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REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
WOTE WATER AND SEWERAGE
COMPANY (WOWASCO) LIMITED**

**FOR THE YEAR ENDED
30 JUNE 2013**

REPUBLIC OF KENYA



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KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON WOTE WATER AND SEWERAGE COMPANY (WOWASCO) LIMITED FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

The accompanying financial statements of Wote Water and Sewerage Company (WOWASCO) Limited set out on pages 5 to 13, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information have been audited on my behalf by Sila & Associates, auditors appointed under Section 39 of the Public Audit Act, 2003. The audit has been carried out in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15/2 of the Public Audit Act, 2003 and submit the report in compliance with Article 229 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 misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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 management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1.0 Creditors and Other Payables

Creditors and other payables balance of Kshs.4,586,117 as at 30 June 2013 includes Customer's Deposits amounting to Kshs.1,277,350 which differed with subsidiary records by Kshs.874,556. Consequently, the accuracy and validity of creditors balance of Kshs.4,586,117 as at 30 June 2013, could not be confirmed.

2.0 Unaccounted for Water (UFW)

The Company produced 88,584 cubic meters(m^3) of water and billed customers 70,369 cubic meters(m^3) during 2012/2013, resulting to a difference of 18,215 cubic meters(m^3) or 20.5% representing unaccounted for water(UFW). This significant level of UFW if not addressed urgently is likely to have negative effects on the Company's future performance.

3.0 Going Concern

The Company recorded a negative working capital of Kshs.1,317,455 as at 30 June 2013, implying that the going concern status of the company was threatened.

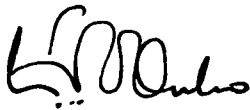
Qualified Opinion

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 International Financial Reporting Standards and comply with both 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 Section 14 of the Public Audit Act, 2003, I report, based on the audit, that:-

- (i) all the information and explanations required for the purpose of the audit were received;
- (ii) the books of account were properly maintained; and
- (iii) the financial statements fully comply with the Companies Act, Cap 486 of the Laws of Kenya.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

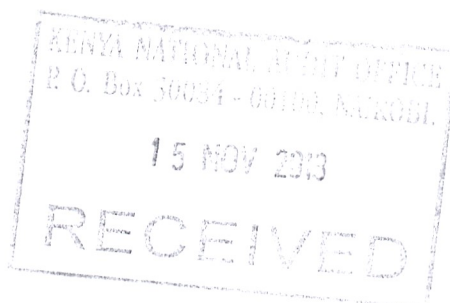
Nairobi

20 January 2014

**WOTE WATER & SEWERAGE COMPANY
(WOWASCO)
LIMITED**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30.06.2013**



**WOTE WATER & SEWERAGE COMPANY (WOWASCO) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013**

<u>Contents</u>	Page
Corporate Information	1
Report of the Directors	2
Statement of directors Responsibilities	3
Report of the independent Auditor	4
Financial Statements:	
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of changes in Equity	7
Statement of Cash Flow	8
Notes to the Financial Statements	9-13

**WOTE WATER & SEWERAGE COMPANY (WOWASCO) LIMITED.
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013**

CORPORATE INFORMATION

1- BOARD OF DIRECTORS

Name	Designation
Mrs Rose Mulu	Chairperson
Mrs Praxedes Nzisa	Member
Mr David M. Musyimi	Member
Mr Raphael M. Matia	Member (C/Man Wote town Council)
Mr Anthony N. Manthi	Member
Mr Christopher S. Kyengo	Member
Mr Peter Kavithi	Member (Town Clerk)
Mr Richard Muthama	Member

2- REGISTERED OFFICE

Wote Water & Sewerage Company Ltd.
Wote Town - Opposite Makueni District Hospital
P.o Box 174-90300- MAKUENI
Tel. 044-33087
Email: wowascowote@yahoo.com

3- AUDITORS

Sila & Associates P.O Box 2436 MACHAKOS (Tel. 0722302021), on behalf of
the Auditor General Kenya National Audit Office

4- BANKERS

Equity Bank Limited
Wote Branch
P.O. Box 450 - 90300

**WOTE WATER & SEWERAGE COMPANY (WOWASCO) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2013**

The directors submit their report together with the audited financial statements for the year ended 30.06.13, which disclose the state of affairs of the Company.

Incorporation

The Company is incorporated in Kenya under the Companies Act and is domiciled in Kenya. The address of the registered office is as set out in Page 1.

Principal activities

Principle activity of the Company is provision of water services

Results

The operating results of the company for the year then ended are reported on page 5.

Dividend

The directors do not recommend payment of dividend.


Directors

The directors who held office during the period to the date of this report are listed in Page 1.

Auditors

The Company's auditors, Sila & Associates were appointed by the Auditor General as per Sec. 39 of the public Audit Act 2003 as the company's Auditors and have indicated willingness to continue in office in accordance with Sec.159 (2) of the Kenya Companies Act,chapter 486.

By Order of the Board


.....
Stephen M. Mutiso

Managing Director

Date ...24/9/2013

WOTE WATER & SEWERAGE COMPANY (WOWASCO) LIMITED

**STATEMENT OF DIRECTORS RESPONSIBILITIES
FOR THE YEAR ENDED 30TH JUNE 2013**

The Companies Act requires the directors to prepare financial statement for each financial year that 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 profit or loss. It also requires the directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with international financial reporting standards and requirements of the Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of financial affairs of the Company and of its profit or loss.

The directors further accept responsibility for the maintenance of accounting records, that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Approved by the board of directors on 24th September 2013 And signed on its behalf by:

Rudigua
Rose N. Mulu
CHAIRPERSON

Stephen M. Mutiso
Stephen M. Mutiso
MANAGING DIRECTOR

WOTE WATER & SEWERAGE COMPANY (WOWASCO) LIMITED
REPORT OF THE INDEPENDENT AUDITOR TO THE AUDITOR GENERAL FOR
THE YEAR ENDED 30TH JUNE, 2013

I have audited the statutory financial statements for Wote Water & Sewerage Co. Ltd set out on pages 5 to 13, which comprise the statements of financial position as at 30th June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The audit has been carried out in accordance with the provisions of Article 229 of the Constitution of Kenya and section 14 of the Public Audit Act, 2003. I obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility

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

Basis of Audit Opinion

The 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 misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

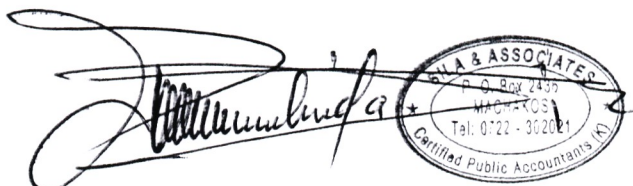
In my opinion, the financial statements present fairly, in all material respects the financial position of the Company as at 30th June 2013, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with both 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 Kenya Companies Act, I report based on my audit, that:

- i) I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit,
- ii) 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 statement of financial position and statement of comprehensive income are in agreement with the books of account.

SILA & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS (K)
ISU BLD, MWATU WA NGOMA RD,
PO BOX 2436 - 90100 (TEL:- 0722 302021)
HAKOS, KENYA



CPA PATRICK M. SILA
PRACTICING CERTIFICATE NO. P1317

Dated 5th November, 2013

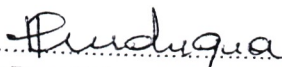
WOTE WATER & SEWERAGE COMPANY (WOWASCO) LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR
ENDED 30TH JUNE 2013.

INCOME	Notes	30TH JUNE 2013	30TH JUNE 2012
		KSHS	KSHS
Credit sales		8,105,827	5,656,313
Cash water sales	3	230,779	307,645
Government Grants	4	2,751,100	3,059,657
Other income	5	468,600	146,850
		11,556,306	9,170,465
EXPENDITURE			
Personnel costs	6	5,973,593	4,773,374
Operational costs	7	3,176,560	3,730,617
Administrative costs	8	943,546	852,450
Finance cost	9	45,267	11,536
Board of directors		48,000	72,500
Provision for doubtful debts	20	-	86,785
Depreciation expenses	10	7,085	4,927
Audit fees	11	96,220	93,500
WRMA Fees	12	44,296	34,534
Lease fee	13	706,281	525,734
Regulatory levy	14	78,476	58,415
		11,119,324	10,244,372
Surplus(Deficit) from operation		436,982	(1,073,907)
Net surplus (Deficit) for the year		436,982	(1,073,907)

WOTE WATER & SEWERAGE COMPANY (WOWASCO) LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2013

		30TH JUNE 2013	30TH JUNE 2012
NON CURRENT ASSETS			
Project Furniture, Tools & Comp.accesso	9 10	3,577,903	12,785
SUB-TOTAL		3,577,903	12,785
CURRENT ASSETS			
Debtors & Receivables		2,066,515	1,139,514
Provision for Bad & Doubtfull Debts	20	(86,785)	(86,785)
Work-In-Progress- WSTF Project		-	5,778,809
Other debtors	15	1,040	40
stock		446	466
Cash and cash equivalent	16	1,320,996	1,509,709
SUB-TOTAL		3,302,212	8,341,753
TOTAL ASSETS		6,880,115	8,354,538
EQUITY & LIABILITIES			
Share Capital	17	40	40
Capital Reserve	19	3,697,772	(107,012)
Retained Earnings		(1,437,364)	(1,874,346)
SUB-TOTAL		2,260,448	(1,981,318)
CURRENT LIABILITIES			
Creditors and other payabies	18	4,586,117	3,249,076
Prepayments Received		33,550	49,320
Funds Received-WSTF Project		-	7,037,460
SUB-TOTAL		4,619,667	10,335,856
TOTAL EQUITY & LIABILITIES		6,880,115	8,354,538

The financial statements on pages 5 to 13 were approved by the Board of Directors on 24th September 2013 and were signed on its behalf by:


 Mrs Rose Mulu
 Chairperson of the Board of Directors


 Mr Stephen Mutiso
 Managing Director

**WOTE WATER & SEWERAGE COMPANY (WOWASCO) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2013**

	<u>Note</u>	<u>Share Capital Kshs</u>	<u>Capital Reserve Kshs</u>	<u>Retained Earnings Kshs</u>	<u>Total Kshs</u>
YEAR ENDED 30TH JUNE 2013					
As at 1st July 2012		40	(107,012)	(1,874,346)	(1,981,318)
Prior period Adjustment WSTF		-	7,037,460	-	7,037,460
WSTF Additional funding		-	4,838,694	-	4,838,694
Transfer Asset at cost to TANATHI	21	-	(8,071,370)	-	(8,071,370)
Net surplus for the year		-	-	436,982	436,982
As at 30th June 2013		<u><u>40</u></u>	<u><u>3,697,772</u></u>	<u><u>(1,437,364)</u></u>	<u><u>2,260,448</u></u>

YEAR ENDED 30TH JUNE 2012

As at 1 st July 2011		40	(107,012)	(800,439)	(907,411)
Net Deficit from operations for the yr		-	-	(1,073,907)	(1,073,907)
At 30th June 2012		<u><u>40</u></u>	<u><u>(107,012)</u></u>	<u><u>(1,874,346)</u></u>	<u><u>(1,981,318)</u></u>

WOTE WATER & SEWERAGE COMPANY (WOWASCO) LIMITED
STATEMENT OF CASHFLOW FOR THE YEAR
ENDED 30TH JUNE 2013.

	Note	30TH JUNE 2013 KSHS	30TH JUNE 2012 KSHS
Cash flow from operating activities			
Operating profit before change in working capital		436,962	(1,073,907)
Add: back			
1. Depreciation	10	7,085	4,927
2. Provision for doubtful debts	20	-	86,785
3. Provision for Audit fees		94,860	93,500
		538,927	(888,695)
Changes in working capital			
Decrease/(increase) in Receivables/Pre-payments made		(928,001)	(269,443)
Increase/(decrease) in payables & Accruals/Pre-payments received		1,226,411	1,084,136
Decrease/(increase) in stock		20	198
Net cash generated from operating activities		837,357	(73,804)
Cash flow from investing activities			
Purchase of office cabinet	10	(18,000)	-
WSTF project funding received	21	4,838,694	7,037,460
WSTF project cost to date	21	(5,846,764)	(5,778,809)
Net cash generated/(used) in investing activities		(1,026,070)	1,258,651
Net increase/(Decrease) in cash and cash equivalent		(188,713)	1,184,847
Cash and cash equivalent at the start of the year		1,509,709	324,862
Cash and cash equivalent at the end of the year		1,320,996	1,509,709

WOTE WATER AND SEWERAGE COMPANY (WOWASCO) LIMITED.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013.

1. SIGNIFICANT ACCOUNTING POLICIES:

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

) Basis for preparation

The Financial statements are prepared in accordance with and comply with International Financial Reporting Standards (IFRSs) and under Accrued Cost Convention.

) Revenue Recognition

Revenue is recognized on water charges fully invoiced.

Grants

The company's policy on grants is to recognise the whole amount of grant as income for the year it relates and where applicable expense appropriately within the same year

Property, plant and equipment

Tools, furniture and computer accessories acquired by The company are stated at cost less depreciation.

Other property, plant and equipment are leased to the company by Tanathi Water Services Board and are not included in the figures shown in the financial statements

Depreciation is calculated on the reducing balance basis to write down the cost of each asset over their residual values over their estimated useful life.

The annual rates used are:

▪ Tools	20%
▪ Computer accessories	33%
▪ Furniture	20%

Leased property, plant and equipment

The company operates on leased land, property and equipment from Tanathi Water Services Board.

There are No values in the service provision Agreement (SPA) and therefore not included in the financial statements

Receivables

Debtors and other receivables are carried at accrued balances less related receipts/adjustments

for the year. An estimate is made for doubtful receivables based on a review of all outstanding amounts

at year end.

Inventories

Inventories are carried at Net realizable value

Provision for Creditors and other Payables

Provision for Creditors and other payables are carried at accrued balances less related payments/adjustments for the year.

Pension benefits

The company enabled its contracted employees contribute to the National Social Security Fund (NSSF).

This is a defined contribution scheme. Contributions are determined by local statute

and are currently limited to Kshs. 200/= per Month per employee and a similar amount

is contributed by the company to the contracted employees.

The company's contributions to NSSF are charged to the income statement in the year to which they

NOTE WATER AND SEWERAGE COMPANY (WOWASCO) LIMITED.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013
(CONT.)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and all deposits held at the bank

Currency

The currency used in the financial statements is Kenya shillings (Kshs).

Financial Risk management objectives and policies

The company's activities expose it to a variety of financial risks including credit and liquidity risks. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects of such risks on the company's performance by setting acceptable level of risks.

	30TH JUNE 2013	30TH JUNE 2012
	Kshs.	Kshs.
CASH WATER SALES		
Water sales	53,840	166,411
Other sales	176,939	141,234
	<u>230,779</u>	<u>307,645</u>
GOVERNMENT GRANTS & ASSISTANCE		
Government Grant	2,471,100	2,224,657
i) Salaries for staff on secondment	280,000	835,000
ii) KPLC Electricity bills paid	<u>2,751,100</u>	<u>3,059,657</u>
OTHER INCOME		
Connection fees	112,500	29,500
Fines & other penalties	47,000	26,000
Property rent	56,100	26,350
Transfer documents	75,000	65,000
Unpaid labour charges	178,000	-
	<u>468,600</u>	<u>146,850</u>
PERSONNEL COSTS		
Basic wages	257,530	145,600
Salaries	1,781,959	1,166,932
Staff salaries paid by MWI	2,471,100	2,224,657
Allowances	298,960	195,397
NSSF employer contribution	18,000	16,600
Staff motivation	1,146,044	1,024,188
	<u>5,973,593</u>	<u>4,773,374</u>
OPERATIONAL COSTS		
Electricity	42,274	28,552
Structure	2,624,400	3,066,795
Repairs	403,260	583,520
Depreciation	90,666	46,580
Other	15,960	5,170
	<u>3,176,560</u>	<u>3,730,617</u>

NOTE WATER AND SEWERAGE COMPANY (WOWASCO) LIMITED.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013

CONT.)	30TH JUNE 2013	30TH JUNE 2012
ADMINISTRATIVE COSTS	KSHS	KSHS
Transport	245,354	158,235
Telephone	72,810	80,750
Stationery	147,885	76,818
Postage	10,790	8,830
Printing	26,400	5,000
Entertainment & office tea	20,010	8,400
Advertising expenses	-	81,500
General office running	25,426	35,399
Travel & Accommodation	336,000	336,950
Maintenance of office equipment	2,800	5,000
Education & Training	16,400	28,600
Costs/E-mail	10,850	4,250
Stamps losses	16,071	8,468
Insurance	12,000	12,000
Others	750	2,250
	943,546	852,450
FINANCE COSTS		
Bank charges	45,267	11,536
	45,267	11,536

NON-CURRENT ASSETS SCHEDULE FOR THE YEAR ENDING 30TH JUNE 2013

	WSTF Water Project	Furniture	Tools	Computer Accessories	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
VALUATION					
Balance as at 1.7.2011	-	7,580	4,710	21,380	33,670
Disposals	-	-	-	-	-
Balance as at 1.7.2012	-	7,580	4,710	21,380	33,670
Disposals	5846764	18,000	-	-	5,864,764
Period Adjustment *	5,778,809	-	-	-	5,778,809
Transfer to TANATHI at cost	(8,071,370)	-	-	-	(8,071,370)
Disposals	-	-	-	-	-
Balance as at 30.6.2013	3,554,203	25,580	4,710	21,380	3,605,873
DEPRECIATION					
Balance as at 1.7.2011	-	2,860	2,374	10,724	15,958
Charge for the year	-	944	467	3,516	4,927
Disposals	-	-	-	-	-
Balance as at 1.7.2012	-	3,804	2,841	14,240	20,885
Charge for the year **	-	4,355	374	2,356	7,085
Disposals	-	-	-	-	-
Balance as at 30.6.2013	-	8,159	3,215	16,596	27,970
BOOK VALUE					
Balance as at 1.7.2012	-	3,776	1,869	7,140	12,785
Balance as at 30.6.2013	3,554,203	17,421	1,495	4,784	3,577,903

Period Adjustment relates to WSTF funded project previously treated as current Asset. This is the amount of income received in the Financial year 2011/2012.

**Full depreciation is charged during the year of purchase using the rates shown in Note 1 (d) except the WSTF projects which are transferred to TANATHI WSB after completion at their total cost.

WOTE WATER AND SEWERAGE COMPANY (WOWASCO) LIMITED.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013
(CONT.)

AUDIT FEES	30TH JUNE 2013	30TH JUNE 2012
	KSHS	KSHS
Sila & Associates	85,000	85,000
Auditor General (Administrative costs)	9,860	8,500
One period VAT adjustment	1,360	-
	<u>96,220</u>	<u>93,500</u>

WARMA FEES

This is the abstraction fees payable to Water Resources Management Authority as water user charge. This fee is based on the production and is calculated at the rate of 50cts per M³ of water produced.

44,296	34,534
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LEASE FEES

This is the amount of money payable to Tanathi Water Services Board for the leased property, plant and equipment. This fee is based on percentage of the collection from water billings which is 9%.

706,281	525,734
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REGULATORY LEVY

This is the amount of money payable to Water Services Regulatory Board (WASREB) as the Regulator for water service provision. This levy is based on percentage of the collections from billings which is 1%.

78,476	58,415
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OTHER DEBTORS

Town council of Wote- shares	40	40
Salary advance	1,000	-
	<u>1,040</u>	<u>40</u>

CASH AND CASH EQUIVALENT

	30TH JUNE 2013	30TH JUNE 2012
at Hand		
•Revenue Cash	38,306	25,186
•Petty Cash	943	49,027
•WSTF project	36,698	8,871
Sub-Total	<u>75,947</u>	<u>83,084</u>
at Bank		
•Revenue A/C	319,841	62,877
•Expenditure A/C	303,229	10,325
•Deposits A/C	402,794	98,582
•Mwaani Borehole A/C	5,302	5,061
•WSTF project	213,883	1,249,780
Sub-Total	<u>1,245,049</u>	<u>1,426,625</u>
Total Cash and cash equivalent	<u>1,320,996</u>	<u>1,509,709</u>

SHARE CAPITAL

This is the value of shares taken-up by the Town council of Wote, 2(two) shares of K/= each.

40	40
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DEBTORS AND OTHER PAYABLES

	30TH JUNE 2013	30TH JUNE 2012
	Kshs	Kshs
Trade Debtors	691,661	457,033
Customer's Deposits	1,277,350	859,350
Accruals -KENAO	300,000	300,000
Accruals -Sila & Associates CPA (K)	85,000	85,000
Administration costs -KENAO	9,860	8,500
Accruals	103,491	79,195
Accruals - (TANATHI)	1,925,279	1,318,998
Regulatory levy (WASREB)	193,476	141,000
	<u>4,586,117</u>	<u>3,249,076</u>

WOTE WATER AND SEWERAGE COMPANY (WOWASCO) LIMITED.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013
(CONT.)

9. CAPITAL RESERVE.	30TH JUNE 2013	30TH JUNE 2012
	Kshs	Kshs
accruals	(94,638)	(94,638)
creditors	(79,201)	(79,201)
customer's Deposits used-up	(340,350)	(340,350)
stock	1,093	1,093
debtors	370,444	370,444
cash and cash equivalent.	35,640	35,640
STF Infrastructure project	21 3,804,784	-
	<u>3,697,772</u>	<u>(107,012)</u>

PROVISION FOR BAD & DOUBTFULL DEBTS

The provision for Bad & Doubtful debts of ksh.86,785 is composed of specific 27 consumers whose accounts are long overdue and have proved difficulty to collect, however the company management is making a follow-up on any possible payments of the same.

WATER SERVICES TRUST FUND (WSTF) PROJECT

These are infrastructure development projects funded by WSTF under up call of proposals for construction of masonry kiosks, water kiosks with overhead tanks, water meters with meter boxes and pipeline extensions.

		Notes	
30TH JUNE 2012			
Call of proposal Funding	*Cost	10	5,778,809
	*Bank Balance	16	1,249,780
	*Cash Balance	16	8,871
Balance as at 30th June 2012			<u>7,037,460</u>
30TH JUNE 2013			
Call of proposal funding	*Bal B/d		7,037,460
	*Additional		1,033,910
Cost of 4th call			<u>8,071,370</u>
Transferred Asset to TANATHI after project completion		10	(8,071,370)
	*Balance c/d		Nil
Call Funding	* Cost to date	10	3,554,203
	*Bank Balance	16	213,883
	*Cash Balance	16	36,698
Balance as at 30th June 2013			<u>3,804,784</u>