

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT
THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 21 MAR 2019
DAY: THURSDAY

TABLED BY: Hon. B. Washiali
CLERK AT THE TABLE: Moses Lemuo

PARLIAMENT
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THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL SPORTS FUND**

**FOR THE YEAR ENDED
30 JUNE 2018**



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**International Public Sector Accounting Standards (IPSAS)
Annual Financial Reporting Template for
Regulatory and Other Non – Commercial Government Owned Entities**
*(Semi - Autonomous Government Agencies and Public Funds Established by an Act of
Parliament or a Legal Notice)*

**NATIONAL
SPORTS FUND**



**REGULATORY AND OTHER NON-COMMERCIAL ENTITIES
(NATIONAL SPORTS FUND)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2018**

**(Prepared in accordance with the Accrual Basis of Accounting Method under the
International Public Sector Accounting Standards (IPSAS))**

**National Sports Fund
Annual Reports and Financial Statements
For the year ended June 30, 2018**

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The National Sports Fund is a State Corporation established by the Sports Act no 25 of 2013 on 12th August 2013. The entity is domiciled in Kenya and has its Head office in Flamingo Towers 7th Floor. The Fund has no branches but plans to open regional branches in the near future.

(b) Principal Activities

The principal Mandate of the Fund is to raise funds through sports lottery, investments or any other means and disburse the funds to support sports persons and sports organizations for the development of sports and recreation in the country.

The functions of the Fund as outlined in the Sports Act, 2013 are as follows:

- i. Increase and diversify resource mobilization opportunities for sports and recreational development.
- ii. Support sports and recreation development for social and economic empowerment
- iii. Provide support to nurture and reward talent in sports and recreational activities
- iv. Diversification of sports disciplines and recreation opportunities
- v. Develop and implement a partnership framework with other stakeholders including sports organizations, federations and sports persons
- vi. Support the enhancement of sports management and training skills
- vii. Support the development of sports and recreation infrastructure
- viii. Undertake CSR in sports and recreation related activities

Vision, Mission and Core Values

Vision

To be a globally competitive sports and recreation funding agency

Mission

“To promote sports and recreation development through mobilization, management and disbursement of resources”

Core values

- Customer Focus:

- Efficiency
- Integrity
- Impartial
- Accountability
- Teamwork

(c) Key Management

The Fund is managed by a Board of Trustees appointed by the Cabinet Secretary for the general policy and strategic direction. The Chairman of the Board is a part-time appointee. Currently, the term of the Chairman of the Board of Trustees expired in 2017 and since then, every meeting of the Board has been chaired by a member who is elected at the commencement of the meeting in line with the law.

On 12th July 2018 through Gazette Notice No. 7050 the President and Commander-in-Chief of the Kenya Defence Forces appointed Mr., Patrick Wohoro Ndooho as the Chairman of the National Sports Fund Board of Trustees for a period of 3 years with effect from 1st July 2018.

The National Sports Fund day today management is under the following directorates that work under the guidance of the Chief executive officer:

- i. Directorate of Resource Mobilization
- ii. Directorate of Sports Funding and Compliance
- iii. Directorate of Corporate Services
- iv. Directorate of Strategy, Policy and Research

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.G Chief Executive Officer	John Mark Wambugu
2.	Director Corporate Strategy Policy and Research	Hassan Boru
3.	Director, Sports Funding, Standards & Compliance	Jaxon Daudio Indakwa
4.	A.G Director, Corporate Services	Doreen Mukiri Diki
5.	Director, Resource Mobilization	Roseline Tumpeyo
6.	Corporation Secretary	Martin Machira
7.	Manager Finance	Job Ayabei
8.	Assistant Manager Supply Chain Management	Joseph Wakahia

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No.	Designation	Name
9.	Manager Strategy, Policy and Research	Dr.Njogu Kimando
10	Manager Marketing	Dr. Musyoki Nzilu
11	Manager Sports Funding & Compliance	Festus Nyaga Njera
12	Manager, Corporate Communication	Naanyu Karbolo
13	Senior Internal Auditor	Quin Mwongera

(e) Fiduciary Oversight Arrangements

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

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

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

ii. Entity Headquarters

P.O. Box 4644-00200
Flamingo Towers Building 7th Floor
Mara Road, Upper hill
Nairobi, KENYA

iii. Entity Contacts

Telephone: (254) 791801225
(254) 780801225
E-mail: info@nationalsportsfund.org
Website: www.nationalsportsfund.org

iv. Entity Bankers

1. Co-operative Bank of Kenya
Upper hill Branch
P.O. Box 30415-00100
Nairobi, Kenya
2. Kenya Commercial Bank
Milimani Branch
P.O Box 48400-00100

**National Sports Fund
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Nairobi, Kenya

v. Independent Auditors

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



vi. Principal Legal Adviser


The Attorney General
Office of the Attorney General & Department of Justice
Sheria House
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

THE BOARD OF TRUSTEES



	<p>Mr. Gordon Oluoch, currently the Ag. Chief Executive Officer (CEO) of the Kenya Academy of Sports also served as the Ag. Director General (DG) at Sports Kenya as well as Sports Commissioner at the State Department for Sports, Ministry of Sports, Culture and the Arts.</p> <p>Mr. Oluoch holds a Bachelors Degree of Education (PE & Sports) from Kenyatta University, a Diploma in PE Education from the University of Nairobi and is currently pursuing an Executive Master of Business Administration from Jomo Kenyatta University of Agriculture.</p>
	<p>Mrs. Saima Ondimu is currently the Ag. Director General (DG) at Sports Kenya. Mrs. Ondimu previously served as Senior Deputy Secretary, Ministry of Sports, Culture and the Arts, the Executive Director, Kenya at Fifty (Kenya @50), as well as a Deputy Ambassador</p> <p>Ms. Ondimu holds a Master's Degree in International Hospitality Management from University of Strathclyde, Glasgow and a Bachelor's Degree from the University of Nairobi.</p>
	<p>Mr. Luke Luseno, currently the Chief Executive Officer (CEO) of the Sports Disputes Tribunal holds a Master's in Business Administration (Human Resource) from Kenyatta University, a Bachelors of Education (B.Ed), Geography from Kenyatta University and a Higher National Diploma in Human Resources Management. Luke has twenty (20) years of experience in the Civil Service.</p> <p>Prior to his current position he served in the Civil service as; Principal Human Resource and Administration Management Officer at the Judiciary, Principal Human Resource Development Officer at the Ministry of State for Public Service, Ministry of Youth and Sports as well as Senior Quality Assurance Officer, Ministry of Education</p>

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 <p>Haron Komen Trustee</p>	<p>Mr. Haron Komen a Certified Public Secretary (CPS K) is a career Public Administrator with over twenty (20) years of experience. Mr. Komen holds a Master Business Administration (MBA) from the University of Nairobi, a Bachelors of Arts Degree from Kenyatta University and is currently pursuing a PhD at the University of Nairobi.</p> <p>Mr. Komen has served in the civil service as Director of Administration at the State Department of Sports Development, Ministry of Sports, Culture and the Arts. Prior to which he served as Commissioner for Refugees Affairs, Camp Manager at Daadab Refugee Camp, Under Secretary Ministry of Cooperatives as well as District Officer in various parts of the Country.</p>
<p>Noah Peter Ngumi Trustee</p>	<p>Mr. Noah Peter Ngumi is an Advocate of the High Court of Kenya. Peter holds a Postgraduate Diploma in law (KSL) and a Bachelors of Law Degree from the University of Nairobi. Peter is currently a Senior State Counsel at the Office of the Attorney General. Previously, he served as Legal Counsel at the Ministry of Foreign Affairs having come from private legal practice years earlier.</p>
 <p>Margaret Wamuyu Trustee</p>	<p>Margaret Wamuyu is a Certified Public Accountant, (CPA-K) she is pursuing PhD – Finance and a holds a Master’s Degree in Business Administration from the University of Nairobi and a Bachelor’s Degree in Commerce from Kenya School of Accountancy University in Nairobi. Margaret is currently a Chief Accountant in the National Treasury, Government Investment and Public Enterprises Department. Previously she served as the Deputy District Accountant in Kericho under the National Treasury.</p>

 <p>Mark Wambugu Ag. Chief Executive Officer</p>	<p>Mr. Wambugu has been a member of various inter-agency Committees on Policy and Legislative Frameworks and has extensive experience in financial analysis and public finance management.</p> <p>Mr. Wambugu holds a Masters in Business Administration (MBA) in Finance, a Bachelor’s Degree (Accounting and Finance) and is an ISO 9001:2008 Certified QMS Auditor. He is a Certified Public Accountant (CPA-K) and a Certified Public Secretary (CPS-K) duly registered with the Institute of Certified Public Accountants of Kenya and the Institute of Certified Public Secretaries of Kenya respectively.</p>
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MANAGEMENT TEAM

 <p>John Mark Nyaga Wambugu MBA (Finance), BBA (Accounts), CPA(K), CPS(K)</p>	<p>Ag. Chief Executive Officer</p>
 <p>Hassan Abdi Boru</p>	<p>DIRECTOR Strategy policy and Research</p>


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<p>MA (Environment Planning & Mgt), BSc Wildlife Mgt and Conservation)</p>	
<div data-bbox="264 456 536 703" data-label="Image"> </div> <p>Jackson Daudio Indakwa MSC (Leisure and Recreation), BA (Government and Linguistics), Post Graduate Diploma (Sports Administration)</p>	<p>DIRECTOR Sports Funding, Standards and Compliance</p>
<div data-bbox="312 943 596 1223" data-label="Image"> </div> <p>Doreen Mukiri Diki MBA HRM, Degree (HRM), Higher Dip. HRM</p>	<p>Ag. DIRECTOR Corporate Services</p>
<div data-bbox="293 1408 596 1671" data-label="Image"> </div> <p>Roseline Tumpeyo Baari MBA (Strategic Management), BA (Social Studies)</p>	<p>DIRECTOR Resource Mobilisation</p>

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 <p>Martin Machira Ngati LLB (Hons) , CPS(K), Chartered Institute of Arbitrators, Post Graduate Diploma (Kenya School of Law) Advocate High Court of Kenya.</p>	<p>DIRECTOR Legal Services and Corporation Secretary</p>
 <p>Charles Maina BSc. International Business Admin., Higher Dip. HRM</p>	<p>Human Resource Officer</p>
 <p>Joseph Wakahia BSc. (Business Administration), Dip. (Purchasing & Supplies)</p>	<p>Assistant Manager, Supply Chain Management</p>
	<p>Finance Manager</p>

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<p>Job Aiyabei MBA, CPA (K), Bachelors of Business Administration (Finance & Accounts)</p>	
 <p>Quin Mwendwa Mwongera Bachelor of Commerce (Finance Option), CPA (K)</p>	<p>Senior Internal Auditor</p>

CHAIRMAN'S STATEMENT

The mandate of the Fund is to raise funds through sports lottery, investments and any other legal means and disburse the funds for the development of sports and recreation in Kenya. Therefore, the National Sports Fund is one of the institutions tasked with delivering one of the key flagship projects contained in Vision 2030, namely, the National Lottery.

Establishment of the sports lottery will provide National Sports Fund with a revenue generating avenue hence aid in the development of sports and sports infrastructure in the country, an aspect that will ensure Kenya's competitiveness in the global arena.

The Sports industry continues to have a positive impact in the society. More young talents are accessing education support based on their sporting prowess. Further, sports has become a preferred source of income with elite sports men and women raking in millions of shillings in the form of prize monies, bonuses, salaries and corporate endorsements among others.

Apart from being a source of entertainment, sports and recreational activities play various roles in the society including unifying communities where all Kenyans come together irrespective of their gender, age, status, political inclination or even tribe. This is an indicator of the kind of positive effects that sports has in our country.

Kenya sits top of the world due to its immense sporting talent with its citizens breaking records at almost all the world events. This has resulted in global recognition of the country as a sporting power house which has been a sense of pride and joy for the country. Such victories have been variously touted as a great avenue for marketing Kenya.

The National Sports Fund therefore seeks to build on to all these successes which have been mentioned herein to propel the country to higher levels of prosperity and achievement by providing the required resources for the sports and recreation sector.

REPORT OF THE CHIEF EXECUTIVE OFFICER

Barely two years into our existence, the National Sports Fund has made great strides in the achievement of its mandate. Key among them has been the drafting of the funding guidelines and regulations for approval, review and gazettelement by the AG. To this end, the Fund has also reviewed its HR instruments in line with the requirement from State Advisory Committee (SCAC) and developed its strategic plan (2017-2022) which spells out the desired future for NSF as well as the implementation framework.

In regard to diversity management, the Fund has been able to achieve and surpass the required thresholds as is exhibited in the following attributes. Out of its current staff establishment of 37 employees, 31% are women, 42% are the youth and 3% are PLWD.

**National Sports Fund
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During the last financial year, the Fund was able to disburse Financial support to federations namely; Football Kenya Federation-Ksh. 3m, Kenya Rugby Union -Ksh. 51.7m, Golf Open championships- Ksh. 30m, Kenya Roller Skaters federation- Ksh. 3.3m, safari rally Ksh. 129m and Kenya wrestling association -Ksh 3.2m.

The state department of sports in February 2018 issued a directive that all funds being transferred to sports federations and organizations be channelled through National sports fund. In this regard therefore, the Fund was able to disburse local and overseas allowances for sports persons participating in international competitions.

The Fund has commenced its rebranding process which will involve redesigning of the Fund's logo, website and social media pages in order to provide current information on the Fund and its activities which will in turn improve service delivery.

In terms of performance management, the Fund signed the Performance Contract for 2017/18 and the respective directorates assumed ownership of their thematic areas and cascaded it to all the staff members.

Given that the core mandate of the Fund is to provide resources for sports and recreation, the Fund seeks to operationalize the National Lottery whereby the lottery name "MICHEZO NATIONAL LOTTERY" was published in the KIPi Journal and trademarking is ongoing. Also, Expression of Interest (EOI) document was developed to facilitate the procurement of an operator to operationalize the lottery and ensure that the revenue raised ploughed back to the community through financial support to sporting activities, recreation and good causes.

CORPORATE GOVERNANCE STATEMENT

The Board of Trustee and the management of the National Sports Fund is committed to maintaining the highest standards of corporate governance. The Board is responsible for ensuring that the activities of the Fund are conducted in compliance with the law, regulatory requirements and rules, good practices, ethically and with appropriate and proper governance and standards as outlined in the Mwongozo Code of Conduct. This includes reviewing internal controls and ensuring that there is an appropriate balance of skills and experience represented on the Board and management.

The competence, diversity and experience of the Board of Trustees has made it effective in providing leadership to the Fund. The Board has been fully facilitated to ensure its autonomy, authority and independence. The Fund has also taken steps to ensure that the role of the Board is separated from that of Management. The Board has fully executed its role of ensuring that adequate systems and processes of accountability, risk management and internal controls are in place by constantly reviewing the performance of the various directorates tasked with these important responsibilities.

Subsequently, the Board recognizes the importance of good corporate governance in creating a sustainable, successful and effective institution. A fundamental aspect of the Fund's corporate governance has been the adoption of best practice in the Fund's operations and to this end, the Board of Trustees has always consistently worked with management to set corporate values and to develop strategies and policies that will enable the National Sports Fund achieve its mandate.

The Board has delegated some of its responsibilities to Committees of the Board while ensuring that the administrative responsibility of the Fund lies with the Chief Executive and the senior management team. The Board regularly receives reports at its meetings from the chairmen of each of the Committees and also management on their current activities.

Through the separation of roles and responsibilities, the Fund has institutionalized ethical and best practices that are also aimed at enhancing its good corporate citizenship. This has resulted in the support of activities that have had a positive impact in society.

The Fund has also met its obligations with regard to submitting reports to oversight agencies and institutions in full compliance of applicable laws, rules and regulations. The Fund has received immense support from the Government, as well as its partners and stakeholders. It is as a result of this that the Fund is well on course to achieve its mandate and change the status of sports in the country for the better.

However, the main challenge has been lack of appointment of Independent board members as most of their terms had expired and hence the independent board committees have been dormant as they are meant to be chaired by independent trustees.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The Fund recognizes the impact of Corporate Social Responsibility on both its immediate stakeholders and the society within which it operates in. To this end, the Fund is committed to giving back to society, building relationships with the public and enhancing its reputation. The National Sports Fund has therefore been involving itself in CSR activities are aimed at:

- I. Creating awareness on the Fund's Mandate and activities.
- II. Enhancing the Fund's public image and reputation among its stakeholders
- III. Brand marketing and visibility for the Fund
- IV. Building relationships with key stakeholders and maintaining a good rapport with the Funds stakeholders'
- V. Create public goodwill from Kenyans and partners

The Fund has given Sports equipment's/ kits/ uniform support to Federations /teams/youth Centre's/ tournaments in Isiolo, Meru and Moyale County, as well as the devolution conference friendly football match.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and the Sports Act 2013 require the Directors to prepare financial statements in respect of National Sports Fund, which give a true and fair view of the state of affairs of National Sports Fund at the end of the financial year/period and the operating results of National Sports Fund for that year/period. The Directors are also required to ensure that National Sports Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of National Sports Fund. The Directors are also responsible for safeguarding the assets of National Sports Fund

The Directors are responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year (period) ended on June 30, 2018. 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 Fund;
- (v) selecting and applying appropriate accounting policies; and
- (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors are of the opinion that the Fund's financial statements give a true and fair view of the state of the Fund's transactions during the financial year ended June 30, 2018, and of the Funds financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's 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 Fund will not remain a going concern for at least the next twelve months from the date of this statement.

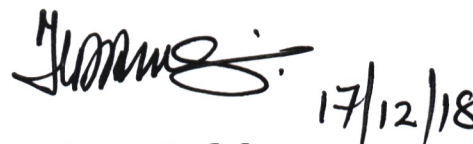
Approval of the Financial Statements

The Fund's Financial Statements were approved by the Board on 17th December 2018 and signed on its behalf by:



17/12/18

**Mr. Patrick Wohoro Ndooho
Board Chairman
National Sports Fund
Date: 17th December 2018.**



17/12/18

**Mr. Jaxon Indakwa
Ag. Chief Executive Officer
National Sports Fund
Date: 17th December 2018.**

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**REPORT OF THE INDEPENDENT AUDITORS ON THE NATIONAL SPORTS
FUND**

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON THE NATIONAL SPORTS FUND FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Sports Fund set out on pages 18 to 54, which comprise the statement of financial Position as at 30 June 2018, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. 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.

In my opinion, except of the effects of the matters described in Basis for Qualified Opinion section of my report, the financial statements present fairly, the financial position of the National Sports Fund as at 30 June, 2018, and (of) its financial performance and its cash flows for the year then ended, in accordance with Public Sector Accounting Standards (Accrual Basis) and comply with the Sports Act, 2013.

Basis for Qualified Opinion

1.0 Budget and Budgetary Performance

1.1 Revenue

The Fund had budgeted for Kshs.313,500,000 against actual receipts of Kshs.347,013,821 resulting to excess revenue of Kshs.33,513,821 or 10% as follows:

Revenue	Budget Kshs.	Actual Kshs.	(Excess)/ shortfall Kshs.	Over/ (under) %
Public contributions and donations	-	3,500,000	(3,500,000)	100
Government grants and subsidies	309,500,000	339,245,061	(29,745,061)	9
Finance income	4,000,000	4,247,567	(247,567)	6
Other income	-	21,193	(21,193)	100
Total	313,500,000	347,013,821	(33,513,821)	10

The unbudgeted excess revenue of Kshs.33,513,821 was mainly attributed to special grants transferred by the State Department for Sports Development to be utilized by the Fund on its behalf without the National Treasury's authority.

Report of the Auditor-General on the Financial Statements of the National Sports Fund for the year ended 30 June 2018

1.2 Expenditure

The Fund had budgeted to spend Kshs.357,474,600 against actual expenditure of Kshs.489,784,383 resulting to an over expenditure of Kshs.132,309,783 or 37% as follows:

Expenditure	Budget Kshs.	Actual Kshs.	(Over)/under Kshs.	Variance %
Use of Goods and Services	7,000,000	11,113,094	(4,113,094)	37
Employee Costs	64,417,400	64,946,825	(529,425)	1
Taxation	-	637,135	(637,135)	100
Remuneration of Directors	3,000,000	3,024,491	(24,491)	1
Repairs and Maintenance	5,050,000	692,927	4,357,073	86
Grants and Subsidies	200,000,000	351,276,792	(151,276,792)	76
General Expenses	78,007,200	58,093,119	19,914,081	26
Total	357,474,600	489,784,383	(132,309,783)	37

It is not clear why the Fund budgeted for expenditure totalling Kshs.357,474,600 while it had a revenue budget of Kshs.313,500,000 . This clearly indicates total lack of budgetary control. Further, no approval from the National Treasury was obtained for the over expenditure amounting to Kshs.132,309,783.

2.0 Special Funds Reserve Account

Section 31 of the Sports Act No. 25 of 2013, states that "There shall be maintained a reserve account of the Fund into which shall be deposited:

- a) any special contribution paid into the Fund by the Government for the purposes of facilitating sportspersons; and
- b) any income of the Fund that the Board of Trustees determines should be set aside to support national sports organisations subject to a maximum of ten per cent of such income".

Examination of receipt records for the year ended 30 June 2018 revealed that the Fund received special grants totalling Kshs.404,444,540 from the State Department for Sports Development which were deposited in the operations bank account instead of a reserve fund account as provided in the Act.

No reasons were given for the failure to open a special fund reserve account as required.

3.0 Special Project Fund-Grants and Subsidies

The State Department for Sports Development made transfers totalling Kshs.404,444,538 to the National Sports Fund stated as special grants for the purpose of payment of various activities on behalf of the Department as follows:

Special Project Funds

Amounts Transferred to:	Receipts	Expenditure	Balance
Funds Transfer Ministerial Team Building Nyeri	6,588,000	3,374,000	3,214,000
World Rally Championship Funds	187,500,000		
World Rally Project	38,300,000		
	225,800,000	144,996,500	80,803,500
Commonwealth Funds	50,000,000		
Commonwealth cash awards	13,390,000		
	63,390,000	130,553,340	(67,163,340)
Sports Federations			
Kenya Open Golf Sponsorship	30,000,000		
Kenya Amateur Wrestling Association Funds	3,104,510		
Kenya Rugby & Football	34,778,534		
Kenya Rugby	21,000,000		
World Under 18 Championship Supplier Funds	4,722,014		
	93,605,058	75,996,226	17,608,832
International Competitions	3,000,000		
International Allowances	860,580		
	3,860,580	-	3,860,580
Under 20 games Finland	1,600,000		
Under 20 Observer games & Allowances	9,600,900		
	11,200,900	-	11,200,900
Total	404,444,538	351,546,066	46,310,472

A review of support records for these grants revealed the following anomalies:

3.1 Commonwealth Games (2018)-Gold Coast

The statement of financial performance for the year ended 30 June 2018 reflects Grants and Subsidies figure of Kshs.351,276,792 which includes Kshs.130,553,340 for the Commonwealth Games. However, only Kshs.63,390,000 was received by the Fund from the State Department for this event resulting a deficit of Kshs.67,163,340 which was financed through reallocation of funds meant for World Rally Championships without approval from the National Treasury as required.

3.2 World Rally Championship Expenditure

The Fund received Kshs.225,800,000 from the State Department for the World Rally Championships (WRC) out of which Kshs.144,996,500 was spent on African Rally Championship held at Naivasha from 14 to 18 March 2018 in preparation for World Rally Championship 2020.

A review of the supporting documents in respect of the expenditure incurred therein disclosed that the procurement process was carried out by the State Department without involvement of the Fund. Further, procurement of goods and services totalling Kshs.3,708,176 was done through direct procurement contrary to Section 103 of Public Procurement and Asset Disposal Act, 2015.

3.3 Un-budgeted for Expenditure

On 7 June 2018 the Fund contracted an individual by the name Irene Tindi to provide event management services during a ministerial team building event held in Nyeri from 11 to 16 June 2018 at a fee of Kshs.3,374,000. A part payment of Kshs.1,687,000 was made on 14 June 2018 Vide P.V. No. NSF/0623/18. It was however noted that this event related to the State Department for Sports Development which has a separate budget for such activities.

In the circumstances, the propriety of the payment amounting to Kshs.3,374,000 could not be confirmed.

4.0 Irregular Rent Security Deposit

Note 29 to the financial statements reflects a figure of Kshs.4,744,440 described as rent security deposit paid to Flamingo Tower Ltd. A review of the lease agreement signed between National Sports Fund and the property owner revealed that there was no requirement for rent deposit. Although the management has written to the lessor instructing that the deposit be utilized to offset future rent payments, as at the time of audit in December 2018 there was no response to show if the latter was in agreement.

5.0 Payment for Un-occupied Office Space

Included in the general expenses balance of Kshs.55,066,258 is Kshs.20,356,329 relating to office rent. Verification of records supporting this expenditure revealed that, National Sports Fund leased additional office space on the seventh floor Wing A measuring approximately 5,578 square feet at Flamingo Towers from 1 November 2017. It has however been observed that this office space has never been utilised since the lease date. As at the time of audit, the Fund had paid a total of Kshs.10,653,811 for this unused space.

In view of the foregoing, the Fund has not obtained value for money from the payment of Kshs.10,653,811.

6.0 Engagement of a Private Law Firm without Authority

During the year under review, the Fund engaged a Law firm (Muchemi & Co. Advocates) for the purpose of rendering legal services and fees totalling Kshs.2,288,000 was paid. However, no approval was obtained from the Office of the Attorney General to engage a private legal firm as required by circular AG/6/D/144 VOL.II dated 6 April 2017 from the same

office. Further, it was not clear how the firm was identified or how the legal fee was arrived at contrary to article 227 (1) which requires that goods and services be procured in accordance with a system that is fair, equitable, transparent, competitive and cost-effective.

In the circumstances, the engagement of the private legal firm was irregular and the payment of Kshs.2,288,000 should not remain a charge to public funds.

7.0 Negative Operating Results

A review of the statement of financial performance for the year ended 30 June 2018 showed that the Fund's expenditure totalled Kshs.502,609,527 against revenue realized amounting to Kshs.347,013,821 resulting to a net deficit of Kshs.156,232,841. Further, the statement of financial position reflects total current assets of Kshs.20,319,019 while the current liabilities totalled Kshs.69,243,855 resulting to a negative working capital of Kshs.48,924,836.

In the circumstances, the Fund is technically insolvent and its ability to sustain services is doubtful.

8.0 Prior Year Adjustments

The statement of changes in net assets for the year ended 30 June 2018 reflects two prior adjustments for Kshs.1,940,057 and negative Kshs.582,017 which are also shown in the property, plant and equipment schedule on note 22 of the financial statements as addition to computers and resultant depreciation respectively. The management has explained that the adjustment relates to computers and electronic equipment paid for by the Parent Ministry in the year ended 30 June 2017 but were omitted in the financial statements then. However, the prior year adjustments have not been disclosed in accordance with the requirements of IPSAS 3 which requires retrospective restatement of amounts in the year when the errors occurred.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Sports Fund in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there are no key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Matters

1. Delayed Completion of Office Partitioning Works

The National Sports Fund on 01 November 2016 awarded a contract for the partitioning of their new offices at Flamingo Towers to M/s Zedka Technical Services at a total contract sum of Kshs.19,974,881. According to the contract, the partitioning was to commence on 01 November 2016 with a completion date set on 27 December 2016 a duration of eight weeks. However, an audit inspection carried out on 9 October 2017 revealed that the project was still incomplete nine (9) months after expiry of the contract period and payment of Kshs.7,091,718 or 36% of the contract sum made to the contractor. No reasons were given for the delay in project completion and no approval for extension of time was seen.

A review of the matter during the year under audit showed that the project was about 90% complete.

2. Failure by the State Department of Sports and Development to Refund Office Rent Paid on their Behalf by National Sports Fund

The statement of financial performance for the year ended 30 June 2017 reflected under expenses a figure of Kshs.19,121,080 in respect of office rent. Included in the figure was Kshs.11,975,480 for office rent and car park paid by the Fund on behalf of the State Department of Sports and Development on the promise that the amount would be reimbursed when funds became available. However, the State Department had as at 30 June 2017 not refunded the amount paid by the Fund. It is also not clear why the amount due of Kshs.11,975,480 was expensed in the financial statements for the year ended 30 June 2017. No reasons were provided for the failure by the State Department to refund the amount paid on their behalf.

A review of the matter in the year under audit revealed that the amount was still outstanding.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

My responsibility is to express a conclusion based on the review. The review was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical

requirements and plan and perform the review so as to obtain limited assurance as to whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

As required by Section 7(1)(a) of the Public Audit Act 2015, based on the audit procedures performed, except for the matter(s) described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for conclusion

1. Lack of Board of Trustees

The Fund operated without a Board from 12 June 2017 after expiry of the previous Board Members' term. Under the circumstances, the Fund was unable to constitute board committees such as the audit committee, finance committee, human resource committee, and sports evaluation committee to provide oversight to the management activities in line with good corporate governance practices.

2. Lack of Substantive Chief Executive Officer

The Fund has never had a substantive CEO since inception contrary to the provisions of Sports Act of 2013. All the officers who have ever occupied the position have been doing so in an acting capacity. It was noted that the current holder of the position has been acting since April 2017.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

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 maintaining effective internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective manner.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources

are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of

my audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern or to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

Nairobi

29 January 2019

National Sports Fund
Annual Reports and Financial Statements
For the year ended June 30, 2018

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2017-2018 Kshs	2016-2017 Kshs
Revenue from non-exchange transactions			
Public contributions and donations	6	3,500,000	-
Transfers from other governments – gifts and services-in-kind	7	339,245,061	281,176,869
		342,745,061	281,176,869
Revenue from exchange transactions			
Finance income - external investments	8	4,247,567	-
Other income	9	21,193	-
Total revenue		347,013,821	281,176,869
Expenses			
Use of goods and services	10	11,113,094	3,929,863
Employee costs	11	64,946,825	40,697,564
Remuneration of directors	12	3,024,491	23,831,821
Depreciation and amortization expense	13	13,462,279	6,681,716
Repairs and maintenance	14	692,927	469,060
Grants and subsidies	15	351,276,792	-
General expenses	16	58,093,119	38,159,555
Total expenses		502,609,527	113,769,579
Surplus before tax		(155,595,706)	167,407,290
Taxation		(637,135)	-
Surplus/(deficit) for the period/year		(156,232,841)	167,407,290
Remission to National Treasury	26	-	-
Net Surplus/ Deficit for the year		(156,232,841)	167,407,290
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling Fund		(156,232,841)	167,407,290
		(156,232,841)	167,407,290



**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Notes	2017-2018 Kshs	2016-2017 Kshs
Assets			
Current assets			
Cash and cash equivalents	18	9,972,328	139,081,526
Receivables from exchange transactions		-	-
Receivables from non-exchange transactions	19	9,167,217	6,895,347
Inventories	20	1,179,474	-
		20,319,019	145,976,873
Non-current assets			
Property, plant and equipment	22	61,457,325	27,562,264
Total assets		81,776,344	173,539,137
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	21	69,243,855	6,131,847
		69,243,855	6,131,847
Non-current liabilities			
Deferred tax liabilities		-	-
Total liabilities		69,243,855	6,131,847
Net assets		12,532,489	167,407,290
Reserves		167,407,290	-
Accumulated surplus		(156,232,840)	167,407,290
Capital Fund		1,358,040	-
Total net assets and liabilities		12,532,489	167,407,290

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

Jaxon Indakwa

Job Aiyabei

Mr,Patrick Wohoro Ndohho

AG Chief Executive Officer

Finance Manager
ICPAK Member Number:8208

Chairman Board of Trustees
National Sports Fund





17th December 2018

17th December 2018

17th December 2018

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2018**

	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/ Development Grants/Fund	Total
At July 1, 2016	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-
At June 30, 2017	-	-	-	167,407,290	-	-	167,407,290
At July 1, 2017	-	-	-	167,407,290	-	-	167,407,290
Prior Adjustments	-	-	-	1,940,057	-	-	1,940,057
Prior Adjustments	-	-	-	(582,017)	-	-	(582,017)
Total comprehensive income	-	-	-	-	-	-	-
Capital/Development grants received during the year	-	-	-	-	-	-	-
Surplus (Deficit for the year)				(156,232,841)			(156,232,841)
Interim dividends paid – 2018	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
At June 30, 2018	-	-	-	12,532,489	-	-	12,532,489

Note:

1. Prior Year Adjustments relates to Computers and Electronic Equipment Paid by Parent Ministry for Kes 1,940,057 and Depreciation for Prior year amounting to Kes 582,017 not Captured in 2016/2017 Financial Statements

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

		2017-2018	2016-2017
		Kshs	Kshs
Cash flows from operating activities	Notes		
Receipts			
Public contributions and donations	6	3,500,000	-
Government grants and subsidies	7	339,245,061	281,176,869
Finance income	8	4,247,568	-
Other income, rentals and agency fees	9	21,193	-
Total Receipts		347,013,821	281,176,869
Payments			
Compensation of employees	11	64,946,825	40,697,564
Goods and services	10	11,113,094	3,929,863
Taxation paid	17	637,135	-
Remuneration to Board of Trustees	12	3,024,491	23,831,821
Repairs and Maintenance Costs	14	692,927	469,060
General Expenses	16	58,093,119	38,159,555
Grants and subsidies paid	15	351,276,792	-
Total Payments		489,784,384	107,087,863
Net cash flows from operating activities	23	(142,770,562)	174,089,006
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	22	(37,476,680)	(34,243,980)
(Increase) In Current receivables	19	(2,271,870)	(6,895,347)
Increase in Trade Payables)	21	63,112,008	6,131,847
Increase in Work in Progress	22	(8,552,620)	-
Increase in Inventories	20	(1,179,474)	-
Net cash flows used in investing activities		13,661,364	(35,007,480)
Cash flows from financing activities			
Repayment of borrowings		-	-
Increase in deposits		-	-
Net cash flows used in financing activities		-	-
Cash and cash equivalents at the beginning of the year	18	139,081,526	-
Net increase/(decrease) in cash and cash equivalents		(129,109,198)	139,081,526
Cash and cash equivalents at 30 JUNE	18	9,972,328	139,081,526

National Sports Fund
Annual Reports and Financial Statements
For the year ended June 30, 2018

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

	Original budget 2017-2018 Kshs	Adjustments 2017-2018 Kshs	Final budget 2017-2018 Kshs	Actual on comparable basis 2017-2018 Kshs	Performance difference 2017-2018 Kshs
Revenue					
Public contributions and donations	-	-	-	3,500,000	(3,500,000)
Government grants and subsidies	415,000,000	(105,500,000)	309,500,000	339,245,061	(29,745,061)
Lottery income	100,000,000	(100,000,000)	-	-	-
Finance Income	5,000,000	(1,000,000)	4,000,000	4,247,567	(247,567)
Other Income	-	-	-	21,193	(21,193)
Total income	520,000,000	(206,500,000)	313,500,000	347,013,822	(33,513,821)
Expenses					
Compensation of employees	91,490,000	(27,072,600)	64,417,400	64,946,825	(529,425)
Goods and services	15,950,000	(8,950,000)	7,000,000	11,113,094	(4,113,094)
Finance cost	-	-	-	-	-
Rent paid	23,000,000	200,000	23,200,000	20,356,329	2,843,671
Taxation paid	-	-	-	637,135	(637,135)
Remuneration to Board of Trustees	28,000,000	(25,000,000)	3,000,000	3,024,491	(24,491)
Repairs & Maintenance costs	10,500,000	(5,450,000)	5,050,000	692,927	4,357,073
General Expenses	251,060,000	(196,252,800)	54,807,200	37,736,791	17,070,409
Grants and subsidies paid	143,974,600	56,025,400	200,000,000	351,276,792	(151,276,792)
Total expenditure	563,974,600	(207,500,000)	357,474,600	489,784,384	170,292,782
Surplus for the period	(43,974,600)	-	(43,974,600)	(142,770,563)	98,746,981

Budget notes

During the Financial year 2017/2018 the Funds Approved Budget Estimates were 9,500,000 Million for Recurrent and 100,000,000 for development. During Supplementary Budget I the Funds Development Vote was slashed by 75% from 100,000,000 to 75,000,000 which was further slashed to a final Approved Budget estimate of Kes 22,173,125

In February 2018 the Permanent Secretary for Sports issued a directive that all funds to sports Organizations should be channelled through the National Sports fund .During the financial year the Fund received Kes 187,500,000 for World Rally project, Kes 72,065,061 for disbursement to Sports organizations and Kes 63,390,000 to be paid for Athletics allowance for international competitions This explains the Negative Variance for Kes 29,745,061 for Government Grants as the Budgeted estimates was Kes 309,500,000 while the actual amount received was Kes 339,245,061

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The National Sports Fund is established by and derives its authority and accountability from the Sports Act 2013. The Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The Fund's principal activity is to raise funds through Sports Lottery investments and other means and disburse the funds to Sports persons and Sports organizations for development of sport and recreation.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *Fund's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Fund.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2018

Standard	Impact
IPSAS 39: Employee Benefits	<p>Applicable: 1st January 2018</p> <p>The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach.</p>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2017

Standard	Effective date and impact:
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations.

iii. Early adoption of standards

The Fund did not early – adopt any new or amended standards in year 2018.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Fund recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Fund and the fair value of the asset can be measured reliably.

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 Fund and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

Revenue from exchange transactions

Rendering of services

The Fund 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.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Fund's right to receive payments is established.

Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation 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 straight-line basis to write down the cost of each asset to their reducing balance over their estimated useful life as follows:

Motor vehicle	25%
Office Equipment	12.5%
Computers	30%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Furniture & Fittings 12.5%

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 considered in determining the surplus or deficit for the year.

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Budget information

The original budget for FY 2016-2017 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Fund upon receiving the respective approvals in order to conclude the final budget.

The Fund's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Fund operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Fund and the same taxation authority.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (Continued)

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation 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 Fund 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.

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Fund. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Fund also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Fund will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Fund. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Research and development costs

The Fund expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Fund can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset

The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Fund determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Fund has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or an Fund of financial assets is impaired. A financial asset or a Fund of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Fund of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators;

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- The debtors or a Fund of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Fund determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories (Continued)

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 Fund.

j) Provisions

Provisions are recognized when the Fund 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 Fund 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 Fund 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 Fund 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 Fund 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Changes in accounting policies and estimates

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

l) Employee benefits

Retirement benefit plans

The Fund provides retirement benefits for its employees and directors. Defined contribution plans are post employment benefit plans under which an entity pays fixed contributions into a separate Fund (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.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

n) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Related parties

The Fund regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

p) Service concession arrangements

The Fund analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Fund recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Fund also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

q) 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 at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

r) Budget information

The original budget for FY 2017-2018 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Fund upon receiving the respective approvals in order to conclude the final budget.

The Fund's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) Budget information (Continued)

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented in these financial statements.

s) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

t) Subsequent events

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, 2018.

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Fund's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made: e.g

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Fund based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

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 Fund
- 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2017-2018	2016-2017
	KShs	KShs
State House Nairobi Public Donation to Roller Skating	3,500,000	-
Other	-	-
Total transfers and sponsorships	3,500,000	-
Reconciliation of public contributions and donations	-	-
Balance unspent at beginning of the year	-	-
Current year receipts	3,500,000	-
Conditions met - transferred to revenue	3,500,000	-
Conditions to be met - remain liabilities	-	-

7 TRANSFERS FROM OTHER GOVERNMENT GIFTS & SERVICES IN KIND

Description	2017-2018	2016-2017
	KShs	KShs
Unconditional grants		
Operational grant	328,273,047	32,284,128
Development Grant	10,972,014	222,001,924
Conditional grants		
Transportation fund (international funding)	-	-
Other organizational grants	-	-
Total	339,245,061	281,176,869

(7b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	2017-2018
			KShs	KShs	KShs
State Department of Sport Development	339,245,061	-	-	339,245,061	281,176,869
Total	339,245,061	-	-	339,245,061	281,176,869

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 FINANCE INCOME - EXTERNAL INVESTMENTS

Description	2017-2018	2016-2017
	KShs	KShs
Cash investments and fixed deposits	4,247,568	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
Total finance income – external investments	4,247,568	-

The Fund operated a call account at the Co-operative Bank of Kenya upper hill branch.

Call Deposit Account

What is a 'Call Deposit Account'

A call deposit account is a bank account for investment funds that offers the advantages of both a savings and a checking account. Like a checking account, a call deposit account has no fixed deposit period, provides instant access to funds and allows unlimited withdrawals and deposits. The call deposit also provides the benefits of a savings account through the accrual of interest.

BREAKING DOWN 'Call Deposit Account'

Call deposit accounts provide the benefits of an interest-bearing account without the risk of withdrawal penalties. The rate of interest a call deposit account pays depends on the amount of money in the account, a system commonly referred to as banded interest rates. Depositors may have to meet a minimum balance threshold before they earn any interest, and different currencies may earn at different interest rates.

Call Deposit Account Functions and Features

Along with higher interest rates and a guaranteed level of liquidity, call deposit accounts can be accessed at any time. Remote check deposits or direct deposit may be available depending on the precise services offered by the institution.

Most withdrawals from call deposit accounts do not require prior notice unless they are over a certain amount.

Client can be able to access their funds whenever they need it.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 OTHER INCOME

Description	2017-2018	2016-2017
	KShs	KShs
Insurance recoveries	21,193	-
Bulk infrastructure levies	-	-
Infrastructure improvement fee	-	-
Income from sale of tender	-	-
Services concession income	-	-
Skills development levy	-	-
Income from disposal of assets	-	-
Total other income	21,193	-

This was a claim under the Work Injury benefit Act whereby the Fund was compensated.

10 USE OF GOODS AND SERVICES

Description	2017-2018	2016-2017
	KShs	KShs
Electricity	75,102	-
Cleaning Services	1,087,349	129,000
Security	-	-
Professional services	7,431,240	3,687,600
Subscriptions	231,403	113,263
Legal Services	2,288,000	-
Total good and services	11,113,094	3,929,863

11 EMPLOYEE COSTS

	2017-2018	2016-2017
	KShs	KShs
Salaries and wages	61,015,133	40,627,364
Employee related costs - contributions to pensions and medical aids	3,931,692	70,200
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
Expenditure recharged to capital projects	-	-
Employee costs	64,946,825	40,697,564

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 REMUNERATION OF DIRECTORS

Description	2017-2018	2016-2017
	KShs	KShs
Chairman's Honoraria	-	400,000
Directors Allowances	2,883,400	22,348,925
Other allowances	141,091	1,082,896
Total director emoluments	3,024,491	23,831,821

13 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2017-2018	2016-2017
	KShs	KShs
Property, plant and equipment	13,462,278	6,681,716
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	13,462,278	6,681,716

14 REPAIRS AND MAINTENANCE

Description	2017-2018	2016-2017
	KShs	KShs
Property	-	-
Investment property – earning rentals	-	-
Equipment and machinery	5,000	-
Vehicles	512,906	126,860
Furniture and fittings	21,521	-
Computer Repairs	-	46,700
Office repairs	153,500	295,500
Total repairs and maintenance	692,927	469,060

15 GRANTS AND SUBSIDIES

Description	2017-2018	2016-2017
	KShs	KShs
Community development	-	-
Education initiatives and programs	-	-
Social development	-	-
Community trust	-	-
Sporting bodies	351,276,792	-
Total grants and subsidies	351,276,792	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16 GENERAL EXPENSES

Description	2017-2018	2016-2017
	KShs	KShs
Advertising	208,800	292,500
Travelling ,Accommodations, Subsistence and other Allowances	10,637,415	10,736,677
Telephone & Internet Costs	662,319	289,040
Conferences and delegations	4,948,925	3,247,770
Consulting fees	-	-
Consumables	1,866,751	373,500
Fuel and oil & Lubricants	1,023,107	1,449,391
Motor Vehicle Insurance	582,843	757,383
Licenses and permits	-	-
Newspapers & Periodicals	352,118	60,420
Stationery, Printing & Publishing	1,126,164	187,219
Corporate Social Responsibility	2,501,698	233,400
Hospitality & Entertainment	572,708	114,695
Audit Fees	600,000	800,000
Office Rental Costs	20,356,329	19,121,080
Staff Training Costs	161,751	496,480
Staff Medical	8,988,668	-
Staff Uniforms	152,000	-
Postage & Courier	12,070	-
Fines & Penalties	15,552	-
Bank Charges	327,065	-
Computer Accessories	2,996,836	-
Total general expenses	58,093,119	38,159,555

17 TAXATION

Description	2017-2018	2016-2017
	KShs	KShs
Current income tax charge	637,135	-
Deferred tax: [Note 53]		
Relating to original and reversal of temporary differences	-	-
Income tax expense reported in the statement of financial performance	637,135	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

18 (a) CASH AND CASH EQUIVALENTS

Description	2017-2018	2016-2017
	KShs	KShs
Current account	9,880,268	139,081,526
On - call deposits	-	-
Fixed deposits account	-	-
Staff car loan/ mortgage	-	-
Petty Cash	92,060	-
Total cash and cash equivalents	9,972,328	139,081,526

18 (b). DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Financial institution	Account number	2017-2018	2016-2017
		KShs	KShs
j) Current accounts			
Central Bank Of Kenya	1000307463	-	131,400,457
Kenya Commercial Bank Milimani Branch	1164424009	7,675,928	7,681,069
Co-Operative Bank of Kenya Upper hill Branch .	01141173848100	2,204,340	-
Sub- total		9,880,268	139,081,526
a) On - call deposits			
Co-Operative Bank of Kenya Upper Hill Branch	-	-	-
Sub- total		-	-
Fixed deposits account			
b) Kenya Commercial bank	-	-	-
Sub- total		-	-
Staff car loan/ mortgage			
Kenya Commercial bank	-	-	-
c) Sub- total		-	-
e) Others Specify			
Cash in transit	-	-	-
cash in hand		92,060	-
M pesa	-	-	-
d) Sub- total		92,060	-
Grand total		9,972,328	139,081,526

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19 RECEIVABLES FROM NON EXCHANGE TRANSACTIONS

Description	2017-2018	2016-2017
	KShs	KShs
Current receivables		
Rent Security Deposit	4,744,440	1,440,000
Staff Imprests	1,631,604	4,121,170
Salary Advances	600,839	-
Receivable from Ministry of Sports	933,145	-
Prepayments	1,190,189	1,334,177
Receivable from Staff Welfare	67,000	-
Total current receivables	9,167,217	6,895,347
Non-current receivables		
Sporting bodies	-	-
Public organizations	-	-
Less: impairment allowance	-	-
Current portion transferred to current receivables	-	-
Total non-current receivables	-	-
Total receivables	9,167,217	6,895,347

20 INVENTORIES

Description	2017-2018	2016-2017
	KShs	KShs
Consumable stores	1,179,474	-
Medical supplies	-	-
Spare parts and meters	-	-
Water for distribution	-	-
Other goods held for resale	-	-
Catering	-	-
Total inventories at the lower of cost and net realizable value	1,179,474	-

21 TRADE AND OTHER PAYABLES FROM NON EXCHANGE TRANSACTIONS

Description	2017-2018	2016-2017
	KShs	KShs
Trade payables	69,243,855	6,131,847
Payments received in advance	-	-
Employee advances	-	-
Third-party payments	-	-
World Rally Project Funds	-	-
Total trade and other payables	69,243,855	6,131,847

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

22 PROPERTY, PLANT AND EQUIPMENT

Cost	Land and Buildings Shs	Motor vehicles Shs	Furniture and fittings Shs	Computers Shs	Other Shs	Office equipment Shs	Capital Work in progress Shs	Total Shs
At 1 July 2016	-	-	-	-	-	-	24,887,800	24,887,800
Additions	-	19,209,749	11,194,621	-	-	3,839,610	-	34,243,980
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	(7,091,718)	(7,091,718)
At 30th June 2017	-	19,209,749	11,194,621	-	-	3,839,610	17,796,082	52,040,062
Additions	-	-	24,610,882	8,672,637	-	4,163,161	-	37,476,680
Disposals	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	1,940,057	-	-	(9,243,462)	(7,303,405)
At 30th June 2018	-	19,209,749	35,805,503	10,612,694	-	8,002,771	8,552,620	82,183,337
Depreciation and impairment								
At 1 July 2016	-	-	-	-	-	-	-	-
Depreciation	-	4,802,437	1,399,328	-	-	479,951	-	6,681,716
Impairment	-	-	-	-	-	-	-	-
At 30 June 2017	-	4,802,437	1,399,328	-	-	479,951	-	6,681,716
Depreciation	-	4,802,437	4,475,688	3,183,808	-	1,000,346	-	13,462,279
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	582,017	-	-	-	582,017
At 30th June 2018	-	9,604,874	5,875,016	3,765,825	-	1,480,297	-	20,726,012
Net book values								
At 30th June 2018	-	9,604,875	29,930,487	6,846,869	-	6,522,474	8,552,620	61,457,325
At 30th June 2017	-	14,407,312	9,795,293	-	-	3,359,659	-	27,562,264

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23 CASH GENERATED FROM OPERATIONS

	2017-2018	2016-2017
Surplus for the year before tax	KShs	KShs
Surplus for the year before tax	(156,232,841)	167,407,290
Adjusted for:		
Depreciation	13,462,278	6,681,716
Finance cost		-
Working Capital adjustments		
Net cash flow from operating activities	(142,770,563)	174,089,006

24 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

(i) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

FINANCIAL RISK MANAGEMENT (Continued)

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund's directors, who have built an appropriate liquidity risk management framework for the management of the Fund's short, medium and long-term funding and liquidity management requirements. The Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. FINANCIAL RISK MANAGEMENT (Continued)

(i) Liquidity risk management (Continued)

	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2018				
Trade payables	6,598,961	58,879,174	3,765,720	69,243,855
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	6,598,961	58,879,174	3,765,720	69,243,855
At 30 June 2017				
Trade payables	6,131,847	-	-	6,131,847
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	6,131,847			6,131,847

(iii) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the Fund on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Fund's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The company's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The Fund has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. FINANCIAL RISK MANAGEMENT (Continued)

(ii) Market risk (Continued)

a) Foreign currency risk (Continued)

The carrying amount of the Fund's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2018			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2017			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2018			
Euro	10%	-	-
USD	10%	-	-
2017			
Euro	10%	-	-
USD	10%	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk (Continued)

b) Interest rate risk

Interest rate risk is the risk that the Fund's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Fair value of financial assets and liabilities

a) *Financial instruments measured at fair value*

Determination of fair value and fair values hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Fund's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Fund* considers relevant and observable market prices in its valuations where possible.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24 FINANCIAL RISK MANAGEMENT (Continued)

Fair value of financial assets and liabilities

(iii) Market risk (Continued)

a) *Financial instruments not measured at fair value (Continued)*

Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

The objective of the Fund's capital risk management is to safeguard the Board's ability to continue as a going concern. The Fund capital structure comprises of the following funds:

	2017-2018	2016-2017
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	10,204,676	167,407,290
Capital reserve	1,940,057	-
Total funds	12,144,733	167,407,290
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-	-

25 RELATED PARTY BALANCES

Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the *Fund*, holding 100% of the *Funds* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Fund, both domestic and external. Other related parties include:

- i) The National Government;
- ii) Ministry of Sports & Heritage
- iii) Sports Kenya

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. RELATED PARTY BALANCE (Continued)

Government of Kenya (Continued)

- iv) Anti-Doping Agency of Kenya
- v) Kenya Academy of Sports
- vi) World Rally Project
- vii) Key management;
- viii) Board of directors;

	2018	2017
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of goods to Ministry of Sports & Heritage	-	-
Sales of services to Ministry of Sports & Heritage	-	-
Total	-	-
b) Grants from the Government		
Grants from National Govt	339,245,061	281,176,869
Grants from County Government	-	-
Donations in kind	-	-
Total	339,245,061	281,176,869
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for related Party employees	-	-
Payments for goods and services for related Party	-	-
Total	-	-
d) Key management compensation		
Directors' emoluments	3,024,491	23,831,821
Compensation to the CEO	5,226,080	4,886,700
Compensation to key management	29,818,785	14,786,400
Total	38,069,356	43,504,921

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

26 DIVIDENDS/SURPLUS REMISSION

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Fund did not make any surplus during the year 2017/2018 and hence no remittance to the Consolidated Fund.

27 TAXATION

	2017-2018	2016-2017
	Kshs	Kshs
At beginning of the year	-	-
Income tax charge for the year (note 27)	637,135	-
Under/(over) provision in prior year/s (note 27)	-	-
Income tax paid during the year	(637,135)	
	<hr/>	<hr/>
At end of the year	-	-
	=====	=====

Income tax Paid Relates to Withholding Tax on Interest income which was deducted at source

28 EVENTS AFTER THE REPORTING PERIOD

There were no material adjusting and non- adjusting events after the reporting period.

29 ULTIMATE AND HOLDING ENTITY

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Sports Culture & Heritage Its ultimate parent is the Government of Kenya.

30 Currency

The financial statements are presented in Kenya Shillings (Kshs).

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
NSF /2016/ 17 (4)	Delayed completion of office partitioning works	90% done. Project has been delayed because of outstanding payment of Ksh 3.819,116 million invoice for the contractor	ASSCM	Not resolved	Subject to funding
NSF /2016/ 17 (4)	Failure by MOSH to refund office rent paid on their behalf by NSF	The Fund wrote a letter asking for refund of the rent paid and they haven't responded.	HR Admin &	Not resolved	
NSF /2016/ 17 (4)	Improper use of motor vehicle	MOSH surrendered the vehicle Toyota Prado 902D back to the Fund.	HR Admin &	Resolved	

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Mr. Jaxon Indakwa

Ag. Chief Executive Officer

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APPENDIX II: PROJECTS IMPLEMENTED BY THE FUND

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

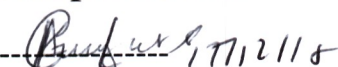
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APPENDIX III: NATIONAL SPORTS FUND TRANSFERS FROM THE NATIONAL GOVERNMENT

ENTITY NAME:		NATIONAL SPORTS FUND		
Break down of Transfers from the State Department of Sport Development				
FY 17/18				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		19/09/2017	2,375,000	2017/2018
		26/01/2018	34,778,537	2017/2018
		29/01/2018	4,750,000	2017/2018
		05/02/2018	3,104,510	2017/2018
		07/02/2018	187,500,000	2017/2018
		19/02/2018	30,000,000	2017/2018
		29/03/2018	50,000,000	2017/2018
		18/04/2018	13,390,000	2017/2018
		04/06/2018	2,375,000	2017/2018
		29/06/2018	6,289,584	2017/2018
		Total	334,562,631	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		06/02/2018	4,722,013.80	2017/2018
		14/03/2018	6,250,00.00	2017/2018
		Total	10,972,013.80	
	Direct Payments			
c.		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	-	
	Donor Receipts			
d.		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
		Total	-	

The above amounts have been communicated to and reconciled with the parent Ministry

**Finance Manager
National Sports Fund**

Sign 

**Head of Accounting Unit
Ministry of Sports & Heritage**

Sign-----



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