Council was desirous of having the Company achieve its objectives as outlined in the Memorandum and Article of association.

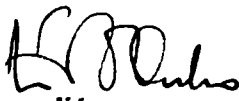
Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2013, and of its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards, the Water Act 2002, and the Companies Act, Cap 486 of the Laws of Kenya.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (i) I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purposes of the audit;
- (ii) In my opinion, proper books of account have been kept by the Company so far as appears from my examination of those books; and,
- (iii) The Company's statements of financial position and statements of comprehensive income are in agreement with the books of account.



Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

16 July 2014



MATHIRA WATER AND SEWERAGE COMPANY LIMITED
ANNUAL REPORT AND ACCCOUNTS FOR THE YEAR ENDED 30 JUNE 2013

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2012/2013 Kshs	2011/2012 Kshs
INCOME	2	73,499,123	68,121,410
EXPENDITURE			
Personnel Costs	3	33,087,055	25,615,778
Directors Costs	4	1,925,300	2,238,400
Administration Expenses	5	8,969,242	8,811,191
Operation & Maintenance Costs	6	35,331,045	35,166,435
Finance Costs	7	573,663	807,338
TOTAL		<u>79,886,305</u>	<u>72,639,142</u>
SURPLUS / (DEFICIT)		<u>(6,387,182)</u>	<u>(4,517,732)</u>
TAX PROVISION			





MATHIRA WATER AND SEWERAGE COMPANY LIMITED
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Notes	2012/2013 Kshs	2011/2012 Kshs
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	15,753,334	12,052,702
		15,753,334	12,052,702
CURRENT ASSETS			
Cash and Cash Equivalent	9	6,058,548	1,280,726
Inventories	10	6,730,563	1,086,660
Receivables	11	36,203,609	49,232,110
		48,992,720	51,599,496
CURRENT LIABILITIES			
Payables	12	15,195,692	15,899,550
Over draft	13	2,776,654	1,632,117
Accruals	14	1,542,000	1,078,000
Corporation tax	15	6,087,657	4,495,296
		25,602,002	23,104,963
Working Capital		23,390,717	28,494,533
TOTAL NET ASSETS		39,144,052	40,547,235
LIABILITIES			
Long term Liabilities	16	3,215,661	3,880,212
		3,215,661	3,880,212
FINANCED BY			
Retained Earnings	17	-14,640,020	(8,252,838)
Capital Grants	18	50,468,411	44,819,861
Authorised and Issued Share Capital	19	100,000	100,000
		35,928,391	36,667,023
TOTAL EQUITY AND LIABILITIES		39,144,052	40,547,235

The financial statements on pages 8 to 18 were approved for issue by the board of Directors on 30/12/2013 2013 and were signed on its behalf by:

Managing Director

Chairman Board of Directors





MATHIRA WATER AND SEWERAGE COMPANY LIMITED
ANNUAL REPORT AND ACCCOUNTS FOR THE YEAR ENDED 30 JUNE 2013

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	Share Capital Kshs	Retained Earnings Kshs	Capital Reserves Kshs	Total Kshs
As at 1st July 2011	100,000	4,733,359	44,819,861	49,653,220
Supplus/Deficit		-4,517,732	-	4,517,732
At 30th June 2012	100,000	215,627	44,819,861	45,135,488
As at 1st July 2012	100,000	-8,252,838	44,819,861	36,667,023
Supplus/Deficit	100,000	-6,387,182	5,648,550	638,632
At 30th June 2013	100,000	-14,640,020	50,468,411	36,028,391



MATHIRA WATER AND SEWERAGE COMPANY LIMITED
ANNUAL REPORT AND ACCCOUNTS FOR THE YEAR ENDED 30 JUNE 2013
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	2012/2013	2011/2012
	Kshs	Kshs
Cash flows from operating activities		
Surplus/deficit during the year	(6,387,182)	(4,517,732)
Add back:		
Depreciation	2,834,506	3,402,561
Prior year adjustments	0	(8,468,465)
Total from Operating Activities	(3,552,676)	(9,583,636)
Working capital Changes		
(Increase)/Decrease in Inventories	(5,643,903)	120,059
(Increase)/Decrease in Recievables	13,028,501	(1,215,715)
Increase/(Decrease) Accruals	464,000	264,000
Increase/(Decrease) Payables	(703,858)	10,174,833
Increase/(Decrease) Corporation tax	1,592,361	1,760,352
Bank overdraft	1,144,537	1,632,117
Cash generated from operations	9,881,637	12,735,646
Net cash generated from operating activities	6,328,961	3,152,010
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,535,137)	(3,551,119)
Net cash used in investing activities	(6,535,137)	(3,551,119)
Cash flows from financing activities		
Longterm liabilities	(664,551)	(959,209)
Capital grant	5,648,550	
Net cash flow from financing activities	4,983,999	(959,209)
Net (decrease)/increase in cash and cash equivalents	4,777,823	(1,358,318)
Cash and cash equilents at the start of the year	1,280,726	2,639,044
Cash and cash equivalent at the end of the year	6,058,549	1,280,726



**MATHIRA WATER AND SANITATION COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30TH JUNE 2013**

NOTES TO THE FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICES

The principal accounting policies adopted in the preparation of these statements are set out below:-

(a) Basis of preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and are prepared under historical convention.

(b) Revenue recognition

Revenue is recognized to the extent that it is probable for economic benefit to flow to the company and can be reliably measured.

(c) Property, Plant and Equipments

Items of property, plant and equipment are stated at historical costs or valuation less accumulated depreciation.

Depreciation is charged on a reducing balance basis over the estimated useful lives of the assets.

The annual rates of the depreciation used are as follows:-

▪ Motor Vehicles	25%
▪ Motor bikes	25%
▪ Computer Equipment	30%
▪ Furniture, Fixtures, Fittings and Office Equipments	12.5%
▪ Plant, Equipments and Meters	33.3%

(d) Inventories

Inventories are stated at lower of cost and net realizable value.

(e) Trade and other Receivables

Receivables are recognized and carried at the net of the specific provision for bad and doubtful debts.

(f) Employee Benefits



**MATHIRA WATER AND SANITATION COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30TH JUNE 2013**

Employees are entitled to retirement's benefits under defined contribution plan. Contributions to the defined contribution plan are charged to the income statement as incurred.

(g) Cash and cash equivalent

For the purposes of cash flow statements, cash and cash equivalents comprises cash in hand and bank balances.

(h) Incorporation

The company is incorporated in Kenya under the Companies Act (CAP 486) Laws of Kenya.

(i) Currency

The Financial Statements have been prepared using Kenya Shillings (Ksh.)

(j) Nature and Purpose of Revenue Reserve Account

Surplus in the revenue reserve relates to revenue generated from water sales fully committed in the financial year but not yet spent. net of any provisions for specific commitments.



MATHIRA WATER AND SANITATION COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2012

	2012/2013	2011/2012
	Kshs	Kshs
2. INCOME		
Sales are recognised upon billings to the customer		
Water sales	52,601,975	46,349,452
Sewer	15,495,343	15,580,557
Billing	68,097,318	61,930,009
Other Income		
Miscellaneous	1,734,195	1,847,771
Tender sales	216,000	227,000
Salary grant	3,451,610	3,116,630
Grants from Twsb	1,000,000	1,000,000
	5,401,805	6,191,401
TOTAL INCOME	73,499,123	68,121,410
3. PERSONNEL COSTS		
Staff -Salaries	29,176,545	24,984,278
Ministry staff salary	3,451,610	
Casual wages	458,900	631,500
	33,087,055	25,615,778
4. DIRECTORS COSTS		
Sitting Allowance	1,155,180	1,310,000
Travelling Allowance	770,120	928,400
	1,925,300	2,238,400
5. ADMINISTRATIVE COSTS		
Travelling & Subsistence	1,340,528	879,221
Printing and Stationery	879,872	998,240
Advertising and Public Relations	675,912	548,627
Corporate social responsibility		106,000
Newspaper & Periodicals	111,510	83,540
Entertainment	144,080	221,218
Staff Welfare expense	265,555	366,423
Insurance	230,114	337,559
Training	8,400	922,570
Consultancy		232,190
Secretarial services	152,656	180,000
Office rent		180,000
Electricity	1,077,675	1,413,421
Cleaning Materials	38,645	16,380
Seminars	109,650	
Uniforms	6,930	3,465
Security Services	1,628,640	1,533,770
Legal Fees	507,573	134,275
Telephone	411,021	308,842
Audit Cost	550,000	
Postage	40,456	22,030
General office expenses	27,625	39,420
sports	298,400	
Provision for audit fee	464,000	464,000
TOTALS	8,969,242	8,811,191



MATHIRA WATER AND SANITATION COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2012

	2012/2013 Kshs	2011/2012 Kshs
6. OPERATION & MAINTENANCE COSTS		
Board fee	5,893,798	4,881,774
Motor vehicle & bikes running cost - Fuel & Oil	1,459,735	2,195,398
Motor vehicle & bikes running cost - Repairs	544,373	588,812
Renewal of Water permit license & subsription	61,720	240,000
Maintenance of Pumps	170,405	56,300
Maintenance of water supply system	668,304	1,286,816
Maintenance of sewerage systems	601,757	5,756,925
Repair & Maintenance - Building and Properties	993,724	148,705
Repair & Maintenance - Computers	21,615	29,000
Software Maintenance	60,000	
Manhole covers	24,850	
Functions celebrations expense	388,885	7,850
Engineering design & maps	340,070	32,000
Service Lines Rehabilitation	36,760	1,705,984
Core Line Rehabilitation	9,800	188,650
Pipes & Fittings	2,107,165	318,580
Chemicals	1,473,340	2,232,575
Ground maintainance	33,000	3,200
Milliage Allowance Expense	14,266	
Depreciation	2,834,506	3,402,561
Specific Bad debts	16,125,630	11,410,819
Other levies and fees	215,245	680,486
Wasreb levy	652,097	
Warma levy	600,000	
TOTALS	35,331,045	35,166,435
7. FINANCE COSTS		
Bank Charges	144,738	338,790
Bank Loan Interest	428,925	468,548
TOTALS	573,663	807,338





**MATHIRA WATER AND SEWERAGE COMPANY LIMITED
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013**

Notes to the accounts (continued)

8 Property, Plant and Equipment

	Buildings		Motor Vehicles & cycles		Furniture and Fittings		Computers and Accessories		Plant and Equipment		W.I.P		Total	
		Kshs		Kshs		Kshs		Kshs		Kshs		Kshs		Kshs
NBV valuation														
As at 1 July 2012		4,220,543		2,301,826		535,917		607,782		4,386,635				12,052,703
Additions during the year				1,150,400				415,390		134,560		4,834,787		6,535,137
As at 30 June 2013		4,220,543		3,452,226		535,917		1,023,172		4,521,195		4,834,787		18,587,840
Depreciation														
As at 1 July 2012		152,367		3,289,620		444,218		2,260,007		5,420,412				11,566,624
Charge for the year		105,514		863,057		66,990		306,952		1,491,994				2,834,506
As at 30 June 2013		257,881		4,152,677		511,208		2,566,959		6,912,406				14,401,130
NBV as at 1 July 2012		4,220,543		2,301,826		535,917		607,782		4,386,635				12,052,703
NBV as at 30 June 2013		4,115,029		2,589,170		468,927		716,220		3,029,201		4,834,787		15,753,334



MATHIRA WATER AND SANITATION COMPANY LIMITED
FINANCIAL STATEMENT AS AT 30TH JUNE 2013

	2012/2013 Kshs	2011/2012 Kshs
9 CASH & CASH EQUIVALENTS		
Savings Account	3,088,501	391,285
Customers Deposit Account	1,643,143	723,991
Donor Account		255
Project Account	592,684	164
Gratuity Account	661,284	33,015
Cash at Hand	72,936	132,016
Totals	6,058,548	1,280,726
10 INVENTORIES		
This represents Pipes for repairs and maintenance of water supply systems and Chemicals in the stores as at 30th June 2012		
i Pipes	842,506	184,241
ii Fittings	2,542,313	902,419
iii Chemicals	48,000	0
iv stationery	195,944	
v meters	3,101,800	
Totals	6,730,563	1,086,660
11 RECEIVABLES		
Opening Balance	48,996,764	75,443,527
Billing for the year	68,097,318	61,930,009
Totals	117,094,082	137,373,536
Collection	(65,120,927)	(54,335,559)
Totals	51,973,155	83,037,977
Less: Specific bad debts provision	(16,125,630)	(34,041,213)
Closing Balance	35,847,525	48,996,764
Share capital	100,000	100,000
Salary advance	97,184	122,276
Unsurrendered imprest	158,900	13,070
Totals	36,203,609	49,232,110
12 PAYABLES		
General Creditors	7,329,417	10,339,778
Gratuity	850,000	
TWSB Loaned meters	1,032,070	1,032,070
Customer Deposit	5,697,191	4,333,548
Customer pre-payments	287,014	194,154
Totals	15,195,692	15,899,550
13 OVERDRAFT		
Current Account	2,776,654	1,632,117
Totals	2,776,654	1,632,117

MATHIRA WATER AND SANITATION COMPANY LIMITED
 FINANCIAL STATEMENT AS AT 30TH JUNE 2013

14 ACCRUALS

Provision for Audit fee	1,542,000	1,078,000
Totals	1,542,000	1,078,000

15 TAX LIABILITIES

Corporation Tax	6,087,657	4,495,296
Totals	6,087,657	4,495,296

16 LONG TERM LIABILITIES

Advance - Municipal Council of Karatina	2,000,000	2,000,000
Loan - Co-operative Bank KBN 009E	1,215,661	1,880,212
Totals	3,215,661	3,880,212

17 RETAINED EARNINGS

Surplus / (Deficit) B/f	(8,252,838)	4,733,359
Surplus /deficit for the Year	(6,387,182)	(4,517,732)
		(8,468,465)
Totals	(14,640,020)	(8,252,838)

18 CAPITAL GRANT

Capital grant b/f	50,468,409	44,819,861
		0
Totals	50,468,411	44,819,861

19 SHARE CAPITAL

Authorised and issued Share Capital not paid 5,000 Ordinary Shares@Ksh20	100,000	100,000
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