

REPUBLIC OF KENYA



**KENYA NATIONAL AUDIT OFFICE**

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
WATER SERVICES REGULATORY  
BOARD**

**FOR THE YEAR ENDED  
30 JUNE 2013**



# **WATER SERVICES REGULATORY BOARD**



## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013**

*WATER SERVICES REGULATORY BOARD FINANCIAL  
STATEMENT FOR FY 2012/2013*

# TABLE CONTENTS

1.0	Institutional Details/Information .....	3
2.0	Board of Directors .....	4-5
3.0	Key Management Staff .....	6
4.0	Roles of Water Services Regulatory Board.....	7-8
5.0	Corporate Governance Statement .....	9-10
6.0	Statement of Board Directors Responsibility .....	11
	Report of the Auditor General .....	12-13
	<b>Financial Statements:</b>	
	Statement of Comprehensive Income.....	14
	Statement of Financial Position .....	15
	Statement of changes in Equity .....	16
	Statement of Cash Flow.....	17
	Notes to the Accounts .....	18-22

**WATER SERVICES REGULATORY BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2013**

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**1.0 INSTITUTIONAL DETAILS/INFORMATION**

**1.1 Establishment**

Water Services Regulatory Board is a body corporate established under the provisions of the Water Act 2002 and operating under the provisions of the state corporations Act, Cap 446 of the laws of Kenya and it is domiciled in Kenya.

**1.2 Registered Office and Principal Place of Business**

NHIF Building  
Ngong Road  
P.O. Box 41621-00100  
**NAIROBI**  
**KENYA.**

**1.3 Banker**

National Bank of Kenya  
Hill Branch  
P.O. Box 45219-00100  
**NAIROBI**  
**KENYA**

**1.4 Independent Auditors**

Auditor General  
Kenya National Audit Office  
Anniversary Towers  
P.O. Box 30084  
**NAIROBI**  
**KENYA.**

**WATER SERVICES REGULATORY BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2013**

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**2.0 BOARD OF DIRECTORS**



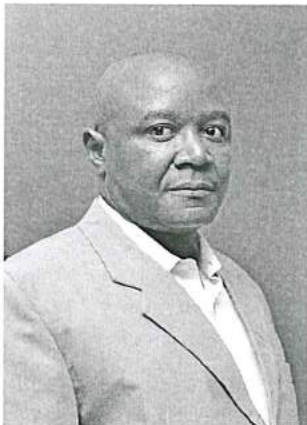
Patricia Kameri Mbote  
Chairperson



Eng Robert Gakubia HSC  
Chief Executive Officer



MS. Racheal Nyamori  
Rep. Ps Water.



Joseph Ngala



MS. Susan Karanja  
Rep. Ps Treasury



George Ndonji



Mohamed Sheikhow



Roger Ngoo Shako



Aguko Juma

**WATER SERVICES REGULATORY BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2013**

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Lucy Ambasi  
Rep AG

**WATER SERVICES REGULATORY BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2013**

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**3.0 KEY MANAGEMENT STAFF**

**Eng Robert N. Gakubia, HSC**

Eng. Gakubia is the Chief Executive Officer of Wasreb. He has held senior positions in the Ministry of Water and Irrigation, rising to the position of Director of Water services. He holds BSc degree in Engineering from University of Nairobi and a MSc degree at IHE Delft, Netherlands. He is a Corporate member of the Institution of Engineers of Kenya and a professional engineer with the Engineers Board of Kenya.

**Ms. Bernadette Njoroge**

Ms. Bernadette Njoroge is the Director Legal and Enforcement. She holds an LLB (Hons) degree from the University of Nairobi, LLM; and she is a Certified Public Secretary CPS (K) Previously she worked as a Lecturer at Inoorero Centre; Senior State Counsel at the Attorney General's Office and Legal Counsel at Kenya Tourist Board. She is an Advocate of the High Court of Kenya.

**Eng Peter Njaggah**

Eng Peter Njaggah is the Director Technical Services. He holds a Bachelor of Science degree in Civil Engineering from the University of Nairobi and Master of Science degree in Environmental Engineering from the University of New Castle –Upon Tyne in UK. Eng. Njaggah has over 22 years experience and knowledge in the water sector having previously worked as a senior manager in several water utilities as the Managing Director of Western Water Services Company; as Head of Water and Wastewater departments in Central District Council, South East District Council and Ghanzi District Council- all in the Republic Of Botswana, and also in the then Water & Sewerage Department- Nairobi City Council- Republic of Kenya. He is a professional engineer with the Engineers Board of Kenya, a Corporate Member of the Institution of Engineers of Kenya and member of Institute of Waste Management of Southern Africa.

**Herbert A Kassamani**

Mr. Kassamani is the Director Consumer and Public affairs. He holds an MBA (Marketing) and a Post-Graduate Diploma in Mass Communication from the University of Nairobi; and a Bachelor of Education from Kenyatta University. He has held senior positions in marketing and communications both in the public and private sector. He has also published extensively in magazines, journals and the local media.



**WATER SERVICES REGULATORY BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2013**

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## **4.0 ROLE OF WATER SERVICES REGULATORY BOARD**

### **BACKGROUND**

Water Services Regulatory Board (WASREB) is a non-commercial State Corporation established in march 2003 as part of the comprehensive reforms in the water sector. The mandate of the institution is to oversee the implementation of policies and strategies relating to provision of water and sewerage services. WASREB sets rules and enforces standards that guide the sector towards ensuring that consumers are protected and have access to efficient, adequate, affordable and sustainable services.

### **4.1 VISION**

The Vision of the Board is “To be a model regulator of water services”.

### **4.2 MISSION**

The Mission is “To regulate water services in line with the human right to water and sanitation.

### **4.3 STRATEGIC OBJECTIVES**

The Boards five objectives are as follows:-

1. To enforce the legal and regulatory framework governing provision of water services.
2. To ensure efficiency and viability in provision of water services,
3. To monitor sector progress in realizing universal access.
4. To strengthen Wasreb institutional capacity.
5. To promote stakeholders participation in the provision of water services.

### **4.4 RESPONSIBILITIES**

The Responsibilities of the Water Services Regulatory Board according to the Water Act 2002 are to:-

**WATER SERVICES REGULATORY BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2013**

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- ❖ Issue license to the Seven Water Boards for the provision of water services
- ❖ Develop and review standards for use in the Water Sector
- ❖ Establish procedures for handling complaints made by consumers against licensees
- ❖ Monitor and enforce license conditions
- ❖ Develop guidelines for fixing tariffs
- ❖ Advice on cost effective and efficient management and operations of water services.
- ❖ Develop model performance agreements for use between licensees and water service providers.
- ❖ Monitor the operations of the agreement and take appropriate actions to improve their effectiveness.
- ❖ Disseminate information about water services
- ❖ Promote water conservation and demand management measures
- ❖ Monitor National Water Strategy
- ❖ Determine fees, levies to be imposed on water services
- ❖ Gather and maintain information on water services
- ❖ Liaise with other bodies for better regulation and management of water services.
- ❖ Advice the Minister on matters concerned with water services
- ❖ With the consent of the Attorney General undertake prosecution of any offences arising under the act.

**WATER SERVICES REGULATORY BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2013**

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## **5.0 CORPORATE GOVERNANCE STATEMENT**

The Water Services Regulatory Board is committed to the values and principles of good corporate governance. Good corporate governance requires that the board of directors must govern the corporation with integrity and enterprise in a manner which entrenches and enhances the mandate it has under section 47 of the Water Act 2002 to operate. This mandate is not only regulatory but embraces the corporation's interaction with government and other stakeholder such as the water services boards and their providers , consumers of water services, the media, public opinion makers and pressure groups.

The directors and management of WASREB regard corporate governance as pivotal to the successes of the Board and are unreservedly committed to ensuring that good corporate governance is practiced so that WASREB remains a sustainable and viable vehicle for regulating water services in Kenya.

As a public service organization, the Board's decisions are guided by the core tenets prescribed in the Public Officers Ethics Act, and internal codes of conduct. We continually strive to strengthen and sustain the trust that the government, the water sector and the public have placed on us. Accordingly the Board and its committees regularly evaluate the latest national and international standards with the aim of incorporating them in the business processes of WASREB so as to consistently deliver on our mandate.

### **5.1 Board of directors**

The board of directors meets at least four times a year. The directors are given appropriate information so that they can maintain full and effective control over strategic, financial, operational and compliance issues. Except for direction and guidance on general policy, the board has delegated authority for conduct of day to day business to the Chief Executive Officer. The board nonetheless retains oversight responsibility for establishing and maintaining the control of financial, operational and compliance issues.

### **5.2 Committees of the board**

The board has set up the following committees which meet under well defined terms of reference set by the board. This is intended to facilitate efficient decision making of the board in discharging its duties and responsibilities.

#### **5.2.1 Corporate services Committee**

This committee deals with strategic, financial, employment and administrative issues. It meets at a minimum of four times a year or as necessary. Its membership comprises of Mr. Mohamed Ali Sheikhow ( Chairperson), Rachael Nyamori, Mr. George Ndonji and Ms.Miriam Lugonzo. Its responsibilities include; Performance contract negotiation; Reviewing of Annual Accounts; Reviewing Development and Recurrent Budgets; Opening and Closure of bank accounts; Recommendation of Board's strategic plan and all staff matters.

**WATER SERVICES REGULATORY BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2013**

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**5.2.2 Technical Services Committee**

There is a Technical Services Committee whose membership comprises Mr. Juma Aguko (Chairman), Mrs. Lucy Ambasi, Mr. George Ndonji, Mr. Roger Shako and Ms Rachael Nyamori. Its responsibilities include; Overseeing development and enforcement of regulations and laws; Facilitating fixing of tariffs; Reviewing of Water service standards and ensuring compliance; Review of Service Provision Agreements; Recommending issuance of licenses to Water Service Boards and making recommendations as regard setting and determination of fees, levies, premiums and other charges to be imposed for water services.

**5.2.3 Audit Committee**

The board has constituted an audit committee which meets four times a year or as necessary. Its membership comprises of Mr. Juma Aguko, Ms. Susan Karanja, Mr. Joseph Ngala Mwengea, Mr. Roger Shako (Chairman). Its responsibilities include; examining and assessing the effectiveness of the internal control system; approving the Internal Audit programs; carry out special audits, verifying Boards assets and liabilities and receiving reports from the Internal Auditor.

**5.3 Corporate Social Responsibility**

WASREB acknowledges its responsibility to society in its capacity as a corporate citizen; consequently, it endeavors to play an active role in national matters as per its mandate besides contributing to various worthy causes. In the financial year under review WASREB continued to offer advices to different stakeholders in the sector to facilitate access to quality water services.

**WATER SERVICES REGULATORY BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2013**

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**6.0 STATEMENT OF DIRECTORS RESPONSIBILITIES**

The directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Board as at the end of each financial year and of its surplus or deficit for that year. The directors are required to ensure that the Board maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the Board. They are also responsible for safeguarding the assets of the Board.

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The directors accept responsibility for annual 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 in the manner required by State Corporations 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 Water Services Regulatory Board as at 30<sup>th</sup> June 2013 and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statement, as well as adequate systems of internal financial controls.

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

This statement is approved by the Board Directors and it is signed on their behalf by:



**PATRICIA KAMERI MBOTE  
CHAIRPERSON**

**Date: 18-03-2014**



**ENG. ROBERT GAKUBIA, HSC  
CHIEF EXECUTIVE OFFICER**

**Date: 18-03-2014**



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# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## KENYA NATIONAL AUDIT OFFICE

### REPORT OF THE AUDITOR-GENERAL ON WATER SERVICES REGULATORY BOARD FOR THE YEAR ENDED 30 JUNE 2013

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Water Services Regulatory Board set out on pages 14 to 22 which, comprise the statement of financial position as at 30 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, in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. 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.

#### **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 the 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 (7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

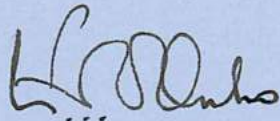
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the

auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 Board'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 Board 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 the Water Act, 2002.



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

**Nairobi**

**6 May 2014**

**WATER SERVICES REGULATORY BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2013**

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**STATEMENT OF COMPREHENSIVE INCOME FOR  
THE YEAR ENDED 30<sup>TH</sup> JUNE 2013**

			<b>Restated</b>
		<u>2012/13</u>	<u>2011/12</u>
		KShs.	KShs.
<b>INCOME</b>	<b>Notes</b>		
GOK Grants	2	20,735,300	15,735,300
Regulatory Levy	3	133,418,318	131,328,858
Miscellaneous Income	4	6,358,934	951,992
Donor Grants	5	16,209,490	17,549,026
		<b>176,722,042</b>	<b>165,565,176</b>
		=====	=====
<b>EXPENDITURE</b>			
Personal emoluments	6	55,252,258	50,590,407
Administration Costs	7	83,328,239	73,215,424 *
General Office Expenses	8	5,451,174	3,701,075
Audit Fees	13	348,000	348,000 *
Board Expenses	16	13,175,015	5,149,893
Depreciation	9	5,469,993	4,209,023
		<b>163,024,679</b>	<b>137,213,822</b>
		=====	=====
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b>13,697,363</b>	<b>28,351,354</b>

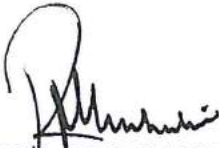
\* Restated balances

**WATER SERVICES REGULATORY BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013**

**STATEMENT OF FINANACIAL POSITION AS AT 30TH JUNE 2013**

		<u>2012/13</u> KShs.	<u>Restated</u> <u>2011/12</u> KShs.
<b>NON CURRENT ASSETS</b>	<b>Notes</b>		
Property, Plant and Equipments	9	7,623,333	8,505,690 *
<b>CURRENT ASSETS</b>			
Receivables	10	81,863,412	54,123,250
Cash and Cash equivalents	11	55,352,735	65,460,508
Other Current Assets	12	4,337,176	3,113,854
<b>TOTAL ASSETS</b>		<b>149,176,656</b>	<b>131,203,302</b>
=====			
<b>EQUITY AND LIABILITIES</b>			
<b><u>RESERVES</u></b>			
Capital Reserves	14	36,487,577	32,367,577
Revenue Reserves	15	103,375,645	89,678,282
<b>CURRENT LIABILITIES</b>			
Payables	13	9,313,434	9,157,443 *
<b>TOTAL EQUITIES AND LIABILITIES</b>		<b>149,176,656</b>	<b>131,203,302</b>
=====			

  
PATRICIA KAMERI MBOTE  
CHAIRPERSON  
DATE; 18-03-2014

  
ENG. ROBERT GAKUBIA, HSC  
CHIEF EXECUTIVE OFFICER  
DATE; 18-03-2014

**WATER SERVICES REGULATORY BOARD**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013**

	Revaluation	RESTATED		
		Capital Reserves (Kshs)	Revenue Reserves (Kshs)	Totals
<b><u>2011 - 2012</u></b>				
Balance as at 1-7-2011		30,739,820	64,018,512	94,758,332
Grants (Furniture)		1,627,757	-	1,627,757
Gratuity		-	(2,686,584)	(2,686,584)
CCK license		-	(5,000)	(5,000)
Surplus for the year		-	28,351,354	28,351,354
<b>Balance as at 30.06.2012</b>		<b>32,367,577</b>	<b>89,678,282</b>	<b>122,045,859</b>
<b><u>2012 - 2013</u></b>				
Balance as at 1-7-2012		32,367,577	89,678,282	122,045,859
Grants (Furniture & Computer)		4,120,000	-	4,120,000
Surplus for the year		-	13,697,363	13,697,363
<b>Balance as at 30.06.2013</b>		<b>36,487,577</b>	<b>103,375,645</b>	<b>139,863,222</b>

**WATER SERVICES REGULATORY BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013**

**STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013**

	<u>2012/13</u>	<u>Restated</u> <u>2011/12</u>
	KShs.	KShs.
Surplus generated from Operating activities	13,697,363	28,351,354
Adjustment for		
Depreciation	5,469,993	4,209,023
<b>Cashflow from operating activities before</b>	<hr/>	<hr/>
<b>Working capital changes</b>	<b>19,167,356</b>	<b>32,560,377</b>
(Increase)/Decrease in Receivables & other		
Current assets	(28,963,484)	(22,668,979)
Increase/ (Decrease) in Payables	155,991	382,819
	<hr/>	<hr/>
<b>Net Cash flow from operating activities</b>	<b>(9,640,137)</b>	<b>10,274,217</b>
<b>Cash flow from investing actives</b>		
Purchase of Furniture & fittings	(1,044,820)	(1,943,617)
Purchase of Computers	(3,542,816)	(520,998)
<b>Cash flow from financing activities</b>	<hr/> <b>(14,227,773)</b>	<hr/> <b>5,118,018</b>
Increase in Capital reserves	4,120,000	1,627,757
Decrease in Revenue reserves	-	(2,691,584)
<b>Net increase in cash and cash equivalent</b>	<hr/> <b>(10,107,773)</b>	<hr/> <b>6,745,775</b>
Cash and cash equivalents at start of year	65,460,508	58,714,733
<b>Cash and cash equivalents at end of year</b>	<hr/> <b>55,352,735</b>	<hr/> <b>65,460,508</b>

**WATER SERVICES REGULATORY BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2013**

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**Notes to the accounts**

**1. Accounting Policies**

**a) Basis of Preparation**

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) under the historical cost convention.

**b) Revenue Recognition**

- Regulatory levy is recognized on accrual basis when income is earned from Water service Providers and
- Miscellaneous income is accounted for on a receipt basis

**c) Property and Equipment**

Property and equipment are stated at historical cost less accumulated depreciation. Depreciation is calculated on the straight-line basis to write down the cost of each asset to its residual value over its estimated useful life as follows:

Per Annum		per%
Motor Vehicle	-	20
Furniture, Fittings and Office Equipment	-	15
Computers, software	-	33.33

**d) Receivables**

Trade receivables are recognized and carried at original amount less any unrecoverable amount and the provision for bad debts is 10% of the amount outstanding.

**e) Retirement Benefit Obligation**

Employees of the Board (WASREB) are members of contributory pension scheme. The Board makes a monthly contribution of 20% of the employee's basic salary and the employees contribute 10% of the monthly basic salary.

**f) Comparatives**

Where necessary comparative figures have been adjusted where applicable to conform to changes in the current presentation.

**WATER SERVICES REGULATORY BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013**

**g) Accounting for government grants**

The government grants received were credited to statement of Comprehensive Income as per the IAS No.20. The nature and amount received during the year is disclosed under note 1 to the accounts.

**h) Incorporation**

The Board is a State Corporation established under the Water Act 2002

**i) Reporting Currency**

These accounts are presented in Kenya Shillings (Kshs.)

**2. GOK GRANTS**

The amount of government grants received for the financial year was as follows:

	<b>2012/13</b>	<b>Restated 2011/12</b>
Recurrent	20,000,000	15,000,000
Salaries Paid by Ministry to staff Seconded to the Board	735,300	735,300
	<b>20,735,300</b>	<b>15,735,300</b>
	=====	

**3. REGULATORY LEVY**

This a levy which comprise of 1% of all sales of water services to the consumers by each water service providers operating under the act.

**4. MISCELLANEOUS INCOME**

Other income	4,494,600	715,100
Interest income	<u>1,864,334</u>	<u>236,892</u>
	<b>6,358,934</b>	<b>951,992</b>
	=====	

**5. DONOR GRANTS**

Advertising & Publicity	585,405	620,000
Conference E xpenses	1,439,834	108,851
Consultancy	1,819,569	13,717,628
Capacity Building	10,889,922	2,287,747
Publishing & Printing	<u>1,474,760</u>	<u>814,800</u>
	<b>16,209,490</b>	<b>17,549,026</b>
	=====	

**6. PERSONAL EMOLUMENTS**

Salaries	45,649,876	41,746,567
Leave exp	2,494,143	2,111,956
Pension Costs	3,648,639	3,272,284
Gratuity	<u>3,459,600</u>	<u>3,459,600</u>
	<b>55,252,258</b>	<b>50,590,407</b>
	=====	



**WATER SERVICES REGULATORY BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013**

**7. ADMINISTRATION COSTS**

Staff training	8,418,310	5,938,165
Transport Expenses	2,032,808	1,974,830
Traveling & Accommodation	18,488,077	19,313,084
Telephone Expenses	2,343,219	2,284,286
Consultancy expenses	9,892,162	15,374,058
Internet Expenses	687,184	2,228,469
Advertising & Publicity	9,939,753	2,502,770
Bank Charges & operating exp.	2,353,338	1,505,109
Rent & Rates	12,605,343	11,509,780
Publishing & Printing	2,884,273	1,563,680
Insurance cost	7,854,182	5,329,838
Provision for bad debts	2,807,260	2,483,023
Conference & Workshop exp	3,022,330	1,208,332
	<b>83,328,239</b>	<b>73,215,424</b>

<b>8. GENERAL OFFICE EXPENSES</b>	<b><u>2012/2013</u></b>	<b><u>2011/2012</u></b>
Office running expenses	3,210,161	2,725,984
Computer Expenses	2,241,013	975,091
	<b>5,451,174</b>	<b>3,701,075</b>

**9. PROPERTY, PLANT AND EQUIPMENT**

Cost	Motor vehicles	Furniture, Fittings and Equipments	Computers	Total
As at 1.07.2012	21,416,048	6,433,340	13,511,143	41,360,531
Additions		1,044,820	3,542,816	4,587,636
As at 30th June 2013	21,416,048	7,478,160	17,053,959	45,948,167
<b>Depreciation</b>				-
As at 1.07.2012	16,205,113	3,753,883	12,895,845	32,854,841
Charge for the period	3,106,800	914,423	1,448,770	5,469,993
As at 30 <sup>th</sup> June 2013	19,311,913	4,668,306	14,344,615	38,324,834
<b>Net Book Value</b>				
As at 30.06.13	2,104,135	2,809,854	2,709,344	7,623,333
As at 30.06.12	5,210,935	2,679,457	615,298	8,505,690

**WATER SERVICES REGULATORY BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013**

		<b>Restated</b>
<b>10. RECIEVABLES</b>	<b><u>2012/13</u></b>	<b><u>2011/12</u></b>
Staff Debtors	1,182,065	480,333
Penalties(Boards)	1,773,093	-
Trade Debtors(Wsps)	87,675,838	59,603,241
Provision for Bad Debts	(8,767,584)	(5,960,324)
<b>TOTAL</b>	<b><u>81,863,412</u></b>	<b><u>54,123,250</u></b>
	=====	=====
<b>11. CASH AND CASH EQUIVALENT</b>	<b><u>2012/2013</u></b>	<b><u>Restated 2011/2012</u></b>
NBK	20,655,621	50,986,956
KCB	9,846,981	5,810,691
Fixed Deposit	21,754,780	6,428,207
Coop Bank	3,095,353	2,234,654
Total	<u>55,352,735</u>	<u>65,460,508</u>
	=====	=====
<b>12. OTHER CURRENT ASSETS</b>		
Prepaid Rent	-	953,984
Fast choice	-	38,235 *
Accrued interest	466,685	-
Prepaid insurance	3,870,491	2,121,635
	<u>4,337,176</u>	<u>3,113,854</u>
	=====	=====
<b>13. PAYABLES</b>		
Trade Creditors	5,084,334	283,075
Audit fees	348,000	348,000 *
Gratuity	2,901,600	6,526,368 *
Performance Guarantee	979,500	2,000,000
	<u>9,313,434</u>	<u>9,157,443</u>
	=====	=====
<b>14. CAPITAL RESERVES</b>		
Brought Forward	32,367,577	30,739,820
Capitalized assets	4,120,000	1,627,757
Carried forward	<u>36,487,577</u>	<u>32,367,577</u>
	=====	=====
<b>15. REVENUE RESERVES</b>		
Brought Forward	89,678,282	64,018,512
Gratuity	-	(2,686,584) *
CCK Lincense	-	(5,000) *
Surplus (Deficit) for the year	13,697,363	28,351,354
Carried forward	<u>103,375,645</u>	<u>89,678,282</u>
	=====	=====

**WATER SERVICES REGULATORY BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013**

	<b>2012/13</b>	<b>Restated <u>2011/12</u></b>
<b>16. BOARD EXPENSES</b>		
Honoraria	960,000	920,000
Sitting Allowance	12,215,015	4,229,893
	13,175,015	5,149,893
	=====	=====

**17. RESTATED AMOUNTS**

The restated amounts have an asterisk beside them. They include:

- i. Audit fee amount restated by ksh 48,000 which was due to VAT added to invoice amount after the year end.
- ii. Gratuity of ksh 2,686,584 was adjusted due to gratuity provision not provided for in the previous year.
- iii. Fixed asset overstated by ksh 38,235 due to a credit note from Fast choice not effected in the books.
- iv. And lastly Communication Council Of Kenya license was due to an overstated invoice earlier issued of ksh 5,000.

