
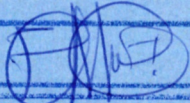


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



 REPORT	
THE NATIONAL ASSEMBLY PAPERS LAID	
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THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
KENYA WATER TOWERS AGENCY**

**FOR THE YEAR ENDED
30 JUNE 2018**



Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018

KENYA WATER TOWERS AGENCY

FINANCIAL STATEMENTS

FOR YEAR ENDED
30TH JUNE 2018

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)



Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018

Table of Contents

I.	KEY ENTITY INFORMATION AND MANAGEMENT	1
II.	THE BOARD OF DIRECTORS	5
III.	THE KEY MANAGEMENT TEAM	8
IV.	CHAIRMAN'S STATEMENT	11
V.	REPORT OF THE DIRECTOR GENERAL	13
VI.	THE ENTITY'S OPERATIONAL AND FINANCIAL PERFORMANCE	14
VII.	CORPORATE GOVERNANCE STATEMENT	14
VIII.	CORPORATE SOCIAL RESPONSIBILITY STATEMENT	18
IX.	REPORT OF THE DIRECTORS	18
X.	STATEMENT OF DIRECTORS' RESPONSIBILITIES	19
XI.	STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 th JUNE 2018..	21
XII.	STATEMENT OF FINANCIAL POSITION AS AT 30 th JUNE 2018	22
XIII.	STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 th JUNE 2018....	23
XIV.	STATEMENT OF CASH FLOWS THE YEAR ENDED 30 th JUNE 2018	24
XV.	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	25
XVI.	NOTES TO THE FINANCIAL STATEMENTS	26



Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018

I. KEY ENTITY INFORMATION AND MANAGEMENT

WHO WE ARE

The Kenya Water Towers Agency is a State Corporation under the Ministry of Environment and Natural Resources. It was established in 2012 vide Kenya Gazette Supplement No: 27, legal notice no: 27 on 20th April, 2012.

OUR VISION

A global leader in sustainable management of water towers.

OUR MISSION

To sustainably manage water towers and their ecosystems through coordination and conservation for socio-economic development.

OUR MANDATE

To co-ordinate and oversee the protection, rehabilitation, conservation, and sustainable management of water towers.

CORE VALUES

We shall be guided by the following core values, which provide an integrated focus towards enhancing provision of acceptable quality service. They are summarised in an acronym DEPITS.

- Diligence
- Equity
- Professionalism
- Integrity
- Teamwork
- Sustainability

i) Strategic Objectives

- To coordinate water towers ecosystem health and resilience.
- To coordinate and oversee securing of catchment lands, wetlands and critical biodiversity hotspots within the water towers ecosystems.
- To acquire appropriate infrastructure to support sustainable management of water towers.
- To promote sustainable livelihood support programmes within the water towers.
- To establish strategic partnerships and linkages for sustainable management of water towers.
- To undertake institutional strengthening for effective service delivery.



Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018

ii) Key Management

The day-to-day management of Kenya Water Towers Agency is entrusted to the Director General is assisted by a management team of four (4) Directors backed by one (1) Deputy Director, three (3) Assistant Directors, the Head of Finance and Accounts, the Head of Internal Audit, Head of Supply Chain Management, Head of Human Resource and Head of ICT.

iii) Fiduciary Management

It is run by a Nine (9) member Board of Directors, comprising four (4) Government representatives, five (5) independent members appointed by name and the Chief Executive Officer of the Agency who is the Secretary to the Board.

iv) Fiduciary Oversight Arrangements

BOARD OF DIRECTORS

1. Chairman
2. Cabinet Secretary – National Treasury
3. Principal Secretary - Ministry of Environment and Natural resources
4. Principal Secretary - Ministry Water.
5. Principal Secretary – Ministry of Energy and Petroleum
6. Four (4) independent directors
7. Director General

The Board of Directors is responsible for formulating the Agency's vision, realisation of its mission and achievement of strategic objectives in line with the approved strategic plan.

Board Committees

The Board has Four (4) Committees with specific delegated authorities. These are the Board Audit Committee, the Board Finance and Resource Mobilization Committee, Human Resource and Corporate Affairs and Technical Committee. The respective Chairpersons present their reports to the Board at each scheduled meeting. The composition of each committee is shown below;

FINANCE AND RESOURCE MOBILIZATION COMMITTEE MEMBERS

1. Chairperson – Independent
2. One (1) - Independent
3. Principal Secretary - Ministry of Environment and Natural Resources.
4. Principal Secretary- National Treasury



Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018

The main function of the Finance and Resource Mobilization Committee is policy oversight and effective management of Finance and mobilization of resources.

AUDIT COMMITTEE MEMBERS

1. Chairperson - Independent
2. Principal Secretary – Ministry of Water and Irrigation
3. Principal Secretary - Ministry of Energy and Petroleum.

The Audit evaluates and recommends policies on the Agency's internal controls and financial propriety as well as risk management, review matters connected with audits and the provision of assurance regarding internal controls.

TECHNICAL COMMITTEE MEMBERS

1. Chairperson - Independent
2. One (1) Independent
3. Principal Secretary - Ministry of Environment and Natural Resources.
4. Principal Secretary – Ministry of Energy and Petroleum
5. Principal Secretary- Ministry of Water.

The technical, is responsible for ensuring; policy oversight, operational and legal compliance, advising the Board on proposed subsidiary legislation, effective management of water towers, effective organisational structures for water towers areas as well as approvals of technical policies, strategies and system

HUMAN RESOURCE AND CORPORATE AFFAIRS COMMITTEE MEMBERS

1. Chairperson - Independent
2. Two (2) - Independent
3. Cabinet Secretary –National Treasury
4. Principal Secretary – Ministry of Environment and Natural Resources



Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018

Headquarters

Post Office Box 42903 – 00100,
General Post Office,
N.H.I.F Building 15th Floor,
Ragati Road, Upper hill,
Nairobi - Kenya.

Contacts

Telephone: (254) 020 2711437
E-mail: info@kwta.go.ke.

Principal Bankers

National Bank of Kenya
Hill Plaza Branch
P.O. Box 45219-00100
The: +254(0)202722211
E-mail: hill@nationalbank.co.ke
Website: www.nationalbank.co.ke

Kenya Commercial Bank
Capital Hill Branch
P.O. Box 69695-00400
Tel: +254-20-2737103/2720208/2720207
Fax: +254-20-2737107
E-mail: capitalhill@kcb.co.ke
Website: www.kcbbankgroup.com

Independent Auditors

Auditor General

Anniversary Towers, University Way
P.O. Box 30084 – 00100,
GPO, Nairobi.
[Tel:+254-20-2227383](tel:+254-20-2227383),
Fax: +254-20-311482
E-mail: cag@kenao.go.ke,
Website: www.kenao.go.ke

Principal Legal Adviser

The Attorney General

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



Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018

II. THE BOARD OF DIRECTORS



Dr. Isaac P Kalua MBS,HSC
Chairperson of the Board

Dr. Kalua is an Environmentalist and the Founder/Chairperson of Green Africa Foundation, a non-governmental organization that for over a decade has been championing the conservation of environment, forests and natural resources in Kenya and in the continent of Africa. He is also a distinguished entrepreneur with national and international acclaim. He has a passion of developing young talents, especially in social entrepreneurship. He is also the chairperson of Honda Motorcycle Kenya Limited.

Appointed to the Board on 9th March, 2016 to serve for a second term.



Prof. Julius G. Tanui, PhD
Ag. Director General

Prof. Tanui is the Ag Director General. He holds a PhD from Nelson Mandela Metropolitan University, South Africa, where he specialized in Environmental Education and Sustainable Development. Prof Tanui has 19 Years' of enormous experience in Environmental and Sustainable Development field. Among other experience and achievements he was a Project Leader for the Centre of Excellence in Education Research Methodologies, East and Southern Africa which include; Oldenburg University – Germany, Nelson Mandela Metropolitan University South Africa, Uganda Management Institute, Dar-es-salaam University and Moi University.



Ms. Margaret M Maranga

Ms. Margaret Mukuhi Maranga is the Chairperson of the Board Human Resource and Corporate Affairs Committee and also a member of the Technical Committee. She has extensive experience across diverse disciplines that include Administration, Management and Public Relations and Communication Management. Margaret is a recipient of the prestigious Gold Award by the Public Relations Society of Kenya (PRSK) for her outstanding support in the practise and advancement of Public Relations Practise in Kenya. Appointed to the Board on 2nd October, 2015



Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018



Mr. Robert K Tigogo

Mr. Robert Kipchumba Tigogo is a member of both the Board Finance and Resource Mobilisation Committee and also the Board Human Resource and Corporate Affairs Committee. He holds LLB (Hons) in Law from Shivaji University Kolhapur India and a Diploma in Law from the Kenya School of Law. He also holds a Master of Business Administration (MBA) from Jomo Kenyatta University of Agriculture and Technology. He was admitted as an Advocate of High Court of Kenya in 2003 and he is currently a practising Advocate.

Appointed to the Board on 2nd October, 2015



Mr. David K Chepkwony

Mr. David Kipkorir Chepkwony is the Chairperson of the Board Audit Committee and also a member of the Human Resource and Corporate Affairs Committee. He holds a Bachelors of Technology Degree in Electrical and Communication Technology from Moi University Eldoret. He is currently overseeing a CDF Funded Project in Ainamoi Constituency. Mr. Chepkwony has extensive experience in development and management of telecommunication facilities.

Appointed to the Board on 2nd October, 2015






Mr Robert Mutuma (HSC)

Mr Robert Mutuma works with Total Kenya Ltd. He is the Chairman of the Technical Committee of the Board. He holds a Diploma in Environmental Studies from the Technical University of Kenya. He is a passionate environmentalist and advisor of the Total Eco Challenge Programme. He also carried out research on indigenous knowledge systems and published a paper on indigenous knowledge in fruit trees in Kenya. He is a recipient of the Head of State Commendation for his outstanding contribution on environmental conservation in Kenya.



**Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018**

 <p>Mr Peter Leitoro OGW,ndc(K)</p>	<p>Mr. Peter Leitoro represents the Cabinet Secretary, Ministry of Environment and Natural Resources. He holds a diploma in Wildlife Conservation and Management, Diploma in International Studies, Masters in Security and Risk Management. He also holds a Masters of Business Administration degree in Strategic Management. He has wide experience in law enforcement, conservation, financial and managerial skills</p>
 <p>Ms Esther Wangombe</p>	<p>Ms. Esther Wangombe represents the Cabinet Secretary Ministry of Energy and Petroleum. She holds a Bachelors of Science in Forestry from Moi University and Masters in Environmental Sciences from Kenyatta University. She also acquired a Post Graduate Diploma in Forestry for Rural Development from (ITC, Netherlands). Ms. Wangombe has vast experience in the Public Sector and she currently holds the position of Deputy Director, Renewable Energy in the Ministry of Energy and Petroleum.</p>
 <p>Mr. Warui Maina</p>	<p>Mr Warui Maina represents the Cabinet Secretary, the National Treasury. He is an Economist who has more than 12 years' experience in the Public Sector. He has a great passion for conservation.</p>



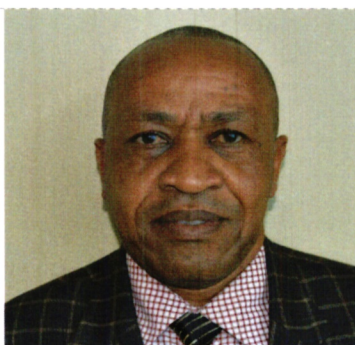
**Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018**

III. THE KEY MANAGEMENT TEAM



**Prof. Julius G. Tanui, PhD
Ag. Director General**

Prof. Tanui is the Ag Director General. He holds a PhD from Nelson Mandela Metropolitan University, South Africa, where he specialized in Environmental Education and Sustainable Development. Prof Tanui has 19 Years' of enormous experience in Environmental and Sustainable Development field. Among other experience and achievements, he was a Project Leader for the Centre of Excellence in Education Research Methodologies, East and Southern Africa which include; Oldernburg University – Germany, Nelson Mandela Metropolitan University South Africa, Uganda Management Institute, Dar-es-salaam University and Moi University.



**Mr. Thomas W. Mumu
Director Governance &
Coordination**

Mr. Thomas W. Mumu is the Director Governance & Coordination. He is a career civil servant and holds Msc Environmental Science from Kenyatta University and a Bsc Agriculture from University of Nairobi with over thirty (30) years' experience in the Public Sector. He has as attended several skill enhancement and management courses like Senior Management and Strategic Leadership at Kenya School of Government. He is a Lead Expert on Environmental Impact Assessment and Audit and a Member of Environmental Institute of Kenya.



**Ms Susan Boit
Deputy Director Community
Livelihood**

Ms Susan Boit is in charge of Community Livelihood. She holds a master's degree in Food Science at the university of Reading United Kingdom as well as a bachelor's degree in Home Economics from Kenyatta University with a working experience of over twenty years in the field.



**Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018**



**Mrs Bahati K Mwita
Director Corporate Services**

Mrs Bahati K Mwita is in charge of Corporate Services. She holds a Master's degree in Business Administrations from University of Nairobi as well as Bachelors of Arts Degree in Economics and Sociology from Moi University and has also attended various courses in Management, Public Policy and Leadership in different institutions. Has attended Organisational Change Management Course and Utilization of Natural Resources Course both in Denmark, Attended Financial Management in the Public Sector course at Harvard University, Strategic Leadership Course at the Kenya School of Government among others. She has represented the Republic of Kenya as a Policy Advisor in various Environmental Conventions. She is a member of the Kenya Association of Public Administration & Management (KAPAM) and an Environmental Impact Assessment & Audit Expert. She has over twenty years' experience in the field



**Dr. Winfred M. Musila-
Director Ecosystems,
Assessment, Planning and
Audit**

Dr. Winfred Musila is in charge of Ecosystem Assessment, Planning and Audit Directorate. She is an environmentalist/ecologist and holds a PhD in Forest Ecology from University of Hohenheim, Germany, M.Phil in Environmental Science from Moi University and a BSc in Botany and Zoology from Egerton University. She has over fifteen years' experience in ecological research, natural resource management, community mobilization, capacity building, project management and stakeholder engagements. She is a member of Tropical Biology Association, African Forest Forum (AFF), Nature Kenya (East African Natural History Society) and the KFS Working Group.



**Mr. Simiyu Walucho
Head of Internal Audit**

Mr. Walucho is in charge of Internal Audit. He holds a master's degree in Business administration, is a certified public accountant (K), Certified Information System Audit (CISA) as well as a bachelor's degree in Business Management with over ten (10) years' experience. He is a member of the Institute of Certified Public Accountants (ICPAK) and a member of the Institute of Internal Audit (IIA).



Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018



Mr. Steve Sahado
Ag. Finance Manager

Mr Steve Sahado Joined KWTA on June 2018 as a Senior Finance and Accounts officer. He is a certified public Accountant (K) registered with the ICPAK. He holds Master's degree in Business Administration, (MBA-Finance) from Jomo Kenyatta University of Science and Technology. He also have bachelor's degree in business administration. He has worked both in private and public sector with over 12 years' experience.



Mr Peter Njunguna Mwanagi

Mr. Peter Mwangi, Ag Manager, Supply Chain
He joined Kenya Water Towers Agency in 2018. He has over 10 years' experience in Procurement and Supply Chain Management. He holds a Master of Science in Procurement and Logistics, a Bachelor of Commerce degree, Certified Public Accountants of Kenya. He is a member of the Kenya Institute of Supplies Management, the Council of Supply Chain Management Professionals and the Institute of Certified Public Accountants of Kenya



Ms . Ibtisam M. Awadh
HR Manager

Ms Ibtisam M Awadh
Head of Human Resources Ibtisam Mbarak Awadh is in charge of Human Resource Unit. She is a certified Human Resource Practitioner with over ten (10) years experiences both in public and private sector. She holds a Masters of Science in Human Resource Management, Bachelors in Business Management from Association of Business Executive (ABE UK) and a post graduate / International premier diploma in Human Resource Management from Cambridge International College. She is also a full member of Institute of Human Resource Management (IHRM) with a current practising licence from IHRM

IV. CHAIRMAN'S STATEMENT

The Board of Directors, Kenya Water Towers Agency (KWTA) presents financial statement for the year ended 30th June 2018. From the onset, it is important to note the financial backdrop that the Agency faced hence affecting its operations.

The Kenya Water Towers Agency (KWTA) was founded on a firm belief in the transformation of our Kenyan society towards global leadership in the Management and sustenance of our water towers, and to join those on the frontline of Kenya's environmental resource governance and management.

As a lead stakeholder, KWTA has become even more aware of our role as trustees and custodians of water towers that are rich, diverse and complex natural heritage, and that we only hold these in trust for generations to come, not only in Kenya, but also in the world.

As the Chairman of the Kenya Water Towers Agency, I have had the privilege of a wide and varied encounter in the quest to execute the mandate of the Agency. Our commitment to the sustenance of Kenya Water Towers has only deepened. We are able to draw from knowledge and technological developments to support our efforts and through this, expand our collaborators and networks. Given the urgency of the situation, we look forward to expanding the space of partnerships in the cause of sustaining water towers.

Apart from the five better known Water Towers-Mount Kenya, the Aberdare range, the Mau Forest Complex, Mount Elgon and the Cherangani Hills, Kenya has gazetted an additional thirteen others since the KWTA came into being, with an additional nine – Namanga, Gwasi, Loima, Imenti, Endau, Enoosupukia, Nandi and Mukogondo under consideration for incorporation. The governance of our Water Towers offers Kenya the opportunity to show global leadership in the management of similar resources elsewhere.

In its five years of existence, the KWTA has entered into a quest for answers, engaging individuals, professionals and institutions in its pursuit of a standard of delivery in which it can take real pride. There are major challenges along the way-some appearing as roadblocks, but the faith in the transformational capacity of the people of Kenya, given the right information and tools remains a source of encouragement. We have had the privilege of interacting with stalwarts and visionary guardians of landscape, especially our Water Towers. We have met



Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018

those who mourn the loss of our numerous clear waters, our rivers and tributaries. We have also encountered those who remain indifferent to the fate of the future generations should we make the mistake of destroying the Water Towers from which they would draw their sustenance.

In terms of our approach, KWTa, within its Strategic Plan, has four focal areas: Water Towers management and Sustainability, Community and Global Engagement, Social Investment, and County Governance and Stewardship. An additional area that cuts across these is Communication, which will inspire social transformation with regard to the Kenya's environment.

Overall, the performance of the Agency was in line with our strategic focus. The state of the Agency is in many ways very strong despite financial and capacity challenges. The Agency envisages wise use and sustainable management of water towers in order to enhance sustenance of the ecosystems and socio-economic functions for the present and future generations.

The Agency will forge ahead into the future with conviction and confidence to consolidate as well as improve on gains made since formation.

Ms. Wambui Muriithi

Independent Director, Board of Directors



**Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018**

V. REPORT OF THE DIRECTOR GENERAL

I am pleased to announce the financial results of the Agency for the financial period ended on 30th June 2018.

During this period, the agency received Kshs 434,222,736 from GOK for recurrent vote and Kshs 390,243,998 for the Development Vote against the approved estimates of Ksh 548,994,000 for Development and Ksh 434,222,737 for Recurrent. However, the amount received is far below the requirement of the Agency. In this financial year, however, the Agency continues to deliver its mandate despite the challenges related to inadequate budgetary allocation. The Agency hopes to raise enough resources with the support of the Parent Ministry, the National Treasury and other development partners.

As the Director General, I aspire to lead the Agency through continuous improvement, employing best practices in water towers conservation by employing prudent environmental governance and harness stakeholder's goodwill in protection and conservation. Also I will ensure inclusion of all stakeholders in sustainable livelihood programmes for employment and wealth creation and engage a participatory business approach to natural resource management.

While KWTA grapples with a far-reaching and comprehensive approach to the sustainable management of Water Towers, we are aware that we need to deepen and also communicate our understanding of the Water Towers ecosystems, their interactions, hydrological cycle, socio-economic opportunities derived from the ecosystem disturbances, the anthropogenic factors, the impact of climate change on Water Towers ecosystem and the resilience of the ecosystem to external forces.

In conclusion, I appreciate the support from the Parent Ministry and guidance of the Board during the year under review. I am grateful for the continued confidence of my management team as well as my fellow staff members and hope the same will continue as the Agency grows.

Prof. Julius Tanui, PhD



Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018

Ag. Director General

VI. THE ENTITY'S OPERATIONAL AND FINANCIAL PERFORMANCE

While the Agency has continued to focus on the four focal points within its strategic plan; Water Towers Management and sustainability, Community and Global Engagement, Social Investment and County Governance and stewardship, it has, over the last three quarters been keen to implement targets within the allocated budget in the FY 2017/18. These key deliverables are realigned to meet the National Big Four Agenda. These targets are;

- Draft Water Towers Cordination Policy and Bill
- Gazettement of 70 Water Towers for protection and conservation
- Rehabilitation of degraded water towers and protection of 121,284 Ha in water towers and their ecosystem for natural regeneration
- Bamboo investments and commercialization in Kaptagat.
- Development of Water Towers Status Report
- Water Towers Monetaring Framework
- Community Livelihood Improvement Interventions

In addition, the Agency has recruited 62 additional staff members over and above the existing capacity of 46 staff members initially. This indicates growth in human capital.

The agency has also experienced tremendous growth in its expansion to the regions. This growth has seen 7 (Seven) regional offices opened in this Quarter alone and are in operation with some of the new staff members stationed there. These regional offices are meant to cover different Water Towers spread throughout the country. Although the mandate of the Agency lies within the functions of the National Government, the establishment of these regional offices will complement implementation of the devolved functions.

In terms of Financial performance, the Agency experienced growth in its budgetary allocations which rose from **Kshs 55 Million** in the FY 2016/17 for development to **Kshs 669 Million** in the FY 2017/18. This has also seen the Agency undertake two key projects; Mitigation of Soil Loss and Community Livelihood Improvement Programme (CLIP).

The Recurrent budget was also being revised within the year from **305.2 Million** to reflect the additional **Kshs 129 Million** totalling to a revised budget of **434.2 Million** in the FY 2017/18. The previous FY 2016/17 budget was a total of **Kshs 354.8 Million**.

VII. CORPORATE GOVERNANCE STATEMENT

We believe in good corporate governance as an organisation. The Board provides leadership through oversight, review and guidance whilst setting the strategic direction. It is the primary decision-making body for all matters considered as material to the Agency. The Board has the appropriate mix of skills, knowledge and experience to perform its role effectively.



Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018

Board meetings are held quarterly. The Board has a formal schedule of matters specifically reserved for deliberation. The Agency ensures that it provides the necessary resources and expertise to the Board of directors to assist them in their decision-making and as such, they are regularly consulted on key policy matters.

General Responsibilities

The Board has a duty to the people of Kenya to ensure that the KWTA achieves its objectives efficiently and effectively and in compliance with the Legal Notice No 27. Statutory powers of the KWTA Board include:

- Approve and ratify the policies of the Agency.
- Manage, control and administer the assets of the Agency in such manner and for such purposes as are best to promote the purposes for which the Agency is established.
- Receive any gifts, grants, donations or endowments made to the Agency.
- Determine the provisions to be made for capital and recurrent expenditure and for the reserves of the Agency.
- Open a banking account or banking accounts for the funds of the Agency.
- Determine and issue the terms and conditions for the appointment and enlistment of personnel to the Agency.
- Co-operate with other organizations undertaking functions similar to its own, whether within Kenya or otherwise.

In working to meet its obligations, the Board shall focus on matters of corporate governance, ensure that personal and private interest are put aside for the good of the Agency, and delegate matters of management to staff.

Specific Responsibilities

Given the powers afforded above and taking into consideration matters of corporate governance, the KWTA Board will execute the following specific responsibilities:

- Determine a clear statement of KWTA's vision, mission, purpose and values.
- Make recommendations for appointment of the Director General
- Monitor and appraise the performance of the Director General
- Appoint and appraise other senior managers
- Ensure accountability through quality management systems
- Ensure adequate strategic planning
- Ensure adequate operational planning
- Ensure KWTA has adequate financial resources
- Ensure adequate financial reporting
- Ensure adequate standards of internal controls
- Approve staff employment policies and practices



Kenya Water Towers Agency Financial Statements for the year ended 30th June 2018

- Assess corporate performance through external evaluations
- Manage, protect and enhance KWTA's reputation
- Ensure an efficient and effective functioning Board

Except for direction and guidance on general policy, the Board has delegated the authority for the conduct of day-to-day business to the Director General and the Management.

Directors' remuneration

The remuneration of all directors is subject to regular review to ensure that levels of remuneration and compensation are appropriate as provided for by law. The directors are paid a sitting allowance for meetings attended.

Internal Controls

The Agency has in place a system of internal controls with defined procedures, financial and operational controls to ensure that resources are safeguarded; transactions authorised, validated and reported in line with International Financial Reporting Standards.

Board Committees

The Board has Four Committees with specific delegated authorities. These are the Board Audit Committee, the Board Finance and Resource Mobilization committee, Human Resource and Corporate Affairs and the Technical committee. The respective Chairpersons present their reports to the Board at each scheduled meeting. All directors are subject to a three-year term renewable once (for independent members appointed by name in accordance with the Legal Notice. On first appointment, the directors go through an induction program covering the organisation's operations and an appreciation of the key risk areas. The directors are advised of the legal, regulatory and other obligations of a director of a listed company on an ongoing basis. The directors also receive both internal and external training on corporate governance through a comprehensive training by the Centre for corporate governance.

Conflicts of interest

The directors are under a duty to avoid conflicts of interest. This entails not engaging, directly or indirectly in any business that competes or conflicts with the Agency's business. The Agency has established a robust process requiring directors to disclose outside business interests before they are entered into. Any potential or actual conflicts of interest are reported to the Director General.



Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018

Compliance

The Board confirms that it is satisfied that the Agency has adequate resources to continue in operating for the foreseeable future. For this reason, it continues to adopt the going concern basis when preparing the financial statements. The Board is satisfied that the Agency has to the best of their knowledge complied with all relevant laws and conducted its business affairs in accordance with the law in particular to the State Corporations Act and the Legal Notice no: 27. Further disclosures on compliance are set out in the Directors statement of responsibilities and notes to the financial statements.

A handwritten signature in black ink, appearing to read 'Wambui Muriithi', written over a horizontal line.

Ms. Wambui Muriithi
Independent Director, Board of Directors

A handwritten signature in blue ink, appearing to read 'Julius Tanui', written over a horizontal line.

Prof. Julius Tanui, PhD, MBS
Ag. Director General



Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018

VIII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Kenya Water Towers Agency strives to be a corporation that epitomizes the aspirations of Kenyans in environmental conservation and water towers management. The Agency recognizes its obligations to act professionally, ethically, and with integrity in its dealings with stakeholders including staff, neighbours, customers and the environment at large.

Through implementation of our mandate that is to co-ordinate and oversee the protection, rehabilitation, conservation, and sustainable management of water towers - we impact society in various ways. Whether reclaiming water towers areas, identifying critical biodiversity hotspots within the water towers ecosystems, promoting sustainable livelihood support programmes within the water towers or strategic partnerships and linkages for sustainable management of water towers, the Agency seeks to be a responsible citizen and community partner.

IX. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2018 which show the state of the Kenya Water Towers Agency affairs.

Principal activities

The principal activities of the entity continue to be;

- To coordinate Water Towers Ecosystem Health and Resilience.
- To coordinate and Oversee Securing of Catchment Lands, Wetlands and Critical Biodiversity Hotspots within the Water Towers Ecosystems.
- To acquire appropriate Infrastructure to Support Sustainable Management of Water Towers.
- To promote Sustainable Livelihood Support Programmes within the Water Towers.
- To establish Strategic Partnerships and Linkages for Sustainable Management of Water Towers.
- To undertake Institutional Strengthening for Effective Service Delivery.

Results

The results of the entity for the year ended June 30, 2018 are set out on page 22 to 27.

Directors

The term of the board of Directors expires on 2nd October 2018.

Auditors



Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018

The Auditor General is responsible for the statutory audit of the Kenya Water Towers Agency in accordance with section 81 of the Public Finance Management (PFM) Act, 2012, and section 69 of the Public Audit Act which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

VII. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Public Finance Management Act, 2012 and the State Corporations Act, require the Directors to prepare financial statements in respect of Kenya Water Towers Agency, which give a true and fair view of the state of affairs of the Agency at the end of the financial year and the operating results of the Agency for that year. The Directors are also required to ensure that the Agency keeps proper accounting records which disclose with reasonable accuracy the financial position of the Agency. The Directors are also responsible for safeguarding the assets of the Agency.

The Directors are responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the financial year ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Agency (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Agency's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act and the State Corporations Act. The Directors are of the opinion that the Agency's financial statements give a true and fair view of the state of Agency's transactions during the financial year ended June 30, 2018, and of the Agency's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Agency, which have been relied upon in the preparation of the Agency's financial statements as well as the adequacy of the systems of internal financial control.



**Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018**

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

Approval of the financial statements

The Kenya Water Towers Agency financial statements were approved by the Board on 25th September 2018 and signed on its behalf by:

Ms. Wambui Muriithi
Independent Director, Board of Directors

Prof. Julius G. Tanui, PhD
Ag. Director General

REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA WATER TOWERS AGENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Water Towers Agency set out on pages 21 to 45, which comprise the statement of financial position as at 30 June 2018 and the statement of financial performance, statement of changes in net assets, 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 and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Water Towers Agency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and the Public Finance Management Act, 2012 of the Laws of Kenya.

Basis for Qualified Opinion

Cash and Cash Equivalents

During the year under review, the cash and cash equivalents balance of Kshs.285,070,894 as at 30 June 2018 excluded Kshs.31,051,469 held at Kenya Commercial Bank, Capital Hill Branch being cash balance in respect of an account No.1132544645 by the name Water Towers Conservation. The account relates to the Water Towers Conservation Fund which remained un-operationalized.

In the circumstances, it has not been possible to confirm that cash and cash equivalents balance of Kshs.285,070,894 as at 30 June 2018 is fairly stated.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kenya Water Tower Agency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Report of the Auditor-General on the Financial Statements of Kenya Water Towers Agency for the year ended 30 June 2018

Key Audit Matters

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

Other Matter

1. Non-operationalized Water Towers Conservation Fund

The Water Towers Conservation Fund was established through the Kenya Gazette Supplement No.47 of 23 July 2010. The Fund had an initial account with the Central Bank of Kenya where the seed capital of Kshs.50 Million was deposited to operationalize the activities. It had been established to co-ordinate the conservation of the Water Towers in the Country and its Management Committee was based at NHIF Building, Ragati Road, Nairobi. The main objective of the Fund was to provide funds for the restoration, conservation and sustainable management of the Water Towers in Kenya in an equitable, efficient and transparent manner for environmental stability, economic development and human well-being. It was observed that expenditure incurred on the Fund was on the basis of annual work programs and cost estimates by the officer administering the Fund, the Director General, and approved by the Committee at the beginning of each financial year. Receipts, accruals and balances of funds at the end of each financial year were to be retained by the Fund for use for towards its objectives.

The financial statements for the year ended 30 June 2018 were not availed for audit, with the last audit being for the year ended 30 June 2015 and by then the Fund had cash and cash equivalents balance of Kshs.31,064,174.

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

2. Budget Under-Absorption

The summary of comparative budget and actual amounts for the year ended 30 June 2018 reflects total approved final budget of the Agency amounting to Kshs.984,216,738. Total expenditure over the same period amounted to Kshs.576,740,655 resulting to an under-expenditure of Kshs.407,476,083 representing 41 % of the total Agency's budget.

The poor budgetary absorption rate may have led the Agency not achieving the intended objectives.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Qualified Opinion section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) 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 control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the Agency's ability to continue as a going-concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting unless the Agency intends to cease operations of the service, or have no realistic alternative but to do so.

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Agency 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the sustainability of services, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Agency to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

26 August 2019



Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018


VIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2018

	Notes	2017/2018 Kshs	2016/2017 Kshs
Revenue from non-exchange transactions			
Public contributions & donations - GOK	3	824,466,734	409,844,798
Grants			
Transfers from other Governments – EU	4		<u>9,616,100</u>
Project			419,460,898
Revenue from transactions			
Finance income – Interest received	5 (a)	3,907,845	1,483,049
Total revenue		<u>828,374,579</u>	<u>420,943,947</u>
			EXPENSES
Employee costs	6	136,620,827	88,278,487
Board expenses	7	18,186,550	19,307,310
Depreciation expenses	8 (a)	14,896,582	14,030,434
Amortization	8 (b)	-	1,348,610
Administrative expenses	9	105,926,008	75,712,535
Finance costs	10	649,248	261,227
EU project expenses	11	-	4,068,316
Operation & Maintenance expenses	12	74,444,522	45,934,010
Development Expenditure	13	<u>226,016,918</u>	<u>42,379,730</u>
Total expenditure		<u>576,740,655</u>	<u>291,320,658</u>
Surplus for the period		<u>251,633,924</u>	<u>129,623,289</u>


The notes set out on pages 26 to 45 form an integral part of the Financial Statements



 Ms. Wambui Muriithi



 Prof. Julius G. Tanui, PhD



 CPA Steve Sahado (M/no. 13169)

Independent Director, Board of Directors Ag. Director General

Snr Finance and Accounts Officer

Date: 7th August 2019

Date: 7/8/19

Date: 7th August, 2019




Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018

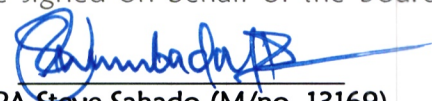
XII. STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2018

	NOTES	2017/2018 Kshs	2016/2017 Kshs
Current Assets			
Cash & cash equivalents	14	285,070,894	141,971,992
Receivables from exchange transactions- Prepayments	15	19,806,995	7,684,830
Receivables from non-exchange transactions	16	1,342,000	3,997,800
Inventory	17	<u>11,363,683</u>	<u>921,541</u>
		<u>317,583,572</u>	<u>154,576,164</u>
Non-Current Assets			
Property, plant & equipment	18	124,895,945	17,138,942
Intangible Assets			4,051
Total Assets		<u>442,479,517</u>	<u>171,719,156</u>
Current liabilities			
Trade payables from exchange transactions	19	34,768,911	20,475,714
Gratuity Payable	20	13,466,109	8,632,869
Reserves		6,903,579	6,903,579
Accumulated Surplus/ Deficit		387,340,918	135,706,994
Total net assets and Liabilities		<u>442,479,517</u>	<u>171,719,156</u>

The Financial Statements set out on pages 22 to 25 were signed on behalf of the Board of Directors by:


 Ms. Wambui Muriithi


 Prof. Julius G. Tanui, PhD


 CPA Steve Sahado (M/no. 13169)

Interim Chair, Board of Directors

Ag. Director General

Snr Finance and Accounts Officer

Date 7th August, 2019

Date 7/8/19

Date 7th August, 2019



Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018

XIII. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30th JUNE 2018

	Revaluation Reserves Kshs.	Revenue Reserves Kshs.	Total Kshs.
Balance b/f as at 1 st July 2016	6,903,579	6,083,705	12,987,284
Adjustment for the year			
Additions for the Year	-		-
Surplus/Deficit for the year		129,623,289	129,623,289
Balance c/f as at 30th June 2016	6,903,579	135,706,994	142,610,573
	Revaluation Reserves Kshs.	Revenue Reserves Kshs.	Total Kshs.
Balance b/f as at 1 st July 2017	6,903,579	135,706,994	142,610,573
Adjustment for the year			
Additions for the Year	-		-
Surplus/Deficit for the year		251,633,924	251,633,924
Balance c/f as at 30th June 2018	6,903,579	387,340,918	394,244,497



Kenya Water Towers Agency
Financial Statements for the year ended 30th June 2018

XIV. STATEMENT OF CASH FLOWS THE YEAR ENDED 30th JUNE 2018

	2017/2018 Kshs	2016/2017 Kshs
Cash flows from operating activities	251,633,924	129,623,289
Net operating surplus for the year		
<i>Adjustments For</i>		
Depreciation & amortization of Plant, Property and Equipment	14,896,582	15,379,044
Net cash flow generated from operating activities before changes in working capital	266,530,506	145,002,333
Changes in working capital		
Decrease in Trade and Receivables	2,655,800.00	-2,294,000
Decrease in Trade and other payables	14,311,197	5,176,500
Increase in Inventory	-10,442,142	2,222,761
Increase in prepayments	-12,122,165.00	-743,069
Increase in gratuity payable	4,833,240.23	8,632,869
<i>Net cash flows from operating activities</i>	-764,070	12,995,061
Cash flows from Investing Activities		
Purchase of Plant, Property and Equipment	-122,667,534	-20,268,095
Sale of Plant, Property and Equipment	-	-
<i>Net outflow from investing activities</i>	-122,667,534	-20,268,095
Increase in cash and cash equivalent	143,098,902	137,729,299
Cash and Cash Equivalents at beginning of the Period	141,971,992	4,242,693
Cash and Cash Equivalents at the end of the Period	285,070,894	141,971,992



Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018

XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original Budget	Adjustments	FINAL BUDGET	Actual Expenditure	PERFORMANCE DIFFERENCE
			2017/2018	2017/2018	2017/2018
			Kshs	Kshs	Kshs
Revenue					
Public contributions and donations- GoK Grants	1,103,222,737	120,006,000	983,216,737	824,466,734	-158,750,003
Transfers from other governments –EU Grant					
Sale of goods					
Finance Income	1,000,000		1,000,000	3,907,845	2,907,845
Gain on Disposal					-
Total income	1,104,222,737	120,005,999	984,216,738	828,374,579	-155,842,158
Expenses					
Compensation of employees	158,235,707	-2,730,582	155,505,125	136,620,827	18,884,298
Depreciation Expense				14,896,582	-14,896,582
Admin. Expenses	115,334,050	4,484,017	119,818,067	105,926,008	-1,468,134
Finance cost	500,000	-	500,000	649,248	-149,248
Board Expenses	33,950,741	-3,501,784	30,448,957	18,186,550	12,262,407
Operation & Maintenance	66,323,910	9,952,215	76,276,125	74,444,522	1,831,603
Fixed Asset	60,878,329	8,253,865	52,624,464		8,224,930
Development Expenses	669,000,000	-120,006,000	548,994,000	226,016,918	226,016,918
Total expenditure			984,216,738	576,740,655	576,740,655
Surplus for the period				251,633,924	251,633,924



Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018

XVI. NOTES TO THE FINANCIAL STATEMENTS

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

1. Statement of compliance and basis of preparation

The financial statements are prepared in accordance with & comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Agency and all values are rounded to the nearest shilling (Kshs). The accounting policies have been consistently applied to all the years presented. The cash flow statement is prepared using the indirect method. The financial statements have been prepared on the basis of historical cost basis of measurement as modified by fair value adjustments where necessary.

2. Summary of significant accounting policies

The Agency is a going concern with there being no intention to liquidate or curtail its operations materially. The preparation of these financial statements conforms to Generally Accepted Accounting Principles (GAAP) which requires the use of estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reporting amounts of revenues and expenses during the reporting period.

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Agency recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Agency and the fair value of the asset can be measured reliably.

Revenue is recognised when it is probable that future economic benefits will flow to the Agency and the amount of revenue can be measured reliably. Interest income is recognized on an accruals basis in the Statement of Comprehensive Income. When financial assets become impaired, any inherent income/revenue is thereafter recognized at rates used to discount future cash flows for the purpose of measuring the recoverable amount. Fees income is generally recognized on an accrual basis.



Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018

ii) **Revenue from exchange transactions**

Rendering of services

The Agency recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) **Budget information**

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Agency. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or organisational differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

d) **Property, plant and equipment**

All property, plant and equipment is initially recorded at cost and thereafter stated at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure directly attributable to acquisition of the assets. Increases in the carrying amount arising on revaluation are recognized in other comprehensive income and accumulated in equity under revaluation surplus.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of property and equipment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains or losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining the surplus. Tools and other minor office equipment are fully (100%) depreciated in the year of acquisition.

Depreciation is calculated on a pro-rata straight-line basis to the date of acquisition to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates.



Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018

Motor Vehicles	25%
Furniture & Fittings	12.5%
Computers & related accessories	33.3%
Intangible Assets	33.3%

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 financial year.

r) Comparative figures

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

s) Significant judgments and sources of estimation uncertainty

The preparation of the Agency's financial statements in conformity with IPSAS requires, its Directors to make certain 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, that are continuously evaluated and assessed for adjustments based on prior experience and other determinants, including expectations of future events that are believed to be reasonable under the prevailing circumstances. Although these estimates are based on the Directors' best knowledge of current events and actions, in practice actual results may differ from these estimates. Such estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are reviewed at the end of each reporting period, and any revisions to such estimates are recognised in the year in which the revision is made and are described in these notes to the Financial Statements.

Estimates and assumptions

The Agency is a going concern with there being no intention to liquidate or curtail its operations materially. The preparation of these financial statements conforms to Generally Accepted Accounting Principles (GAAP) which requires the use of estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reporting amounts of revenues and expenses during the reporting period.

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 Agency based its assumptions and estimates on parameters available when the consolidated 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 Service. Such changes are reflected in the assumptions when they occur.



Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018

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 from disposal:

- The condition of the asset based on the assessment of experts engaged
- 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 asset
- Changes in the market in relation to the asset

Provisions

Provisions are recognized when the Agency has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Agency expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 22. 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 estimates are discounted at a pre-tax discount rate that reflect current market assessments of the time value of money.

t) NEW AND REVISED STANDARDS

(i) Adoption of new and revised standards

The following new and revised standards have been adopted for the first time in the financial year and have been adopted by the Agency where relevant to its operations;

Standard Title

IPSAS 1	Presentation of Financial Statements
IPSAS 2	Cash Flow Statements
IPSAS 3	Net Surplus or Deficit for the Period - Fundamental Errors and Changing in Accounting Policies
IPSAS 4	the Effects of changes in Foreign Exchange Rates
IPSAS 9	Revenue from Exchange Transactions
IPSAS 10	Financial Reporting in Hyperinflationary Economies
IPSAS 12	Inventories
IPSAS 14	Events after the Reporting Date
IPSAS 15	Financial Instruments: Disclosure and Presentation
IPSAS 16	Investment Property



Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018

IPSAS 17	Property, Plant and Equipment
IPSAS 18	Segment Reporting
IPSAS 19	Provisions, Contingent Liabilities, Contingent Assets
IPSAS 20	Related Party Disclosures
IPSAS 21	Impairment of Non-cash-generating Assets
IPSAS 23	Revenue from Non-Exchange Transactions (Taxes and Transfers)
IPSAS 24	Presentation of Budget Information in Financial Statements
IPSAS 25	Employee Benefits
IPSAS 26	Impairment of Cash-Generating Assets
IPSAS 27	Agriculture
IPSAS 28	Financial Instruments: Presentation.
IPSAS 29	Financial Instruments: Recognition and Measurement
IPSAS 26	Impairment of Cash-Generating Assets
IPSAS 30	Financial Instruments: Disclosures.
IPSAS 31	Intangible Assets.

- **IPSAS 1, Presentation of Financial Statements**, sets out the overall considerations for the presentation of financial statements, guidance for the structure of those statements and minimum requirements for their content under the accrual basis of accounting.
- **IPSAS 2, Cash Flow Statements**, requires the provision of information about the changes in cash and cash equivalents during the period from operating, investing and financing activities.
- **IPSAS 3, Net Surplus or Deficit for the Period, Fundamental Errors and Changes in Accounting Policies**, specifies the accounting treatment for changes in accounting estimates, changes in accounting policies and the correction of fundamental errors, defines extraordinary items and requires the separate disclosure of certain items in the financial statements.
- **IPSAS 4, The Effects of Changes in Foreign Exchange Rates**, deals with accounting for foreign currency transactions and foreign operations. It sets out the requirements for determining which exchange rate to use for the recognition of certain transactions and balances and how to recognise in the financial statements the financial effect of changes in exchange rates.
- **IPSAS 9, Revenue from Exchange Transactions**, establishes requirements for the accounting treatment of revenue from exchange transactions. Non-exchange revenue, such as taxation, is not addressed in this standard.
- **IPSAS 10, Financial Reporting in Hyperinflationary Economies**, describes characteristics of an economy that indicate whether it is experiencing a period of hyperinflation and provides guidance on restating the financial statements in a hyperinflationary environment to ensure useful information is provided.
- **IPSAS 12, Inventories**, establishes the accounting treatment of inventories held by public sector entities and deals with inventories held for sale in an exchange transaction and certain inventories held for distribution at no or nominal charge. The IPSAS excludes from its scope work-in progress of services to be provided at no or nominal charge from recipients because they are not dealt with by IAS 2 Inventories and because they involve public sector specific issues which require further consideration.



Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018

- **IPSAS 14, Events After the Reporting Date.** The IPSAS is based on IAS 10, Events after the Balance Sheet Date (revised 1999) but has been amended where necessary to reflect the public sector operating environment. The Standard establishes criteria for deciding whether the financial statements should be adjusted for an event occurring after the reporting date. It distinguishes between adjustable events (those that provide evidence of conditions that existed at the reporting date) and non-adjustable events (those that are indicative of conditions that arose after the reporting date).

- **IPSAS 15, Financial Instruments: Disclosure and Presentation.** The IPSAS is based on IAS 32 *Financial Instruments: Disclosure and Presentation* (Revised 1998). The Standard includes requirements for disclosures about both on-balance sheet and off-balance sheet (statement of financial position) instruments, and the classification of financial instruments as financial assets, liabilities or equity.
- **IPSAS 16, Investment Property.** Based on IAS 40 *Investment Property* (issued 2000) and provides guidance on identifying investment properties in the public sector. The Standard:
 - requires that investment property initially be recognised at cost and explains that where an asset is acquired at no or nominal cost, its cost is its fair value as at the date it is first recognised in the financial statements;
 - requires that subsequent to initial recognition investment property be measured consistent with either the fair value model or the cost model; and
 - Includes transitional provisions for the initial adoption of the IPSAS.
- **IPSAS 17, Property, Plant and Equipment.** Establishes the accounting treatment for property, plant and equipment, including the basis and timing of their initial recognition, and the determination of their ongoing carrying amounts and related depreciation. It does not require or prohibit the recognition of heritage assets.
- **IPSAS 18, Segment Reporting.** Establishes principles for reporting financial information about distinguishable activities of a government or other public sector entity appropriate for evaluating the entity's past performance in achieving its objectives and for making decisions about the future allocation of resources.
- **IPSAS 19, Provisions, Contingent Liabilities and Contingent Assets.** This Standard defines provisions, contingent liabilities and contingent assets; and identifies the circumstances in which provisions should be recognised, how they should be measured and the disclosures that should be made about them. The Standard also requires that certain information be disclosed about contingent liabilities and contingent assets in the notes to the financial statements to enable users to understand their nature, timing, and amount.
- **IPSAS 20, Related Party Disclosures.** Requires disclosure of the existence of related party relationships where control exists and the disclosure of information about transactions between the entity and its related parties in certain circumstances. This information is required for accountability purposes and to facilitate a better understanding of the financial position and performance of the reporting entity.
- **IPSAS 21, Impairment of Non-Cash-Generating Assets.** Prescribes the procedures that an entity applies to determine whether a non-cash-generating asset is impaired and to



Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018

ensure that impairment losses are recognised. The standard also specifies when an entity would reverse an impairment loss and prescribes disclosures.

- **IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers).** Addresses:
 - Recognition and measurement of revenue from taxes
 - Recognition of revenue from transfers, which include grants from other governments and international organisations, gifts and donations
 - How conditions and restrictions on the use of transferred resources are to be reflected in the financial statements.
- **IPSAS 24, Presentation of Budget Information in Financial Statements.** Applies to entities that adopt the accrual basis of financial reporting. It identifies disclosures to be made by public sector entities that make their approved budgets publicly available. Also, it requires public sector entities to include a comparison of budget and actual amounts in the financial reports and an explanation of any material differences between budget and actual amounts.
- **IPSAS 25 Employee Benefits.** Sets out the reporting requirements for the four categories of employee benefits. These are short-term employee benefits, such as wages and social security contributions; post-employment benefits, including pensions and other retirement benefits; other long-term employee benefits; and termination benefits. It also deals with specific issues for the public sector, including the discount rate related to post-employment benefits, treatment of post-employment benefits provided through composite social security programs, and long-term disability benefits.
- **IPSAS 26 Impairment of Cash-Generating Assets.** Some public sector entities (other than government business enterprises, which would already be using full IFRSs) may operate assets with the main purpose of generating a commercial return (rather than providing a public service). It sets out the procedures for a public sector entity to determine whether a cash-generating asset has lost future economic benefit or service potential and to ensure that impairment losses are recognised in its financial reports. Non cash-generating assets, those used primarily for service delivery, are addressed separately in IPSAS 21 Impairment of Non-Cash-Generating Assets.
- **IPSAS 27 Agriculture.** Prescribes the accounting treatment and disclosures related to agricultural activity, a matter not covered in other standards. Agricultural activity is the management by an entity of the biological transformation of living animals or plants (biological assets) for sale, or for distribution at no charge or for a nominal charge or for conversion into agricultural produce or into additional biological assets. It addresses biological assets held for transfer or distribution at no charge or for a nominal charge to other public sector bodies or to not-for-profit organisations. It also includes disclosure requirements that are aimed at enhancing consistency with the statistical basis of accounting that governs the Government Finance Statistics Manual.
- **IPSAS 28 Financial Instruments: Presentation.** It establishes principles for presenting financial instruments as liabilities or equity, and for offsetting financial assets and financial liabilities.
- **IPSAS 29 Financial Instruments: Recognition and Measurement.** It establishes principles for recognising and measuring financial assets, financial liabilities, and some contracts to buy or sell non-financial items.
- **IPSAS 30 Financial Instruments: Disclosures.** Requires disclosures for the types of loans described in IPSAS 29. It enables users to evaluate: the significance of the financial



Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018

instruments in the entity's financial position and performance; the nature and extent of risks arising from financial instruments to which the entity is exposed; and how those risks are managed.

- **IPSAS 31 Intangible Assets.** Covers the accounting for and disclosure of intangible assets. It also adds application guidance and illustrations that have not yet been incorporated into the relevant IAS. At this point, IPSAS 31 does not deal with uniquely public sector issues, such as powers and rights conferred by legislation, a constitution, or by equivalent means; the IPSASB will reconsider the applicability of the standard to these powers and rights in the context of its conceptual framework project, which is currently in progress.

There are other amendments and interpretations to standards which became mandatory for years beginning on or after 1st July 2014 but had no significant effect on the Agency's financial statements.

- (ii) **Standards, amendments and interpretations to existing standards that are not yet effective or have not been adopted**

Numerous new standards, amendments and interpretations to existing standards have been issued but are not yet effective. Below is the list of standards that are likely to be relevant to the Agency for the year beginning 1st July 2014.

Standard Title

- IPSAS 5, Borrowing Costs,
 - IPSAS 6, Consolidated Financial Statements and Accounting for Controlled Entities
 - IPSAS 7, Accounting for Investments in Associates,
 - IPSAS 8, Financial Reporting of Interests in Joint Ventures
 - IPSAS 11, Construction Contracts
 - IPSAS 13, Leases
 - IPSAS 22, Disclosure of Financial Information about the General Government Sector.
 - IPSAS 32 Service Concession Arrangements: Grantor
-
- **IPSAS 5, Borrowing Costs,** prescribes the accounting treatment for borrowing costs and requires either the immediate expensing of borrowing costs or, as an allowed alternative treatment, the capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.
 - **IPSAS 6, Consolidated Financial Statements and Accounting for Controlled Entities,** requires all controlling entities to prepare consolidated financial statements which consolidate all controlled entities on a line by line basis. The Standard also contains a detailed discussion of the concept of control as it applies in the public sector and guidance on determining whether control exists for financial reporting purposes.
 - **IPSAS 7, Accounting for Investments in Associates,** requires all investments in associate to be accounted for in the consolidated financial statements using the equity method of accounting, except when the investment is acquired and held exclusively with a view to its disposal in the near future in which case the cost method is required.



Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018

- **IPSAS 8, Financial Reporting of Interests in Joint Ventures**, requires proportionate consolidation to be adopted as the benchmark treatment for accounting for such joint ventures entered into by public sector entities. However, IPSAS 8 also permits - as an allowed alternative - joint ventures to be accounted for using the equity method of accounting.
- **IPSAS 11, Construction Contracts**, deals with both commercial and non-commercial contracts and provides guidance on the allocation of contract costs and, where applicable, contract revenue to the reporting periods in which construction work is performed.
- **IPSAS 13, Leases**. The IPSAS establishes requirements for financial reporting of leases and sale and leaseback transactions by public sector entities, whether as lessee or lessor.
- **IPSAS 22, Disclosure of Financial Information about the General Government Sector**. Establishes requirements for governments that choose to disclose information about the general government sector and that prepare their financial statements under the accrual basis of accounting.
- **IPSAS 32 Service Concession Arrangements: Grantor**. Provides for the recognition, measurement, and disclosure of service concession assets and related liabilities, revenues, and expenses by the grantor. The criteria for determining whether the operator controlled the asset used in a service concession arrangement are also used in IPSAS 32 to assess whether the grantor controlled the asset.

None of the existing standards above have been adopted in preparing these financial statements. There are no other IPSAS's or interpretations that are not yet effective that would be expected to have a material impact on the Agency.

The Board of Directors has assessed the potential impact of the above and expects that they will not have a significant impact on the financial statements for the year ending 30th June 2018 of the Agency

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 30th June 2018.

3. Public Contributions and Donations

These are funds received by the Agency from Treasury through the Ministry of Environment and Forestry In the financial year under consideration the Agency received a total of **Ksh 434,222,736** for recurrent vote heads and a total of **Kshs 390,243,998** funds for development. The breakdown of the funds received is given below.



Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018

14. Cash and Cash Equivalent

	2017/2018	2016/2017
	Kshs	Kshs
Recurrent A/c:		
National Bank A/c no: 01001094665400-Recurrent	150,015,698.97	119,949,621
National Bank A/c no: 01001094665401-Gratuity	13,619,663.67	8,258,774
KCB A/c no: 1206871059- EU	5,466,593.50	6,347,084
KCB A/c no: 1169617867-Developmt	<u>115,968,938.20</u>	<u>7,416,513</u>
	<u>285,070,894</u>	<u>141,971,992</u>

15. Receivables from Exchange Transactions (Prepayments)

	2017/2018	2016/2017
	Kshs	Kshs
Medical Insurance (10 months)	18,177,720	5,521,602
Motor Vehicle Insurance (1 month)		760,128
Workman Compensation (1 month)		438,735
Office Rent	1,454,815	294,334
Group Life Insurance (9 months)		414,176
Office Parking (1 month)	174,460	173,420
Group Personal Insurance (10 months)		<u>82,437</u>
Total	<u>19,806,995</u>	<u>7,684,830</u>

16. Receivables from None - exchange Transactions (Receivable)

	2017/2018	2016/2017
	Kshs	Kshs
Staff Salary Advance	<u>1,342,000</u>	<u>3,997,800</u>
Total	<u>1,342,000</u>	<u>3,997,800</u>

17. Inventory/Stock

	2017/2018	2016/2017
	Kshs	Kshs
The stock of stationery and other low value items	11,363,683	921,541



Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018

**18. PROPERTY PLANTS &
EQUIPEMNTS**

	Motor Vehicles (Ksh)	Furniture & Fittings (Ksh)	Computer & Related Accessories(Ksh)	Intangible Assets(Ksh)	Total(Ksh)
Depreciation Rate	25%	12.5%	33.3%	33.3%	
Cost					
1 st July 2016	25,961,387	12,188,089	18,067,796		56,217,272
Adjustments:					
Loss/Gain on Revaluation					
Additions					
Disposal					
<u>30th June 2017</u>	<u>25,961,387</u>	<u>12,188,089</u>	<u>18,067,796</u>		<u>56,217,272</u>
Accumulated Depreciation					
1 st July 2016	18,689,375	3,207,835	17,195,069		39,092,279
Adjustments:					
Depreciation on disposal					
Charge for the year	6,490,347	1,523,511	6,016,576		15,379,044



Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018

<u>30th June 2017</u>	<u>25,179,722</u>	<u>8,452,262.10</u>	<u>19,606,964.78</u>	<u>53,988,861</u>
Cost 1 st July 2017	25,961,387	12,188,089	18,067,796	56,217,272
Adjustments: Loss/Gain on Revaluation				
Additions	101,748,000	6,541,880	14,377,654	122,667,534
Disposal				-
<u>30th June 2018</u>	<u>127,709,387</u>	<u>18,729,969</u>	<u>34,445,450</u>	<u>178,884,806</u>
Accumulated Depreciation 1 st July 2017	18,689,375	3,193,886	17,209,016	39,092,279
Adjustments: Depreciation on disposal			-	-
Charge for the year	6,795,931	2,283,996	5,816,655	14,896,582
<u>30th June 2017</u>	<u>25,485,306</u>	<u>5,477,882</u>	<u>23,025,671</u>	<u>53,988,861</u>
NET BOOK VALUE				
30 TH JUNE 2018	<u>102,224,080</u>	<u>13,252,087</u>	<u>9,419,778</u>	<u>124,895,945</u>
30 TH JUNE 2017	<u>6,966,427</u>	<u>8,613,961</u>	<u>1,558,554</u>	<u>4,051</u> <u>17,142,992</u>



Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018

19. Trade Payables

	2017/2018	2016/2017
Chriso Auto Garage	-	14,036.00
Chriso Auto Garage	-	52,200.00
Chriso Auto Garage	-	54,522.00
CMC Motor Group Ltd	-	105,842.00
CMC Motor Group Ltd	-	395,079.00
Long Rock Tours Ltd	-	18,950.00
Long Rock Tours Ltd	-	88,200.00
Long Rock Tours Ltd	-	22,328.00
Styloscan IT Solutionm	-	47,560.00
Rosma Tours	-	26,500.00
Portman Travel	-	71,450.00
CMC Motor Group	-	64,461.00
Salaries June	-	8,452,528.00
First Assurance Co Ltd	-	829,230.00
Metropolitan Cabs and Travel	-	142,100.00
Long Rock Tours Ltd	-	25,785.00
Geminia Insurance – Group Personal	-	109,916.00
Cheche communications	-	210,000.00
Life bridge (k) Ltd	-	14,000.00
MFI Office solutions	-	183,280.00
Techsavvy (k) ltd	-	47,880.00
Tiffany Tours and Travel	-	63,000.00
JEU Allowances – june	-	4,099,000.00
Oakar Services	-	4,099,809.00
Elgeyo marakwet	-	94,500.00
Sumdev Consulting	-	799,300.00



Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018

	-	
Toyota Kenya ltd	-	127,257.00
JEU per diems - june	-	217,000.00
Kendirita Tours	10,955.00	-
Kendirita Tours	73,850.00	-
Kendirita Tours	31,900.00	-
GAA	282,160.00	-
GAA	310,960.00	-
GAA	435,434.00	-
GAA	338,760.00	-
LongrockTours	26,800.00	-
Esri Eastern Africa	760,000.00	-
lukenya Getaway	405,000.00	-
Cedars Travel	17,720.00	-
LongrockTours	21,665.00	-
Cedars Travel	18,205.00	-
Cedars Travel	7,800.00	-
konza Safaris	62,640.00	-
LongrockTours	47,960.00	-
Portman	36,800.00	-
Kenya Pipeline	195,000.00	-
LongrockTours	16,700.00	-
LongrockTours	106,380.00	-
konza Safaris	29,000.00	-
Sweetlake Resort	179,800.00	-
Crane Investments	152,500.00	-
Eldoret Taxi	135,000.00	-



Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018

Olkaria Geothermal spa	210,000.00	-
Holiday cars	80,000.00	-
Holiday cars	100,000.00	-
Weston Hotel	178,500.00	-
Globalwood hardware	2,943,376.05	-
Crown Plaza	163,000.00	-
Sun Africa hotel	209,000.00	-
Visern Enterprises	75,000.00	-
Holiday cars	18,000.00	-
Stunner group	60,000.00	-
Cedow company	211,500.00	-
Delman Logistics	84,000.00	-
Myle-Post	372,000.00	-
Rosematt Holding Ltd	254,180.00	-
Muflowa Enterprises	99,440.00	-
Visern Enterprise	75,000.00	-
Incredible Kenya Adventures	60,000.00	-
Jeje Agencies	275,750.00	-
Incredible Kenya Adventures	36,000.00	-
Incredible Kenya Adventures	132,000.00	-
Stunner Group Ltd	52,014.40	-
Incredible Kenya Adventures	64,000.00	-
Radiant Gems Enterprise	156,000.00	-
Geminia Insurance	380,024.00	-
Salary Top Up	296,385.00	-
Rapha Vetiver Engineering	1,193,602.00	-
Christal Ventures Ltd	1,495,400.00	-



Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018

Bongotips limited	160,000.00	
Bongotips limited	650,000.00	
Government advertising Agency	592,126.00	
Holiday cars	41,760.00	
Johnson tours and travel ltd	129,750.00	
Kenyatta University	5,424,384.00	
Kenyatta University	4,068,388.00	
KPMG advisory services limited	4,446,802.00	
Longrock tours and travel	149,900.00	
Longrock tours and travel	7,940.00	
Longrock tours and travel	8,910.00	
Longrock tours and travel	4,160.00	
Longrock tours and travel	12,665.00	
Ngalo company limited	850,000.00	
Oakar services	1,942,739.00	
portman travels	82,000.00	
Rapha Vetiver engineering ltd	2,785,070.00	
sawela hotel	310,134.00	
Stunner group ltd	75,023.00	
Tiffany tours and travel	50,000.00	
Total	34,768,911	20,475,713.00

20. Accrued Expenses

	2017/2018	2016/2017
Gratuity Payable	13,466,109	8,632,869



Kenya Water Towers Agency
Financial Statements for the Year Ended 30th June 2018