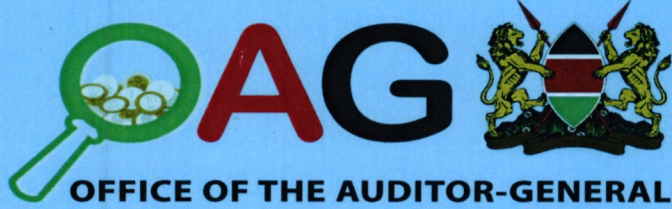


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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

 <b>THE NATIONAL ASSEMBLY</b> <b>ON PAPERS LAID</b>	
<b>DATE:</b> 30 SEP 2021	<b>DAY:</b> THURSDAY
<b>TABLED BY:</b>	LOM
<b>CLERK AT TABLE:</b>	James Ginono

**FC - TANTANTA**

**FOR THE YEAR ENDED**  
**30 JUNE, 2019**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY

23 JUN 2020

RECEIVED

KENYA ACADEMY OF SPORTS  
SPORTS INCUBATOR PROJECT



FC TALANTA

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR  
ENDED JUNE 30, 2019

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

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 30 SEP 2021

DAY.

THURSDAY

TABLED  
BY:

LOM

CLERK-AT  
THE-TABLE:

James Girono

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## **KEY ENTITY INFORMATION AND MANAGEMENT**

### **(a) Background information**

FC Talanta is a football club that was established in the year 2012 as an exit strategy for the football graduates of the then National Youth Talent academy (NYTA). The NYTA was a national programme sponsored by UNICEF in partnership with ministries of sports and education. The main role of NYTA was to identify vulnerable but talented youth in sports and arts. Some are for instance, those fallen out of school due to lack of school fees or lacked means to further their studies. The Academy took them in for training for a maximum of one year after which they were either scouted by professional clubs or some obtained scholarships to further their studies due to their talent.

NYTA was later to transit into the current Kenya Academy of Sports (KAS) as established by the sports act 2013 on account of its function catered for in the academy.

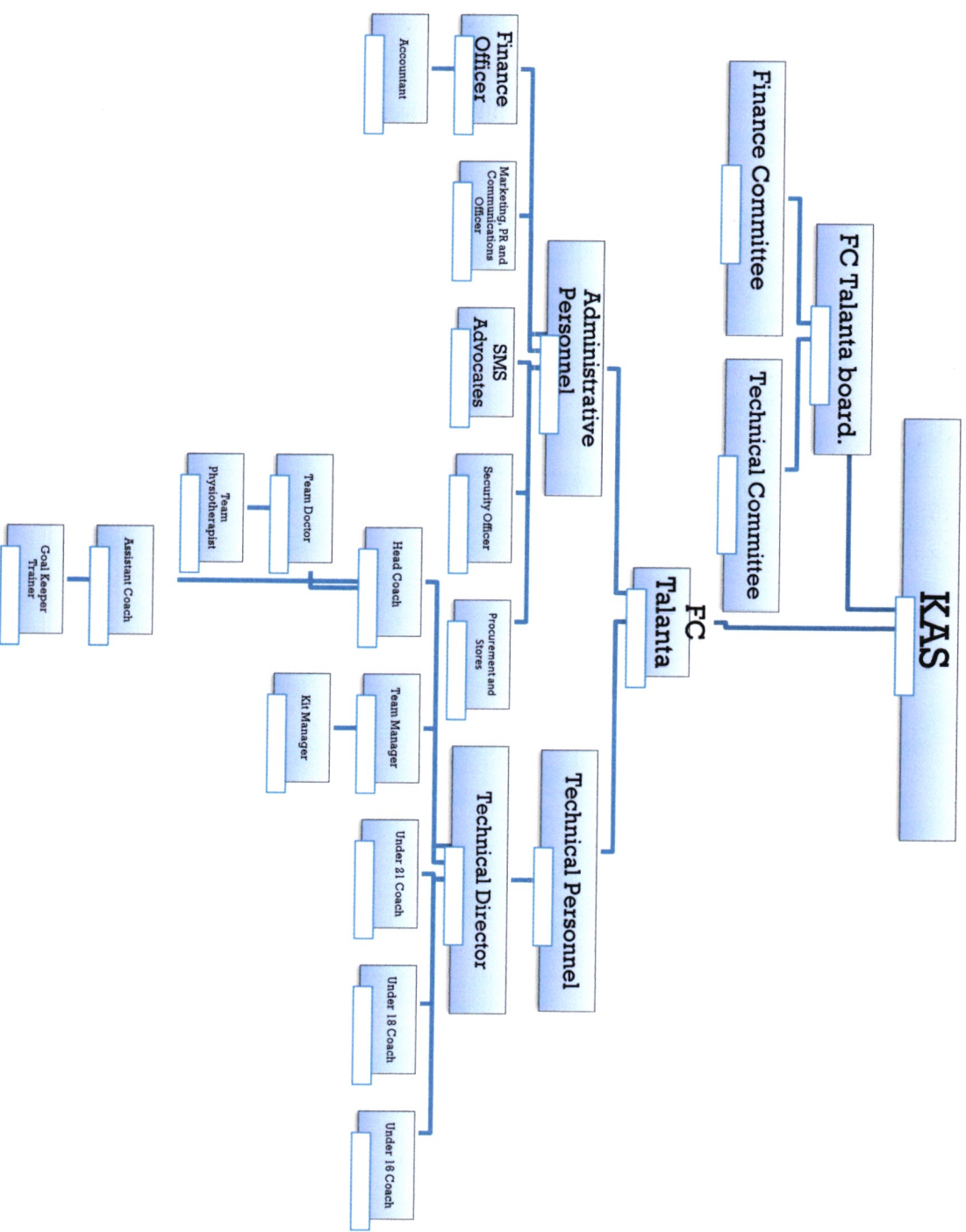
The NYTA has henceforth been absorbed into the KAS where by in the initial arrangements, its activities have been integrated within the talent search and development directorate which then plays an oversight role in the management of FC Talanta.



***FC Talanta team***

**(b) Management**

The FC Talanta day-to-day management is under the following key organs:



**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2019 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Douglas Ratemo	Club Secretary
2.	David Chweya	Team Manager
3.	Daisy Kipkech	Accounts

**(d) Fiduciary Oversight Arrangements**

**Audit and Compliance Committee (Finance Committee)**

The members include

- Ann Wanjiru Mahihu -Club treasurer
- John Okwemba -Member
- Nicodemus Bore -Member

***FC Talanta***  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2019**

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**KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

**(e) Entity Headquarters**

P.O. Box 9056 - 00200  
Moi International Sports Centre,  
Kasarani  
Nairobi, KENYA

**(f) Entity Contacts**

Telephone: (254) -020-2211460  
P.O. Box 9056 - 00200  
E-mail: talantafc@gmail.com  
Website: www.fctalanta.co.ke

**(g) Entity Bankers**

Jamii Bora bank  
Koinange Street  
P.O Box 22741  
Mobile No.0722201112

Equity Bank  
Moi Avenue  
Nairobi

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

**KEY MANAGEMENT COMMITTEE**

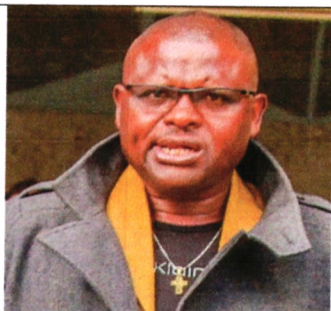
 <p>1. Ann Wanjirui Mahihu</p>	<p><b>Chair Person</b>          Bachelor of Arts, International Business administration</p>
 <p>2. Douglas Ratemo</p>	<p>Ag. Director Talent Development          Kenya Academy of Sports  <b>Club secretary</b></p>
 <p>3 Nicodemus Bore</p>	<p>MBA(Education),Business Leadership          CEO,KSSHA(Kenya Secondary Schools Heads Association)          Board Member</p>
 <p>4 James Theuri</p>	<p>Principal Sports officer (Kirinyaga County)          BA(Anthropology)</p>

**FC Talanta**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2019**



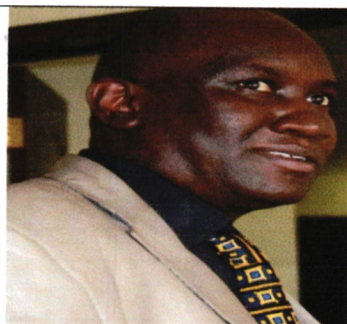
Rachel Alwala

CA(K) Representative



Jacob Ghost Mulee

Technical Director  
FC Talanta



John Okwemba

Linkages and Partnerships  
Kenya Academy of Sports

## **CHAIRPERSON'S STATEMENT**

One of the first things that we did in 2018-2019, was to address the dismal performance of the club and in which we set out our vision for the Club in the 2018-2019 season; a vision which was to celebrate and respect FC Talanta's rich heritage whilst focusing on building a bright future. We had a clear sense of the elements required to deliver a sustainable and successful organization on-and-off-the pitch, and sought a strategy through which that vision could be realized. At this point, Coach Abdallah and his team do not know what success is to come; nor can they anticipate the teammates and facilities with whom and in which they will play and train, and the changes which are to be made at the Club and in the wider community. Most of the developments visible today are the result of a carefully crafted strategy – one in which organic evolution has also been allowed to thrive – and I have come to be as proud of many of those evolutionary elements of the plan. We have been able to transplant our playing style, our approach to youth development, our commercial know-how and, significantly, our Club in the Community DNA to far flung reaches of the football world. We have 30 players in FC Talanta playing and training in the beautiful football model and positively contributing to the development of football. Importantly we have also developed programs which stretch to all counties, empowering young people through football.

As a result of that partnership, the economic and environmental outcomes from developments of the last 5 years will be generational and we as a Club should be incredibly proud of the improved educational, health and sporting opportunities we have created in our community. Whilst more than 30 young male players train and play in world-class facilities and emerging homegrown young talent begin to make their mark. We have not diverted in any way from our strategy for on-field success within a commercially and financially sustainable organization. The past years has also seen the voices of our fans helping to significantly shape our development. Less overt, but hopefully equally obviously, we have remained true to our promise to “ensure that FC Talanta loses none of its role in beyond football” and “continue[s] to contribute to the community it represents.” The year

***FC Talanta***  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2019**

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under review having played 23 games the team has scored 38 points and 27 goals, breaking long-standing club and league records as they go.

The 2018-19 season will go down in history because of the incredible football we are witnessing, and we are filled with an extraordinary sense of pride in the hard work of Juma Abdallah, the players, and the staff who work tirelessly to support them. Our aim is obviously to build on the achievements of the last year, and we know that it takes a tremendous combination of factors and effort to continuously achieve success at this level. Despite all of the wonderful developments and a foreseeable incredible season, we will always strive for more. Our journey is not complete and we have more targets to fulfil. There should be no doubt that we are looking forward to the challenges of this new season and those beyond it with equal commitment and determination to the eight seasons that came before. These milestones, to which we look forward and will be honored to mark, serve as a useful reminder that we are all stewards of a club that has existed through multiple lifetimes and we must all remain as committed as ever to ensuring that it continues to grow and evolve for multiple generations of future fans to enjoy



Ms. Ann Wanjiru Mahihu

Chairperson,

FC Talanta Management Committee.

## **REPORT OF THE CHIEF EXECUTIVE OFFICER**

FC Talanta endeavours to extend their unrivalled role in talent development which is one of pillars of the department at the Kenya Academy of Sports (KAS). The initiative has seen KAS through FC Talanta boost several sports talent programs within Nairobi and other counties with the sole intention of motivating and encouraging the beneficiaries of the programs who are the grass-root based players. The initiative has proved to bear fruit as members of FC Talanta technical bench scouted two players during the Kenya Youth Inter-County Sports games held in Makueni last year and have since settled in the team. The exercise was also extended to the Korogocho based academy ACAKORO where three players have since been empowered by playing football as a full time job at Talanta. Even as we take pride in the success of identifying and nurturing grassroot based raw talent, we are elated to have on our player summoned for the National Under 23 team, Emerging Stars for the 2020 Olympic qualifiers.

## **CORPORATE GOVERNANCE STATEMENT**

The Academy of Sports undertook several activities that were aimed at promoting the co-operate image of the organization as well as contributing to the social capital of the society.

The African youth chess Championships 2018 was held in conjunction with the Kenya academy of sports where the academy donated 200 chess boards. This international tournament was a culmination of the initiatives the academy has been running in partnership with the Kenya Chess federation of facilitating distribution of chess boards to schools and training alike. This program has seen children completely and fully utilizes their free time gaining meaningful sport specific technical skill and life-long skills. The chess training programs are school based where children and students access the programs during their normal school days. This has encouraged school attendance and consequently reduced absenteeism and truancy.

The Academy of Sports through its incubator program (FC Talanta) has benefited over 30 youth who are engaged fully engaged and gaining a steady income while developing their talents. The players get an opportunity to play in a competitive league (Football Kenya Federation, National Super League). The players are exposed to several trainings that purpose to develop them into all round citizen who can meaningfully contribute to nation building. They are trained on Sports Nutrition, Financial Management, and Anti-Doping Education among many other. The organization is purposing to introduce vocational training where the players can access technical skills that are important and vital when their playing years are over.

In September 2018, together with the Ministry of Sports, the International Baseball Federation and Meru Technical University, a one week baseball residential coaching course that benefited 30 youth with a passion in coaching. The training was organized in such a way that the coaches had first-hand experience of coaching children and teenagers as each day, a team of young players joined the team for practical session in the afternoon.

The Kenya academy of sports has also supported the roller skating holiday camp that was held for 10 days at the St. Georges primary school, Upper hill. The holiday camp was residential, mixed both boys and girls and the training was spearheaded by the Kenya roller skating federation, its coaches and the national team who assisted in the training sessions and also acted as role models .the Kenya Academy of sports also assisted the Kenya basketball federation and its officials with guest scouts from the United states in the selection of young U 117 male football players who would later be awarded with a sports scholarship in the US.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The management at the FC Talanta Football club consists of the CEO ,the operations manager,the Club accountant and the technical management director talent development. There have been key performances operationally,the department of talent development is working on a draft for norms and standards for talent identification and selection in partnership with institutions of higher learning, and the ongoing construction of the international sports academy which is at its final stages of phase 1.

There have also been several coaching and career progression courses offered to technical and administration personnel like the courses by the Kenya School of Government, International Baseball Coaching levels, and life skills courses offered to sports incubus and administrative personnel under the Kenya academy of sports and FC Talanta. Director talent development has also seen the conduction of holiday sports camps for school going children in seven sports disciplines during school holidays at different locations around Kenya. Underway is the final development and implementation of curricula in sports talent academies in conjunction with Kenyatta university, the criteria for employment in the talent academies and also in its final stages is the standards and regulations for setting up a sports academy in Kenya, soon to be gazetted in one of the dailies.

Major risks facing the youths joining the academy and exiting through FC Talanta include drug abuse, unsafe sexual practices, and destructive leisure practices due to unemployment that they are countered with, political instabilities and influences that distort the time specific plans for academy's operations. Additionally, inadequate financial support hinders the efficient operations of the academy through running of sports academies, provision of technical courses and life skills for the youth. There is also the improper implementation of sports programs across Kenyan institutions that strain the performance and development of sports disciplines in the country.

## **CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

The Academy of Sports undertook several activities that were aimed at promoting the co-operate image of the organization as well as contributing to the social capital of the society.

The Academy of Sports has issued over 3500 chessboards since 2016 to counties and schools alike. Recently the Academy of Sports supported the chess tournament at Lenana high School by issuing 150 chessboards. The counties that have benefited from the issuance of chessboards include Kisii, Nairobi, Kirinyaga, Nyandarua, Kiambu, Baringo, Murang'a, Narok, Kericho, Nandi, Kisumu, Siaya, Lamu, Kilifi, Manderu, Wajir, Embu, Meru, Tharaka-Nithi, Marsabit, Isiolo, Nyeri, Makueni, and Kakamega Counties. This initiative has encouraged access to mental sports which is set to continue inspiring creativity and criticality in thinking.

The Academy of Sports through its incubator program (FC Talanta) has benefited over 15 youth who are engaged fully engaged and gaining a steady income while developing their talents. The players get an opportunity to play in a competitive league (Football Kenya Federation, National Super League). The players are exposed to several trainings that purpose to develop them into all round citizen who can meaningfully contribute to nation building. They are trained on Sports Nutrition, Financial Management, and Anti-Doping Education among many other. The organization is purposing to introduce vocational training where the players can access technical skills that are important and vital when their playing years are over.

In April 2019, together with Tree side School of Mentally challenged organized a tree planting exercise that saw over 200 trees being planted in the school.

***FC Talanta***  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2019**

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**REPORT OF THE MANAGEMENT COMMITTEE**

The members of the management committee who served during the year are shown on page 8-9.  
During the year/period ended June 30, 2019 no member has retired or resigned.

**Auditors**

The Auditor General is responsible for the statutory audit of the KAS incubator project (FC Talanta) in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Chairperson



Ms. Ann Wanjiru Mahihu  
Chairperson,  
FC Talanta Management Committee.

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

The Management Committee are responsible for the preparation and presentation of the Kenya Academy of Sports (Fc Talanta)' financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on June 30, 2019. 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 FC Talanta;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

**FC Talanta**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2019**

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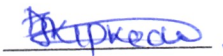
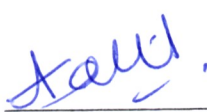
The Management Committee accept responsibility for Kenya Academy of Sports(FC Talanta) financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Management Committee are of the opinion that Kenya Academy of Sports(FC Talanta)' financial statements give a true and fair view of the state of FC Talanta transactions during the financial year ended June 30, 2019, and of FC Talanta position as at that date. The Management Committee further confirm the completeness of the accounting records maintained for Kenya Academy of Sports(FC Talanta), which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Management Committee to indicate that Kenya Academy of Sports (FC Talanta) 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 FC Talanta financial statements were approved by the Management on 22-06-20 and signed on its behalf by:

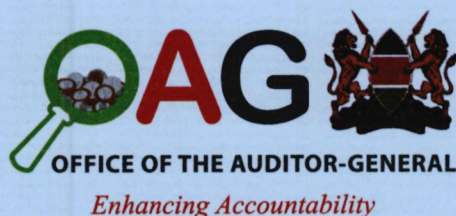
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<b>Director, Talent Development KAS</b>	<b>Head of Finance</b>	<b>Chairperson of the Club</b>
Name: <b>DEVLIAS RATUMO</b>	Name: <b>DATSI KIPKECH</b>	Name: <b>Ann. W. Mahuku</b>
	ICPAK Member Number:	
Sign: _____	Sign: <u></u>	Sign: <u></u>
Date: <u>22-06-2020</u>	Date: <u>22-06-20</u>	Date: <u>22-06-20</u>

**REPORT OF THE INDEPENDENT AUDITORS ON FC TALANTA**

# REPUBLIC OF KENYA

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**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON FC - TALANTA FOR THE YEAR ENDED 30 JUNE, 2019

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of FC - Talanta set out on pages 21 to 41, which comprise the statement of financial position as at 30 June, 2019, and the statement of financial performance, the statement of changes in net assets, the 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 for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the FC - Talanta as at 30 June, 2019 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Sports Act, 2013 and the Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### 1.0 Cash and Cash Equivalents-Overdraft

The statement of financial position and as disclosed under Note 7 to the financial statements reflects Nil cash and cash equivalents. However, reflected under Note 7 to the financial statements is a bank overdraft of Kshs.3,043,683 which was not supported by Board approvals and bank statements. Further, the overdraft of Kshs.3,043,683 as reflected in the statement of financial position differs with the cash book balance of Kshs.3,113,683, resulting to unreconciled difference of Kshs.30,000.

In view of the foregoing, the accuracy of Nil cash and cash equivalents and the Bank overdraft balance of Kshs.3,043,683 could not be confirmed.

## **2.0 Irregular Payment of Board Allowances**

The statement of financial performance and as disclosed under Note 4 to the financial statements reflects an amount of Kshs.868,000 as remuneration to the Board. Audit review revealed that the, which includes board allowances amounting to Kshs.668,000 which had not been supported by appointment letters. Further, included in the expenses, is Kshs.668,000 incurred as remuneration of the Directors which was not subjected to taxation, contrary to the Income Tax Act on deduction of Pay As You Earn (PAYE). The Club risks punitive penalties and interest for non-deduction of taxes and remission of the same to Kenya Revenue Authority.

Consequently, the validity of the expenditure of Kshs.868,000 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the FC-Talanta Management in accordance with ISSAI 130 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 qualified audit 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. There were no key audit matters to report in the year under review.

### **Other Matter**

### **Budget and Budgetary Control**

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.23,000,000 and Kshs.11,765,587 respectively resulting to an under-funding of Kshs.11,254,413 or 49% of the budget. Similarly, the Club incurred expenditure of Kshs.24,736,019 against actual receipts of Kshs.11,765,587 resulting in over-expenditure of Kshs.12,970,432 or 52% of the total collections.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that, nothing 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**

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about 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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

## **Basis for conclusion**

### **Lack of a Risk Management Policy and Risk Registers**

The Club does not have a risk management policy and a risk register. Failure to develop a risk management policy and a risk register exposes the Club to risk in its operations and management. It was, therefore, not clear how the management manages risk exposures. This is in contravention of Regulation 165 of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer to ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism; and the county government entity develops a system of risk management and internal control that builds robust business operations.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. 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 Club's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of the club and using the applicable basis of accounting unless the Management either intends to liquidate the Club or to cease operations.

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 Club's financial reporting process, reviewing the effectiveness of how the Management 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 about 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 audit 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 Club's 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 applicable 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 Club's ability to continue 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 Club to cease to continue 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 Club 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.



**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**23 September, 2021**

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2019**

<b>Statement of Financial Performance</b>			
<b>For the year ended 30th June 2019</b>			
	<b>Notes</b>	<b>2018-2019</b>	<b>2017-2018</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Income from Non-Exchange Transactions</b>			
<b>CA(K)- FCTALANTA</b>	<b>1.(a)</b>	<b>11,500,000</b>	<b>23,000,000.00</b>
		<b>11,500,000</b>	<b>23,000,000.00</b>
<b>Income from exchange transactions</b>			
<b>Other Income</b>	<b>2.0</b>	<b>245,587</b>	<b>686,792.00</b>
<b>Total revenue</b>		<b>11,745,587</b>	<b>23,686,792.00</b>
<b>Expenditures</b>			
<b>Employee costs</b>	<b>3.0</b>	<b>12,133,191</b>	<b>14,555,159.00</b>
<b>Remuneration of Board</b>	<b>4.0</b>	<b>868,000</b>	<b>239,300.00</b>
<b>General Expenses</b>	<b>5.0</b>	<b>11,393,386</b>	<b>7,431,358.21</b>
<b>Finance Cost</b>	<b>6.0</b>	<b>341,442</b>	<b>710,887.15</b>
		<b>24,736,019</b>	<b>22,936,704</b>
<b>Surplus/(Deficit) for the period</b>		<b>(12,990,432)</b>	<b>750,087.64</b>

The notes set out on pages 26 to 40 form an integral part of these Financial Statements

**FC Talanta**  
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**For the year ended June 30, 2019**




**Statement of Financial Position**  
**As At 30th June 2019**

	Notes	2018-2019	Restated
		Kshs	2017-2018
Assets			Kshs
<b>Current Assets</b>			
Cash and Cash Equivalents	7.0	-	17,035,889.00
Accounts receivables	8.0	2,334,200	
<b>Total Current Assets</b>	10.0	2,334,200	17,035,889.00
<b>Non-Current Assets</b>			
Fixed Assets	11	1,053,956	1,405,643.97
<b>Total Non-Current Assets</b>		1,053,956	1,405,643
<b>Total Assets</b>		3,388,156	18,441,532
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bank overdraft	7.0	3,043,683	-
Accounts payables from Non -exchange transactions	8.0	934,611	1,176,655.00
Advances From KAS	9.0	9,194,969	2,559,552.83
Deferred Income	1.(b)	-	11,500,000.00
<b>Total Liabilities</b>		13,173,263	15,236,207
<b>Net Assets</b>			
Accumulated Deficit	11.0	(12,285,489)	704,943.64
Capital Reserve(Accumulated Fund)	1.(c)	2,500,381	2,500,381
<b>Total Net Assets</b>		(9,785,107)	3,205,325.14
<b>Total Liabilities &amp; Net Assets</b>		3,388,156	18,441,532.97

**N.B**

The re-statement for the accounts for the F/Y 2017/2018 on was occasioned by an error occasioned by an interchange for Accounts payable from non-exchange transactions and Advances from KAS.

The Financial Statements set out on pages 21 to 25 were signed on behalf of the Board of Directors by

<b>Director, Talent Development KAS</b> Douglas Ratemo	<b>Head of Finance</b> Daisy J Kipkech	<b>Chairman of the Committee</b> Ann Wanjiru Mahihu
		
Date..... 22-06-20	ICPAK Member Number Date..... 22-06-20	Date..... 22-06-20

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**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Statement of changes in Equity		
	Retained Earnings 2018-2019	Capital Reserves 2017-2018	Total
	Kshs	Kshs	Kshs
<b>As at 1/7/2017</b>	-		-
Surplus /Loss for the year	750,088	-	750,088
Additions for the year			-
Prior year Adjustment	-		
<b>As at 30 /06/2018</b>	704,944		704,944
			-
As at 1/7/2018	704,944	2,500,382	3,205,326
Surplus /(Deficit)for the year	(12,990,432)		(12,990,432)
Deferred Income		-	-
Additions for the year			-
<b>As at 30/06/2019</b>	<b>(12,285,489)</b>	<b>2,500,382</b>	<b>(9,785,107)</b>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Cash Flow as at 30th June 2019			Restated 2017-2018
Cashflows from operating	<u>Notes</u>	2018-2019	2017-2018
		Kshs	Kshs
Surplus / (Deficit) for the year	11.0	(12,990,432)	750,088
Adjustments for			
Depreciation for the Year	12.0	351,688	469,076
Operating surplus / (Deficit) before		(12,638,744)	1,219,164
Increase/decrease in Accounts payables	8.0	(242,044)	1,176,655
Increase/decrease in Prepayment Income	9.0	6,635,416	2,559,553
Increase/decrease in Accounts Receivables	10.0	(2,334,200)	-
Increase/decrease in deferred Income	1.(b)	(11,500,000)	-
Net cashflow from operating Activities		(20,079,572)	4,955,372
<u>Cashflow from investing activities</u>			
Purchase of Fixed Assets			(2,500,382)
Net cashflow from Investing activities		-	(2,500,382)
Cashflow from Financing activities			
Capital (Accumulated fund)	1.(c)		2,500,382
Net cashflow from Financing activities		-	2,500,382
Net increase in cash and cash Equivalents		(20,079,572)	4,955,372
Cash and Cash equivalents At the start of the year		17,035,889	12,080,517
Cash and Cash equivalents at the end of the year	7.0	(3,043,683)	17,035,889

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**Director, Talent Development KAS**  
Douglas Ratemo

*Douglas Ratemo*

Date: 22-06-20

**Head of Finance**  
Daisy J Kipkech

*Daisy J Kipkech*

ICPAK Member Number  
Date: 22-06-20

**Chairman of the Committee**  
Ann Wanjiru Mahihu

*Ann Wanjiru Mahihu*

Date: 22-06-20

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
FOR THE YEAR ENDED 30 JUNE 2019

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference Over/ (Under)	Final budget 10% Growth
<b>Revenue</b>	<b>2018-2019</b>	<b>2018-2019</b>	<b>2018-2019</b>	<b>2018-2019</b>	<b>2018-2019</b>	<b>2018-2019</b>
Government grants and subsidies(C.A.K)	Kshs 23,000,000	Kshs -	Kshs 11,500,000	Kshs 11,500,000	Kshs -	Kshs
Rendering of services	-	-	-	-	-	
Sale of goods	-	-	-	40,000	(40,000)	
Finance Income	-	-	-	205,587	(205,587)	
Gains on disposal, rental income and agency fees			-		-	
<b>Total income</b>	<b>23,000,000</b>		<b>11,500,000</b>	<b>11,745,587</b>	<b>(245,587)</b>	
<b>Expenses</b>			-		-	
Compensation of employees	12,753,600		12,753,600	12,133,191	(620,409)	
Board Remuneration	600,000		600,000	868,000	268,000	
Goods and services(General Expenses)	9,646,400		9,646,400	11,393,386	1,746,986	
Finance Cost			-	341,442	341,442	
<b>Total expenditure</b>	<b>23,000,000</b>		<b>23,000,000</b>	<b>24,736,019</b>	<b>1,736,019</b>	
<b>Surplus / Deficit for the period</b>	<b>-</b>	<b>-</b>	<b>11,500,000</b>	<b>(12,990,432)</b>	<b>-</b>	

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION**

Kenya Academy of sports (FC Talanta) entity is established by and derives its authority and accountability from sports Act (2013). The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is playing Football.

### **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 *Fc Talanta* accounting policies.

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

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **a) Revenue recognition**

#### **I. Revenue from non-exchange transactions-IPSAS 23**

##### **Fees, taxes and fines**

Kenya Academy of Sports (FC Talanta) 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 entity 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

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conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. 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.

**ii) Revenue from exchange transactions**

***Rendering of services***

The Kenya Academy of Sports (FC Talanta) 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.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**b) Budget information**

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

**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 Entity operates and generates taxable income.

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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.

***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. 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 entity and the same taxation authority.

**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.

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

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

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

**d) Property, plant and equipment**

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.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**e) 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.

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **f) 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 Entity 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.

##### ***Impairment of financial assets***

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity 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 entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

##### **g) Provisions**

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

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

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

***Contingent liabilities***

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

***Contingent assets***

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

**h) 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.

**i) Budget information**

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

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comparable amounts presented as a separate additional financial statement in the statement of budget and actual amount.

<b>NOTES FOR THE FINANCIAL STATEMENT</b>			
<b>For the year ended 30th June 2019</b>			
<b>1.(a)</b>	<b>Income from Non-Exchange Transactions</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>CA (K)-FCTALANTA</b>	<b>Kshs</b>	<b>Kshs</b>
	Income grant for the year	11,500,000.00	23,000,000.00
		<b>11,500,000.00</b>	<b>23,000,000.00</b>

<b>1.(b)</b>	<b>Deferred Income</b>	<b>2018-2019</b>	<b>2017-2018</b>
		<b>Kshs</b>	<b>Kshs</b>
	Income Received in Advance	-	<b>11,500,000.00</b>

<b>1.(c)</b>	<b>CAPITAL Reserve</b>	<b>2018-2019</b>	<b>2017-2018</b>
		<b>Kshs</b>	<b>Kshs</b>
	Accumulated Fund	2,500,382.00	2,500,381.50
			-
		<b>2,500,382.00</b>	<b>2,500,381.50</b>

<b>2.0</b>	<b>Income from the Exchange Transactions</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Other Income</b>	<b>Kshs</b>	<b>Kshs</b>
	Interest Received	245,587.00	686,792.00
			-
		<b>245,587.00</b>	<b>686,792.00</b>

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	2018-2019	2017-2018
<b>3.0 Employee Costs</b>	<b>Kshs</b>	<b>Kshs</b>
Salaries	11,145,167	14,551,159
PAYE	721,924	
NHIF	243,300	
NSSF	22,800	
<b>Total Employee Cost</b>	<b>12,133,191</b>	<b>14,551,159</b>

	2018-2019	2017-2018
<b>4.0 Board Remunerations</b>	<b>Kshs</b>	<b>Kshs</b>
Board sitting allowances	868,000	239,300
	<b>868,000</b>	<b>239,300</b>

5.0 General Expenses	2018-2019	2017-2018
	<b>Kshs</b>	<b>Kshs</b>
Audit fee	94,000	94,000
Games operations/Expenses	3,827,750	2,824,112
Travel & Accommodations	94,265	245,200
KECOSO match	1,237,200	257,000
Sports gear	544,750	206,300
Winning allowance	3,348,751	81,000
Motor vehicle repairs	324,716	351,460
Strategic Plan	-	1,284,140
Depreciation	351,688	469,076
Bank charges	91,257	184,190
Stationaries	19,510	72,490
M.V Insurance	160,057	208,929
Health Insurance	-	530,000
NAV System	-	70,000
Recruitment	-	75,000
Consultancy	695,000	132,500
Internet & Airtime	-	20,000
Players Awards	260,000	80,000
Hospitality	94,722	98,961
Sports Marketing/Luncheon	249,720	147,000
	<b>11,393,386</b>	<b>7,431,358</b>

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	2018-2019	2017-2018
<b>6.0 Finance Cost</b>	<b>Kshs</b>	<b>Kshs</b>
Interest paid	341,442	710,887

	2018-2019	2017-2018
<b>7.0 Cash and Cash Equivalents</b>	<b>Kshs</b>	<b>Kshs</b>
Cash book Equity A/c	-	-
Cash book Jamii A/c	-	17,035,889
Bank Overdraft	3,043,683	-
	<b>3,043,683</b>	<b>17,035,889</b>

	2018-2019	2017-2018
	<b>Kshs</b>	<b>Kshs</b>
<b>8.0 Accounts payables from exchange transactions</b>	<b>934,611</b>	<b>1,176,655</b>

	2018-2019	2017-2018
<b>9.0 Account payables from non-exchange transactions</b>	<b>Kshs</b>	<b>Kshs</b>
Balance C/D	2,559,553	2,559,553
KAS Advance	6,635,416	-
	<b>9,194,969</b>	<b>2,559,553</b>

	2018-2019	2017-2018
<b>10.0 Accounts receivable from non-exchange transactions</b>	<b>Kshs</b>	<b>Kshs</b>
Outstanding Imprest	2,334,200	-
	<b>2,334,200</b>	<b>-</b>

	2018-2019	2017-2018
<b>11.0 Surplus/ (Deficit)</b>	<b>Kshs</b>	<b>Kshs</b>
Surplus/ (Deficit) b/f	704,944	(45,144)
Surplus/ (Deficit) for the year	(12,990,432)	750,088
	<b>(12,285,489)</b>	<b>704,944</b>



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**PROPERTY, PLANT AND EQUIPMENTS MOVEMENT SCHEDULE:**

	Building WIP	Motor Vehicles	Plant Machinery & Office Equipment	Furniture	Total	
	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)	
<b>NBV at 1 July 2017</b>	-	1,866,796.88	-	7,923	-	1,874,720
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation(Charge for the yr.)	-	(466,699.22)	(2,377)	-	(469,076)	
Impairment	-	-	-	-	-	-
<b>At 30 June 2018</b>	-	1,400,097.66	-	5,546	-	1,405,644
<b>NBV at 1 July 2018</b>		1,400,097.66		5,546		1,405,644
Disposals	-	-	-	-	-	-
Depreciation(Charge for the year)	-	350,024.42	-	1,664	-	351,688
Impairment	-	-	-	-	-	-
<b>AS at June 2019</b>	-	1,050,073.25	-	3,882	-	1,053,956
<b>At 30 June 2018</b>		1,400,097.66		5,546		1,405,644

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<b>Transfers from Ministries, Departments and Agencies</b>				
<b>Name of the Entity sending the grant</b>	<b>Amount recognized to Statement of Comprehensive Income</b>	<b>Amount deferred income</b>	<b>Amount recognised in capital fund.</b>	<b>Total grant income during the year</b>
Communication Authority (K)	11,500,000.00	-	-	23,000,000
<b>TOTAL</b>	<b>11,500,000.00</b>	<b>11,500,000.00</b>	<b>-</b>	<b>23,000,000</b>

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<b>CHANGE IN NET ASSETS</b>		<b>Attributable to the FC Talanta</b>					
		<b>Reserves</b>	<b>Revaluation Reserves</b>	<b>Accumulated surplus</b>	<b>TOTAL</b>		
		<b>Self-insurance reserve</b>	<b>Capital replacement reserve/Capital Reserve</b>	<b>Reserves</b>	<b>surplus</b>		
		<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Balance as at 1 July 2017</b>		-	-	-	-	-	-
Surplus/(deficit) for the period		-	-	-	704,944	704,944	704,944
Transfers to/from accumulated Fund			2,500,381.50	-	-	-	2,500,382
Transfer of excess depreciation on revaluation				-	-	-	
Grants received during the year			-				
Deferred income received during the year			11,500,000.00				11,500,000
Revaluation gain				-			
<b>Balance as at 30 JUNE 2018</b>		-	14,000,381.50	-	704,944	704,944	14,705,325
<b>Balance as at 1 July 2018</b>		-	14,000,381.50	-	704,944	704,944	14,705,325
Surplus/(Deficit) for the period		-	-	-	(12,990,432)	(12,990,432)	(12,990,432)
Transfers to/from accumulated deferred income		-	(11,500,000.00)	-	-	-	(11,500,000)
Transfers to/from accumulated surplus		-	-	-	-	-	-

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Transfer of excess depreciation on revaluation			-	-	
Deferred income received during the year			-	-	
Revaluation gain		-		-	
<b>Balance as at 30 JUNE 2019</b>		<b>2,500,381.50</b>		<b>(12,285,489)</b>	<b>(9,785,107)</b>

**Currency**

The financial statements are presented in Kenya Shillings (Kshs)

**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

There were no issues to be resolved from the previous Audit.

Chairperson of the Management Committee (FC Talanta)

*Ali*

Date.....22-06-20