



EMBU WATER AND SANITATION COMPANY LIMITED

**FINANCIAL STATEMENTS FOR THE YEAR
FOR THE YEAR 2012/2013**

EMBU WATER AND SANITATION COMPANY LTD
(EWASCO)

EMBU WATER AND SANITATION COMPANY LTD FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

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REPORT OF THE DIRECTORS

The Directors submit their report together with the management accounts for the year ended June 30, 2013 which show the state of affairs of the Company.

1. PRINCIPAL ACTIVITY

The principal activities of the Company are the Provision of Water and Sanitation Services within former Embu Municipalities and their environs.

2. RESULTS

The Company's Financial Statements and results are set out on pages 4 to 15.

3. DIRECTORS

The Directors who served during the year were :

1. EXISTING

| | |
|--|-----------------------|
| 1. Mr. John Kariuki Njine -Chairman | Appointed on Oct 2010 |
| 2. Mr. Johnson Nyaga Mbogo | Appointed on Oct 2010 |
| 3. Mr. Sheilk Ramadhan Njuguna | Appointed on Oct 2010 |
| 4. Tom Kwasi (-Representing Embu County Govt) | Appointed on Oct 2010 |
| 5. Peter Gichaaga (Representing TWSB C.E.O) | Appointed on Oct 2010 |
| 6. Mr. Jackson Gachagua | Appointed on Oct 2010 |

2. RETIRED

| | |
|------------------------|---------------------|
| 7. Mr. Mathew Wainaina | Left September 2012 |
| 8. Mr. Peter Muriithi | Left December 2012 |
| 9. Mr. Vimal Chanda | Left December 2012 |
| 10. M/s Edith Wanjira | Left August 2012 |
| 11. Mrs. Jane I. Kiura | Deceased |
| 12. Fr. Vincent Ileri | Deceased |

CORPORATE MANAGEMENT

| | |
|-----------------------|------------------------------------|
| 1. Eng. H.M Karugendo | Managing Director |
| 2. Doris Njiru | Finance and Administration Manager |
| 3. Michael Kiio | Technical Services Manager |

4. AUDITORS

The Kenya National Audit Office were appointed during the year as per the public Audit Act 2003 to audit organisations managing public assets. They continues in the office.

By order of the Board

Managing Director

Date 17/12/2013

EMBU WATER AND SANITATION COMPANY LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act requires the Directors to prepare financial statements for each financial year, which gives a true and fair view of the state of affairs of the Company as at the end of the financial year and of its operating results for that year. It also requires the Directors to ensure the Company keeps proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in conformity with International Financial Reporting Standards and the 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 the financial affairs of the Company and its operating results. The Directors further accept responsibility for the maintenance of accounting records which 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 the next twelve months from the date of this statement.

DIRECTOR  DATE 17 / 12 / 2013

DIRECTOR  DATE 17 / 12 / 2013

EMBU WATER AND SANITATION COMPANY LTD
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FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF COMPREHENSIVE INCOME

| | | 2013 | 2012 |
|---|----------|---------------------------|---------------------------|
| | | Kshs | Kshs |
| TURNOVER | 5 | 158,685,485 | 138,349,551 |
| Water Related Income | 6 | 2,433,633 | 2,807,065 |
| Sewerage Related Income | 7 | 210,100 | 214,900 |
| Other Incomes | 8 | 6,406,765 | 13,284,055 |
| TOTAL INCOME | | <u>167,735,983</u> | <u>154,655,571</u> |
| EXPENSES | | | |
| Administration Expenses | 9 | 16,005,775 | 15,583,509 |
| Staff Emoluments | 10 | 68,908,536 | 59,782,945 |
| Board Expenses | 11 | 6,591,390 | 7,549,671 |
| Establishment cost | 12 | 54,383,012 | 38,832,536 |
| Maintenance & Production Cost | 13 | 24,034,350 | 15,191,880 |
| Other operating expenses | 14 | 2,631,085 | 2,355,644 |
| Finance costs | 15 | 1,843,436 | 463,996 |
| | | <u>174,397,585</u> | <u>139,760,181</u> |
| (Deficit) / Surplus for the year | | <u>(6,661,601)</u> | <u>14,895,390</u> |

EMBU WATER AND SANITATION COMPANY LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF FINANCIAL POSITION

| | NOTES | 2013 KSHS | 2012 KSHS |
|-----------------------------------|-------|--------------------|--------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, Plant & Equipment | 3 | 280,353,374 | 145,911,352 |
| Work In Progress- JICA | 25 | 30,105,418 | 114,873,809 |
| Total Non - Current Assets | | 310,458,792 | 260,785,161 |
| CURRENT ASSETS | | | |
| Inventory | 17 | 6,442,522 | 7,095,438 |
| Trade and Other Receivables | 18 | 107,125,040 | 78,043,138 |
| Cash and Cash Equivalents | 19 | 13,946,163 | 12,728,732 |
| TOTAL CURRENT ASSETS | | 127,513,725 | 97,867,308 |
| CURRENT LIABILITIES | | | |
| Payables and Accruals | 22 | 61,337,854 | 50,404,490 |
| Asset Financing Short term | 23 | - | 425,290 |
| Taxation | 24 | 7,860,611 | 7,860,611 |
| TOTAL CURRENT LIABILITIES | | 69,198,465 | 58,690,391 |
| NET CURRENT ASSETS | | 58,315,260 | 39,176,917 |
| TOTAL ASSETS | | 368,774,055 | 299,962,079 |
| FINANCED BY | | | |
| Share Capital | 16 | 100,000 | 100,000 |
| Capital Grants | 30 | 197,916,432 | 124,908,440 |
| Retained Earnings | 27 | 16,401,265 | 22,197,275 |
| Revaluation Reserve | 21 | 150,665,424 | 150,665,469 |
| Lease Financing | 26 | 3,690,934 | 2,090,895 |
| TOTAL EQUITY | | 368,774,055 | 299,962,079 |

The financial statements were approved by the Board of Directors on 17. / .12/ 2013 and signed on behalf by;

BOARD CHAIRMAN.....

DIRECTOR.....

EMBU WATER AND SANITATION COMPANY LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF CASH FLOWS

| | 2013 | 2012 |
|--|---------------------|----------------------|
| | Kshs | Kshs |
| Surplus for the year | (6,661,601) | 14,895,390 |
| Adjustments for : | | |
| Re-instated Surplus | 865,590 | - |
| Depreciation | 38,696,717 | 20,460,671 |
| Amortisation | - | (2,110,779) |
| Surplus before changes in working capital | 32,900,706 | 33,245,282 |
| Changes in working Capital | | |
| (Increase) / Decrease in Trade and Other Receivables | (29,081,902) | 1,236,070 |
| Increase / (Decrease) in Trade & Other Payables | 10,508,074 | (7,956,193) |
| (Increase) / Decrease in Trade Inventory | 652,916 | (925,469) |
| Cash Generated from the Operating Activities | (17,920,912) | (7,645,592) |
| Net Cash Generated from Operating Activities | 14,979,793 | 25,599,690 |
| Investing Activities | | |
| Purchase of non- current assets | (173,138,739) | (14,361,712) |
| WIP | 84,768,391 | (114,873,810) |
| Net Cash Generated from Investing Activities | (88,370,348) | (129,235,522) |
| Financing Activities | | |
| Motor vehicle loan (asset financing) | 1,600,039 | (1,024,433) |
| Grants | 73,007,992 | 109,862,133 |
| Net Cash Generated from Financing Activities | 74,608,031 | 108,837,700 |
| Increase in Cash and Cash Equivalent | 1,217,476 | 5,201,868 |
| Cash and cash equivalent | | |
| At the start of the year | 12,728,732 | 7,526,864 |
| At the end of the year | 13,946,163 | 12,728,732 |

EMBU WATER AND SANITATION COMPANY LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF CHANGES IN EQUITY

| | Share Capital kshs | Revaluation Reserves kshs | Retained Earnings(Restated) kshs | Total kshs |
|----------------------------------|--------------------------|---------------------------------|--|---------------|
| At 01.07.2012 | 100,000 | 150,665,469 | 9,077,523 | 159,842,992 |
| Surplus for the year | - | - | 14,895,390 | 14,895,390 |
| Taxation | | | (1,775,638) | (1,775,638) |
| Adjustment of the year(Restated) | | | 865,590 | 865,590 |
| At 30.06.2012 | 100,000 | 150,665,469 | 23,062,865 | 173,828,334 |
| Deficit for the year | - | | (6,661,601) | (6,661,601) |
| At 30.06.2013 | 100,000 | 150,665,469 | 16,401,264 | 167,166,733 |

NOTES TO THE FINANCIAL STATEMENTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of accounting

The financial statements are prepared on the historical cost basis. The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards.

b) Turnover

Turnover is made up of the total amounts billed during the year for water services. Income is recognized to the extent that it is probable that its economic benefits will flow to the company and the revenue can be reliably measured.

c) Property, Plant & Equipment

Property, Plant & Equipment are stated at cost, less accumulated depreciation and any impairment in value.

d) Depreciation

Depreciation is calculated on the reducing balance basis, at annual rates estimated to write off carrying values of the assets over their expected useful lives. The annual depreciation rates in use are:

| | |
|---------------------------|-------|
| Buildings | 2.5% |
| Furniture and Equipment | 12.5% |
| Motor Vehicles | 25.0% |
| Water meters | 20.0% |
| Computers and Typewriters | 30.0% |
| Workshop Equipment | 12.5% |
| Pipes and Fittings | 12.5% |

e) Intangible Assets

Intangible Assets comprise of computer software i.e the billing system and the accounting software. This is stated at cost, less accumulated amortisation. Amortisation is calculated at 30% on the reducing balance basis, being the rate estimated to write off carrying values of the softwares over their estimated useful lives.

f) Inventory

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the average weighted basis. Net realisable value is the estimated costs of completion and costs necessary to make the sale.

g) Deferred Taxation

No deferred taxation is provided as there are no timing differences.

NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

h) Lease Charges

Operating lease charges are charged to the income statement on the accrual basis.

i) Foreign Currency

Transactions during the year in foreign currency are converted into Kenya shillings at rates ruling at the transaction date. Assets and liabilities denominated in foreign currency are translated into Kenya Shillings at the rates of exchange ruling at the balance sheet date.

j) Trade Receivables

Accounts receivable are stated at their nominal value and reduced by appropriate allowances for estimated irrecoverable amounts.

k) Trade Payables

Trade payables are stated at their nominal value.

l) Amortisation of Capital Grant

Grants received for capital assets are credited to the capital grant account net of amortisation which is released to the revenue reserves over the life of the relevant assets.

m) Bad and Doubtful Debts

General provisions are made based on the Directors' evaluation of the trade receivables' balance and other exposures in respect of losses, which although not specifically identified, are known from experience to be present in the trade receivables balance.

Bad debts are written off when all reasonable steps to recover them have been taken without success.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, in hand and short term deposits with a maturity of 6 months or less.

For purpose of the cash flow statement, cash and cash equivalents comprise of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

o) Reserves

Surplus or Deficit from income statement is accumulated in the revenue reserve account.

p) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

q) Provisions

Provisions are recognized when the EWASCO has a legal or constructive obligation as a result of past events and is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Where the Company expects a provision to be reimbursed, for example under insurance, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

r) Impairment

At each balance sheet date, the Company reviews the carrying amounts of its financial assets to determine whether there is any indication that these assets have suffered an impairment loss.

Impairment loss occurs where the asset is carried at more than its recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset.

If such an indication exists, the recoverable amount is estimated. An impairment loss is recognized as an expense unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

i) Critical accounting estimates and assumptions:

Property, plant and equipment

Critical estimates are made by the Directors in determining depreciation rates for property, plant and equipment. The rates used are set out in note 1 (d) above.

ii) Critical judgements in applying the entity's accounting principles

In the process of applying the Company's accounting policies, the management has made judgements in determining:

- The classification of financial assets and leases.
- Whether the assets are impaired.

EMBU WATER AND SANITATION COMPANY LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

3. PROPERTY, PLANT AND EQUIPMENT

| | Land | Office | Motor Vehicles & Cycles | Computers & Peripherals | Equipment & Tools | Plant & Machinery | Fixture & Fittings | Totals |
|-------------------------|------------------|-------------------|-------------------------|-------------------------|-------------------|-------------------|--------------------|--------------------|
| Rate | | 2.0% | 25.0% | 30.0% | 12.5% | 12.5% | 12.5% | |
| COST | | | | | | | | |
| As at 30.06.2012 | 6,694,345 | 11,095,405 | 13,836,653 | 7,617,167 | 43,351,617 | 65,019,038 | 121,049,277 | 268,663,502 |
| Additions | | 6,309,228 | - | 1,232,253 | 878,957 | - | 164,718,301 | 173,138,739 |
| Disposal | | | | | | | | - |
| As at 30.06.2013 | 6,694,345 | 17,404,633 | 13,836,653 | 8,849,420 | 44,230,574 | 65,019,038 | 285,767,578 | 441,802,241 |
| DEPRECIATION | | | | | | | | |
| As at 30.06.2012 | | 1,251,488 | 8,590,475 | 4,891,954 | 22,573,484 | 31,903,478 | 53,541,271 | 122,752,150 |
| For the Year | | 323,063 | 1,311,545 | 1,187,240 | 2,707,136 | 4,139,445 | 29,028,288 | 38,696,717 |
| As at 30.06.2013 | | 1,574,551 | 9,902,020 | 6,079,194 | 25,280,620 | 36,042,923 | 82,569,559 | 161,448,867 |
| NET BOOK VALUE | | | | | | | | |
| As at 30.06.2013 | 6,694,345 | 15,830,082 | 3,934,634 | 2,770,226 | 18,949,954 | 28,976,115 | 203,198,019 | 280,353,374 |
| As at 30.06.2012 | 6,694,345 | 9,843,917 | 5,246,178 | 2,725,213 | 20,778,133 | 33,115,560 | 67,508,006 | 145,911,352 |

NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

4. THE WATER SECTOR REFORMS

Pursuant to the requirements of the Water Act 2002, the Government of Kenya (GoK) has placed all the water assets and liabilities in the whole country under the management of Regional Water Services Boards.

In line with these countrywide reforms, the EMBU Water & Sanitation Company (EWASCO) has signed a service provision agreement with the Tana Water Services Board (TWSB).

| 5. (a) TURNOVER | 2013 | 2012 |
|--|---------------------|--------------------|
| | Kshs | Kshs |
| Total turnover | 158,685,485 | 138,349,551 |
| 6. <u>Water Related Income</u> | | |
| New connections application fee | 274,340.00 | 341,298 |
| Meter testing | 158,845.90 | 36,875 |
| Reprint charges | - | 51,592 |
| Illegal connections | 117,000.00 | 55,000 |
| Transfers | 75,875.00 | 183,580 |
| Terminations | 25,150.00 | 130,270 |
| Reconnections | 992,218.00 | 1,215,142 |
| Labour charges | 504,387.00 | 684,400 |
| Interest on savings | 79,262.90 | 66,841 |
| Miscellaneous | 206,555 | 42,067 |
| | <u>2,433,633</u> | <u>2,807,065</u> |
| 7. <u>Sewerage Related Income</u> | | |
| Exhauster services | 210,100.00 | 214,900.00 |
| 8. <u>Other Incomes</u> | | |
| Tender fees | 177,000 | 473,500 |
| Contractual fees | 6,229,765 | 2,561,089 |
| VAT Claim Refundable | - | 8,138,687 |
| Grants | - | 2,110,779 |
| | <u>6,406,765</u> | <u>13,284,055</u> |
| | <u>6,616,865.00</u> | <u>13,498,955</u> |
| TOTAL REVENUE | <u>167,735,983</u> | <u>154,655,571</u> |
| 9. ADMINISTRATION EXPENSES | | |
| Provision for Audit Fees | 464,000 | 601,500 |
| Consultancy fee | 2,814,510 | 1,167,586 |
| Professional Services | - | 228,760 |
| Company Secretarial Services | 163,900 | 106,104 |
| TWSB Agency Fee | 4,659,594 | 4,976,385 |
| Lease Levy | 6,263,503 | 6,220,408 |
| Waspa meetings | 203,050 | |
| Subscriptions | 231,600 | 450,690 |
| Software Maintenance and upgrading | - | 180,000 |
| Legal Expenses | 53,000 | 408,000 |
| WASREB-L Regulation fee | 1,152,619 | 1,244,076 |
| TOTAL | <u>16,005,775</u> | <u>15,583,509</u> |

EMBU WATER AND SANITATION COMPANY LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

| | | |
|--|--------------------|--------------------|
| 10 Staff Emoluments | | |
| Salaries | 49,220,091 | 38,636,853 |
| Casual Wages | 768,440 | - |
| Staff Leave allowances | - | 2,659,268 |
| Staff Medical Expenses | 1,647,831 | 1,033,317 |
| Staff Subsistence | 2,057,923 | 4,350,978 |
| Staff benchmarking | 2,068,500 | 2,724,200 |
| Employer Contribution-Pension | 4,532,449 | 4,295,384 |
| Staff armenties | 1,620,518 | 964,172 |
| Provision for gratuity | 2,872,019 | 2,041,463 |
| Staff Training | 2,146,805 | 1,101,050 |
| Staff End of the Year Party | 660,360 | 151,000 |
| Staff Uniforms | 247,494 | 267,530 |
| Staff Sports | 1,066,107 | 1,557,730 |
| | 68,908,536 | 59,782,945 |
| 11 Board Expenses | | |
| Directors Allowances | 2,986,169 | 6,612,076 |
| Other Expenses(travelling,training,meals) | 1,219,327 | 233,565 |
| AGM Expenses | 2,385,894 | 704,030 |
| | 6,591,390 | 7,549,671 |
| | - | - |
| TOTAL ADMINISTRATION COSTS | 91,505,702 | 82,916,125 |
| 12 ESTABLISHMENT COSTS | | |
| Office Rent | 1,233,000 | 1,200,000 |
| Building Repairs and Maintenance | 427,694 | 637,764 |
| Computer Expenses | 883,206 | 1,604,610 |
| Insurance | 954,878 | 791,991 |
| Security | 1,202,885 | 873,380 |
| Electricity | 572,629 | 774,889 |
| Motor Repairs | 1,947,073 | 2,134,425 |
| Fuel and Oil | 3,687,393 | 3,357,772 |
| Postage and Delivery | 206,089 | 197,058 |
| Telephone | 690,271 | 1,157,150 |
| Travelling,Subsistence | 2,033,873 | 4,058,788 |
| Printing and Stationery | 992,162 | 389,799 |
| Corporate Responsibility | 257,125 | 256,206 |
| General office Expenses | 129,996 | 51,080 |
| Transport costs | 468,021 | 886,953 |
| Depreciation | 38,696,717 | 20,460,671 |
| TOTAL ESTABLISHMENT EXPENSES | 54,383,012 | 38,832,536 |
| 13 Maintenance & Production Cost | | |
| Water chemical treatment | 1,831,966 | 4,778,023 |
| GIS Maintenance | 461,780 | 57,720 |
| Quality Test | 711,308 | 583,413 |
| Water supply system repairs | 16,510,768 | 7,243,632 |
| Non revenue expenses | 604,447 | - |
| Sewer expenses | 936,635 | 611,814 |
| Jica line expenses | 822,962 | - |
| WARMA Abstraction fee | 2,154,483 | 1,917,278 |
| Total Maintenance & Production cost | 24,034,350 | 15,191,880 |
| 14 Other operating expenses | | |
| Cleaning and hygiene | 715,480 | 204,367 |
| Tana water kiosk (purchase) | - | - |
| Photocopier expenses | 170,108 | - |
| Advertising and promotion | 700,670 | 705,301 |
| World water day Ask expenses | 159,080 | - |
| Entertainment | 767,497 | 1,118,934 |
| Newspapers and periodicals | 118,250 | 130,190 |
| Rental box | - | 4,200 |
| Landscapping | - | 192,652 |
| Total | 2,631,085 | 2,355,644 |
| 15 Finance costs | | |
| Asset financing interest | 510,577 | 71,405 |
| Guarantee fees TFBG | - | 128,000 |
| Kiambi loan interest | 1,153,644 | - |
| Bank charges(Equity& kcb) | 179,215 | 264,591 |
| TOTAL | 1,843,436 | 463,996 |
| TOTAL EXPENDITURE | 174,397,585 | 139,760,181 |
| SURPLUS/(DEFICIT) FOR THE YEAR | (6,661,601) | 14,895,390 |

EMBU WATER AND SANITATION COMPANY LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

| NOTES TO THE FINANCIAL STATEMENTS (CONTD...) | | |
|--|--------------------|-------------------|
| Notes | 2013 Kshs | 2012 Kshs |
| 16 CAPITAL | | |
| Authorised | | |
| 5000 ord. Shares of ksh.20 each | 100,000 | 100,000 |
| Issued and fully paid up | | |
| 5000 ord. Shares of ksh.20 each | 100,000 | 100,000 |
| 17 INVENTORY | | |
| Pipes & Fittings and Chemicals | 6,442,522 | 7,095,438 |
| 18 TRADE AND OTHER RECEIVABLES | | |
| Trade debtors | 90,627,875 | 65,333,613 |
| Less: Specific provision for Bad Debts | - | - |
| General provision for Doubtful Debts | - | - |
| Net Trade Debtors | 90,627,875 | 65,333,613 |
| Prepaid Insurance | 392,310 | 545,945 |
| Kanyuambora Project | - | 385,631 |
| Siakago Project | 1,268,964 | 605,416 |
| KRA Refund | 11,829,699 | 8,138,687 |
| TWSB | 659,225 | 659,225 |
| Salary Advance | 13,334 | 40,988 |
| WASREB | 6,225 | 6,225 |
| Cash Loss | 1,968,130 | 1,968,130 |
| JICA Project | 359,278 | 359,278 |
| Total Trade & other Receivables | 107,125,040 | 78,043,138 |
| 19 CASH AND CASH EQUIVALENTS | | |
| WSTF- Dallas | - | 794,240 |
| WSTF-Kiritiri | - | 90,949 |
| Cash at Hand Kiritiri | 24,208 | 46,330 |
| Coop Saving Account | 13,905,259 | 10,776,584 |
| Nawiri Saving Account | 189,818 | 701,655 |
| MPESA | 224,335 | 70,065 |
| Equity Current Account | 2,304,146 | 747,258 |
| KCB Current Account | 30,749 | 2,033,888 |
| Coop Current Account | (2,732,352) | (2,532,237) |
| TOTAL CASH AND CASH EQUIVALENTS | 13,946,163 | 12,728,732 |

EMBU WATER AND SANITATION COMPANY LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

20 PROVISION FOR DOUBTFUL DEBTS

The Company has not provided for doubtful debts in the current year.

| | | |
|---|----------------------|--------------------|
| 21 REVALUATION ACCOUNT | 150,665,469 | 150,665,469 |
| 22 TRADE PAYABLES AND ACCRUALS | | |
| Customer deposits | 28,664,701 | 22,861,527 |
| Trade payables | 30,453,681 | 26,321,460 |
| Tax Withholding liability | 817 | - |
| Water bills prepayment | 2,218,655 | 1,221,503 |
| TOTAL TRADE AND OTHER PAYABLES | 61,337,854 | 50,404,490 |
| 23 ASSET FINANCE SHORTTERM | - | 425,288 |
| 24 TAXATION | | |
| Balance B/F | 7,860,611 | 6,084,973 |
| Provision for the year | - | 1,775,638 |
| | 7,860,611 | 7,860,611 |
| 25 WORK IN PROGRESS | | |
| Materials | - | 7,620,854 |
| Labour | - | 2,322,521 |
| Kanyuambora CDF Project | - | 84,978,062 |
| JICA Project | 30,105,418 | 14,960,611 |
| Kiambi Project | - | 4,991,761 |
| | 30,105,418 | 114,873,809 |
| 26 ASSET FINANCING LONGTERM(KIAMBI & CAR) | 3,690,934 | 2,090,895 |
| 27 REVENUE RESERVES | | |
| Bal as at 1st July 2012 | 23,062,865 | 9,077,523 |
| Profit for the year | (6,661,600) | 14,895,390 |
| Taxation | - | (1,775,638) |
| | 16,401,264.67 | 22,197,275 |
| 28 NUMBER OF EMPLOYEES | | |
| The number of employees as at 30th June 2013 was 85 and 23 short contracts (2012:) 85 | | |
| 29 INCORPORATION | | |
| EMBU Water & Sanitation Company (EWASCO) is incorporated under The Companies Act Cap 486, of the Laws of Kenya. | | |
| 30 CAPITAL GRANTS | | |
| Bal as at 1/7/2012 | 124,908,440 | 2,277,555 |
| WSTF Donation | 12,818,334 | 21,992,044 |
| Less Amortisation | - | (2,110,779) |
| Kanyuambora CDF Project | 27,000,000 | 85,749,620 |
| Kiambi subsidy | 6,189,658 | - |
| TWSB/JICA | 27,000,000 | 17,000,000 |
| | 197,916,432 | 124,908,440 |