NOTES

General Information

Tachasis Water & Sanitation Company Limited is incorporated in kenya under the kenya companies Act as a private Company Limited by shares and is domiciled in kenya.

Basis of Preparation and Summary of Significant Acoounting Policies

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting standard for small and medium sized Entities (IFRS for SMES) issued by the International Acoounting Standards Board.They are presented in Kenya Shillings (Shs),rounded to the nearest thousand.The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

The financial statements of the previous year were prepared in accordance with full International Financial Reporting Standards.Prior period adjustments have been passed and comparative fugures restated in accordance with the transition procedures set out in the IFRS for SME s .A description of the nature of each change in accounting policy and reconciliations are set out in Note 22

Revenue recognition

Revenue from sales of goods is recognised when the goods are delivered and title has passed .Revenue from sale of services is recognised upon performance of the service and customer acceptance based on th proportion of actual services rendered to the total services to be provided.Revenue is measured at the fair value of the consideration received or receivable ,net of discounts and sales related taxes collected on behalf of the government of Kenya.

Borrowing Cost

Allborrowing cost are recognised in profit or loss in the period in which they are incurred.

Income Tax

Inncome t ax expenses represents th sum of the tax currently payable and deferred tax.
The tax currently payable is based on taxable profit for the year,determined in accordance with the kenyan Income Tacx Act

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3 **NOTES(CONTINUED)**

BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PROPERTY,PLANT AND EQUIPMENT, INCLUDING INVESTMENT PROPERTY

Items of property ,Plant and Equipment, including property ,are measured at cost less accumulated depreciation and any accumulated impairment losses.
Depreciation is charged so as to allocate the cost of assets less their residual values over their estimted useful lives,using the straight line method.The following annual rates are used for the depreciation of property ,Plant and equipment.

Electronic Equipments & Computers	12.50 per cent
Furniture & Fittings	12.50 per cent
Generators	12.50 per cent

If there is an indication that there ha s been a signficant change in depreciation rate,useful life or residual value of an asset ,the depreciation of that asset is revised prospectively to reflect the new expections.
On disposal ,the difference between th net disposal proceeds and the carrying amount of the item sold is recognized in profit or loss.

Intangible Assets
Intangible assets are purchased computer software that is stated at cost less accumulated depreciation and any accumulated impairment losses,it is amortized over its estimated life of five years using the straight line method.If there is an indication that there has been a significant change in amortisation rate ,useful life or residual value of an Intangible asset .the amortosation is revised prospectively to reflect the new expections depreciation

Inventories
Invebtories are stated at the lower of cost and selling prices less cost to complete and sell.Cost is calculated using the Fist In First Out (FIFO) method.

Financial Liabilities
Financial Liabilities are intially recognised at the transaction price (Including the transactions cost)
Trade payable are obligations on the basis of normal credit terms and do not bear interest .Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

Employer benefits -Post Employment benefits
The liability of post emplyment obligations relate to terminal gratuities .All full time staff ,excluding directors ,are covered by the programme.Employee who resign or retire after completing at least five years of services are entitled to fifteen days pay for each complted year of services.The company does not fund this obligation in advance .

The company obligations ,both vested and unvested ,to pay terminal gratuities to emplyees are recognised based on employees service up to the balance sheet date and their salaries at that date.

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TACHSIS WATER & SANITATION COMPANY
Financial Statements
For the Year ended 31st December 2023

ACCOUNTANT REPORT : TO THE MEMBERS OF TACHASIS WATER AND SANITATION COMPANY LIMITED

We have audited the financial statements set out on pages 4 to 9 for the period ended 31st December 2023 and have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.The Financial statements are in agreeement with the books of account.

Respective Responsibilities of Directors and Auditors.

As describe on page 2,the Directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the organization and of its operating results.Our responsibilty is to express an opinion on these financial statements based on our audit

Basis of opinion

We conducted our audit in accordance with International standard on Auditing.Those Standard require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of Material mistatement.An Audit includes examining on test basis,evidence supporting the amounts and disclosurers in the financial statements.An audit also includes assessing the accounting principles used and significant estimates made by the Directors.As well as evaluating the overall presentation of the financial statements based .We believe that our audit provides a reasonable basis for our opinion.

In common with many company of similar size,the system of internal control depends on the close involvement of the directors.Where there was insufficient evidence available to us to verify the completnes of sales and cash payments,we have accepted assurances from the Management that these transaction have been properly recorded in the books of accounts and reflected in theses financial statements

Opinion

In our opinion proper books of account have been kept by the company and the financial statements give a true and fair view of the state of affairs of the company as at 31st December,2023 and of its results of operation and cash flos for the period then ended and comply with international Financial Reporting Standards.

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J.P.Ngugi & Associates
Accountant

Eldoret. Date 23/10/2024

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TACHASIS WATER & SANITATION COMPANY LIMITED

For the Year ended 31st December ,2023

STATEMENTS OF INCOME FOR THE YEAR ENDED 31ST DECEMBER,2023

	Note	2023 KSH	2022 KSH
Turnover	0	2,996,633	3,312,531
Cost of Sales	6	0	0
Gross Profit		2,996,633	3,312,531
Personnel Expenditure	7	1,419,855	1,308,490
Administration General	8	340,244	725,000
Administration Board	9	408,600	865,525
Operational Expenditure-	9	348,870	208,500
Maintenance	11	160,000	69,000
Levies and Fees	12	140,700	85,500
Finance cost	13	7,760	6,556
Depreciations		18,553	26,011
DEBT			
Loan interest	14	140,349	6,556
		2,984,931	3,301,138
Profit before Tax	15	11,702	11,393
Income tax Expenss	16	1,500	0
Profit and Total Comprehensive income for the year		13,202	11,393
Profit and Total Comprehensive income for previuous the year		3418	7375
Profit and Total Comprehensive income for the year		16,620	18,768
TAX FOR THE YEAR		**3510.6**	**3417.9**

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TACHASIS WATER & SANITATION COMPANY LTD
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STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER 2023

	NOTE	2023 KSH	KSH	2022
EQUITY & LONG TERM LIABILITIES				
Share Capital	14	100,000		100,000
Profit & loss Account		16,620		18,765
Total Equity & Long term Liabilities		116,620		118,765
REPRESENTED BY;				
Non-Current Assets				
Property ,Plant and Equipment	12	145,578		164,131
		145,578		164,131
Current Assets				
Cash at bank and in hand		13,240		38,348
Tax		3,510		3,510
Trade and other receivables		195,020		155,600
Inventories		0		0
		211,770		197,458
Current Liabilities				
Trade and other payables		240,728		242,732
Net Current Assets		-28,958		-45,274
		116,620		118,857

The financial statements on 5 to 14 were approved for issue by the board of directors

on………………………………………………… 2023 and were signed on their behalf by

…………………………………..
Director

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER,2023

	NOTE	Share Capital KSH
At 01.01.2013		100,000
Profit(loss) for the year retained		16620
31st December,2023		116,620

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER,2023

	NOTE	2023 KSH	2022 KSH
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before Taxation		2,648	3,418
Adjustment for items not involving movements of funds			
Depreciation		18,553	23,447
Operating profit before Changes in working Capital		21,201	26,865
Decrease in Debtors		39,420	101,144
Decrease / (Increase) in stock		0	0
(Decrease) Increase in creditors		31	60,906
		39,451	162,050
Cash generated from /(applied to) operations			
Tax paid			
Net cash from operating activities		60,652	162,050
RETURN FROM INVESTMENTS AND SERVICING OF FINANCE			
Ineterst received		0	0
Interest paid		0	0
Net cash from Investments and servicing of finance		0	0
CASH FROM INVESTING ACTIVITIES			
Sales of fixed assets		0	0
Capital Introduced		0	0
Purchases of fixed assets			
		0	0
CASH FROM FINANCING ACTIVITIES			
Loan		0	0
Paid up shares		0	0
Repayment of loans		0	0
Net Cash from financing activities		0	0
Net Increases in Cash		46,412	103,444
Cash Balance at the beginning of the year		14,240	58,606
Cash Balance at the end of the year		60,652	162,050

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3 **NOTES(CONTINUED)**

5 Basis of Preparation and Summary of Significant accounting Policies (Continued)

Employee benefit-post employment benefits (continued)

The company employees also contribute to the National Social Security Fund (NSSF) a national defined contribution scheme.Contributions are determined by local statute and the company's contributions are charged to profit or loss in the year to which they relate

	2023 Kshs	2022 Kshs
6 **Revenue**		
Sales	2,992,633	3,312,531
	2,992,633	3,312,531
7 **Cost of Sales**		
Opening Stock	0	0
Purchases	0	0
Closing Stock	0	0
	0	0
8 **Employment costs**		
Salary and wages	1,419,855	1,308,490
	1,419,855	1,308,490

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3 **NOTES(CONTINUED)**

	2023 Kshs	Kshs 2022
8 **PERSONNEL EXPENDITURE**		
Basic Salary	1,080,600	972,975
Salary Advance	0	0
Staff Allowance	56,000	56,000
Leave allowance	0	0
Statutory Contributions-N.S.S.F	172,295	172,295
Statutory Contributions-N.H.I.F	51,800	51,800
Wages(casual Labour for busts)	27,000	27,000
Housing levy	32,460	32,460
Gratuity	0	0
TOTAL	**1,420,155**	**1,312,530**
9 **ADMINISTRATION GENERAL**		
Rent	108,000	92,000
Stationery & computers Consumables	32,500	32,500
Computer software	0	0
Web/Internet updates	76,079	76,079
Auditors fee	22,460	20,000
KRA Services	0	0
Registrar of companies	0	0
Office tea and Lunch	40,000	40,000
Waris report	0	0
communication	24,000	24,000
Electricity	37,205	37,205
Insurance (Motor Bike & Tractor)	0	0
Donations	0	0
TOTAL	**340,244**	**321,784**
ADMINISTRATION BOARD		
Board allowance	362,330	295,000
Travels	46,270	49,000
	408,600	**344,000**
8 **OPERATIONAL EXPENDITURE**		
calcium Hypochlorite	0	0
Plugs	0	0
Water quality Test	0	0
Water quality Equipment	0	0
Fuel & oil	67,400	90,000
Pipes	0	0
Diestock/tools	0	0
Engineer services fees	0	0
Travel on duty	208,470	118,470
Incubator	23,000	45,000
Design Report	0	0
Procurement services	50,000	0
	348,870	**253,470**

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MAINTENANCE		
Water Fittings	55,000	29,000
Repairs-Tractor	105,000	81,500
	160,000	**110,500**

TACHASIS WATER & SANITATION COMPANY LIMITED
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		2,023	2,022
	LEVIIES AND FEES	KSH	KSH
	Abstraction fee	0	0
	Forest Rates	65,700	77,000
	Regulatory levy	0	0
	Licence fee (country)	0	0
	WASREB-Applicqtion fee of license	75,000	17,500
		140,700	**94,500**
	DEBIT		
	Loan Rerpayment	362,957	360,560
		362,957	360,560
9	**Finance Costs**		
	Bank Charges and loan interest	140,349	166,652
		140,349	166,652
		2023	2022
	Profit Before Tax	8825	
10			
	The followingitems have been recognised as expenses in determining profit before tax.		
	Depreciation of Furniture & fittings	18,553	23,447
11	Auditors Remuneration	20,000	20,000

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NOTES(CONTINUED)

Property ,Plant and equipment	Computers Equipments ksh	Furniture & Fittings	Furniture & Fittings	
At Cost	38,469	109,955		164,131
3 Additional				
	38,469	109,955		164,131
Accumulated Depreciation				
Annual Depreciation				
Charge for the year	4,809	13,744		18,553
	4,809	13,744		18,553
Carrying Amount				
31.12.2023	33,660	96,211		145,578

Income Tax Expenses	2023		2022
	Kshs	Kshs	
Current Tax	2,648		3,418
Total Tax Due	2,648		3,418

Share Capital	No of oridary shares	No of oridary shares	
	100		100
	100		100

Cash and cash Equivalents			
	2023		2022
	kshs	kshs	
Bank balance	14,240		38,348
Cash on Hand	0		0
15	14,240		38,348

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NOTES(CONTINUED)

Property ,Plant and equipment	Computers Equipments ksh	Furniture & Fittings	office Equipment	Water sources	Water Net work	water Storage	Motor Vehicles	TOTAL
At Cost	38,469	109,955	164,131	0	0	0	0	312,555
3 Additional	0	0	58,320	3,365,793	7,225,236	55,959,486	100,000	66,708,835
	38,469	109,955	222,451	3,365,793	7,225,236	55,959,486	100,000	67,021,390
Accumulated Depreciation								
Annual Depreciation								
Charge for the year	4,809	13,744		0	0	0	0	18,553
	4,809	13,744	0	0	0	0	0	18,553
Carrying Amount								
31.12.2023	33,660	96,211	222,451	3,365,793	7,225,236	55,959,486	100,000	67,002,837

TACHSIS WATER & SANITATION COMPANY

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For the Year ended 31st December 2023

Current Assets	2023
	kshs
Bank balance	13,240
Debtors	195,020
	208,260
Current Liabilities	
Creditors	240,728
	0
	240,728

For the Year ended 31st December 2023

Current Assets	2023
	kshs
Debtors	195,020
	195,020
Current Liabilities	
Creditors	240,728
	0
	240,728

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