

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
SPORTS KENYA

FOR THE YEAR ENDED
30 JUNE 2014

Paper land
By leader of
majority Party
Hon. Aden Duale

On Tuesday
9/6/2015







SPORTS KENYA

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR**

ENDED 30TH JUNE 2014

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SPORTS KENYA (FORMERLY SPORTS STADIA MANAGEMENT BOARD)
For Year ended 30th June 2014

CHAIRMAN'S REPORT

I am pleased to present to you the financial results for the year ended 30th June 2014. The performance for the year though not meeting our targets was impressive given the general economic environment and other challenges encountered.

Highlights

The Sports Stadia Management Board has continued on the path of improvement and broadened strategic investments aimed at enhancing its revenue generation and service delivery. The board continues to formulate policies and guidelines that will make it continue to be relevant and competitive.

During the year under review, construction works for phase I of the International Sports Academy continued with the aim of creating usable facilities within 36 months from the commencement of the contract in year 2013.

The rehabilitation of the Kipchoge Keino Stadium in Eldoret continued was at above 90% completion stage by the end of the period. These two projects are vision 2030 flagship projects.

Operating Environment

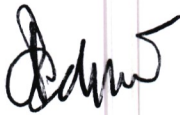
During the year under review, phase 11 of renovation and rehabilitation works through a grant from the Chinese government commenced. The works were the result of negotiations with the Chinese Government to include areas not captured during the first phase.

The country started taking steps to implement the new constitution which meant passing a lot of legislation to realign the government institutions. In line with that, our main focus was on the

The Sports bill, which culminated in enactment of the Sports Act 2013. The Ministry of Sports Culture and the Arts began implementation of the Act through the appointment of an interim committee.

Result

I am pleased to announce that the Board posted a surplus of Kshs **4,635,242.00** during the financial year.



Interim Chairman Sports Kenya

Ibrahim Hussein

SPORTS KENYA (FORMERLY SPORTS STADIA MANAGEMENT BOARD)

KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Sports Kenya is a body corporate established under the Sports act 2013, vide gazette notice No.25 of 2013.

Sports Kenya is the successor of Sports stadia Management Board established by the Sports Stadia Management Board order of 2002.

Sports Kenya is at its inception stages hence logo used in presentation of its financial statements still depict that of its predecessor institution i.e. Sports Stadia Management Board.

(b) Principal Activities

The principal functions of the Sports Kenya are to:-

- a. Promote, coordinate and implement grassroots, national and international sports programs for Kenyans, in liaison with the relevant sports organizations and facilitate the active participation of Kenyans in regional, continental and international sports, including in sports administration;
- b. Manage and maintain the sports facilities specified in the first schedule and any other facilities which the cabinet secretary may, by notice in the gazette, declare to be sports facilities for the purpose of this Act;
- c. Establish, manage, develop, plan and maintain the sports facilities, including convention canters, indoor sporting and recreational facilities for the purpose of this Act;
- d. Adopt, develop, plan, set stadia standards and licence and regularly inspect stadia for sporting and recreational use;
- e. Establish and maintain a sports museum;

- f. Participate in the promotion of sports tourism;
- g. Provide the necessary amenities or facilities for persons using the services or facilities provided by sports Kenya;
- h. Operate sports facilities on public grounds in such a manner as it deem necessary;
- i. collaborate with county government,, learning institution and other stakeholders concerned with sports and recreation, in the search, identification and development of sporting talent, provision of sports equipment, facilities and technical training,
- j. Identify and recommend talents in sports to national sports organisations;
- k. Inculcate the sense of patriotism and national pride through sports and recreation, create awareness on matters of national interest through sporting events, create awareness on the benefits of regular participation in sports for healthy living and provide advisory and counselling services to athletes;
- l. Determine the national colours to be used in national and international competitions, in consultation with the relevant national sports organisations;
- m. Facilitate the preparation and participation of Kenyan teams in various international events and the hosting of similar events in the country and recommend members of steering committees for international sports competitions, in consultation with the relevant national sports organisations;
- n. Recommend to the relevant authorities issuance of work permits and visas to foreign athletes and technical sports personnel, in consultation with the relevant national sports organisation;
- o. Approve, at the request of the respective national sports organisation, the clearance of foreign sports technical personnel before engagement by national sports organisation and other sporting bodies;
- p. organise and coordinate training, conduct research, maintain a resource centre and provide and engage consultancy services for sports

development programmes, in consultation with the respective national sports organizations

- q. with the approval of cabinet secretary, prescribe
- i. access to, or use of any of the resources or facilities of sports Kenya;
 - ii. the provision of programs, services, information or advice by sports Kenya; and
 - iii. the admission of persons to events and activities organised by sports Kenya:
 - iv. recommend, in liaison with the relevant sports organisation, tax exemption for sportsperson; and
 - v. perform such other functions related to the implementation of this Act as may be directed by the cabinet secretary

(c) Key Management

Sports Kenya's *day-to-day* management is under the following key personnel:

- | | | |
|------|-----------------------------------------|--------------------|
| i. | Ag. Director General | Gabriel Komora |
| ii. | Assistant Director Property services | Wilberforce Chebet |
| iii. | Assistant Director Finance | Francis Githaiga |
| iv. | Assistant Director Business Development | Julius Mbii |
| v. | Assistant Director Human Resource | Munase Mulama |

(d) Fiduciary Responsibility

This rests with the Board of Directors of Sports Kenya, who are;

- i. Ibrahim Hussein - Interim Chairman
- ii. Isaac Musembi
- iii. Joan Chesoni
- iv. Benson Abwao
- v. Mwangi Muthee
- vi. Doris Petra
- vii. Representative - PS, Ministry Sports Culture and the Arts
- viii. Representative - PS, National Treasury
- ix. Ag. CEO Kenya Academy of Sports
- x. Ag. CEO National Sports Fund

- xi. Secretary, Sports Disputes Tribunal
- xii. Representative Inspector General- Inspectorate State Corporations
- xiii. Gabriel Komora - Secretary

(e) Fiduciary Oversight Arrangements Board Committees

These are subcommittees that provide a high-level description of the key fiduciary oversight arrangements covering (say):

- i. Finance and Investment Committee
- ii. Audit Committee
- iii. Technical Safety and Development Committee
- iv. Human Resource and Training Committee
- v. Full Board Committee

(f) Sports Kenya Headquarters

P.O. Box private Bag Kasarani
Off Thika superhighway
Nairobi, KENYA

(g) Entity Contacts

Telephone: (020) 2390500/2390501
E-mail: info@stadiumskenya.co.ke
Website: www.stadiumskenya.co.ke

(h) Entity Bankers

Standard Chartered Bank,
Ruaraka,
City Square 00200
Nairobi, Kenya

(i) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084, GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

(k) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

THE BOARD OF DIRECTORS

1. Ibrahim Hussein - Interim Chairman
2. Isaac Musembi
3. Joan Chesoni
4. Benson Abwao
5. Mwangi Muthee
6. Doris Petra
7. Representative - PS, Ministry Sports Culture and
the Arts
8. Representative - PS, National Treasury
9. Ag. CEO Kenya Academy of Sports
10. Ag. CEO National Sports Fund
11. Secretary, Sports Disputes Tribunal
12. Representative Inspector General - Inspectorate State Corporations
13. Gabriel Komora - Secretary

MANAGEMENT TEAM

1. Mr Gabriel Komora - Ag. Director General
2. Mr Wilberforce Chebet - Assistant Director Property service
3. Mr Francis Githaiga - Assistant Director Finance
4. Mr Munase Mulama - Assistant Director Human Resource
5. Mr Julius Mbii - Assistant Director Business Development

SPORTS KENYA (FORMERLY SPORTS STADIA MANAGEMENT BOARD)
THE DIRECTOR GENERAL'S REPORT FOR FINANCIAL YEAR 2013/2014

FINANCIAL RESULTS

Revenue

The Board has continuously been striving to improve its financial performance with an increase in internally generated revenue being reported every year, for the last three years. The year under review, Kshs **264,379,851** was reported as the annual revenue, being an 8.8% increase from the previous year which had registered Kshs **243,077,062** as the annual revenue.

1. Income from Gate Takings

We have seen an improvement of gate collections as a result of engagement of professionals in selling of tickets. There has been some normalcy in terms of managing the gate collections during the football matches organized by the Kenya Premier League. The collections for gate takings continued to pose a challenge for the Board due to the lack of a modern ticketing solution.

2. Hotel Income

The main source of revenue for the Board is the Stadion hotel from hosting numerous conferences, workshops and accommodation.

3. Rental income

Positive response has been noted in the housing estate and other rental spaces. Our tenants have responded positively towards paying the new rental charges despite some initial resistance. However the professional estate agent who was engaged has not performed as per expectation hence the management is taking necessary action to enhance and improve efficiency of the rent collection.

4. Hire of Facilities

Hire of Facilities as a revenue stream had been greatly affected by renovation works. Some improvement has been noted since the facilities were reopened for towards the end of the period under review.

5. Sponsorships and Partnerships

During the year under review the Board sold Naming Rights to Safaricom Ltd for a two year period for Ksh 55 million amongst other benefits. This was the best offer and will for the precedent for other similar partnerships. Despite initial concerns from political circles the Board was able to justify the concept.

The Board also established a trust with the Kenya Golf Union to pursue the development of an 18 whole Golf Course.

Prompt debt collection has been pursued and incorporated in our short term quick wins. Clients checking-in are now required to pay at least 75% down payments and this is having a positive impact on our revenue collection.

Expenditure

Prudent financial management practices have been our main strength in our expenditures. We have always adhered to the approved budgets in relation to expenditures. However, there are instances where we experienced an increase in the level of expenditure due to forces beyond the Boards' control especially on electricity, water and food purchases.

Service Delivery

During the year, new service delivery innovations have been realized, following the Board's effort to being more customer focused. The introduction of e-marketing techniques to market our products through having a stadia page on face book and twitter has had tremendous positive effects on the marketing of our facilities.

Performance contracting has been taken up by all departments with, quarterly reviews being undertaken. During the year the performance contractee's undertook a recovery plan to ensure the Board was on track with the set targets for the year. The Board has acquired an Enterprises Resource Program (ERP) which is geared towards automating its operations for efficiency and effectiveness.

Future Outlook

In line with Vision 2030 the Board has already engaged itself with the Vision 2030 projects namely the International Academy for Sports and rehabilitation of Kipchoge Keino Stadium at Eldoret. The Moi International Sports Centre is undergoing its second phase of renovations through a grant from the Government of Peoples Republic of China to the tune of RMB 55M.

The Board is set to initiate a feasibility study that will eventually see the preparation of designs for the construction of 5 new stadiums as outlined in the Jubilee Manifesto. This coupled with the bid to host championships and competitions will see the growth of Sports Tourism as per the manifesto.

Construction of Sports Academy has already commenced with the contract signed being completed within three years.

Passing of Sports Act 2013 to form Sports Kenya will see the Board transforming and having added mandate and responsibilities.


Gabriel Komera

Ag. Director General

SPORTS KENYA (FORMERLY SPORTS STADIA MANAGEMENT BOARD)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2014

BOARD OVERVIEW

The Sports Stadia was established Vide the Sports Stadia Management Board Order 2002, Legal Notice No. 180 of 2002 under the State Corporation Act Cap 446.

Our vision statement:

“To be the preferred Sports and Recreational Hosts in the region”

Our Mission Statement:

“To manage, develop and market sporting and recreational facilities to the satisfaction of stakeholders.”

Our Corporate Values:

Sports Stadia Management Board believes in an organization whose people strongly uphold the following corporate values:

- Team work
- Dedication
- Integrity
- Customer focus
- Excellence

STATEMENT ON CORPORATE GOVERNANCE

The Board Members and Management of Sports Stadia Management Board are committed to enforcing high standards of Corporate Governance. This has been achieved through development policies aimed at adding value to stakeholders and the Government.

The Board has endeavored to embrace best practices and principles in the Management of its assets and resources. There is a code of conduct and code of ethics that every member of the organization ascribes to.

The Board has ensured that its business operations are conducted in an ethical and transparent manner. It has also ensured compliance of regulatory and statutory obligations.

Among the measures put in place to ensure the Management of risk include:

- Adoption of the Ethics and Anti-corruption guidelines
- Risk Management framework through internal audit function
- Installation of an enterprise resource management system

The Board has in the past reviewed its strategic plan to conform to the new constitutional dispensation thus periodically modifying some of its policies so as to ensure continued relevance.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

CSR Vision

To realize a world that is healthier, safer and more comfortable to live in by harnessing our knowledge and expertise to be the preferred providers of sports, recreation and hospitality facilities and services.

CSR Mission

To strive as a good citizen of the community towards the realization of a truly prosperous society and to conduct corporate activities in a fair and open manner, promote harmony with the natural environment, and engage vigorously in activities that contribute to social progress.

Goalkeeper World Level 2 Coaching Clinic – August 2013

This Goalkeepers Coaching Clinic was organized by Kasarani Youth Sports Association (KYSA) in conjunction with Sports Stadia. The objective of the clinic was to provide coaching skills to goalkeeper trainers in Kenya. Goalkeeper coaching is an area that has not been actively ventured into and this was an opportunity to support the few who have dared to venture into it. Two trainers from Germany conducted the training. Sports Stadia provided accommodation, meals and training facilities for the 3 days of the exercise.

Amazing Grace Children's Home – A home for orphans and vulnerable children - October 2013

Sports Stadia provided a free venue for the Children's concert that was held in October 2013 at the Nyayo National Stadium. The purpose of the concert was to raise funds while at the same time identifying talent among the disadvantaged youth.

Sitting Volleyball Federation of Kenya

The sitting Volleyball team was allowed to train on gratis at the Indoor Arena at Moi International Sports Centre, Kasarani. Sitting volleyball comprises disabled volleyballers and this was an effort towards disability mainstreaming as well as being supportive to the physically challenged.

SOS Children's Villages, Kenya.

The SOS Children's Villages was given a waiver on the hiring charges of the Nyayo National Stadium. The children's home was holding a football event involving the members of the home. This took place in November 2013.

Partnership Relay for Life

Relay for Life is an American Cancer Society franchised Cancer extravaganza geared towards awareness, fundraising and advocacy. The goal of Relay for Life 2014 was to raise Kshs. 300 million for treatment of at least 20 adults and 10 pediatrics cancer patients from each of the 47 counties in Kenya. Sports Stadia gave a free venue (Nyayo National Stadium) for two days for the Relay for Life event.

KYSA/ Stadia Football Academy

Sports Stadia has partnered with Kasarani Youth Sports Association to tap and nurture football talent from the Kasarani neighborhood dwellings of Mwiki, Lucky Summer, Ngomongo, Githurai, Zimmerman, Gathecha and Baba Dogo. 80% of the boys in the Academy hail from single families. Virtually all of them cannot afford to go to school due to inability of their parents to pay for the school requirements. Such boys, if not engaged in constructive activities, may end up engaging in criminal activities that are a drawback to the society. Sports Stadia saw it wise to provide training facilities while KYSA provides the training personnel.

Cerebral Palsy Society of Kenya Annual Walk

The Cerebral Palsy Society of Kenya Annual Walk's objective is to create and spread awareness about the cerebral palsy condition and raise funds for children and other persons afflicted by the cerebral palsy condition in the country. The 2014 edition of the walk took place at the Nyayo National Stadium in June 2014. The Society was granted the use of Nyayo National Stadium for 3 days, two of which were used for media activations and publicity activities.

Kenya Corporate Declaration Against Cancer by Kenya Medical Association (KMA)

Kenya Medical Association conducted a campaign aimed at advocating for the mainstreaming of cancer control in national health policies and reducing the cancer burden in the Kenyan population through enhanced public awareness on early detection. To support this noble initiative, Sports Stadia donated Kshs. 250,000. Sports Stadia was also represented by two officers during the World childhood Cancer Day for children affected by cancer on 15th February 2014 and also during the Corporate Statement against cancer on 22nd February 2014.

The Annual Mater Heart Run 2014

The Mater Heart is one of the most recognised and noble annual events in the Kenyan Calendar. Kenyans from all walks of life come together to support the cause. This year's Mater Heart Run was held on 24th May 2014 and was a big success with approximately 45,000 people turning out to support and to enjoy some exercise, all in the spirit of helping children with heart ailments get necessary surgery. Sports Stadia donated Kshs 100,000 towards the cause while at the same time sending 100 members of staff to participate in the run.

Standard Chartered Nairobi Marathon.

The Standard Chartered Nairobi Marathon is an annual event that brings people from all walks of life to raise money to support children with eye problems. In October 2013 Sports Stadia donated Kshs. 80,000 to the cause. 80 members of staff were also sent to participate in the marathon.

Kenya Roller Sport Federation

Roller-skating is a sport that is quickly gaining popularity in Kenya. Sports Stadia has extended support to the sport by allowing the skaters to train and hold their roller-skating events within Moi International Sports Centre for free.

SPORTS KENYA (SPORTS STADIA MANAGEMENT BOARD)

STATEMENT OF BOARD MEMBERS RESPONSIBILITY

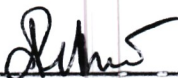
FOR THE YEAR ENDED 30TH JUNE 2014

The State Corporation's Act requires the Board Members to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the Board as at the end of the financial year and of its operating results for the year then ended. It also requires the Board Members to ensure that the Board keeps proper accounting records that disclose, with reasonable accuracy, at any time, the financial position of the Board.

The Board Members accept the responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards. The Board Members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Board and its operating activities.

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

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



Interim Chairman



Ag. Director General

SPORTS KENYA (FORMERLY SPORTS STADIA MANAGEMENT BOARD)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 30TH JUNE 2014

The Public Finance Management Act, 2012 and The State Corporations Act, require the Directors to prepare financial statements in respect of Sports Kenya, which give a true and fair view of the state of affairs of Sports Kenya at the end of the financial year/period and the operating results of Sports Kenya for that year/period. The Directors are also required to ensure that Sports Kenya keeps proper accounting records which disclose with reasonable accuracy the financial position of Sports Kenya. The Directors are also responsible for safeguarding the assets of Sports Kenya.

The Directors are responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June, 30th 2014. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Sports Kenya
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for Sports Kenya's financial statements, which have been prepared using appropriate International Public Sector Accounting Standards supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standard PFM Act and the State Corporations Act.

The Directors are of the opinion that Sports Kenya's financial statements give a true and fair view of the state Sports Kenya's transactions during the financial year ended June 30, 2014, and of Sports Kenya's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for Sports Kenya's which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

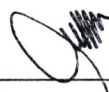
Nothing has come to the attention of the Directors to indicate that the *entity* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The financial statements for sports Kenya were approved by the Board on 14th day of November 2014 and signed on its behalf by:



Interim Chairman



Ag. Director General

REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON SPORTS KENYA FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Sports Kenya set out on pages 24 to 42, which comprise statement of financial position as at 30 June 2014, and statement of financial performance, 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, 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 Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15 of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229 of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 Sports Kenya's internal control. An audit also includes evaluating

the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1. Property, Plant and Equipment

The property, plant and equipment balance of Kshs.33,310,149.00 as at 30 June 2014 excludes motor vehicles registration numbers GK. 710Q and GK. 703X and a tractor registration number GK. Q581 whose log books have not been provided for audit verification. Although the management indicates that the transfer of ownership of the vehicles and the tractor (all of which have since been grounded) was being pursued with the former Ministry of State for National Heritage and Culture, the process had not been concluded as at 30 June 2014 to enable their disposal.

In view of the foregoing, the accuracy and ownership of the property, plant and equipment balance of Kshs.33,310,149 as at 30 June 2014 could not be confirmed.

2. Accounts Receivables from Exchange Transactions

- (i) The statement of financial position as at 30 June 2014 reflects account receivable from exchange transactions of Kshs.214,468,324.00 that includes amounts of Kshs.48,538,450.00 and Kshs.11,674,316.00 relating to rent arrears owed by tenants at Moi International Sports Centre and Nyayo National Stadium respectively with some dating back to year 2006. Numerous correspondences seen, indicate that persistent efforts have been made to recover the rent arrears, however, recoverability of these debts appear doubtful yet no provision has been made in the financial statements regarding the rent arrears balance of Kshs.60,212,766 or 28% of the total figure.
- (ii) The accounts receivables from exchange transactions balance of Kshs.214,458,324.00 as at 30 June 2014 includes debts totalling Kshs.28,850,000.00 or 13%, owed by two (2) media firms in respect of fees due from advertising contracts which have been outstanding since June 2012. Further, there was no provision made for the amount and only a disclosure of the legal dispute appears under Note 8 to the financial statements.

In the circumstances, the accuracy of the accounts receivables balance of Kshs.214,468,324 could not be confirmed.

3. Trade and Other Payables from Exchange Transactions

The current liabilities increased from Kshs.56,347,175.00 in 2012/2013 to Kshs.104,609,168.00 as at 30 June 2014, an 87.73% increase. Included in the current liabilities is a balance of Kshs.11,502,246.00 in respect of Pay as You Earn (PAYE) deductions which had not been remitted to the Kenya Revenue Authority as required.

Consequently, the failure to remit the PAYE on due dates is likely to attract unnecessary interest and penalties.

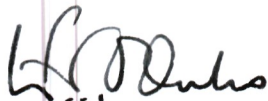
4. Delayed Rehabilitation and Upgrading of Kipchoge Keino Stadium – Eldoret

In January 2011, a Contractor was awarded a contract to rehabilitate and upgrade Kipchoge Keino Stadium – Eldoret at a contract sum of Kshs.109,775,009.00. The work was to take thirty six (36) weeks commencing on 21 March 2011 and the expected completion date was 18 November 2011. The date was later extended by seventy two (72) weeks to a revised completion date of March 2013, which was again extended to 15 May 2014. Physical inspection of the project on 2 November 2014 revealed that the project was behind schedule and was about 95% complete despite taking 166 weeks over and above the original completion date while the contract had been varied several times from Kshs.109,775,009.00 to Kshs.145,989,658.00. Management has however attributed the delay to delayed provision of funds and change in specifications to upgrade the tartan tract to international standards. Indications are that the stadium was to be completed by mid-April 2015 and handing over to the County Government was in progress.

In the circumstances, the delay of 166 weeks and contract cost variation by Kshs.36,214,649.00 or 36% has not been justified by Management.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Sports Kenya as at 30 June 2014, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards and comply with the Sports Kenya Act, 2013 of the Laws of Kenya.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

12 May 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2014

Introduction

There has been need for the entity to change the accounting policy from the International Financial Reporting Standards (IFRS) to International Public Sector Accounting Standards (IPSAS) to comply with

1. Statement of compliance and basis of preparation – IPSAS 1

The entity's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity and all values are rounded to the nearest thousand (Ksh000). The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions – IPSAS 23
Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii) Revenue from exchange transactions – IPSAS 9
Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information – IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

c) Investment property – IPSAS 16

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

d) Property, plant and equipment – IPSAS 17

All property, plant and equipment are stated at cost less depreciation charge for the year and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation is calculated on reducing balance basis to write down the cost of each asset to their reducing balance over their estimated useful life as follows:

i. Motor vehicle	25%
ii. Plant & Equipment	37.5%
iii. Office Equipment	30%
iv. Computers	30%
v. Furniture	12.5%
vi. Building	2%

Equipment, furniture and fittings are periodically reviewed for impairment where the carrying amount of an asset is greater than estimated recoverable amount it is written down immediately to its carrying amount.

Gain and losses on disposal of equipment furniture and fittings are determined by reference to their carrying amount and are taken into account in determining the surplus or deficit for the year.

Intangible Assets

The intangible assets in this case relates to the ERP software acquired by the Board.

Amortization will be calculated on straight line basis at a rate of 33.3% which will cover the estimated useful life of the software. The charge will be recognized as at when the software has been fully installed and commissioned.

Inventories – IPSAS 12

Inventory is measured at cost upon initial recognition. After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

Provisions – IPSAS 19

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Entity does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Changes in accounting policies and estimates – IPSAS 3

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

Employee benefits – IPSAS 25

Retirement benefit plans

The Entity provides retirement benefits for its employees. Defined contribution plans are post employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held by commercial banks at the end of the financial year.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Subsequent events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2014.

NOTES FOR SPORTS KENYA (FORMERLY SPORTS STADIA MANAGEMENT BOARD)

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30TH JUNE 2014

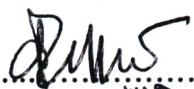
	Notes	2013-2014 Kshs	2012-2013 Kshs
Revenue from non-exchange transactions			
Gok and Unicef (Recurrent +NYTA +FC TALANTA)	15	44,845,000	-
GOK(Sports Kenya)	16	148,286,500	165,720,000.00
GOK Kenya -Open side	18	20,000,000	-
		<u>213,131,500</u>	<u>165,720,000.00</u>
Revenue from exchange transactions			
Rendering of services-Hire of facilities	1	50,315,583	48,341,050.00
Rental revenue from facilities and equipment	1	48,232,809	66,943,929.00
Naming rights	1	27,500,000	
Other income	1	590,400	2,830,480.00
Hotel income	1	127,676,059	111,556,603.00
Advertising Income	1	10,065,000	11,405,000.00
		<u>264,379,851</u>	<u>243,077,062.00</u>
Total revenue		<u>477,511,351</u>	<u>346,816,638.00</u>
Expenses			
Bulk purchases of water and electricity	2	(62,038,332)	(45,972,118)
Employee costs	3	(145,346,386)	(111,560,002)
Remuneration of Board	4	(6,274,038)	(5,712,002)
Depreciation and amortization expense	24	(6,951,310)	(5,543,029)
Repairs and maintenance	5	(9,295,914)	(964,350)
Contracted and Professional services	6	(5,163,993)	(15,409,939)
General expenses	2	(194,234,945)	(91,458,007)
Finance costs-Bank Charges	2	(571,199)	(988,623)
Kipchoge keino	10	(43,000,000)	(44,345,260)
Total expenses		<u>(472,876,109)</u>	<u>(321,143,330.70)</u>
Surplus for the period		<u>4,635,242</u>	<u>25,673,307.30</u>


SPORTS KENYA (FORMERLY SPORTS STADIA MANAGEMENT BOARD)

STATEMENT OF FINANCIAL POSITION

Assets		Kshs	Kshs
Current assets	Notes	2013-2014	2012-2013
Cash and cash equivalents	6	7,675,261.00	39,619,963.00
Account receivables from exchange transactions	8	214,468,324.00	161,479,889.00
Account Receivables from non-exchange transactions-Grants	7	18,621,041.00	
Inventories		1,350,786.00	1,462,011.00
Total Current Assets	19	<u>242,115,412.00</u>	<u>202,561,401.00</u>
Non-current assets			
Property, plant and equipment	24	33,310,149.00	36,177,922.00
WIP	14	350,939,479.00	232,075,841.00
Intangible assets			8,307,638.00
Total Non-Current Assets		<u>384,249,638.00</u>	<u>276,561,401.00</u>
Total assets		<u>626,365,040.00</u>	<u>479,123,264.00</u>
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	11	56,322,107.00	55,069,475.00
Refundable deposits from customers-Rent	13	755,700.00	755,700.00
Provisions for audit fee	2	522,000.00	522,000.00
Employee benefit obligation-pension	21	35,444,100.00	-
Payments received in advance-prepayment -Car Bazar	20	63,000.00	-
Taxation-Paye,	12	11,502,246.00	-
		<u>104,609,153.00</u>	<u>56,347,175.00</u>
Net assets			
Retained Earnings	22	37,508,594.00	32,873,352.00
Capital Grants	17	484,247,293.00	389,902,737.00
		521,755,887.00	422,776,089.00
Total liabilities		<u>626,365,040.00</u>	<u>479,123,264.00</u>

The Financial Statements set out below were signed on behalf of the Board of Directors by:

Interim Chairman  Date 14/11/2014

Ag. Director General  Date 14/11/2014

SPORTS KENYA (FORMERLY SPORTS STADIA MANAGEMENT BOARD)

STATEMENT OF CHANGE IN EQUITY

	Retained Earnings	Sports Academy	Total
As at 1/7/2011	63,765,044	281,002,637	344,767,681
Surplus/Loss for the Year	25,673,308		25,673,308
Additions for the year		108,900,000	108,900,000
Prior adjustments	(56,565,000)		(56,565,000)
As at 30/06/2013	32,873,352	389,902,637	422,775,989
As as 1/7/2013	32,873,352	389,902,637	422,775,989
Surplus/Loss for the Year	4,635,242		4,635,242
Additions for the year		94,344,656	94,344,656
			-
As at 30/06/2014	<u>37,508,594</u>	<u>484,247,293</u>	<u>521,755,887</u>

SPORTS KENYA (FORMERLY SPORTS STADIA MANAGEMENT BOARD)

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30TH JUNE 2014

	Kshs 2013 /2014	Kshs 2012 /2013
Cash Flows from Operating Activities		
Surplus for the year	4,635,242	25,673,308
Adjustments for		
Depreciation for the year	6,951,310	5,543,029
Disposal of assets		2,073,960
Loss of assets	-	2,600,000
Prior Year Adjustments (Shengli Acc.)		(56,565,000)
Operating Surplus/Deficit before		
Working Capital Changes	<u>11,586,547</u>	<u>(20,674,703)</u>
Increase/Decrease in Inventories	111,225	(1,036,362)
Increase/Decrease in Receivables Exchange transactions	(52,988,435)	20,942,612
Increase/Decrease in Receivables Non Exchange transactions	(38,621,041)	
Increase/Decrease in Payables	1,252,632	977,639
Net Cash flow from Operating Activities	<u>(40,038,026)</u>	<u>209,186</u>
Cash flow from Investing Activities		
Purchase of fixed Assets	(4,083,535)	(10,540,492)
Payments for Capital Project	(97,518,320)	(86,581,779)
Purchase of Software		(8,307,638)
Cash Flow from Financing Activities		
Capital Grants received	94,344,656	107,242,044
open side		5,500,000
Net Decrease in Cash and Cash Equivalents	<u>(47,295,225)</u>	<u>7,522,321</u>
Cash and Cash Equivalents at Start Of the Year	39,619,963	32,097,642
Cash and Cash Equivalents at end of the Year	7,675,262	39,619,963

SPORTS KENYA (FORMERLY SPORTS STADIA MANAGEMENT BOARD)

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2014**

1)	Income from exchange transactions	2013 /2014	2012 /2013
	Details	Kshs	KShs
	Hire of Facilities	50,315,583.00	48,341,050.00
	Rent Income	48,232,808.99	66,943,929.00
	Hotel income	106,802,059.00	111,556,603.00
	Naming Rights income	27,500,000.00	
	Other income	590,400.00	7,064,310.00
	Advertising Income	10,065,000.00	11,405,000.00
		<u>243,505,850.99</u>	<u>245,310,892.00</u>
	Hire of Facilities	2013 /2014	2012 /2013
		Kshs	Kshs
	Hire of Hospitality suites	863,800.00	1,349,000.00
	Hire of Main stadiums	7,233,010.00	10,686,100.00
	Hire of Aquatic Stadiums	13,971,475.00	18,644,450.00
	Gate Takings	7,749,748.00	1,564,310.00
	Hire of Indoor Courts	19,923,550.00	17,021,000.00
	Hire of Public Address	172,000.00	335,000.00
	Hire of Barriers	402,000.00	305,500.00
		<u>50,315,583.00</u>	<u>49,905,360.00</u>
		2013/ 2014	2012/ 2013
		Kshs	Kshs
	Hotel Income		
	Hotel income ,cyber café &bar sales	106,802,059.00	111,556,603.00
		<u>106,802,059.00</u>	<u>111,556,603.00</u>
		2013 /2014	2012 /2013
	Other Income	Kshs	Kshs
	Miscellaneous	223,910.00	12,870.00
	Sale of Tenders	239,240.00	434,000.00
	Car park Nyayo	127,250.00	309,650.00
	Total Other income	<u>590,400.00</u>	<u>756,520.00</u>

	2013 /2014	2012 /2013
	Kshs	Kshs
Advertising Income		
Nyayo National Stadium	8,720,000.00	
Moi International sports Center	1,345,000.00	11,405,000.00
	<u>10,065,000.00</u>	<u>11,405,000.00</u>

	2013 /2014	2012 /2013
	Kshs	Kshs
Gate Takings		
Moi International Sports centre	5,582,413.00	907,270.00
Nyayo National Stadium	2,167,335.00	657,040.00
	<u>7,749,748.00</u>	<u>1,564,310.00</u>

	2013/ 2014	2012/ 2013
	Kshs	Kshs
Naming Rights		
Moi International Sports centre	27,500,000.00	-
	<u>27,500,000.00</u>	

	2013 /2014	2012 /2013
	Kshs	Kshs
Rental income		
Residential Housing	36,322,173.00	66,943,929.00
Commercial space	11,910,635.99	
	<u>48,232,808.99</u>	<u>66,943,929.00</u>

	2013 /2014	2012 /2013
	Kshs	Kshs
2) Expenses		
Food Purchase	23,403,933.00	36,080,597.00
Medical Insurance	13,229,406.00	17,697,726.00
Subscriptions	77,380.00	119,510.00
Postage	-	22,300.00
Stationery	1,520,029.00	3,787,532.00
Computer expenses	99,137.00	462,690.00
Office Refurbishment	22,500.00	
Provision of Audit fee	522,000.00	522,000.00
Office cleaning	8,176,588.01	3,502,597.00
Insecticides Sprays and chemicals	1,037,735.00	1,986,674.00
Security services	18,388,800.00	16,448,472.00

Motor vehicle insurance	276,538.00	140,456.00
General Insurance	6,844,373.00	5,222,638.00
Hotel expenses	10,933,636.00	13,319,919.00
Depreciation	6,951,310.00	5,543,029.00
NYTA	42,639,489.00	-
FC Talanta	8,231,742.00	-
Marketing & advertisement	3,478,075.00	4,286,563.00
Casuals	16,240,108.00	17,397,529.00
Telephone & Internet	2,966,947.00	803,859.00
Gas and fuel	2,067,716.00	2,861,577.00
Official Entertainment	2,158,876.00	177,845.00
Sales Commission	1,202,067.00	990,000.00
Transport Operating	2,420,411.75	3,506,506.00
Local Travel	1,922,803.04	562,726.00
Travel Abroad	2,612,150.00	4,315,108.00
Inter-Milan and Open side expenses	16,811,495.00	15,335,547.00

194,234,944.80 150,093,400.00

Total bulk purchases

2013 /2014

2012 /2013

Kshs

kshs

Electricity	30,233,888.30	20,533,017.00
Water	31,804,444.00	25,439,101.00
	<u>62,038,332.30</u>	<u>45,972,118.00</u>

2013 /2014

2012 /2013

Kshs

kshs (RESTATING)

3) Employee costs

Employee related costs - salaries and wages	96,766,080.00	101,636,160.00
Employee related costs - contributions to pensions	16,714,104.00	9,490,492.00
Gratuity	3,474,480.00	
NSSF	16,240.00	433,400.00
Acting Allowance	210,000.00	
Special duty Allowance	808,082.00	
Residential telephone Allowance	768,000.00	
Housing allowance	24,655,400.00	
Leave Allowance	1,934,000.00	
Total Employee costs	<u>145,346,386.00</u>	<u>111,560,052.00</u>

	2013 /2014	kshs2012 /2013
4) Board of Directors Allowances	Kshs	Kshs
Chairman's Honoraria	552,000.00	960,000.00
Board of directors Sitting allowance	3,110,188.00	4,578,661.00
International per diem	306,050.00	89,341.00
International travel	2,305,800.00	
	<u>6,274,038.00</u>	<u>5,538,661.00</u>
GAS AND FUEL	2013 /2014	2012 /2013
	Kshs	Kshs
Gas	510,000.00	1,752,444.00
Diesel	1,557,716.00	1,109,132.00
	<u>2,067,716.00</u>	<u>2,861,576.00</u>
Marketing and Advertising Costs	2013 /2014	2012 /2013
	Kshs	Kshs
Marketing	2,818,182.00	9,268,435.00
Advertising	659,893.00	2,844,324.00
	<u>3,478,075.00</u>	<u>12,112,759.00</u>
Finance Cost	2013 /2014	2012 /2013
	Kshs	Kshs
Bank Charges	571,199.00	988,623.00
	<u>571,199.00</u>	<u>988,623.00</u>
Transport Operating	2013 /2014	2012 /2013
	Kshs	Kshs
Transport Taxi	274,038.00	45,200.00
Transport Fare	480,665.00	606,480.00
Mileage Claims	111,896.00	389,402.00
Motor vehicle fuel	1,274,163.00	1,561,764.00
Motor vehicle Repair	545,083.00	903,659.00
	<u>2,685,845.00</u>	<u>3,506,505.00</u>
Local Travel	2013 /2014	2012 /2013
	Kshs	Kshs
Local Travelling expenses	718,191.00	207,026.00
Local Per diem	1,204,612.04	102,450.00
Out of pocket allowance	-	253,250.00
	<u>1,922,803.04</u>	<u>562,726.00</u>

	2013 /2014 Kshs	2012 /2013 Kshs
Travel Abroad		
International travel	2,305,800.00	2,471,925.00
International Per diem	306,350.00	1,843,177.00
	<u>2,612,150.00</u>	<u>4,315,102.00</u>

	2013 /2014 Kshs	2012 /2013 Kshs
Stationery and printing		
Photocopy	267,359.00	572,484.00
Printing	1,102,540.00	678,197.00
Local Dailies & Publication	150,130.00	16,400.00
	<u>1,520,029.00</u>	<u>1,267,081.00</u>

	2013 /2014 Kshs	2012 /2013 Kshs
Open Side Expenses		
Inter-Milan team	10,000,000.00	
Open side consultants Expenses	6,811,495.00	15,335,507.00
	<u>16,811,495.00</u>	<u>15,335,507.00</u>

	2013 /2014 Kshs	2012 /2013 Kshs
Telephone & Internet		
Internet	735,132.00	476,551.00
Telephone Mobile	2,159,587.00	160,597.00
Telephone -landline	72,228.00	166,711.00
	<u>2,966,947.00</u>	<u>803,859.00</u>

	2013 /2014 Kshs	2012 /2013 Kshs
Sales Commission		
	1,202,067.00	990,000.00
	<u>1,202,067.00</u>	<u>990,000.00</u>

5)	2013 /2014 Kshs	2012 /2013 Kshs
Repair and Maintenance of Stadia Facilities		
	9,295,914.00	64,350
Contracted services		
	4,123,991	3,502,597.00
	<u>4,123,991</u>	<u>3,502,597.00</u>

	2013 /2014 Kshs	2012 /2013 kshs
Professional fees		
Legal Fees	1,040,002	
Official Entertainment		
	2,158,876.00	177,845.00
6) Cash and Cash equivalents		
	2013 /2014 Kshs	2012 /2013 Kshs
Standard Bank Main Account	4,802,086.75	251,069.81
Fund Account	2,459,301	12,059.07
Project Account	19,396.75	39,356,836
Rent Account	394,477.00	
	<u>7,675,261</u>	<u>39,619,963</u>
7) Accounts receivables from Non Exchange transactions		
	2013 /2014 Kshs	2012 /2013 Kshs
Outstanding Grants	11,981,552.00	-
I.O.U Ministry of Sports	500,000.00	-
NYTA	6,139,489.00	-
	<u>18,621,041.00</u>	
8) Accounts receivables from Exchange transactions		
	2013 /2014 Kshs	2012 /2013 Kshs
Rent	81,411,099.00	
Trade debtors	133,006,312.65	156,659,089.00
Salary Advance / Imprest	50,912.55	320,000.00
	<u>214,468,324.20</u>	<u>156,979,089.00</u>
Huge Outstanding bills from Alliance Media and page signs due a legal tussle have contributed to a growing debtors balance		
9) Property, plant and equipment		
	2013 /2014 Kshs	2012 /2013 kshs
	33,310,149.00	36,177,924.00

	2013 /2014	2012 /2013
	Kshs	kshs
10) Rehabilitation works-Kipchoge Keino Expenditure for the year	43,000,000.00	44,345,260.00
11) Trade and other payables from exchange transactions	2013/ 2014 Kshs	2012/2013 Kshs
Accounts payables	56,322,107.69	
	<u>56,322,107.69</u>	<u>161,479.089</u>
12) Taxation Liabilities PAYE	2013 /2014 Kshs	2012 /2013 kshs
	11,502,246.00	
	<u>11,502,246.00</u>	
13) Trade and other payables from Non - exchange transactions	2013 /2014 Kshs	2012 /2013 kshs
Rent Deposit	755,700.00	755,700.00
14) International Sports Academy (WIP)	2013 /2014 Kshs	2012 /2013 kshs
Grants B/f	232,075,841.00	145,494,062.00
Expenditure for the year	118,863,648.00	86,581,779.00
	<u>350,939,489.00</u>	<u>232,075,841.00</u>
15) Government Subsidies For Sports Club	2013 /2014 Kshs	2012 /2013 kshs
UNICEF-NYŶA	15,500,000.00	
UNICEF-TALANTA	8,345,000.00	
GOK	21,000,000.00	
	<u>44,845,000.00</u>	

	2013 /2014	2012 /2013
16) GOK GRANTS	Kshs	kshs
Recurrent	83,401,500.00	
Development	64,885,000.00	
	<u>148,286,500.00</u>	
17) CAPITAL GRANTS	2013 /2014	2012 /2013
	Kshs	kshs
Bal Bf	389,902,637.00	281,002,637.00
Grants for the year	94,344,656.00	108,900,000.00
	<u>484,247,293.00</u>	<u>389,902,637.00</u>
18) GOK	2013 /2014	2012 /2013
Open side	Kshs	kshs
Open Side	15,000,000.00	5,500,000.00
	5,000,000.00	
	<u>20,000,000.00</u>	<u>5,500,000.00</u>
19) INVENTORIES	2013 /2014	2012 /2013
	Kshs	kshs
Moi international Sports centre Main Stores	485,239.00	1,462,011.00
Food Stores	201,014.00	
Nyayo National Stadium Stores	664,533.00	
	<u>1,350,786.00</u>	<u>1,462,011.00</u>
20) PREPAYMENTS	2013 /2014	2012 /2013
	Kshs	kshs
CAR BAZAAR TEE TEE MOTORS	63,000.00	
Fc talanta	587,241	

	2013 /2014	2012 /2013
21) Employee Obligation & Pension	Kshs	kshs
	35,444,115.00	17,969,361.00
	<u>35,444,115.00</u>	<u>17,969,361.00</u>

22) **RETAINED EARNINGS:**

This comprises of accumulated surplus/deficit and prior year Adjustments over the years.

At the start of the year

Surplus / (Deficit) for the year

Prior year adjustments(shengli)

At the end of the year

2014\2013	2013 /2012
Kshs.	Kshs.
32,873,352.00	63,675,044
4,635,242.00	25,673,308
	(56,565,000)
<u>37,508,589.19</u>	<u>32,783,352</u>

24) **INSTALLATION OF SOFTWARE**

Opening

Bal

Payments

2013 /2014	2012 /2013
Kshs.	Kshs.
8,307,638.00	8,307,638
<u>8,307,638.00</u>	<u>8,307,638.00</u>

SPORTS KENYA (FORMERLY SPORTS STADIA MANAGEMENT BOARD)

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2014

PROPERTY, PLANT AND EQUIPMENTS MOVEMENT SCHEDULE:

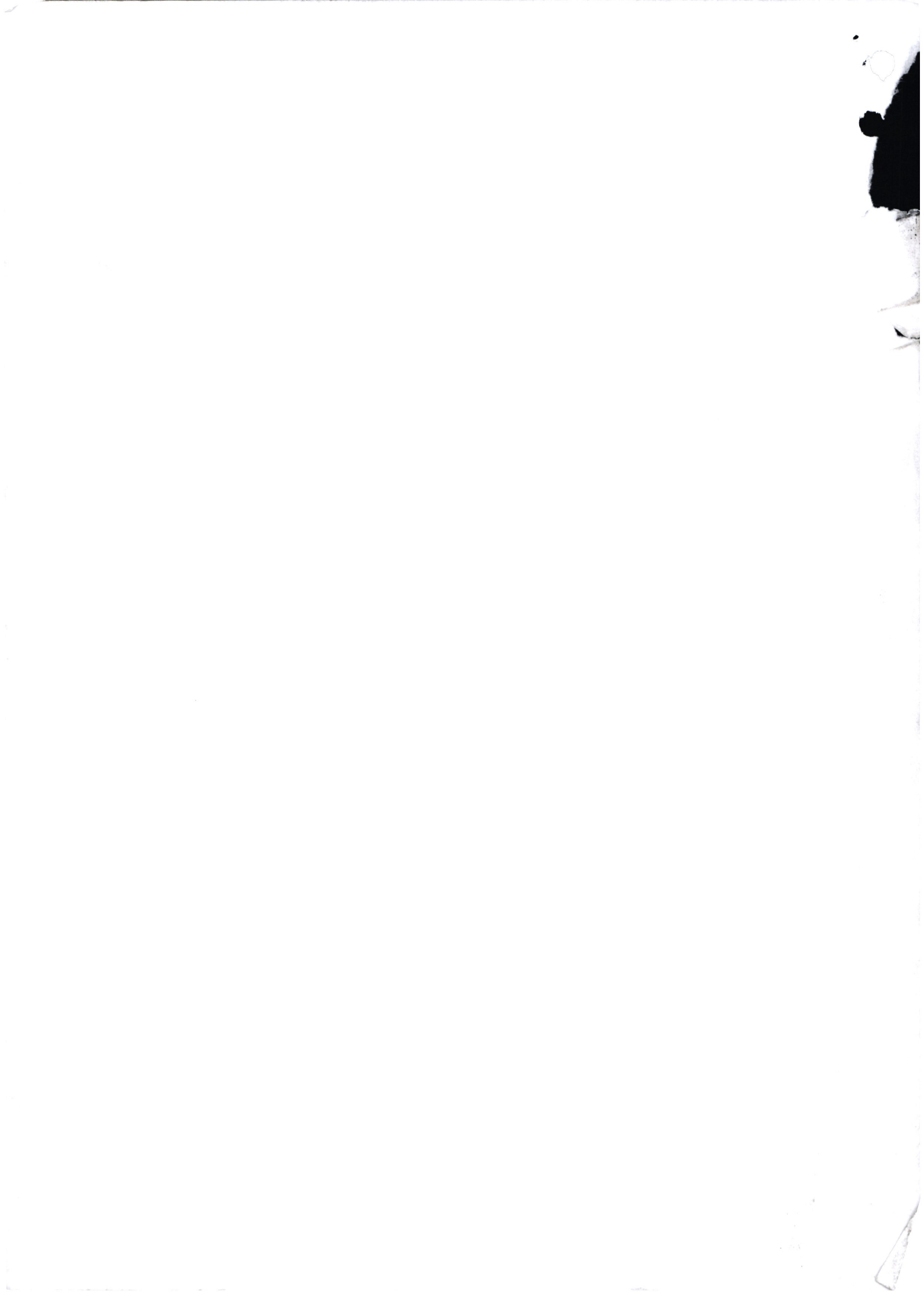
	Land & Buildings	Motor Vehicles	Plant & Machinery	Office Equipment	Furniture	Total
COST/VALUATION	18,882,390	9,635,774	19,677,663	14,639,789	13,776,408	76,612,024
NBV-1st July 2013	16,862,148	612,917	9,914,741	2,966,122	5,821,996	36,177,924
Additions	-	-	2,265,999	275,900	1,541,636	4,083,535
Disposal	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Loss of Assets	-	-	-	-	-	-
As at 30th June 2014	16,862,148	612,917	12,180,740	3,242,022	7,363,632	40,261,459

DEPRECIATION:

Accum dep 1st July 2013	2,020,242	9,022,857	9,762,922	11,673,667	7,954,412	40,434,100
Accum. Deprec on disp.						
Charge for the yr.	337,242.96	153,229.25	4,567,778	972,606.60	920,454	6,951,310
As at 30th June 2014	357,485	9,176,086	14,330,700	12,646,274	8,874,866	47,385,410

NET BK.VALUE:

As at 30th June 2014	16,524,905	459,688	7,612,963	2,269,415	6,443,178	33,310,149
At 30th June 2013	16,862,148	612,917	9,914,741	2,966,122	5,821,996	36,177,924





SPORTS KENYA

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR**

ENDED 30TH JUNE 2014

