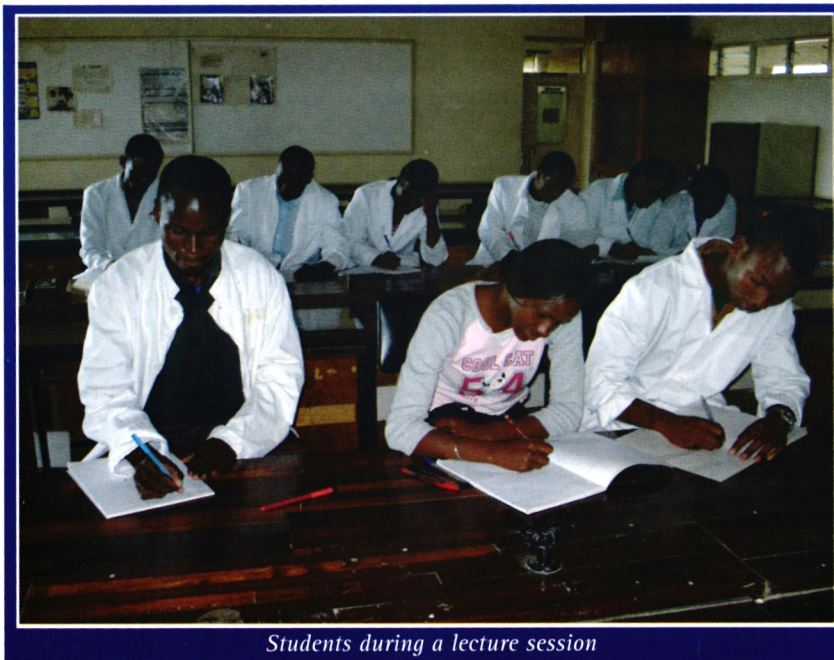




KENYA WATER INSTITUTE

Annual Report & Financial Statements
for the year ended 30th June 2007





Students during a lecture session

KENYA WATER INSTITUTE

We offer courses in the following disciplines:

Long Term Programmes

- Higher National Diploma in Water Engineering*
- Diploma in Water Resources Management*
- Diploma in Information Technology*
- Diploma in Irrigation and Drainage*
- Certificate in Water Engineering*
- Certificate in Water Resources Management*
- Certificate in Water and Wastewater Laboratory Technology*
- Principles of Irrigation and Drainage*
- Water Operators and Applied Personnel Courses (Basic, Intermediate and Advanced)*

Short Term Programmes

- Water Supply*
- Wastewater Systems*
- Electrical and Mechanical Plant for Water and Wastewater Systems*
- Management of Water and Wastewater Utilities*
- Human Resource Management*
- Management and Communication Skills*
- Appropriate Technology (Sanitation)*
- Water Resources*



Students during a practical session

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Kenya Water Institute Annual Report and the Financial Statements for the year ended 30th June, 2007

VISION

KEWI'S vision is:

“To be the Center of Excellence in Training, Applied Research, Outreach and Consultancy in the Water Sector.”

MISSION

KEWI'S mission is:

“ To Offer Quality Training, Research and Related Services in the Water Sector for Sustainable Development.”

CORE BUSINESS

KEWI'S core business is therefore:

“Training, Applied Water Research, Outreach and Consultancy.”

**Kenya Water Institute
Annual Report and the Financial Statements
for the year ended 30th June, 2007**



INSTITUTE INFORMATION

DOMICILE.

KENYA

LEGAL FORM.

Is a Separate Legal entity under Kenya Water Institute Act, 2001, No 11 of 2001

COUNTRY OF INCORPORATION.

KENYA

REGISTERED OFFICE

Ole Shapara Avenue
Nairobi South C
P.O Box 60013 – 00200
NAIROBI

MAIN BANKERS

Kenya Commercial Bank.
P.O Box 30081
NAIROBI

AUDITORS

The Office of
The Controller and Auditor General,
The Kenya National Audit Office
P.O Box 30084-00100
NAIROBI

GOVERNING COUNCIL MEMBERS



Prof. J. T. Kaimenyi
Chairman



Mr. B. H. Abdi
Member



**Eng. Mutua
Kimanga**
Member



**Mrs. Margery
Kabuya**
Member



**Dr. Wambua
Kaluli**
Member



**Eng. Mrs. V.
Maundu**
Member



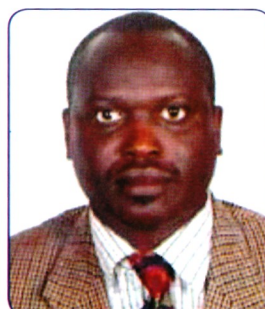
Eng. W. J. Odhiambo
Member



Eng. R. N. Gakubia
Member



Mr. B. O. Awange
Member



Mr. B. K. Kirui
Member



**Eng. Mwalimu K.
Musau**
Secretary

EXECUTIVE MANAGEMENT



Eng. Mwalimu K. Musau
Director of KEWI



Mr. Leonard Ogutu
Deputy Director
Training



Mr. P.M. Kireria
Deputy Director
Finance & Administration



Mr. P.O Hayombe
Deputy Director
Applied Water Research
& Consultancy



Mr. J. Gatiri
Human Resources
Manager



Mr. J. M. Kimani (ACCA)
Senior Internal Auditor



Mr. J.O Oloo
Senior Accountant



Ms C.A. Okoola
Senior Procurement
Officer



Kenya Water Institute Annual Report and the Financial Statements for the year ended 30th June, 2007

Report of the Governing Council Members

The Governing Council Members submit their Report and the Financial Statements for the year ended 30th June 2007, which show the state of Institute's affairs.

1. Principal activities

The principal activities of the Institute are to offer quality training, research and related services in the water sector.

2. Results

The results of the Institute for the year are set out on page 12

3. Reserves

The movements in the Institutes reserves are as shown on page 14

4. Directors/ Governing Council members who served during the year and to the date of this report were:

1.	Prof. J. T. Kaimenyi.	Deputy Vice Chancellor –Academics, University of Nairobi	Chair Person W.e.f 02/01/07
2.	Mrs. Margery Kabuya.	Rep. Christian Children Fund	Member
3.	Dr. Wambua Kaluli	Rep. Vice Chancellor JKUAT	Member
4.	Mr. B. O. Awange	Chairman, Nyasare Water Supply Association	Member
5.	Eng. W. J. Odhiambo.	Chairman, Institute of Engineers of Kenya	Member
6.	Eng R N. Gakubia.	Director of Water, Ministry of Water & Irrigation	Member
7.	Mr. B. H. Abdi	Rep. PS/ Ministry of Finance	Member
8.	Eng. Mrs. V. Maundu	Rep. PS/ Ministry of Local Government	Member
9.	Eng. Mutua Kimanga	Managing Director, Machakos Water & Sewerage Co	Member
10.	Eng. Mwalimu K. Musau	Director of KEWI	Secretary
11.	Mr. B. K Kirui	Co-opted Rep to the PS Min of Water & Irrigation	Member

5. Auditors

The Controller and Auditor General commenced audit of the Institute's accounting records in accordance with the Public Audit Act of 2003.

**Kenya Water Institute
Annual Report and the Financial Statements
for the year ended 30th June, 2007**



Report of the Chairman

It is our pleasure to present our Annual Report and Financial Statements for the financial year 2006/2007 of the Kenya Water Institute.

During the year under review, the Institute received grants from the Government of Kenya for both Recurrent and Development votes totaling KShs 152,495,492 as compared to 85,541,402 the previous year. The Institute generated income amounting to KShs 36,566,305 as compared to KShs. 35,981,321 in 2005/2006 Financial year.

In 2006/2007, we allocated the G.O.K grants into our various expenditure Accounts and I am happy to report that we did not overspend in any expenditure Account item. This clearly indicates that we continued maintaining and instilling financial discipline in our activities.

Revenue levels are on the upward trend due to increased marketing of the Institute.

You will observe from the Accounts and Financial statements that new projects have been undertaken in the Institute and before long we will be able to accommodate more students and offer better training facilities thus accruing more revenue.

We look forward to a rewarding 2007/2008 financial year.

I now forward the Accounts of the Institute on behalf of the Kenya Water Institute Governing Council

Prof. J. T. Kaimenyi
Chairman



Kenya Water Institute Annual Report and the Financial Statements for the year ended 30th June, 2007

Corporate Governance Statement

Good governance and effective management lies at the heart of the Kenya Water Institute. The Institute is composed of Governing Council members appointed from different professional backgrounds. The Institute recognizes that the existence of experienced staff is crucial to its performance and strives to hire experienced management team to ensure that the functions of the Institute are conducted efficiently and in a cost effective manner.

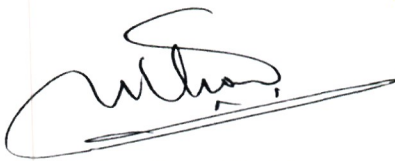
The training of staff in culture change and management skills shall be undertaken continuously to build their capacity. The need for staff to develop and internalize core values will be emphasized.

Governing Council Members Responsibilities

The Kenya Water Institute Act requires the Governing Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Institute as at the end of the financial year and of its operating results for that year. It also requires the Governing Council to ensure the Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institute. They are also responsible for safeguarding the assets of the Institute.

The Governing Council members accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, consistent with Previous years, and in conformity with International Financial Reporting Standards and in the manner required by the Kenya Water Institute Act. The Governing Council members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Institute and of its operating results. The Governing Council members further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

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



Eng. Mwalimu K. Musau

Director

Date: December 21, 2007



Prof. J. T. Kaimenyi

Chairman

Date: December 21, 2007



Kenya Water Institute Annual Report and the Financial Statements for the year ended 30th June, 2007

Report of the Controller and Auditor-General on the Financial Statements Of Kenya Water Institute for the year ended 30 June 2007

I have audited the financial statements of Kenya Water Institute set out on pages 11 to 20 which comprise the balance sheet as at 30 June 2007, the income statement, the statement of changes in equity, the cash flow statement, for the year then ended, together with a summary of significant accounting policies and other explanatory notes in accordance with the provisions of Section 14 of the Public Audit Act, 2003. 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.

Governing Council Responsibility for the financial statements

The governing Council is responsible for the preparation of financial statements which give a true and fair view of the Institute's state of affairs and its operating results in accordance with the International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the 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.

Responsibility of the Controller and Auditor General

My responsibility is to express an independent opinion on the financial statements based on the audit. The audit was conducted in accordance with the International Standards on Auditing. Those standards require that the audit be planned and performed with a view to obtaining reasonable assurance that 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 controls 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 institutes internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Governing Council, as well as evaluating the oval presentation of the financial statements. I believe the audit provides a reasonable basis for my opinion.

Accounts receivable

As disclosed in note 4 to the financial statements, accounts receivable balance of KShs 8,592,728 as at 30 June 2007 includes debtors of KShs 977,772 relating to un-supported fraudulent transactions by the institute cashier, who later absconded from duty. Although the management has explained that investigations by the police are going on, the outcome is uncertain. Consequently, it was not possible to confirm that the debtors figure of KShs 977,772 is recoverable or that the accounts receivable balance of KShs 8,592,728 as at 30 June 2007 is fairly stated in these financial statements.

Opinion

Except for any adjustments that might be necessary arising from the preceding paragraph, in my opinion, proper books of account have been kept and the accompanying financial statements give a true and fair view of the state of the financial affairs of the Institute as at 30 June 2007 and of its surplus and cash flows for the year then ended and comply with the Kenya water institute act, 2001

P.N. Komora
CONTROLLER AND AUDITOR GENERAL
Nairobi
18 January 2008

Kenya Water Institute
Annual Report and the Financial Statements
for the year ended 30th June, 2007



Balance Sheet
As at 30th June 2007

	Notes	2006/2007 KShs	2005/2006 KShs
Non - Current assets			
Property Plant and Equipment	2	169,329,118	172,740,857
Current assets			
Inventories	3	5,650,785	6,683,026
Receivables	4	10,331,695	6,231,038
Prepayments	4B	8,307,620	0
Cash and cash equivalents	5	131,045,151	85,912,023
		155,335,251	98,826,087
Current liabilities			
Payables	6	15,025,000	5,881,726
Net current assets/(Liabilities)		140,310,251	92,944,361
Net assets		<u>309,639,369</u>	<u>265,685,220</u>
Financed By:			
Owners' funds			
Revenue Reserves	7	165,454,475	121,500,326
Accumulated funds	8	144,184,894	144,184,894
		<u>309,639,369</u>	<u>265,685,220</u>

Eng. Mwalimu K. Musau

Director

Date: December 21, 2007

Prof. J. T. Kaimenyi,

Chairman

Date: December 21, 2007



Kenya Water Institute Annual Report and the Financial Statements for the year ended 30th June, 2007

Income and Expenditure Statement for the year ended 30th June 2007

	Notes	2006/2007 KShs	2005/2006 KShs
Income			
Fees & Grants	9	189,061,797	121,512,723
Expenditure			
Personnel Emoluments	10	86,273,118	39,478,327
Administration costs	11	46,496,594	43,097,900
Depreciation	2	11,474,718	9,975,903
Audit Fees	12	1,152,000	80,000
Surplus/(Deficit) for the year	21	<u>43,665,367</u>	<u>28,880,593</u>

Kenya Water Institute
Annual Report and the Financial Statements
for the year ended 30th June, 2007



Statement of Changes in Owners' Funds
for the year ended 30th June 2007

	Notes	Revenue Reserves KShs	Capital Reserves KShs	Accumulated Funds KShs
Year Ended 30th June 2007				
Balances at start of year		121,500,326	144,184,894	265,685,220
Prior Year Adjustment		288,782		288,782
Surplus for the year		43,665,367		43,665,367
Balances at end of year		<u>165,454,475</u>	<u>144,184,894</u>	<u>309,639,369</u>

	Notes	Revenue Reserves KShs	Capital Reserves KShs	Accumulated Funds KShs
Year Ended 30th June 2006				
Balances at start of year		92,619,726	148,765,894	241,385,620
Prior Year Adjustment			-4,581,000	-4,581,000
Surplus for the year		28,880,600		28,880,600
Balances at end of year		<u>121,500,326</u>	<u>144,184,894</u>	<u>265,685,220</u>



Kenya Water Institute

Annual Report and the Financial Statements for the year ended 30th June, 2007

Cash Flow Statement For the year ended 30th June 2007

	Notes	2006/2007 KShs	2005/2006 KShs
Operating activities			
Surplus for the year		43,665,367	28,880,600
Adjustments for:			
Depreciation	2	11,474,718	9,975,903
Increase in Provisions		245,739	1,442,155
Prior Year Adjustment		288,782	0
Changes in working capital			
(Increase)/Decrease in Receivables	4	-12,546,016	-3,191,795
(Increase)/Decrease in Inventories	3	1,032,241	-3,790,546
Increase/(Decrease) in Payables	6	9,035,274	4,468,433
Net Cash generated from operating activities		53,196,105	37,784,750
Investing activities			
(Acquisition)/ Disposal of Property, Plant and Equipment		-8,062,979	-47,047,218
Net Cash from investing activities			
Net Increase/(Decrease) in Cash and Cash equivalents		45,133,126	-9,262,471
Cash and cash equivalents at the start of year	5	85,912,021	95,174,492
Cash and cash equivalents at end of year	5	131,045,151	85,912,021

Kenya Water Institute Annual Report and the Financial Statements for the year ended 30th June, 2007



I. ACCOUNTING POLICIES

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

a) Basis of Preparation

The financial statements are prepared on the historical cost basis of accounting.

b) Revenue recognition

Fees represent invoiced value of services rendered during the year in relation to training and consultancy.

c) Property, Plant and equipment

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis at annual rates estimated to write off carrying values of the assets over their expected useful lives. The annual depreciation rates used are:

Buildings	2.0 %
Plant and Equipments	12.5 %
Furniture	10.0 %
Motor Vehicles	20.0 %
Computers	30.0 %

d) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost comprises expenditure incurred in the normal course of business, including direct material costs on a weighted average basis. Net realizable value is the price at which the stock can be realized in the normal course of business after allowing for the costs of the realization and, where appropriate, the cost of conversion from its existing state to a realizable condition. Provision is made for obsolete, slow moving and defective stocks as and when determined.

e) Bad and doubtful debts

Specific provision is made for all known doubtful debts. Bad debts are written off when all reasonable steps to recover them have been taken without success.

f) Retirement benefits

The retirement benefits for majority of staff are managed through the directorate of pensions at the treasury.



Kenya Water Institute

Annual Report and the Financial Statements for the year ended 30th June, 2007

2. Property Plant and Equipment

	LAND KShs	BUILDINGS KShs	WORK IN PROGRESS KShs	MOTOR VEHICLES KShs	PLANT & EQUIPMENTS KShs	FURNITURE & FITTINGS KShs	COMPUTERS KShs	TOTAL KShs
COST								
At 1st July 2006	19,000,000	97,527,000	36,967,204	14,096,400	12,623,664	7,733,776	9,318,400	197,266,444
Additions	0	41,330,032	(36,967,204)	0	1,122,272	911,030	1,666,850	8,062,979
At 30th June 2007	<u>19,000,000</u>	<u>138,857,032</u>	<u>0</u>	<u>14,096,400</u>	<u>13,745,936</u>	<u>8,644,806</u>	<u>10,985,250</u>	<u>205,329,423</u>
DEPRECIATION								
At 1st July 2006	0	-6,126,480	0	-5,781,840	-3,963,911	-1,698,276	-6,955,080	-24,525,587
Charge for the year	0	-2,777,141	0	-2,819,280	-1,718,242	-864,481	-3,295,575	-11,474,718
At 30th June 2007	0	<u>(8,903,621)</u>	0	<u>(8,601,120)</u>	<u>(5,682,153)</u>	<u>(2,562,757)</u>	<u>(10,250,655)</u>	<u>(36,000,306)</u>
NET BOOK VALUE								
At 1st July 2006	<u>19,000,000</u>	<u>91,400,520</u>	<u>36,967,204</u>	<u>8,314,560</u>	<u>8,659,753</u>	<u>6,035,500</u>	<u>2,363,320</u>	<u>172,740,857</u>
At 30th June 2007	<u>19,000,000</u>	<u>129,953,411</u>	<u>0</u>	<u>5,495,280</u>	<u>8,063,783</u>	<u>6,082,049</u>	<u>734,595</u>	<u>169,329,118</u>

Note: The Value of Fixed Assets does not include property in Ciakariga and a Workshop in Industrial Area as the Institute pursues ownership documents. Also excluded are Assets held on behalf of the student's welfare Account.

The Net Book Value of all the assets reduced from last years' KShs. 172,740,857 to 169,329,118 since the value of assets procured during the year (8,062,979) was less than the annual depreciation charge for the year at 11,474,718. There were no disposals of fixed assets during the year.

3. Inventories

	2006/2007 KShs	2005/2006 KShs
Food Stuffs	437,913	459,970
Stationery	1,033,946	1,469,305
Perishable Food Stuffs	0	36,047
Miscellaneous Items	4,178,926	4,717,703
	<u>5,650,785</u>	<u>6,683,026</u>

Note: It was decided that all food items be classified under one line as foodstuffs instead of segregations.

Kenya Water Institute

Annual Report and the Financial Statements for the year ended 30th June, 2007



4. Receivables

	2006/2007 KShs	2005/2006 KShs
Debtors	13,584,368	9,345,972
Provisions for Bad & Doubtful Debts	(3,252,673)	(3,114,934)
	<u>10,331,695</u>	<u>6,231,038</u>

Note: The debtors figure includes KShs 977,721.60 accumulated from the previous financial years' balancing of the cashbook maintained by a cashier who absconded from his duties, this appeared in the previous financial year's notes as KShs 581,349.10 and KShs 348,011.40, which got stolen from our staff after withdrawing from the bank. Police investigations on both incidents were ongoing at the balance sheet date

4B Prepayments 8,307,620 0

5. Cash & Cash Equivalent

	2006/2007 KShs	2005/2006 KShs
Account with Kenya Commercial Bank -Current	50,234,166	85,887,663
Account with Kenya Commercial Bank -Savings	80,000,000	0
Cash in Hand	810,985	24,360
	<u>131,045,151</u>	<u>85,912,023</u>

6. Payables

	2006/2007 KShs	2005/2006 KShs
Creditors	14,677,000	5,641,726
Provision for Audit Fees	348,000	240,000
	<u>15,025,000</u>	<u>5,881,726</u>

7. Reserves

	2006/2007 KShs	2005/2006 KShs
Retained Earnings	121,500,326	92,619,726
Prior Year Adjustment	288,782	
Net Income	43,665,367	28,880,600

8. Equity

	144,184,894	144,184,894
	<u>309,639,369</u>	<u>265,685,220</u>



Kenya Water Institute

Annual Report and the Financial Statements for the year ended 30th June, 2007

9. Fees & Grants

	2006/2007 KShs	2005/2006 KShs
Sales & Fees	35,511,887	34,351,258
Miscellaneous Receipts	1,054,418	1,630,063
Generated Income	36,566,305	35,981,321
Current Grants - Salaries	109,745,492	28,321,827
Current Grants - Operations & Maintenance	10,000,000	14,209,575
Capital Grants - Development	32,750,000	43,000,000
Total Grants	152,495,492	85,531,402
	189,061,797	121,512,723

10. Personnel Emoluments

Basic Salary	34,602,021	15,833,784
House Allowance	48,036,154	21,981,204
Medical Allowance	3,634,942	1,663,339
	86,273,118	39,478,327

11. Administration Costs

2211314 • Bad & Doubtful Debts	137,738.89	1,442,155.00
2110404 • Leave & Passage	-	161,747.00
Utilities Supplies and Services		
2210101 • Electricity	1,718,544.10	1,667,403.00
2210102 • Water and Sewerage Charges	6,938.00	65,083.00
Communication Supplies and Services		
2210201 • Telephone, telex, facsimile, mobile	1,588,345.50	1,044,324.00
2210202 • Internet connections	241,968.00	222,548.00
2210203 • Courier and postal services	82,057.15	25,162.00
2210300 • Domestic Travel and Subsistence	1,386,202.80	849,383.00
Foreign Travel and Subsistence		
2210404 • Leave Expenses	701,122.05	3,366.00
2210400 • Foreign Travel and Subsistence, - Other	232,939.40	279,655.00
Printing & Advertisement		
2210502 • Publishing and Printing Service	326,158.00	253,975.00
2210503 • Subscription to newspapers, magazines	336,936.80	374,631.00
2210504 • Advertising, Awareness and Publications	327,732.00	181,186.00
2210505 • Trade Show & Exhibition	107,040.00	34,354.00
2210700 • Training Expenses	13,800.00	2,331,618.00

Kenya Water Institute

Annual Report and the Financial Statements

for the year ended 30th June, 2007



	2006/2007 KShs	2005/2006 KShs
Hospitality Supplies and Services		
2210801 • Catering Services	740,999.40	428,748.00
2210802 • Boards, Committees, Conferences	2,189,404.70	1,956,331.00
Specialized Materials and Supplies		
2211001 • Medical Drugs		76,535.00
2211005 • Chemical & Industrial Gases		164,615.00
2211008 • Laboratory Materials, Supplies	36,060.00	34,211.00
2111008 • Lab Materials	9,920.00	
2211009 • Education & Library Supplies	66,160.00	183,135.00
2211010 • Refunds	711,020.40	
2211015 • Food and Rations	10,191,039.25	11,696,388.00
2211016 • Uniform & Clothing	244,718.00	589,645.00
2211024 • Purchase of Kitchen Equipment	285,800.00	197,042.00
Office and General Supplies & Services		
2211101 • General Office Supplies (Papers)	2,219,732.20	1,034,173.00
2211102 • Sanitary and Cleaning Materials	353,786.00	731,929.00
2211103 • Sanitary & Cleaning Materials	440,164.40	646,178.00
2211100 • Office and General Supplies & S - Other		20,745.00
Fuel Oil and Lubricants		
2211201 • Refined Fuels & Lubricants for	1,392,575.30	1,113,574.00
2211204 • other Fuels (Wood, Charcoal, gas)	1,180,135.00	743,203.00
2211200 • Fuel Oil and Lubricants - Other		187,920.00
Other Operating Expenses		
2211301 • Bank Charges	93,527.70	59,092.00
2211305 • Contracted Guards and Cleaning	950,498.00	738,060.00
2211306 • Membership fees, Dues and Subscriptions	6,400.00	55,200.00
Routine Maintenance - Vehicles		
2220101 • Maintenance Expenses - Motor Vehicles	557,027.90	1,035,255.00
2210904 • Motor Vehicle Insurance	212,010.00	
2220100 • Routine Maintenance - Vehicles - Other	88,200.00	2,600,829.00
Routine Maintenance - Other Assets		
2220201 • Maintenance of Plants, Machinery	246,105.20	533,432.00
2220200 • Routine Maintenance-Others	1,993,575.75	
2220205 • Maintenance Of Plant & Building	597,706.00	414,321.00
2220210 • Maintenance of Computers, Software	86,100.00	5,800.00



Kenya Water Institute

Annual Report and the Financial Statements for the year ended 30th June, 2007

	2006/2007 KShs	2005/2006 KShs
3110200 • Construction of Buildings	392,302.80	1,282,172.00
3110300 • Refurbishment of Buildings	5,276,131.90	3,615,455.00
3111100 • Purchase of Plant & Equipment	231,329.80	704,148.00
Research, Feasibility Studies		
3114003 • Research & Feasibility Studies	3,804,649.50	1,687,671.00
3114000 • Research, Feasibility Studies - Other	4,691,991.80	1,625,502.00
	46,496,593.69	43,097,900.00
12 Audit Fees	1,152,000.00	80,000.00

13. Comparatives

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

14. Capital commitments

Capital commitments are in respect of construction works on the head office buildings to cost KShs 5,000,000.

15. Currency

The Institute financial statements have been presented in Kenya shillings (KShs)

16. Taxation:

The Institute major source of income comprise government grants, the tax exemption status of the Institute is a current objective of the management.

17. Government Grants:

The government grants are recognized when realized and spread throughout the financial year. Grants constitute 80% of the Institutes revenue.

18. Leave Pay:

The leave payments are recognized when the employees take the leave as there exists no material outstanding leave payments to warrant alternative treatment.

19. Contingent liabilities:

No material contingent liabilities exist at the balance sheet date.

20. Composition, nature, and purpose of reserves:

The reserves comprise of accumulated revenue and capital reserves as set out in the Statement of changes in the Owners' Funds.

The reserves have been set aside to meet future growth and expansion needs of the Institute.

21. Surplus

The Surplus arose mainly from the Personnel Emolument vote as a result of delays in recruiting the staff envisaged in the Establishment before the financial year. The funds further represent diminution in the value of assets not requiring immediate expenditure and thus act as a sinking fund for future replacement.



KEWI Research Officers during a water sampling exercise at Mutonga River

APPLIED WATER RESEARCH AND CONSULTANCIES

Areas of research and consultancies:

Water Information Systems

*Determine research needs in water sector
Data gathering, processing and analysis
Archiving and dissemination of information
Research Methods & Techniques
Water GIS-Databases*

Water Resources Management

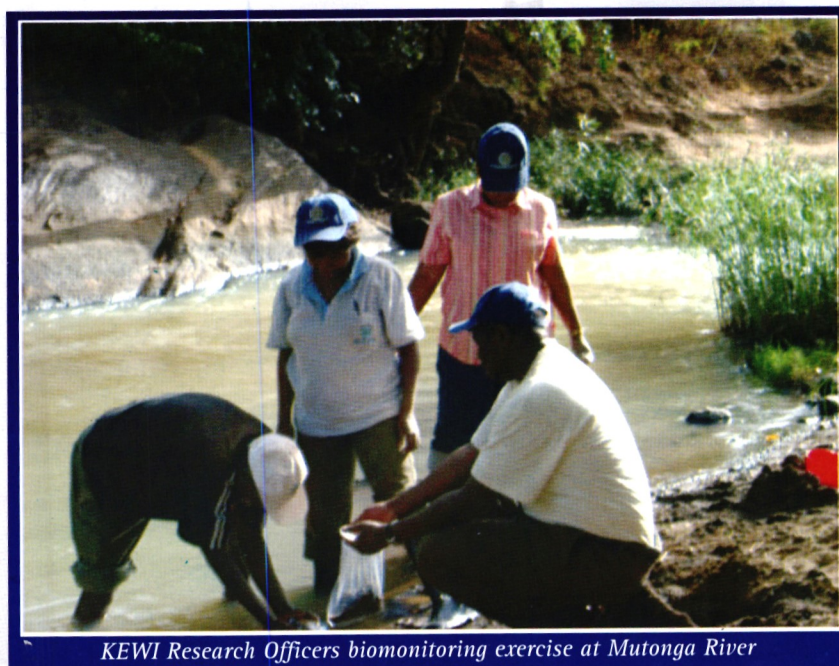
*Water resources assessment
Hydro-geological surveys
Geotechnical surveys*

Water and Sanitation

*Water demand and supply planning and design
Rain water harvesting
Small scale irrigation
Water and physical infrastructure installations*

Environmental Management

*Water and social-economic Analysis
Water and Environmental Governance
Water and Gender and Poverty Analysis
Participatory Rural Appraisal*



KEWI Research Officers biomonitoring exercise at Mutonga River



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