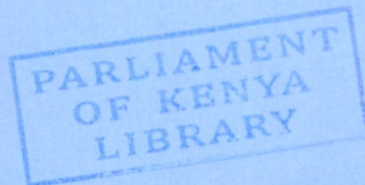
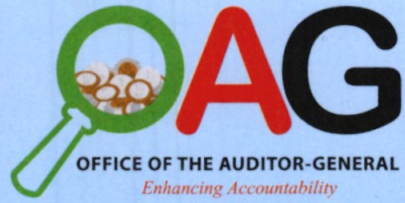


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 FEB 2026	DAY: WEDNESDAY
TABLED BY:	LEADER OF MAJORITY PARTY (TON. KIMANI (CHUNGU WATHI))
CLERK-AT-TABLE:	J. LEMEROLLO

REPORT

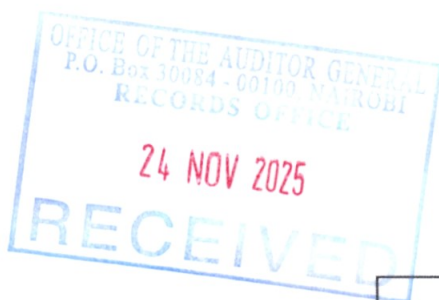
OF

THE AUDITOR-GENERAL

ON

SPORTS KENYA

**FOR THE YEAR ENDED
30 JUNE, 2025**



SPORTS KENYA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2025

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



Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Table of Contents.....	Page
1. Acronyms and Definition of Key Terms.....	ii
2. Key Entity Information and Management.....	iii
3. The Board of Directors	vii
4. Key Management Team.....	xiv
5. Chairman’s Statement	xvii
6. Report of the Director General	xx
7. Statement of Performance against Predetermined Objectives for FY 2024/2025-1	xxiii
8. Corporate Governance Statement	xxviii
9. Management Discussion and Analysis.....	xxxv
10. Environmental and Sustainability Reporting	xlvi
11. Report of the Directors	xlvi
12. Statement of Directors Responsibilities.....	xlvi
13. Report of the Independent Auditor for the Financial Statements of Sports Kenya.....	1
14. Statement of Financial Performance for the year ended 30 June 2025	1
15. Statement of Financial Position as at 30 June 2025	2
16. Statement of Changes in Net Assets for the year ended 30 June 2025.....	4
17. Statement of Cash Flows for the year ended 30 June 2025	5
18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025..	7
19. Notes to the Financial Statements	14
20. Appendices	58

1. Acronyms and Definition of Key Terms

A: Acronyms

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor
SK	Sports Kenya
CS	Corporation Secretary
Hon	Honourable

B: Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organization.

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Sports Kenya was incorporated/ established under the Sports Act No. 25 of 2013. The Entity is domiciled in Kenya.

(b) Principal Activities

The principal activity/mission/ mandate of the Entity is to ...

- i). Promote, coordinate and implement grassroots, national and international sports programs for Kenyans, in liaison with the relevant sports organizations and facilitate the active participation of Kenyans in regional, continental and international sports, including in sports administration.
- ii). Manage and maintain the sports facilities specified in the First Schedule and any other facilities which the Cabinet Secretary may, by notice in the Gazette, declare to be sports facilities for the purpose of this Act.
- iii). Establish, manage, develop, plan and maintain the sports facilities, including convention centers, indoor sporting and recreational facilities for the purpose of this Act.
- iv). Adopt, develop, plan, set stadia standards and license and regularly inspect stadia for sporting and recreational use.
- v). Establish and maintain a sports museum.
- vi). Participate in the promotion of sports tourism.
- vii). Provide the necessary amenities or facilities for persons using the services or facilities provided by Sports Kenya.
- viii). Operate sports facilities on public grounds in such a manner as it may deem necessary.
- ix). Collaborate with county governments, learning institutions and other stakeholders concerned with sports and recreation in the search, identification and development of sporting talent, provision of sports equipment, facilities and technical training.
- x). Identify and recommend talents in sports to national sports organizations.
- xi). Inculcate the sense of patriotism and national pride through sports and recreation, create awareness on matters of national interest through sporting events, create awareness on the benefits of regular participation in sports for healthy living and provide advisory and counseling services to athletes.
- xii). Determine the national colours to be used in national and international competitions, in consultation with the relevant national sports organizations.
- xiii). Facilitate the preparation and participation of Kenyan teams in various international events and the hosting of similar events in the country and recommend members of steering committees for international sports competitions, in consultation with the relevant national sports organizations.
- xiv). Recommend to the relevant authorities' issuance of work permits and visas to foreign athletes and technical sports personnel, in consultation with the relevant national sports organization.
- xv). Approve, at the request of the respective national sports organization, the clearance of foreign sports technical personnel before engagement by national sports organizations and other sporting bodies.

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

- xvi). Organize and coordinate training, conduct research, maintain a resource centre and provide and engage consultancy services for sports development programmes, in consultation with the respective national sports organizations.
- xvii). With the approval of the Cabinet Secretary, prescribe: -
 - 1). Access to, or use of any of the resources or facilities of Sports Kenya.
 - 2). The provision of programs, services, information or advice by Sports Kenya, and
 - 3). The admission of persons to events and activities organized by Sports Kenya.
- xviii). Recommend, in liaison with the relevant sports organization, tax exemption for Sportspersons; and
- xix). Performs such other functions related to the implementation of this Act as may be directed by the Cabinet Secretary.

(C) Key Management

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

No.	Designation	Name
1.	Ag. Director General	Gabriel Komora
2.	Corporation Secretary/Director Legal Services	Daisy W. Kariuki
3.	Assistant Director Sales and Marketing	Julius Mbii
4.	Assistant Director Finance	Japhet Kaunyu
5.	Assistant Director Human Resources & Admin	Munase Mulama
6.	Ag. Deputy Director Technical Services	Lilian Nzile

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

- i. Hon Mark Lomunokol - Chairman
- ii. Mr. Gabriel Komora - Ag. Director General/Board Secretary
- iii. Joseph Mwangi Kamau - Rep, Principal Secretary State Department for Sports
- iv. Mr. Nelson Sifuna - Rep. PS Ministry of Education
- v. Dr. Doreen Odhiambo - CEO, Kenya Academy of Sports
- vi. Dr. Leah Kaburu - CEO/Secretary Sports Dispute Tribunal
- vii. Mr. Philip Cheruiyot - Alternate Member - Office of the Attorney General

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

viii.	Mr. Daniel Waithaka	-	Alternate Member - The National Treasury
ix.	Mr. Edwin Kuria Mwangi	-	Independent Board Member
x.	Mr. William Odaji	-	Independent Board Member
xi	Mr. Mohamed Vayani	-	Independent Board Member
xii.	Mr. Richard Kimutai	-	Independent Board Member
xiii.	CS. Daisy Wambui Kariuki	-	Corporation Secretary/Head of Legal services
ix.	CPA. Japhet Kaunyu	-	Head of Finance
x.	Mr. Julius Mbii	-	Head of Business Development
xi.	Mr. Munase Mulama	-	Head of Human Resource & Admin
xii.	Mr. Fredrick Muema	-	Head of Procurement
xiii.	Ms. Lilian Nzile	-	Head of Technical Services

(e) Fiduciary Oversight Arrangements

The Board and subcommittees that provide a high-level description of the key fiduciary oversight arrangements covering: -

- (i). Finance, Strategy & Risk Management Committee – Finance, Strategy and Risk Management.
- (ii). Infrastructure Development Committee – Technical matters.
- (iii). Audit Committee – Risk, Governance and Compliance.
- (iv). Human Resource Committee- Human Resource affairs.
- (v). The Sports Kenya Full Board

(f) Entity Headquarters

Sports Kenya Headquarters
Private Bag
Kasarani,
Thika Road,
Nairobi, KENYA

(g) Entity Contacts

Telephone: 254 (020) 2390500/501
E-mail: info@sportskenya.org
Website: www.sportskenya.org

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

Key Entity Information and Management (continued)

(h) Entity Bankers

1. Standard Chartered Bank of Kenya
Ruaraka
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Co-operative Bank of Kenya
TRM Branch
P.O. Box...
Nairobi Kenya

(i) Independent Auditor

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

(j) Principal Legal Adviser

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

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

3. The Board of Directors

Ref	Directors	Details
1.	 Hon. Mark Lomunokol	Designation: Chairman, Sports Kenya Board D.O.B: 20th April 1973 Qualifications: Bachelor of Development Studies- Mt Kenya University. Experience: He has over 10years experience working in Parliament as a legislator and a member of various committees such as Regional and Integration Committee, Special funds accounts committee, Transport, public works and housing committee. He also has 10 years' experience working with community through various Organizations
2.	 Mr. Joseph Mwangi Kamau	Designation: Board Member (Alternate Member) PS State department for Sports D.O.B: 21st February 1983 Qualifications: Master's Degree in Project Planning and Management and a Bachelor's Degree in Economics and a member of the Economists Society of Kenya and the Institute of Certified Public Accountants of Kenya. Experience: Served in the Public Service at various capacities as a career economist at sub national and State Departments levels.

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

3.	 Dr. Leah Kaburu	Designation: Board Member Secretary/CEO – Sports Disputes Tribunal since the year 2020. D.O.B: 1972 Qualifications: Doctor of Philosophy in Education Psychology from Kenyatta University; Master of Education (Counselling Psychology) from Egerton University; and Bachelor of Education degree from Kenyatta University. Experience: With an experience of 27 years, previously worked as Deputy Head of Department at the Commission for University Education; Assistant Director of Education- Ministry of Education; Chief Youth officer in the Ministry of Youth Affairs and Sports and as HoD, Games and Sports in the Teachers Service Commission. Has been a committee member of the National Open University of Kenya and is an Associate Member of Kenya Institute of Management.
4.	 Mr. Philip Cheruiyot	Designation: Board Member (Alternate Member) - Office of the Attorney General D.O.B: 16th August, 1973 Qualifications: LLB, DIP.LAW (KSL) Experience: Vast Experience of over 20 years in legal practice at Attorney General's Office

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

5.	 Dr. Doreen Odhiambo	Designation: Board Member CEO Kenya Academy of Sports D.O.B: 1972 Qualifications: PhD - Hosting of Major Sports Events in Developing Countries, Executive Masters of Business Administration (Strategic Management), International Master (MA) in Management, Law & Humanities of Sport (FIFA Master) Grade B Experience: Over 20 years in Public Service
6.	 Mr. Daniel Waithaka Ng'ang'a	Designation: Board Member (Alternate Member) - The National Treasury D.O.B 2nd April, 1983 Qualifications: Master's in public finance & social policy from KDI School of Public Policy and Management (South Korea). A member of the Institute of Certified Investment and Financial Analyst (ICIFA) and Economist Society of Kenya (ESK). Experience: Over 14 years in Public Finance Management

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

7.	 Mr. Edwin Kuria Mwangi	Designation: Independent Board Member D.O.B: 21st October 1980 Qualifications: Bachelor of Business Administration – Finance and Banking – Kampala University; Diploma in Management – Purchasing & Supplies Option from The Kenya Institute of Management; Advanced Diploma in Computer Electronics Engineering from Griffins College Participated in Leadership skill for Successful Performance Management Workshop and 3rd IT Conference – Africa’s Entry into the Information Age. Experience: Vast experience in Banking sector as follows: - Branch Manager, Diamond Trust Bank, and Development/Branch Manager – Equity Bank Ltd; Relations & Operations Manager – Equity Bank Ltd.
8.	 Mr. Nelson Sifuna	Designation: Board Member (Alternate Member) – Ministry of Education D.O.B: 7th October, 1969 Qualifications: Holds a Master’s Degree in Education Leadership and Policy from East China Normal University and a Bachelor’s degree in Education from Moi University. Experience: Currently Head of Directorate Field Coordination and Cocurricular Activities. A trained teacher and a long serving Educationist

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

9.	 Mr. Muhammed Vayani	Designation: Independent Board Member D.O.B: 9th December 1964 Qualifications: Experience: Over a decade experience in sports administration, logistics and oversight. He has vast experience in both public and private sector having serviced in various capacities. Eg Managing Director Roy Parcel services ltd, Managing Director Abdugani Trading, Deputy Secretary General – National Olympic Committee of Kenya.
10.	 Mr. Richard Kimutai	Designation: Independent Board Member D.O.B: 1969 Qualifications: Holds a Master's Degree in Education Administration. Bachelor of Arts. Experience: He is a public service professional with vast experience in governance, oversight and community engagement. He has serviced in various capacity e.g Board member Koitilial Sec Sch, Lecturer at Mt Kenya University of Humanities and principal Teacher in various schools

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

11.	 Mr. William Odaji	Designation: Independent Board Member D.O.B: 10th September 1978 Qualifications: Holds Bachelor Degree in Purchasing and Supply Chain Management. Master's degree in business administration (Procurement Option) is ongoing. He is a member of Kenya Institute of Supplies Management (KIM). Experience: He is a versatile citizen with over 26 years' experience in managerial role in the construction industry coupled with extensive knowledge in planning, design implementation of large-scale projects within budget.
12.	 Mr. Gabriel Komora	Designation: Ag. Director General Sports Kenya /Secretary to the Board D.O.B: 4th March 1970 Qualification: BCOM Hon's, Post Graduate Diploma in Logistics Experience: Over 25 Yrs. in Public Service of which 5yrs as an Ag CEO SSMB.

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

13.	CS. Daisy Kariuki	Designation: Company Secretary and Head of Legal Services. DOB: 20th July 1984 Qualification: Holds a Bachelor of Laws degree from the University of Nairobi and a Diploma in Law from the Kenya School of Law and the International Law Institute. She is currently advancing her expertise through a Master's program at the University of East London. Experience: Holds over ten years' experience in public service and has previously served as a State Counsel in the Office of the Attorney General and as head of Legal Services in the Nairobi City County Assembly. She is an Advocate of the High Court of Kenya, a Commissioner for Oaths and a Certified Secretary (CS) and a legislative drafter who brings a wealth of experience and dedication to her role. She is a member of the Institute of Certified Secretaries (ICS) and the Law Society of Kenya (LSK).
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Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

4. Key Management Team

	Management	Details
1.	 Mr. Gabriel Komora Qualifications: BCOM Hon's, Post Graduate Diploma in Logistics	Designation: Ag. Director General Sports Kenya Responsibility; Secretary to the Board; Developing and recommending to the board the long-term strategy business plans and annual operating budgets and establishing proper internal monitoring and control system and procedures; Administration of all the resources and activities of the Board; Formulating, implementing and monitoring Board Development policy legislation and regulations; among others Experience: Over 25 Yrs. in Public Service of which 5yrs as an Ag CEO SSMB.
2.	 Ms. Lilian Chelogoi Nzile Qualifications: BSC recreation and Sports Management, Dip in Sports and facility management	Designation: Ag. Deputy Director Technical Services Responsibility; Responsible to the Board to Formulate policies regarding utilization of the Board's facilities; Ensure that the Board's facilities are well maintained; Formulate policies for technical maintenance of mechanical and electrical works among other duties. Experience: Over 25years in public sector.
3.	 Mr. Julius Mbii Qualifications: MBA – University of Nairobi, Diploma in Business Management, B.Sc.	Designation: Assistant Director Business Development Responsibility; Responsible to the Board to formulate policies, procedures for Marketing all the Boards facilities; Develop and implement short- and long-range goals, objectives, policies, and operating procedures of the division; Develop and identifying new revenue generation opportunities for the Board Experience: Over 25 years in Public Sector of which 15 years as Assistant Director SSMB

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

4.	 Mr. Munase Mulama Qualifications: M.A. HRM - Madurai Kamraj University, B.A Public Administration and Political Science.	Designation: Assistant Director Human Resource & Administration Responsibility; Responsible to the Board to formulate Human Resources Policies and Procedures relevant to Recruitment, Remuneration, Development and Retention of Employees; Formulate Policies on Employees Relations, Reward Systems, Welfare, and Administrative Support Experience: Over 25years in public sector.
5.	 CPA Japhet Kaunyu Qualifications: (MBA Finance) - UON, BBA (Accounting), Dip: Forensic Accounting, CPA(K), CPS(K), Member of ICPAK and ICIFA	Designation: Assistant Director Finance Responsibility; Responsible to the Board to initiate development of financial policies, develop and implement accounting systems, procedures that will enhance the quality, timeliness and availability of financial information and ensuring compliance with GOK accounting policies and procedures for proper financial systems to enhance timely financial and accounting reports; timely preparation for planning and coordination of annual work plans and budget estimates, cash flows and overseeing administrative related issues of the Board. Experience: Over 25 yrs experience in the public sector.
6.	 CS. Daisy Kariuki Qualification: Bachelor of Laws degree -University of Nairobi, Diploma in Law - Kenya School	Designation: Director Legal Services and Company Secretary Responsibility: Providing guidance to the Board and Board members individually on their duties, responsibilities and powers and how these should be exercised in the best interest of the organization; Ensuring that Board procedures are followed and reviewed regularly, and that the Board complies with the law, rules and regulations. Experience: Holds over ten years' experience in public service and has previously served as a State Counsel in the Office of the Attorney General and as head of Legal Services in the Nairobi City County Assembly. She is an Advocate of the High Court of Kenya, a Commissioner for Oaths and a

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

	of Law and the International Law Institute, Master's program at the University of East London-On going.	Certified Secretary (CS) and a legislative drafter who brings a wealth of experience and dedication to her role. She is member of the Institute of Certified Secretaries (ICS) and the Law Society of Kenya (LSK).
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**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

5. Chairman's Statement

It is my honour, on behalf of the Board of Sports Kenya, to present the Annual Report and Financial Statements for the year ended 30th June 2025.

Highlight of the Key Activities

The 2024/2025 financial year was marked by extensive preparations for the CHAN 2024 Championships and the AFCON 2027 tournament, which required the temporary closure of our flagship facilities—Moi International Sports Centre, Kasarani, and Nyayo National Stadium. While this led to reduced revenue, it provided the opportunity to focus on modernization works and long-term infrastructure development. The Kinarini stadium in Kwale County was completed and hosted the 2024 Mashujaa day celebrations while the Raila Odinga Stadium in Homabay County hosted the 2024 Madaraka day. The facilities continue to host other sporting and non-sporting events.

As part of its role in supporting preparation and participation of national teams, Sports Kenya hosted a number of national teams in their preparations for international championships, including Team Kenya for the Paris 2024 Olympic and Paralympic Games, FKF Harambee Stars for CHAN qualifiers, the FKF Rising Stars for U20 World Cup qualifiers, the Kenya Basketball Federation (Road to BAL Regional Tournament), the Malkia Strikers for the Africa Championships, and the Kenya Tchoukball national team.

In terms of governance and institutional strengthening, the Board approved a new organizational structure. Compliance with Mwongozo guidelines and the annual board evaluation was achieved at 100 percent. The Board also approved several policies—among them the Pricing Policy, Business Plan, Procurement Policy, ICT Policy, and Disaster Recovery Plan, all of which enhanced accountability, improved resource utilization, and streamlined decision-making.

Further, Sports Kenya continued its digital transformation journey through the integration of services on the e-Citizen platform and implementation of the ERP system. On the infrastructure front, 16 projects were completed while 19 remained ongoing, and several others were at tendering and planning stages. Renovations at Kasarani and Nyayo Stadiums, coupled with upgrades at Kipchoge Keino Stadium and multiple training grounds, underscored Kenya's readiness to host continental and international events. These achievements underscore the steady implementation of Sports Kenya's statutory functions as outlined in the Sports Act.

Successes

Despite a constrained operating environment, the year recorded important successes:

- i. Athlete milestones: The FKF U17 women's team qualified for the 2024 FIFA U-17 Women's World Cup in the Dominican Republic, the first Kenyan team—male or female—to reach a FIFA World Cup. The Malkia Strikers secured qualification for the 2025 FIVB Women's Volleyball World Championship in Thailand.

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

- ii. Sports tourism: Kenya hosted high-profile events including the Kipkeino Classic, Nairobi City Marathon, Kenya Aquatics Masters Championships, Kenya Basketball Federation's Road to BAL tournament, and the Kenya Table Tennis East Africa Championships. These positioned Kenya as a competitive regional sports destination.
- iii. Governance gains: Through the approval of key policies and organizational reforms, the Board strengthened internal systems and aligned Sports Kenya with national governance standards.
- iv. Infrastructure progress: Facility upgrades have elevated Kenya's standing in CAF compliance while building the foundation for future sports tourism and community engagement.

Challenges

The financial year was not without significant challenges. Revenue declined from **Kshs. 273,989,891** in FY 2023/24 to **Kshs. 237,341,375** in FY 2024/25, largely due to the closure of revenue-generating facilities. Sports Kenya also suffered a budget cut totalling to Kshs. 141 million (Kshs. 101 million from budget rationalisation and Kshs. 40 million from Supplementary No. 2). Pending bills further strained project implementation and slowed service delivery.

Future Outlook

Looking forward, Sports Kenya will consolidate the gains made while addressing these challenges. Priority will be given to the completion of ongoing stadia works under the AFCON 2027 programme to ensure full CAF compliance. The aim is not only to host the tournament successfully, but also to leave behind a legacy of modern, accessible, and financially sustainable facilities.

Revenue diversification and commercialization will be intensified through aggressive marketing and publicity campaigns, events diversification, sponsorships, and naming rights, alongside the continued onboarding of services to digital platforms. Institutional capacity will be strengthened through the full implementation of the ERP system and the recruitment and placement of staff under the approved structure.

Sustainability remains a cross-cutting theme, with deliberate steps being taken to embed green technologies and efficient resource use in stadia operations. Equally important will be the expansion of grassroots sports development, driven through enhanced community programmes and partnerships with County Governments.

These priorities reflect Sports Kenya's contribution to national development goals, particularly the Bottom-Up Economic Transformation Agenda (BETA). Through infrastructure upgrades, digital transformation, policy reforms, and grassroots programmes, Sports Kenya is advancing inclusive infrastructure, promoting sports tourism, generating youth employment, and strengthening national competitiveness in line with Vision 2030 and the Fourth Medium Term Plan (2023–27).

Appreciation

On behalf of Sports Kenya, I express deep appreciation to the Government of Kenya, led by His Excellency Dr. William Samoei Ruto, C.G.H., President of the Republic of Kenya, for the confidence

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

placed in me when I was appointed Chairperson of this Board in 2024. I am equally grateful to the Ministry of Youth Affairs, Creative Economy and Sports, and other partners for their consistent support and collaboration.

I also wish to recognize the invaluable efforts of my colleagues on the Sports Kenya Board, as well as the Director General, Management, and Staff of Sports Kenya, whose dedication and teamwork continue to drive our mission forward. Their efforts remain instrumental as we strive to deliver world-class infrastructure and experiences that will leave a lasting legacy for our athletes, our communities, and our nation.



Hon. Mark Lumunokol
Chairperson
Sports Kenya Board of Directors

6. Report of the Director General

Financial Results

Revenue Performance

During the 2024/2025 reporting period, Sports Kenya experienced a decline in overall revenue collection from **Kshs.273,989,891** to **Kshs.237,341,375**. This was primarily attributed to the temporary closure of key national facilities, namely, Moi International Sports Centre, Kasarani and Nyayo National Stadium, for renovations in preparation for the ongoing CHAN 2024 Championships and the upcoming AFCON 2027 tournament. The closure also affected Commercial rent income, Naming and Branding Rights. Hotel revenues also decreased due to the closure of facilities.

To mitigate the impact of reduced revenue streams, Sports Kenya has initiated strategic partnerships with County Governments through Memoranda of Understanding (MOUs). These agreements aim to facilitate revenue sharing from completed stadiums and promote joint utilization of regional infrastructure. Additionally, a comprehensive review of facility charges and service offerings is underway, with the objective of enhancing value and optimizing revenue generation.

Grants from the Exchequer received solely finance staff salaries and partly utility bills. The rest of the budget line expenditure is financed through the revenues generated internally which are not enough. This has resulted to having pending bills. However, during the Financial Year 2024/2025, Sports Kenya suffered a budget cut of Kshs 101 million through Supplementary No.1 and a further 40 million through BPS which hampered achievement of its core operations. The Sports Arts & Social Development Fund (SASDF) continues to play a critical role in bridging funding gaps, particularly for capital-intensive development projects.

Expenditure Overview

In this period the Board incurred various expenditure from various budget lines. Staff Employee cost Increased from the previous year. This was due to Payment of the previous Director Generals Gratuity. Board Remuneration Increased from the previous Year since the board was fully constituted. Contracted and professional services reduced since there was no consultancy fee paid unlike the previous year. Repairs and maintenance costs also reduced due to closure of Kasarani and Nyayo National Stadium for renovations in preparations for CHAN 2024 and AFCON 2027. Use of Goods and services expenses slightly decreased as the Kasarani main stadium was closed for Afcon preparation. Bulk Purchases of Water and Electricity reduced since the facilities were closed for renovations in preparations for CHAN 2024 and AFCON 2027.

Strategic Alignment

All activities undertaken by Sports Kenya are strategically aligned with national development frameworks, including Kenya Vision 2030, the Kenya Kwanza Manifesto, and the Bottom-Up

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Economic Transformation Agenda (BETA). These priorities are operationalized through Medium Term Plans II, III, and IV. The infrastructure masterplan provides a tiered classification of sports facilities, from international stadia (Category 4) to community grounds (Category 1), ensuring equitable access and readiness for both domestic and international sporting events.

Infrastructure Development & AFCON/CHAN Preparations

In preparation for hosting AFCON 2027 and CHAN 2024, the Government of Kenya, through Sports Kenya, has embarked on a robust infrastructure development program. The implementation status of stadia projects is categorized as follows: 16 completed, 19 ongoing, 3 tendered and awaiting award, 32 planned, and 37 constituency sports academies (12 ongoing and 25 tendered).

The total estimated cost for completed projects stands at KSh.11.989 billion, with KSh.9.489 billion already expended, leaving an outstanding payment obligation of KSh.2.5 billion. Ongoing projects are valued at KSh.56.674 billion, with KSh.3.38 billion spent to date, resulting in a funding requirement of KSh.53.294 billion. Tendered and planned projects collectively require an estimated KSh.12.901 billion for full realization.

In line with CAF compliance standards, renovation works have been prioritized at Nyayo National Stadium and Moi International Sports Centre, Kasarani. Additional upgrades have been undertaken at Kipchoge Keino Stadium and various training grounds, including Kasarani upper and lower warm-up areas, Police Sacco Grounds, Ulinzi Sports Complex, Kirigiti Stadium, and Utalii Grounds. These facilities are essential for both tournament hosting and community engagement.

Further developments include; Talanta Sports City, Kasarani Annex, Kenya Academy of Sports, Kirigiti Stadium, Kapsabet Stadium, and 64 Stadium, all of which are integral to Kenya's commitment to successfully co-host AFCON 2027. These investments reflect a strategic vision to elevate national sports infrastructure to global standards while fostering local talent and inclusive participation.

Service Delivery

Service delivery has notably improved through the installation of CCTV surveillance, Wi-Fi, and internet connectivity across major facilities. The Enterprise Resource Planning (ERP) system has been fully operationalized, and Sports Kenya services have been successfully integrated into the e-Citizen platform, enhancing public access, transparency, and operational efficiency.

Future Outlook

Looking ahead, Sports Kenya remains resolute in its mission to deliver on the Strategic Plan/Masterplan 2023–2027. The focus will remain on preparing world-class venues and support infrastructure for AFCON 2027, while simultaneously expanding grassroots sports development through the enhancement of community sports grounds.

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

To ensure financial sustainability and support the infrastructure agenda, Sports Kenya will implement a multi-faceted revenue strategy. This includes maximizing commercial utilization of facilities through leasing, hosting of local and international events, and forging strategic partnerships with private sector entities. Opportunities in naming rights, advertising, and sponsorships will be actively pursued to monetize high-visibility venues. Revenue collection from ticketing and facility rentals will be strengthened, and digital platforms will be introduced to streamline payments and broaden access.

Collaborations with County Governments and other stakeholders will be deepened to accelerate the development and refurbishment of sports infrastructure nationwide. These partnerships are essential to achieving equitable access and fostering a vibrant sporting culture across all regions.

Conclusion

As Sports Kenya enters a pivotal phase in its journey toward co-hosting AFCON 2027, the organization reaffirms its deep appreciation to the Board of Directors for their visionary leadership, and to the dedicated staff whose tireless efforts continue to drive our mission forward. Their unwavering commitment and professionalism have been instrumental in navigating the complexities of infrastructure development and sports management across the country.

Sports Kenya remains focused on the construction and professional management of stadia nationwide, with the goal of delivering world-class infrastructure and remarkable experiences for athletes, fans, and communities. These efforts go beyond physical structures—they reflect a broader national commitment to pride, talent development, and a lasting legacy that will shape Kenya's sporting future for generations to come.



**Mr Gabriel Komora
Ag. Director General
Sports Kenya**

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

7. Statement of Performance against Predetermined Objectives for FY 2024/2025-1

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Strategic objectives are what Sports Kenya commits itself to accomplish in order to achieve its strategic goals. The objectives establish performance levels to be achieved on priority issues and measures of success in fulfilling critical mission statement elements. Strategic objectives for the planning period, outcome indicators and the annual projections for the next five years FY 2023 – 2027.

Sports Kenya has five Key Results Areas (KRA) and objectives within its Strategic Plan for the FY 2023/2024 – 2027/2028. These strategic KRA are as follows:

KRA 1: Sports and Recreational Facilities Development and Management.

KRA 2: Promotion Coordination and Implementation of Sports Programmes.

KRA 3: Regulation of Sports Activities.

KRA 4: Business Development and Resource Mobilization.

KRA 5: Institutional Capacity Development.

Sports Kenya developed its annual work plans based on the above 5. Assessment of the Board's performance was done against its annual work plan on quarterly basis. Sports Kenya achieved its performance targets set for the FY 2024/ 2025 period for its strategic key result areas, as indicated in the diagram below:

Strategic KRAs	Objectives	Key Performance Indicators	Activities	Achievements
KRA 1: Sports and Recreational Facilities Development and Management	To enhance capacity and increase the competitiveness of hosting international, continental and regional and international sporting events by increasing	- AFCON 2027 Contracts signed (Talanta, Kipchoge Keino, MISC and NNS) - New stadia constructed/ upgraded under Presidential Directives (Kinarini stadium, Raila Odinga stadium,	- Design & BoQs for AFCON 2027 Stadia upgrade developed - Contractors have commenced various scopes of work for the AFCON stadia. - AFCON training grounds	- AFCON Stadia upgrade; Talanta Sports City (45%) MISC (99%) Kipchoge Keino (9%) NNS (85%) - Three stadia completed under

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

	the number of compliant facilities. • To enhance sports tourism and recreation facilities. • To ensure management, maintenance and repairs of all Sports Kenya facilities.	Siaya Stadium, Marsabit Phase II, Kanduyi. • Bukhungu Stadium works ongoing) • Stadia developed through bilateral agreement & partnerships (AGORA design model developed)	design and BoQs completed but works yet to commence. • Stadia under Presidential Directives (2 completed and Bukhungu upgrade at 20%. • AGORA design model developed for implementation.	Presidential Directives • Bukhungu works ongoing at 25%. • Prototype designs for various stadia categories developed in partnership with the Kenya School of TVETS. • AGORA design model completed 100%.
KRA 2: Promotion Coordination and Implementation of Sports Programmes	To increase the number of athletes participating in domestic championships and those qualifying for international championships by 50% each in liaison with other sports organizations To enhance the contribution of sports in having an active, peaceful, cohesive and healthy society.	• Percentage of persons participating in annual domestic championships increased • Percentage increase of athletes and teams participating in international championships	Sports Kenya hosted teams within its facilities in preparation for international championships; Preparation for hosting of the CHAN Championships and other qualifiers in various sports. The teams utilized the main	• Due to closer of facilities for upgrade the indoor facilities hosted qualifier games for volleyball, Basketball, Kabbadi and a few Soccer qualifier games after CAF lifted the ban on Kenya facilities.

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

			stadium, indoor arena and were accommodated at the stadion hotel	
KRA 3: Regulation of Sports Activities	To ensure that sports infrastructure/ facilities are compliant to international standards. To ensure sports athletes, and technical personnel handling athletes' and sports programmes are competent, qualified and accredited To have proper sports policy frameworks on tax exemption and consultancy	• Number of standards of sporting and recreational facilities attained • Competent, qualified and accredited sports technical personnel handling athletes' programmes attained	• Develop sports facility standards & conduct stakeholder engagement. • Developed funding framework, policies and guidelines for fundraising & partnerships	• Draft sports facility standards developed & stakeholder engagements ongoing • Funding framework, policies and guidelines developed and commenced implementation
KRA 4: Business Development and Resource Mobilization	To maintain and improve Kenya's place as the preferred sports destination of choice globally. To increase revenue by 20% annually across all the revenue streams.	• Number of events held in Kenya as preferred sports destination of choice globally. • Number of sponsorships • Percentage increase in revenue from hire	In the period the following events were held • KFK Premier League matches, • FKF U20 rising stars • Africa Para-Volley Championship, • Kenya Table	• Revitalizing of stadion products • Improved service delivery and onboarding to ECitizen

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

		of facilities (20%)	Tennis Cup Champions hips, - Kenya Aquatics National Champions hips - Africa Basketball League games, - Tchoukball games Tournament	
KRA5: Institutional Capacity Development	To attain organizational human capital and administrative needs to 100%. To enhance SK operational efficiency to 100%. To maintain good, corporate governance and leadership at 100%.	- Percentage of human capital facilitation needs attained - Percentage of operational efficiency attained - Percentage of modern technology adopted - Percentage of complianc e on governanc e and leadership attained	- Review of organization al structure - Review of staff establishme nt. - Review Job evaluation and work load analysis - Develop, seek approval and implement the salaries and allowance structure - Placement of staff into the new SK structure - Recruit to fill vacant positions - Full implementat ion of the ERP system	- SCAC Approval of the organizatio nal structure and staff establishme nt - Awaiting PSC concurrenc e on the establishme nt to carry out placement - Full implementa tion of the ERP done. - Full compliance with Mwongozo Guidelines and Board self- evaluation done.

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

			• Board compliance with Mwongozo Guidelines and annual board self-evaluation	
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8. Corporate Governance Statement

Introduction

Sports Kenya is a body Corporate established under section 3 of the Sports Act No. 25 of 2013 of the Laws of Kenya. Sports Kenya is a successor to the Sports Stadia Management Board which was established by the Sports Stadia Management Board Order (L.N. 180/2002).

The Board of Directors is guided by best practices, international standards and principles that are essential for good corporate governance practices. The Board of Directors is responsible for the Governance of the State Corporation and is committed to ensuring that its operations are conducted with integrity and in compliance with the law, internationally accepted principles and the best practices of corporate governance.

The Board of Sports Kenya

Process of Appointment, removal of directors and Succession Plan.

The Board of Directors is guided by the provisions of The Sports Act, 2013, which provides for the constitution of the Board in Section 6. The Board of Directors shall consist of-

- (a) a non-executive chairperson, appointed by the President;
- (b) the Principal Secretary in the Ministry for the time being responsible for Sports;
- (c) the Principal Secretary in the Ministry for the time being responsible for finance;
- (d) the Attorney-General;
- (e) the Principal Secretary in the Ministry responsible for education;
- (f) the Chief Executive Officer of the Academy of Sports;
- (h) the Secretary to the Sports Disputes Tribunal;
- i) Four persons appointed by the Cabinet Secretary on nomination by—
 - (i) the sports organizations recognized as the national coordinating bodies for the promotion and development of high-performance Olympic, Paralympic, and Deaflympics sports in Kenya; and
 - (ii) the national multi-sport sports organization that is responsible for the adherence to all the codes for sports and recreational bodies.
- (j) the Director-General of Sports Kenya.

The Chairperson and members of the Board appointed under subsection 6(1) (i) shall hold office for a term of three years and are eligible for reappointment for one further term of three years. The appointment of the Chairperson and members of the Board appointed under subsection 6(1)(i) is by notice in the Kenya Gazette.

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

The Director-General is appointed by the Board, through a competitive recruitment process as per section 8(1) of the Sports Act. The Director-General shall hold office for a term of three years renewable only once and on such terms and conditions of employment as Sports Kenya may determine as per section 8(3) of the said Act.

During the period under review, the Board of Sports Kenya consisted of nine (9) members who are named and described below:

- | | | |
|------------------------|---|---|
| 1. Hon. Mark Lomunokol | - | Chairperson |
| 2. Joseph Mwangi Kamau | - | Rep, Ministry of Creative Economy, Youth Affairs and Sports |
| 3. Waithaka Ng'ang'a | - | Rep. National Treasury |
| 4. Philip Cheruiyot | - | Rep. Attorney General |
| 5. Nelson Sifuna | - | Rep. PS Ministry of Education |
| 6. Dr. Doreen Odhiambo | - | CEO, Kenya Academy for Sports |
| 7. Dr. Leah Kaburu | - | Secretary, Sports Dispute Tribunal |
| 8. Edwin Kuria Mwangi | - | Independent Director |
| 9. William Odaji | - | Independent Director |
| 10. Richard Kimutai | - | Independent Director |
| 11. Mohamed Vayani | - | Independent Director |
| 12. Gabriel Komora | - | Ag. Director General and Secretary to the Board |

The Board Charter

The Board of Sports Kenya acknowledges the importance of a board charter as a dictate of good corporate governance to enable the Board to efficiently and effectively perform its functions. Consequently, the Board of Sports Kenya has adopted the Board Charter as provided for in Annexure I of the Mwongozo Code of Governance for State Corporations.

Roles and functions of the Board

The Board is primarily responsible for strategic leadership of the Corporation and ensuring the long-term success of the state corporation. Specifically, the Sports Act in Section 7 provides for the powers of the Board as follows: -

- (a.) Manage, control, and administer the assets of Sports Kenya in such manner and for such purposes as best promote the purposes for which Sports Kenya is established;
- (b.) Receive any gifts, grants, donations, or endowments made to Sports Kenya or any other monies in respect of Sports Kenya and make disbursements therefrom by the provisions of this Act;

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

- (c.) Determine the provisions to be made for capital and recurrent expenditure and for reserves of Sports Kenya;
- (d.) Open a banking account or banking accounts for the funds of Sports Kenya; and
- (e.) Invest any monies of Sports Kenya not immediately required for the purposes of this Act in the manner provided in section 11 of the Act.
- (f.) Make grants or lend money, and provide scholarships to sportspersons and staff of Sports Kenya; and
- (g.) Do any other thing necessary, or expedient for the discharge of its functions under the Act.

Board Committees

Subject to fundamental, strategic, policy and formal matters reserved for its decision, pursuant to Section 10 of the Sports Act, the Board works through a number of committees which operate within defined Terms of Reference. Other committees are formed on ad-hoc basis as need arise.

During the period under review, the Board constituted the following committees. Before 15th November 2024, the composition of the Board did not have all the 5 independent members and therefore the committees in operation were:-

Infrastructural Development and Corporate Services Committee-It consisted of 4 members and was chaired by Dr. Leah Kaburu

Audit Committee- It consisted of four members and was chaired by Edwin Kuria and had two meetings until its reconstitution on 28th November 2024.

Finance and Human Resources Committee- It consisted of four members and was chaired by Dr. Leah Kaburu.

Upon the appointment of the Board Chairperson and three other independent members on 15th November 2024 the Sports Kenya Board became fully constituted and the new board members attended their first full board meeting on 28th November 2024, and subsequent committee meetings as follows: -

The Finance, Strategy and Risk Management Committee

This committee consists of five members all of whom are non-executive members of the Board. The committee was chaired by Mr. William Odaji. This committee has oversight on all financial issues including budgets, risk management, financial reporting processes and controls, procurement, and policy matters of the Corporation. The committee met three times during the year. The other times the committee met, it was a joint finance and Human Resource meeting because of the board composition at the time.

The Audit, Governance and Compliance Committee

This committee has five members, all non-executive members of the Board. The committee was chaired by Mr. Mohammed Vayani. It has oversight responsibility of reviewing, assessing adequacy

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

and monitoring of internal controls, corporate governance processes; examining internal and external audit reports and recommendations; overseeing financial reporting and reviewing the accounting principles, policies and practices adopted in the preparation of financial statements. The committee met four times during the year.

Board Member	Classification	Designation	Finance & Human Resources	Finance, Strategy and Risk Management Committee	Audit, Governance and Compliance Committee	Human Resource Committee	Infrastructural Development Committee	Infrastructure & Corporate Services	Full Board
Hon. Mark Lomunokol	Chairperson	Board Chairperson							5/6 <i>Note 1*</i>
Joseph Mwangi	Alternate to the Principal Secretary-Sports		2/2 <i>Note 4*</i>	2/3			3/3	2/2	6/6
Waithaka Ng'ang'a	Alternate to the Principal Secretary-National Treasury		2/2 <i>Note 4*</i>	2/3	4/4				6/6
Phillip Cheruiyot	Alternate to the Attorney General of the Kenya			3/3	2/2 <i>Note 4*</i>	3/3		2/2	6/6
Nelson Sifuna	Alternate to the Principal Secretary-Education				3/4	3/3			5/6
Dr. Doreen Odhiambo	CEO, Kenya Academy of Sports		2/2 <i>Note 4*</i>		0/2 <i>Note 4*</i>			0/2	3/6
Leah Kaburu	Secretary, Sports Disputes Tribunal		2/2 <i>Note 4*</i>			3/3	3/3	2/2	6/6
Edwin Kuria	Independent Member	Chairperson, Infrastructural development committee			4/4 <i>Note 4*</i>		3/3		6/6
Mohamed Vayani	Independent Member	Chairperson, Audit, Governance			2/2 <i>Note 2*</i>	2/3			4/6

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

		e and Compliance Committee							
William Odaji	Independent Member	Chairperson, Finance, Strategy and Risk Management Committee		3/3			3/3		5/6 <i>Note 2*</i>
Richard Kimutai	Independent Member	Chairperson, Human Resource Committee		3/3		3/3			5/6 <i>Note 2*</i>
Gabriel Komora	Ag. Director General	Secretary to the Board		2/3		2/3	2/3		3/6 <i>Note 3*</i>
Pius Metto	Director General	Secretary to the Board	2/3					1/2	3/6 <i>Note 3*</i>

The Human Resource and Communication Committee

This committee has five members, all non-executive members of the Board. The Committee was chaired by Mr. Richard Kimutai. It is responsible for human resource matters including recruitment, management succession function. The committee met nine times during the year.

The Infrastructural Development Committee

The committee consists of five members all of whom are non-executive members of the Board. The committee was chaired by Mr. Edwin Kuria. It is responsible for considering the technical matters of the Corporation. The committee met eight times during the year.

The number of Board and Committee meetings held and the attendance to those meetings by members

Sports Kenya board and committee meetings are structured in a way that allows for open discussions. Comprehensive board papers are prepared and circulated to all directors for all substantive agenda items well in advance to allow time for the directors to undertake an appropriate review of the board papers and committee reports to facilitate full and effective discussions at the meetings. During the period under review, the Board held full board meetings and committee meetings whose attendance summary is shown below-

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

BOARD AND COMMITTEE MEETINGS

Notes

1. **Appointment of Chairperson Hon. Mark Lomunokol-** Chairperson Hon Mark Lomunokol was appointed by H. E President William Samoei Ruto for a period of three (3) years effective from 15th November, 2024. He Took over from the Previous Chairperson, Mr. Peter Njuguna. He attended his first full board meeting on 28th November, 2024 which was the second board meeting that FY.
2. **Appointment of Directors William Odaji, Mohamed Shoaib Vayani and Richard Kimutai Chemweno-**The Three (3) Independent Directors were appointed By the Cabinet Secretary for Youth Affairs, Creative Economy and Sports Hon. Kipchumba Murkomen for a period of three (3) years with effect from 15th November 2024. They attended their first Full Board meeting on 28th November, 2024 and the committee meetings after that date.
3. **Replacement of Director General-** The term of Director General Pius Metto ended on 6th January, 2025. Thereafter, Mr. Gabriel Komora was appointed as Acting Director General and attended his first Board meeting on 23rd January, 2025.
4. **Reconstitution of Board Committees-**On the full Board meeting of 28th November, 2024, the Board committees were reconstituted to incorporate the newly appointed board members. Edwin Kuria was the chairperson of the Board Audit Committee until 28th November, 2024 when the committees were reconstituted.

Conflict of Interest

The Board of Directors is obligated to fully disclose to the Board, any real or potential conflict of interest, which comes to any director's attention. To this end, at all meetings for the period under review, the Sports Kenya board of directors has maintained the declaration of conflict of Interests as a standing agenda item in board and committee meetings, which requires that directors make a declaration of any interest they may have in the business under discussion.

A Board Conflict of Interest Register is circulated to members to record any such interest and where a conflict is declared, a director is required to exclude himself/herself from any discussion or decision over the subject matter.

Induction, Training and Development

Board members have undergone training and development programs tailored to their individual needs and aligned with the strategic goals of Sports Kenya. These programs have been designed to enhance their skills and knowledge, ensuring they can effectively fulfil their responsibilities. Upon appointment, all board members underwent a comprehensive induction process, which familiarized them with the organization's operations, governance structures, and key policies, thereby enabling them to contribute meaningfully from the outset. The Audit Committee has also undergone tailor made trainings to fit within its independent role.

Board Remuneration

The remuneration and benefits for Directors are determined in accordance with the provisions of the State Corporations Act, guidelines issued by the Salaries and Remuneration Commission, and

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

periodic directives from the Head of Public Service. Sports Kenya does not provide personal loans or guarantees to its directors. Detailed information regarding the remuneration paid during the year under review is provided in the financial statements section of the annual report.

Conduct and Ethics

The core values of teamwork, dedication, customer focus, integrity, excellence, dynamism, and professionalism steer the State Corporation's decision-making processes and strengthen relationships with stakeholders. Sports Kenya's code of conduct underscores the fundamental principles that govern the ethical and legal obligations of all employees and the Board of Sports Kenya. The Organization upholds Article 10 of the Constitution of Kenya on National Values and Principles of Governance and Chapter 6 on Leadership and Integrity.

Board Member Performance

Evaluation is a core component of corporate governance, and the Board of Directors adheres to the principles of board evaluation and ensures annual evaluation of its performance and effectiveness to enhance performance by identifying the areas for improvement and addressing them. To this end, The Board of Sports Kenya was evaluated on 10th July 2024, in a session facilitated by the State Corporation Advisory Committee.

Governance Audit

Conformity with Governance parameters as set out in the Constitution, applicable laws and best practices is a requirement under the *Mwongozo* code of Governance which provides guidance on governance within State Corporations. Governance Audit therefore entails review of governance structures, policies and practices to ensure they are in conformity with highest standards of good governance.

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

9. Management Discussion and Analysis

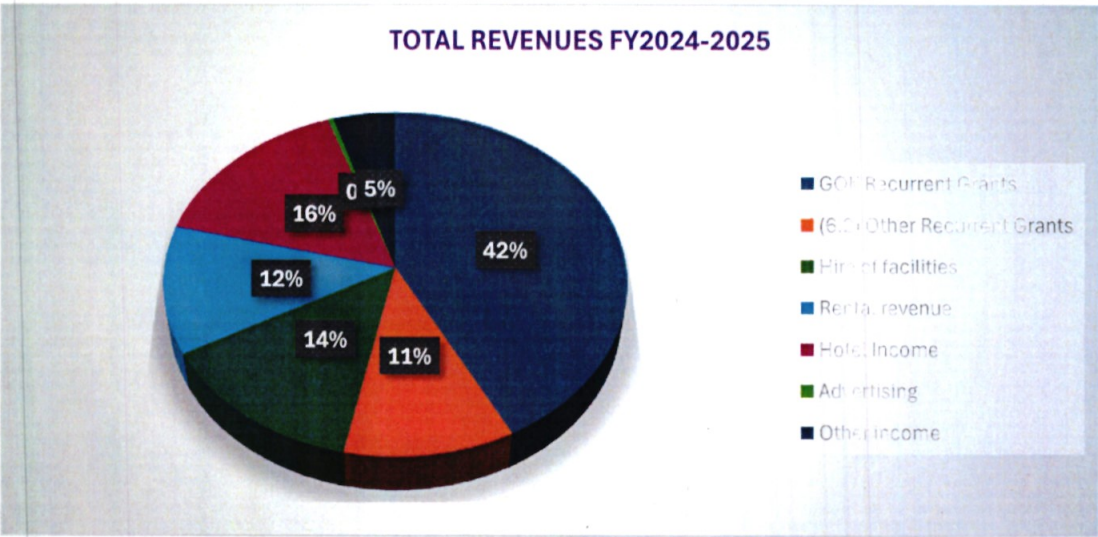
The entity's operational and financial performance

Moi International Sports Complex and Nyayo National Stadium had their main stadiums going under renovations and upgrades during the Financial Year 2024/2025 in preparations to host Pamoja CHAN 2024 and AFCON 2027 Football Championships. This prolonged closure, resulted in Sports Kenya revenue (from exchange transactions) reduce from Kshs.273,989,891.00 to Kshs.237,341,375.00. The closure also affected Naming and Branding Rights Hotel revenues also decreased due to the closure of facilities.

Sports Kenya is exploring partnering with the County Governments through MOUs on revenue sharing model for the completed Stadiums. This move will boost revenue generation as Sports Kenya has continued to implement strategies to increase revenue by reviewing charges for facilities and services offered and engaging partnering with the County Government.

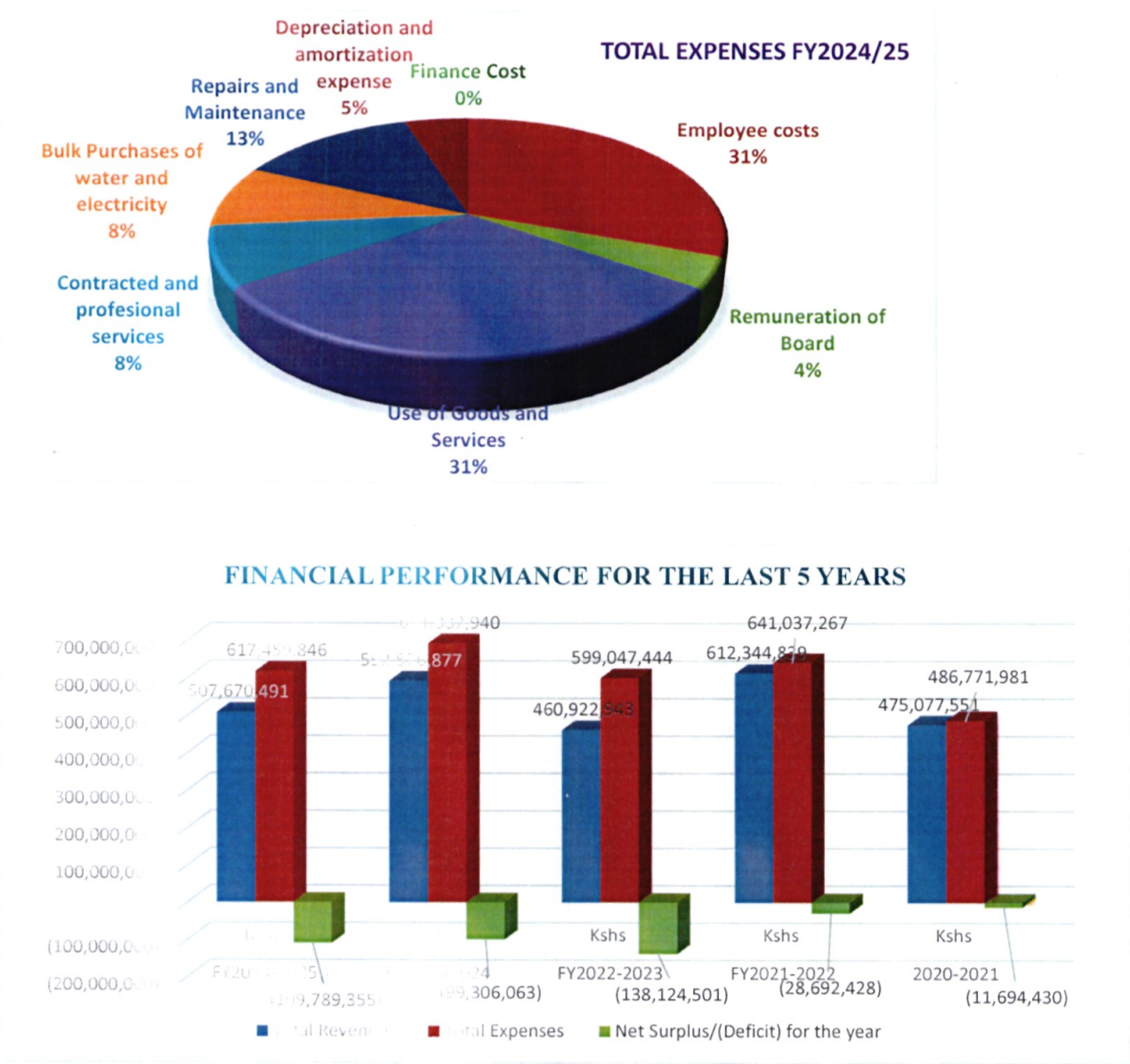
Grants from the Exchequer received solely finance staff salaries and partly utility bills. The rest of the budget line expenditure is financed through the revenues generated internally which are not enough. This has resulted to having pending bills. However, during the Financial Year 2024/2025, Sports Kenya suffered a budget cut of Kshs 101 million through Supplementary No.1 and a further 40 million through BPS which hampered achievement of its core operations.

Sports Arts & Social Development Fund (SASDF) has continued to support the Board in financing development projects being undertaken.



Expenditure Overview

In this period the Board incurred various expenditure from various budget lines. Staff Employee cost Increased from the previous year. This was due to Payment of the previous Director Generals Gratuity. Board Remuneration Increased from the previous Year since the board was fully constituted. Contracted and professional services reduced since there was no consultancy fee paid unlike the previous year. Repairs and maintenance costs also reduced due to closure of Kasarani and Nyayo National Stadium for renovations in preparations for CHAN 2024 and AFCON 2027. Use of Goods and services expenses slightly decreased as the Kasarani main stadium was closed for Afcon preparation. Bulk Purchases of Water and Electricity reduced since the facilities were closed for renovations in preparations for CHAN 2024 and AFCON 2027.



Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Entity's compliance with statutory requirements

Sports Kenya has complied and will continue to comply with all the statutory requirements.

Key projects and investment decisions the entity is planning / implementing

Sports Kenya will endeavour to implement the current Government priorities and programmes under the **Bottom-Up Economic Transformation Agenda (BETA)** alongside contributing towards other National aspirations under the **Kenya Vision 2030(KV2030)**, and **Medium-Term Plan IV** which have provided for sports primarily in its social pillar and secondarily in its economic pillar. One of the priorities for "The Plan" spearheaded by Sports Kenya is the preparation of at least three venues to host the Africa Cup of Nations (AFCON) 2027 and upgrade various training grounds to support the hosting venues as per CAF and FIFA standards requirements.

Our priorities are aligned to the Sports Kenya Strategic Plan/Masterplan 2023/2027 which has categorized Sports infrastructure projects for implementation as follows;

International standard Stadia Category 4; Characterized by Olympic-sized sports cities with more than 30,000 seats, among others. Others are pre-existing logistics (availability of commercial city, roads/rail/utilities/airports), supporting demographics, capacity to bid & host mega events, availability of appropriate land, and enabling economic/commercial activity are used to justify site selection.

National stadia Category 3a, comprising of; International standard multi-use sports and recreation facilities with seating capacities of 15,000 pax, the selection of such areas is justified by the necessity to decentralise infrastructure from large cities but within complementary distances of the International standard facilities. The distribution of infrastructure within the low to high-altitude zones is also considered. Unique strengths of sporting disciplines prevalent in certain zones have also informed the choice of facilities to be developed.

County Stadia Category 3b, comprising of multi-use sports and recreation facilities with seating capacities ranging from 10,000 to less than 15,000 pax.

Community sports grounds; these are categorised into two levels i.e. **level A** with seating capacity of 5,000 to less than 10,000 pax and **Level B** of less than 5,000 seating capacity. These facilities enable decentralized grassroots access to communities/institutions as well as opportunities for talent development and competition at the village and constituency levels. The demand for the facilities has been influenced by the tapping of tremendous abilities at the grassroots. Some of the renovated stadia are shown below

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.



Newly Renovated Karatu Stadium



Newly renovated Kirubia Stadium in Tharaka Nithi used for Inter-County Games

Infrastructure development remained a central focus, with substantial progress made on several regional stadia. The ongoing renovation of Bukhungu Stadium in Kakamega County, Masinde Muliro Stadium in Bungoma County, Raila Odinga Stadium in Homabay County, Kinarini Stadium in Kwale County, completion of Kipruto Chumo Stadium in Kericho County are among the highlights of our infrastructural achievements. These developments are not just about bricks and mortar; they represent our commitment to providing world-class facilities that support the aspirations of our athletes and the broader community. Kinarini Stadium in Kwale County was completed and hosted the 2024 Mashujaa day celebrations while the Raila Odinga Stadium in Homabay County hosted the 2025 Madaraka day. The facilities continue to host other sporting and non-sporting events.



Newly renovated Kinarini Stadium in Kwale County ready to host Mashujaa Day Celebration on 20th Oct 2024

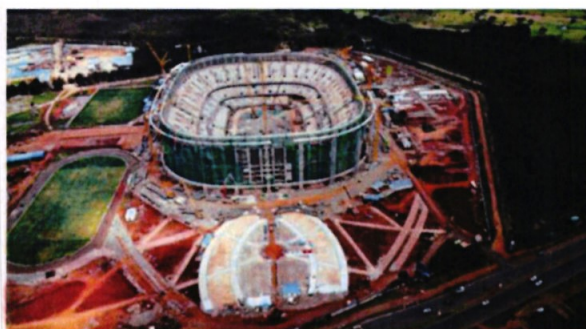


Newly renovated Raila Odinga Stadium that hosted Madaraka Day Celebrations on 1st June 2025

A key notable milestone has been winning bid to host CHAN 2024 and AFCON 2027. On 27th September 2023, the Executive Committee of the Confederation of African Football (CAF) voted and awarded the East Africa Pamoja bid, rights to co-host the (36th) thirty sixth edition of Africa Cup of Nations (AFCON) 2027; scheduled to take place in June-July, 2027. The Ministry of Youth Affairs, Creative Economy and Sports through Sports Kenya, has undertaken the construction of the state of the art (60,000) sixty-thousand-seater Talanta Sports City on Jamhuri Sports Grounds, extensive renovations at the Nyayo National Stadium, Moi International Sports Center, Kipchoge Keino Stadium in Eldoret and 10 other Training Grounds. The Project works will ensure the stadia meet the standards set by the CAF in preparation for the African Cup of Nations (AFCON) 2027. The AFCON

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

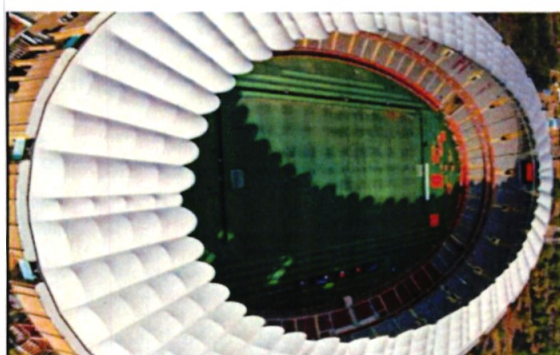
2027 project will not only enable Kenya to successfully host AFCON 2027 but reposition the region and Kenya as a competitive sporting destination that will unlock economic opportunities to foster sporting development, and project a positive image on the global stage.



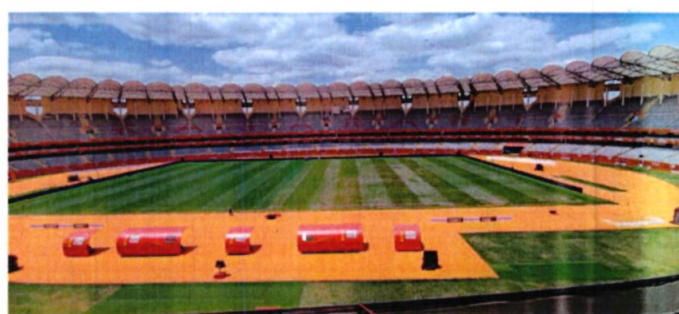
Talanta Sports City Stadium construction works on going. The Stadium is earmarked for AFCON 2027



Talanta Sports City Stadium construction on going at 50% stage



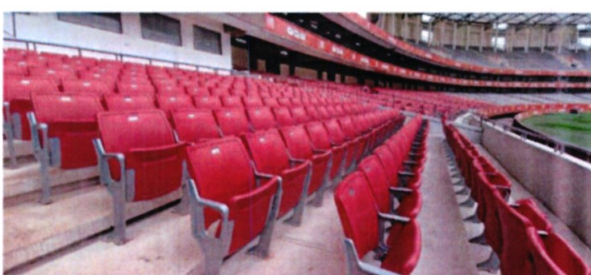
The new look after renovation of MISC Stadium



Moi Sports Center Kasarani ready for use after massive renovations



Nyayo National Stadium New look after renovations ready for CHAN 2024 Tournament to be hosted in August 2025



Seats Installation at MISC-Kasarani ready for CHAN 2024

However, the year was not without its challenges. Several of our projects faced delays due to contractual disputes, non-performance of contractors, and extensive pending bills of contractors and consultants due to funding constraints. Despite these setbacks, we remain committed to overcoming these hurdles through strategic partnerships, strategic planning and effective project management.

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

Sports Kenya is focused on consolidating the gains made over the past year while addressing the challenges that have hindered our progress. Our strategic priorities include the completion of ongoing projects, enhancing our operational efficiency, and fostering stronger collaborations with both national and county governments.

We will also be placing a stronger emphasis on sustainability, ensuring that our facilities are not only world-class but also environmentally responsible and financially self-sustaining. This includes our exploring green technologies and sustainable practices in the construction and maintenance of our infrastructure.

The formulation of the National regulations and Standards to guide Sports stadia and recreational development was initiated and major Stakeholders participated in the process. The final draft regulation was sent to the Cabinet Secretary for concurrence and gazettelement. This will oversee enhancement of safety and security and adoption of the best management practise across all stadia in the country.

Major risks facing the entity

Sports Kenya is faced by the following risks in executing its mandate as per Sports Act 2013: -

Financial Risks- This includes;

- i. Delay in processing contractors' certificates by SASDF leading to payment of interests and other claims hence delaying project completion. This also results in project cost escalation due to inflation, interest on delayed payments and depreciation of the uncompleted projects.
- ii. The closure of Moi Sports Center Kasarani and Nyayo National Stadium in preparation for CHAN 2024 and AFCON 2027 has affected internally generated revenues. The organization hence continued to face risks in honouring its obligations in a timely manner as they fell due.
- iii. Credit risk - Unpaid bills from various Teams hosted in preparation for events leading to huge Accounts Receivables from Federations and Ministry.
- iv. Recurrent Grants from National exchequer is insufficient to cover employees' costs and utilities resulting to unpaid employees' deductions (Pension) and utilities pending bills
- v. Exchange rate Risk- This occurs when the contract is signed in dollars while payments are based on a prevailing market rate at the time of payment exposing the Organization the overall contract sum in local currency. Eg construction of Talanta Stadium contract.
- vi. Project completion risk – delays or cost overruns may tie up funds without delivering value. (If projects are delayed or become more expensive than planned, the company's money can get stuck in unfinished work without achieving any value for money).

- Liquidity Risk

- i. Long outstanding Accounts payables and pensions caused by National Exchequer budgets allocation cuts, Low revenues generation due to closure of facilities for renovations to meet

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

specific standards requirement for various events.

- ii. Idle capital risk if projects are stalled or take too long to complete. (If projects stop or take too long, the money invested just sits idle without giving any value for money returns).

-Security risk

- i. Because of large clientele patronizing the facilities without corresponding technological capacity to aid in surveillance and access control.
- ii. Vandalism of the newly renovated facilities by goons during high-risk football matches. Eg Gor Mahia FC vs AFC Leopard FC.

-Compliance Risk due to ever changing National and International rules/Standards and associated costs in conformance. In addition, there is Conflicting standards between different sports e.g. Athletics vs Football hence repeated works to satisfy individual federations.

Material arrears in statutory/financial obligations

Sports Kenya still has staff service gratuity arrears which did not receive any allocation hence remains outstanding. The entity will further request for funding from the National Treasury.

The entity's financial probity and serious governance issues

Sports Kenya is in compliance with corporate governance, PFM Act, National Treasury Circulars and guidelines.

10. Environmental and Sustainability Reporting

Sports Kenya exists to transform lives. This is our purpose, the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on five key result areas as discussed in the Statement of Performance against predetermined objectives. Below is an outline of the organisation's policies and activities that promote sustainability.

i. Sustainability strategy and profile

Kenya is a signatory to the Kyoto Protocol that operationalizes United Nations Framework Convention on Climate Change to mitigate climate change by reducing greenhouse emissions. A few international sports federations have aligned their strategies with this and other protocols, for instance the International Olympic Committee and World Athletics among others.

The growth of sports and recreational facilities takes into cognizant the international and national conventions on green energy and sustainable environment principles. The future expansion, upgrade, and investment in sports facilities in the country will be in full compliance of the existing conventions, treaties and regulations.

Kenya is uniquely located geographically/topographically with high, medium, and low altitudes that promote sports activities, talent development and competitions. Sports Kenya will invest in sporting infrastructure in those regions to promote sports excellence and sports tourism.

This framework will take into consideration the United Nations 2030 Agenda for Sustainable Development and Africa Union Agenda 2063.

Sports and recreation will contribute to the achievement of several SDGs, including Goal 3 (Good Health and Well-being), Goal 4 (Quality Education), Goal 9 (industry, innovation and infrastructure) and Goal 11 (sustainable cities and communities). The promotion of sports is often recognized as a means to enhance physical and mental health, promote social inclusion, and foster values. In addition, sports will also contribute in the attainment of Goal No. 16. Peace, justice and strong institutions as sport is highly interactive leading to peaceful coexistence and cohesion among societies.

Sports Kenya will contribute to the attainment of SDGs by developing resilient sports and recreation infrastructure, working in collaboration with other players in provision of mass sporting opportunities aimed at enhancing peace and cohesion among the communities and sensitizing the community on how sports to physical fitness, social interaction and mental well-being of individuals. Harnessed effectively, sports can become a catalyst for economic empowerment, youth engagement, and national growth. Growth in the sports industry has links with other sectors and will offer opportunities for economic growth through decent employment for vulnerable groups, youth and women and is void of discrimination of all forms.

Sports Kenya also contributes to attainment of the SDG's by promoting sports tourism involving sports events, creation of jobs and promotion of the local culture.

To support the achievement of Agenda 2063, Sports Kenya will promote the development of sports and recreation infrastructure as a major tool for youth empowerment and as an element of cultural development. Further Sports Kenya will promote development of sports as a human right by

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

defending sports development, advocate for funding of sports development and by developing sports policies, systems and programmes.

Sports Kenya will heed to the Africa Union call to foster racial, religious and political inclusion in sports by supporting participation in African sporting events.

ii. *Environmental performance*

Sports Kenya has put in place a robust Health, Safety and Environment policy that provides guidance to the organization in matters to do with the environment. The policy takes into account the necessary protocols provided by the National Environment Management Authority (NEMA) and Nairobi City County administration. In fact, Sports Kenya has partnered with the Nairobi County in waste management and disposal in its facilities at Kasarani and Nyayo National Stadium. Additionally, Sports Kenya has proactively engaged in proper management of biodiversity by carrying out regular afforestation activities during the rainy seasons annually.

Apart from being natural water catchment areas, the budding forests create the desired biological ecosystem where the plant and animal community interact freely to refresh the environment. Generally, wastes generated by Sports Kenya's activities are disposed of in a manner not to cause any harm to the air, water, soil and the ecosystem as a whole.

iii. *Employee welfare*

Sports Kenya has a Human resource manual that summarizes the organization's policies, regulations, procedures and other relevant administrative processes that govern the employee welfare and those responsible for overseeing the human resource functions. The recruitment and hiring process is anchored on the need to promote gender inclusion, ethnic balance and equal opportunity for all. The policies are revised from time to time as necessary to synchronize them with the organization's strategy and other emerging labor relations trends.

Sports Kenya will come up with a framework on productivity mainstreaming to entail development, implementation and adoption of strategies and interventions that enable SK to measure, manage and improve productivity and ultimately entrench a culture of productivity. The Key Performance indicators will be as follows;

- (i) Developed Productivity Metrics
- (ii) Collected productivity measurement data
- (iii) Computed Productivity Index
- (iv) Developed workplace productivity improvement strategy

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

The Board's operations are of highly specialized nature, characterized by high precision skills and technical knowledge among the professional, technical and support employees. In this regard, the Board not only recruits the right caliber personnel but also trains the incumbents for necessary skill sets. Through well-trained and competent personnel, the Board undertakes to provide services to the Public efficiently and effectively.

Sports Kenya has put in place well thought out guidelines and standards for the prevention and protection of employees against accidents and occupational diseases arising at and during the course of work. It also provides procedures to be followed as a result of occurrence of such accidents and modalities for the administration and payment or compensation for work-related injuries and accidents.

In essence, the organization has demonstrated commitment to Occupational Health, Safety and Environment by providing necessary safeguards at all workstations and sites.

Market place practices-

Below are Sports Kenya efforts to:

(a)Responsible Competition Practice.

Sports Kenya thrives on ethical management practices that are focused on provision of facilities and services that meet and even surpass the expectations of the customers. This is particularly done by ensuring proper product differentiation, product specifications, competitive bidding of products and services, display of service charter and provision of quality products and service to give customers value for money. Sports Kenya puts fundamental emphasis on zero tolerance to corruption and any related vices.

(b) Responsible Supply Chain and Supplier Relations

Sports Kenya engages with suppliers responsibly and responsively by adhering to legal and regulatory requirements. These include adhering to terms agreed upon in the contracts with suppliers, timely and accurate payments according to the agreed upon terms, open and transparent communication with suppliers, and giving equal opportunity to all suppliers.

(c)Responsible marketing and advertisement or Responsible engagement with the citizens.

Sports Kenya's responsible marketing approach encompasses ethical, sustainable, and socially responsible practices while keeping the best interests of the customer at the core. It aims to deliver engaging and creative marketing campaigns that promote transparency, social responsibility, and a genuine connection with the target audience and is based not only on the benefits to the customer but also the greater good to the community through Corporate Social Responsibility (CSR) programs. In this connection, deliberate efforts are made to ensure that marketing and advertising initiatives are driven by honesty, trust and building of strong relationships with the customers through a set of shared values and in compliance with lawful marketing practices and ethics.

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

(d) Product stewardship or Awareness creation

Sports Kenya has enhanced its Product stewardship and has created a process of responsible and sustainable handling of products throughout their entire lifecycle. This approach to Environment, Health, and Safety (EHS) has caused Sports Kenya to keep a closer eye on their products and the materials used to produce their products and services. This includes ethical sourcing, responsible handling, and sustainable disposal, which all help the organization reduce waste and carbon footprint while improving overall operations. Sports Kenya has put in place the responsibly to whoever designs, produces, sells, or uses a product takes responsibility for minimizing the product's environmental impact throughout all stages of the products' life cycle, including end of life management.

iv. Corporate Social Responsibility / Community Engagements

Community social investment is one of the key pillars of Sports Kenya's Corporate Social Responsibility (CSR) policy. During the Financial year, Sports Kenya donated stadium seats to the following facilities across the country:

1. Jaramogi Oginga Odinga Stadium in Siaya county - December 2024 - 15,000 seats
2. Masinde Muliro stadium - Kanduyi - Bungoma county - March 2025 - 10,000 seats
3. Afraha stadium - Nakuru county - June 2025 - 5,000
4. Kwale stadium - Kwale county - February 2025 - 8,000 seats



Kinarini Stadium- Kwale County with Installed seats donated by Sports Kenya

We also undertook various environmental initiatives including afforestation activities where each member of staff planted at least 100 seedlings. This initiative was aligned with the government's tree planting programs which are aimed to increase forest cover and combat climate change. The target of the government is to plant 15 billion trees by the year 2032.

The program involves ministries, state departments, and public support to replant degraded forests and achieve environmental goals. These programs use a multi-agency approach to engage

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

communities and other organizations in tree planting efforts, which also aim to provide economic benefits, improve water supply, and create sustainable livelihoods.



Sports Kenya Board of Directors and management took part of the tree planting program



Sports Kenya Board of Directors and management took part of the tree planting program

Sports Kenya provided support to the persons with disabilities by allowing all the PWD teams to conveniently use sports Kenya facilities free of charge and without any conditionalities. The objective is to integrate persons with disabilities into Sports Kenya's core mandate for them to draw benefits and enjoy the use of facilities despite their physical challenges.

Sports Kenya invited the elderly persons residing at the home for the elderly popularity known as Nyumba ya Wazee (Sisters of Mercy). They interacted and chatted with members of staff for a whole day. The objective was to accord them companionship and emotional support and free them from loneliness and give them hope.

Sports Kenya has also engaged in several charitable initiatives in both cash and kind such as The Great Chepsaita Marathon championship, Branded sports balls among others. Sponsored events included: - The Great Chepsaita Marathon for training Wangwe cup 10th edition 2024 provision of equipment, Cerebral palsy society of Kenya provision of facilities.

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of Sports Kenya's affairs.

i) Principal activities

The principal activities of the Entity are to manage all Government-owned sports facilities effectively and efficiently, and to institute sports programs at the grassroots, national and international levels for Kenyans.

ii) Results

The results of the Entity for the year ended June 30, 2025, are set out on page 1

iii) Directors

The members of the Board of Directors who served during the year are shown on page vii to xiii. During the year one director retired and three were appointed with effect from June 2025.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) 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 Entity did not make any surplus during the year (FY 2025 Kshs Nil) and hence no remittance to the Consolidated Fund.

v) Auditors

The Auditor-General is responsible for the statutory audit of Sports Kenya in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board


**Mr. Gabriel Komora
Ag. Director General
Sports Kenya**

Date....2011/25

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Directors to prepare financial statements in respect of Sports Kenya, which give a true and fair view of the state of affairs of Sports Kenya at the end of the financial year and the operating results of Sports Kenya for that year. The Directors are also required to ensure that Sports Kenya keeps proper accounting records which disclose with reasonable accuracy the financial position of the Entity. The Directors are also responsible for safeguarding the assets of Sports Kenya.

The Directors are responsible for the preparation and presentation of the Sports Kenya's financial statements, which give a true and fair view of the state of affairs of Sports Kenya for and as at the end of the financial year ended on June 30, 2025. 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 Sports Kenya;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Sports Kenya'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 Sports Kenya's financial statements give a true and fair view of the state of Sports Kenya's transactions during the financial year ended June 30, 2025, and of the Sports Kenya's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Sports Kenya, 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 Directors to indicate that Sports Kenya will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

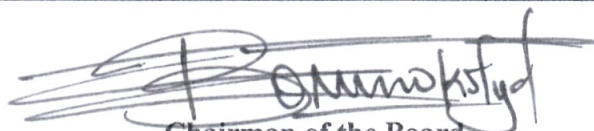
The Sports Kenya's financial statements were approved by the Board on 28-08- 2025 and signed on its behalf by:

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.



Ag. Director General
Mr. Gabriel Komora
Sports Kenya

Date 20/11/25



Chairman of the Board
Hon. Mark Lomunokol
Sports Kenya

Date 20/11/25

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON SPORTS KENYA FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on the Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting frame work. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Sports Kenya set out on pages 1 to 80, which comprise of the statement of financial position as at 30 June, 2025, 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 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 Sports Kenya as at 30 June, 2025 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 Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Outstanding Receivables from Exchange Transactions

The statement of financial position and Note 21 to the financial statements reflects receivables from exchange transactions balance of Kshs.326,087,961. However, the balance includes rent receivable balance of Kshs.141,048,433 that has been outstanding for more than three (3) years. Management has explained that they are still pursuing the tenants through various ways including court cases and listing of individual tenants to Credit Reference Bureau (CRB).

In the circumstances, the accuracy, completeness and recoverability of receivables from exchange transactions balance of Kshs.326,087,961 could not be confirmed.

2. Inaccuracy and Ownership of Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.277,575,251. The value of land on which the organization is situated has not been included in the property, plant and equipment schedule and the ownership documents to the land were not provided for audit verification.

In addition, Management did not provide a register of assets owned by the organization for audit verification which contains comprehensive details of the assets such as cost, disposals, depreciation, location of the asset, tagging, serial numbers and the officer responsible for each asset, among other details, as required under Regulation 143(2) of Public Finance Management (National Government) Regulations, 2015 and the Treasury Circular 1 No. 5/2020 of 25 February, 2020.

In the circumstances, the accuracy, ownership, valuation and disclosure of the property, plant and equipment balance of Kshs.277,575,251 could not be confirmed.

3. Long Outstanding Trade and Other Payables

The statement of financial position and Note 27 to the financial statements reflects trade and other payables of Kshs.113,430,435. Review of the financial records revealed that payables of Kshs.85,632,578 (75%) had been outstanding for a period of more than one year. Management did not provide explanations for the non-settlement of liabilities.

In the circumstances, the risks of non-settlement, accuracy and completeness of the trade and other payables of Kshs.113,430,435 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Sports Kenya Management in accordance with ISSAI 130 on the 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 opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final revenue budget and actual on comparable basis of Kshs.11,726,403,000 and Kshs.6,353,227,177 respectively resulting in revenue shortfall of Kshs.5,373,175,823 or 46% of the budget. Similarly, the statement reflects actual expenditure of Kshs.6,616,539,939 against an approved budget of Kshs.11,726,403,000 resulting to an under expenditure of Kshs.5,109,863,061 or 44% of the approved budget.

The under-funding and under expenditure may have affected the operations and planned activities of the Sports Kenya and hence impacted negatively on service delivery to the public.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

As disclosed under follow-up on the auditor's recommendations on prior years audit issues, various prior years audit issues remained unresolved as at 30 June, 2025. Management has not provided reasons for the delay in resolving the prior year's audit issues.

Review of the status during audit of the Sports Kenya in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Long Outstanding Receivables from Exchange Transactions
2	2023/2024	Long Outstanding Receivables from Non -Exchange Transactions

	Financial Year	Audit Issue
3	2023/2024	Unconfirmed Accuracy and Ownership of Property, Plant and Equipment
4	2023/2024	Management of Moi International Sports Centre
5	2023/2024	Long Outstanding Trade and Other Payables
6	2023/2024	Outstanding Audit Fees
7	2023/2024	Irregular Award of Tender for Refurbishment of Kericho Green Stadium
8	2023/2024	Irregular Award of Tender for Refurbishment of Bukhungu Stadium
9	2023/2024	Irregularities Award of Tender for Refurbishment of Masinde Muliro-Kandunyi Stadium
10	2023/2024	Incomplete and Stalled Projects

Other Information

The Management is responsible for the Other Information set out on page iii to xviii which comprise of Key Fund Information and Management, Key Management Team, Fiduciary Management, Fiduciary Oversight Management, Chairperson' Statement, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Sports Kenya's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is no material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, 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 of Conclusion

1. Construction of Talanta Sports City Stadium

The statement of financial position and Note 26 to the financial statements reflect work in progress balance of Kshs.12,092,677,136. Included in the balance, is an amount of Kshs.2,000,000,000 transferred to Ministry of Defence for construction of the Talanta Stadium. The tender for the proposed design, build and equip of the Talanta Sports City was awarded to M/s China Road and Bridge Corporation (Kenya) at a contract sum of USD.344,514,966 (Kshs.45,848,051,675). An agreement was signed between the Management of Sports Kenya and the Ministry of Defence to transfer procuring responsibility and supervision of the construction of the stadium from Sports Kenya to the Ministry of Defence.

Article 5.3 on Transferor's obligations indicates that the Transferor (Sports Kenya Management) would negotiate for adequate funding for the project in liaison with The National Treasury, prior to project implementation, and disburse the funds to the Transferee. Further, Article 6.4 on Transferee's obligations required the Transferee to comply with all procurement laws and regulations. However, review of the financial records revealed the following anomalies;

- (i) The contract was awarded through direct procurement method which did not meet competitive procurement and direct procurement criteria required by Section 91(1) and Section 103 (2) of the Public Procurement and Disposals Act, 2015.
- (ii) The National Treasury had approved project funding of Kshs.35Billion which was to be drawn from the Sports and Arts Social Development Fund over a six (6) year payment plan against a contract amount of Kshs.45,848,051,675 resulting to an unsupported price variation of Kshs.10,848,051,675.
- (iii) Clearance from the Attorney General for the award of the contract was not provided for audit.
- (iv) The project implementation report as at 1 June, 2025 indicated that the project was at 44.54% completion level with 15 months to expected contract completion date, while cumulative payments to the contractor amounted to Kshs.2,000,000,000 or only 4.5% as at June, 2025. However, the contract indicated that late payments would attract interest at 3% (above the Central Bank of Kenya average rate for base lending prevailing as of the first day the payment becomes overdue) in accordance with Article 3.5 of the contract agreement, resulting in additional avoidable project expenditure.
- (v) There was no evidence that the works were budgeted for and included in the approved procurement plan. This was contrary to Section 53(2) of the Public Procurement and Asset Disposal Act, 2015.

- (vi) Management did not provide evidence of ownership of land on which the Stadia was being constructed.

Subsequent information indicates that a Deed of assumption of payment obligations was signed on 22 July, 2025 between the Government of Kenya represented by the Principal Secretary, Ministry of Defence, Sports Kenya and a Trustee transferring the duty and obligation of making subsequent payments to the Trustee. Similarly, the Contractor signed a consent agreeing to the transfer of duty and obligation of making subsequent payments to the Trustee on behalf of the Ministry of Defence.

In addition, a Deed of assignment of receivables was signed on 30 May, 2025 between the Government of Kenya represented by the Principal Secretary, State Department for Sports, Sports Kenya and a Trustee transferring all rights, titles, interest and benefit in the assigned assets by way of sale to the Trustee. The changes in the funding model were aimed at ensuring that the project was fully funded to completion. However, full details of the new funding model was not provided as at the date of completion of this audit. A special audit will be conducted to determine the arrangements in delivery of the project including funding and confirm value for money in achievement of the project.

2. Irregular Award of Contracts

According to procurement records it was confirmed that four (4) contracts valued at Kshs.2,163,007,849 were awarded to one construction company. The details are summarized below:

	Stadium	Contractor	Contract Sum (Kshs.)	Amount Paid (Kshs.)
1	Raila Odinga Stadium	Modern Precast	502,380,477	349,023,006
2	Raila Odinga Stadium- Additional Works	Modern Precast	226,659,028	
3	Kamariny	Modern Precast	865,166,957	
4	Kinarini Stadium	Modern Precast	568,801,387	490,330,856
		Total	2,163,007,849	839,353,862

Review of the financial records revealed the following anomalies;

- i) Management did not provide evidence that the contracts were competitively awarded as required by Article 227(1) of the Constitution of Kenya and Section 91 of the Public Procurement and Asset Disposal Act, 2015.
- ii) There was no evidence that the works were budgeted for and included in the approved procurement plan. This was contrary to Section 53(2) of the Procurement Act.
- iii) Management did not provide tender opening minutes, tender evaluation minutes, inspection and acceptance committee minutes and certificates of completion.

- iv) It was noted that the contractor was awarded an additional contract for Raila Odinga Stadium at a contract sum of Kshs.226,659,028 yet the initial contract had not been fully executed. Management did not provide justification for the decision.
- v) No memorandum of understanding with the counties concerning the construction, management and maintenance of the Stadium was provided for audit review.
- vi) Agreements with the counties indicating the scope of collaboration and specific works for each party were also not provided for review.

In the circumstances, Management was in breach of the law.

3. Incomplete and Stalled Projects

The statement of financial position and Note 26 to the financial statements reflects work in progress balance of Kshs.12,092,677,136. Review of projects implemented by Management revealed the following unsatisfactory matters;

3.1 Jaramogi Oginga Odinga Stadium – Siaya County

Management awarded a contract for the construction works at Jaramogi Oginga Odinga Stadium at a contract sum of Kshs.50,013,320. Physical verification carried out in June, 2025 revealed the following: floodlights worth Kshs.30,576,000 could not be confirmed because of lack of electrical connection to the floodlights. Further, 16 flood lights worth Kshs.4,076,800 were still packed in boxes in the store.

In the circumstances, the value for money incurred on the project could not be confirmed.

3.2 Raila Odinga Stadium – Homabay County

Management awarded a contract for the construction works at Jaramogi Oginga Odinga Stadium at a contract sum of Kshs.502,380,477. Physical verification carried out in June, 2025 revealed the following: A contract on additional works at the stadium was awarded at Kshs.226,659,028 whereas the works for the original contract had not yet been completed. Homabay County Government installed one hundred and twenty (120) flood lights. However, during the execution of the contract by Sport Kenya, the flood lights were reduced to ninety-six (96). Twenty-four (24) floodlights were not provided for physical verification and therefore their existence could not be confirmed. Further, storm water drainage which had a provision of Kshs.8,500,00 had not been implemented.

In the circumstances, the propriety of the expenditure and value for money could not be confirmed.

3.3 Karatu Stadium – Gatundu

Management awarded a contract for the construction works at Karatu stadium at a contract sum of Kshs.259,604,780. The contract period was eight (8) months from 16 September, 2016. The contract value was varied to Kshs.293,916,129. The amount

paid to the contractor as at 30 June, 2025 was Kshs.277,849,861 or 95% of the contract price.

A physical verification carried out in June, 2025 revealed that Sport Kenya does not have land ownership document for the land where the stadium is located. Further, due to the absence of land title deed, the contractor has not been able to apply for three phase electricity. In addition, concrete retaining walls of Kshs.7,871,100 and drainage works outside the stadium of Kshs.4,304,000 had not been carried out.

In the circumstances, the propriety of the expenditure and value for money could not be confirmed.

3.4 Wote Stadium - Makueni County

Management entered into a contract for the construction works at Wote stadium at a contract sum of Kshs.299,309,555. As at 30 June, 2025, Kshs.226,309,712 had been paid to the contractor.

Physical verification carried out in August, 2025 revealed that the project was not complete, more than 8 years since the expected completion date. Further, the tartan had not yet been installed, the western pavilion was still being constructed, there was no borehole installed and the construction of the ablution block had not commenced.

In the circumstances, the propriety of the expenditure and value for money could not be confirmed.

3.5 Kinoru Stadium – Meru County

Management awarded construction contracts valued at Kshs.909,935,487 to five contractors for the development of the stadium. The works commenced on 9 September, 2017 and were initially scheduled for completion on 9 September, 2018 which was later revised to 9 November, 2020.

The contract for borehole drilling and equipping, high and low-level water tanks, and water reticulation was valued at Kshs.49,421,150. At the time of the field inspection in August, 2025, the borehole had dried up, with a meter reading of 2,000 cubic metres. Notably, the contractor had been paid Kshs.1,000,000 for a hydrological survey.

In the circumstances, the propriety of the expenditure and value for money could not be confirmed.

3.6 Kirubia Stadium -Tharaka-Nithi County

Management awarded construction contract valued at Kshs.274,208,855 for the development of a stadium. The works commenced on 5 January, 2017 and were initially scheduled for completion on 14 September 2017 which was later revised to 31 May, 2018. Subsequently, in March, 2025, the Board awarded an additional contract to the same contractor, covering further pitch works and the construction of a presidential dais.

The entity did not provide Inspection and Acceptance Committee report, practical completion certificate, and final completion certificate to confirm that the works were inspected, verified, and accepted in accordance with contract requirements. In the absence of these mandatory closure documents, the audit could not confirm that the project has been formally closed and handed over. The stadium project included the installation of a tartan synthetic athletics track by a specialized contractor in 2021 at a cost of Kshs.41,550,000. During physical verification, it was observed that large sections of the tartan surface had excessively peeled off and deteriorated beyond repair.

In the circumstances, the propriety of the expenditure and value for money could not be confirmed.

3.7 Ruringu Stadium - Nyeri County

The Management entered into a contract for the construction of Ruringu stadium in Nyeri County for a contract sum of Kshs.288,045,530 on 5 January, 2017 with expected completion date of 5 August, 2017. The contract was later revised to Kshs.358,245,530 which was an increase of 24.4%. According to the financial records, an amount of Kshs.302,082,728 had been paid to the contractor. The Ministry of Defence took over the project in May, 2025. The contract and bills of quantities under Ministry of Defence were not provided for audit.

In the circumstances, the propriety of the expenditure and value for money could not be confirmed.

3.8 Masinde Muliro Kanduyi Stadium (Phase II) – Bungoma County

Sports Kenya was tasked with completing the Masinde Muliro Kanduyi Stadium in time for the Madaraka Day Celebrations of 1 June, 2024 and a negotiated contract of Kshs.799,160,705 was awarded.

Physical verification of the stadium carried out in August, 2025 revealed that there was poor workmanship in the completed works despite having inspection certificates from the State Department of Public Works. Despite the lapse of the contract completion date, several works remained incomplete, with no documented approvals for extension of time or liquidated damages enforcement. The contractor had not erected a project sign board detailing the project information and nature of works undertaken, landscaping and ground levelling on the outside had not started, flood lights were not installed, roofing sheets was not installed, cabro paving blocks were not laid down and only four guard houses were constructed instead of nine.

In the circumstances, the propriety of the expenditure and value for money could not be confirmed.

3.9 Kipchoge Keino Stadium – Uasin Gishu County

Management entered into two (2) contracts for the construction of Kipchoge Keino Stadium in Uasin Gishu County in August 2017 for a contract sum of Kshs.369,697,973

for Phase I and Kshs.325,829,431 for Phase II. Audit inspection in the month of August, 2025 established that a section of the works (terraces) formally constructed at approximately Kshs.150 Million was demolished in order to meet conditions for CAF/FIFA in preparation for 2027 Africa Cup of Nations.

In the circumstances, the propriety of the expenditure and value for money could not be confirmed.

3.10 Kamariny Stadium – Elgeyo-Marakwet County

The construction of Kamariny Stadium, Iten in Elgeyo-Marakwet County, commenced in the 2016-2017 financial year with an initial allocation of Kshs.287 million. This contract was, however, terminated in 2021 because the contractor failed to meet deadlines, having completed only about 30% of the work over four years. Subsequently, in the 2024-2025 financial year, the stadium project was re-tendered with an updated design and scope, at a significantly higher cost of Kshs.760,000,000. Site inspection in August, 2025 confirmed the presence of the new contractor and satisfactory progress.

On 16 March, 2021, Sports Kenya wrote to the contractor's insurance invoking the advance payment security and demanding recovery of Kshs.24,000,000. In response, the insurer requested more time to conduct internal investigations. However, by the time of audit, no funds had been recovered resulting in a potential loss of Kshs.25,905,400 in public funds.

The Ministry of Sports retained Kshs.3,670,376 as retention money. Since the contract was later terminated due to poor performance, there was no clear documentation on how the retention funds would be utilized or managed.

In the circumstances, the propriety of the expenditure and value for money could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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 audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the 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

1. Weak internal Audit Function

Sports Kenya is currently operating on a draft Internal Audit Charter to guide the functioning, authority, scope and independence of the internal audit unit. Further, the Internal Audit Department had only one (1) officer against three (3) staff in the approved staff establishment.

In the circumstances, Sports Kenya did not benefit from the oversight role and advice from the Internal Audit Function and hence, the effectiveness of Internal Audit was not fully realized.

2. Lack of a Risk Management Policy

Sports Kenya did not have a Risk Management Policy that provided a framework for minimizing risks by enhancing mitigative and corrective measures thereby maximizing potential opportunities. Further, risk assessment was not conducted during the year under review.

In the circumstances, the effectiveness of the Sports Kenya's risk management practices could not be confirmed.

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 controls, risk Management and overall 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 controls 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Sports Kenya's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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

comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Sports Kenya's financial reporting process, reviewing the effectiveness of how 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

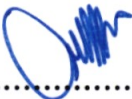
Nairobi

23 December, 2025

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

14. Statement of Financial Performance for the year ended 30 June 2025			
	Notes	FY2024-2025	FY2023-2024
Revenue from non-exchange transactions		<u>Kshs</u>	<u>Kshs</u>
Transfer from other Government entities	6		
GOK Recurrent Grants	6. (a)	215,116,591	202,999,998
(6.2) Other Recurrent Grants	6. (b)	55,212,525	115,586,988
Total Revenue from non-exchange transactions		<u>270,329,116</u>	<u>318,586,986</u>
Revenue from exchange transactions			
Hire of facilities	7.0	69,493,010	76,655,971
Rental revenue	8.0	60,672,710	71,895,026
Hotel Income	9.0	80,951,280	122,338,448
Advertising	10.0	2,326,021	2,993,943
Other income	11.0	23,898,354	106,503
Total Revenue from exchange transactions		<u>237,341,375</u>	<u>273,989,891</u>
Total Revenue		<u>507,670,491</u>	<u>592,576,877</u>
Expenses			
Employee costs	12.0	189,256,492	187,395,582
Remuneration of Board	13.0	25,475,127	8,343,206
Use of Goods and Services	14.0	188,526,387	188,842,706
Contracted and professional services	15.0	50,013,886	70,283,519
Bulk Purchases of water and electricity	16.0	52,200,066	64,465,303
Repairs and Maintenance	17.0	82,636,615	139,930,583
Depreciation and amortization expense	18.0	29,351,273	32,622,041
Finance Cost	19.0	-	-
Total Expenses		<u>617,459,846</u>	<u>691,882,940</u>
Net Surplus/(Deficit) for the year		<u>(109,789,355)</u>	<u>(99,306,063)</u>

The notes set out on pages 14 to 57 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 13 were signed on behalf of the Board of Directors by:

		
Mr. Gabriel Komora	Mr. Japhet Kaunyu	Hon. Mark Lomunokol
Ag. Director General	Assist Director Finance	Chairman of the Board
ICPAK M/No:15721		
Date 20/11/25	Date 20/11/25	Date 20/11/25

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

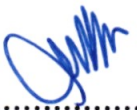
15. Statement of Financial Position as at 30 June 2025

	Notes	FY2024-2025	FY2023-2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	20.0	63,598,370	93,542,739
Accounts receivables from exchange transactions	21.0	326,087,961	328,116,792
Accounts receivables from non exchange transactions	22.0	245,148,609	232,708,047
Inventories	23.0	5,579,213	6,605,206
Advanced Mobilization Monies	24.0	159,061,238	236,342,017
Total Current Assets		799,475,391	897,314,801
Non - current assets			
Property, Plant and Equipment	25.0	277,575,251	296,222,873
Work in progress (WIP)	26.0	12,092,677,136	6,171,122,694
Total Non - current assets		12,370,252,387	6,467,345,567
Total assets (A)		13,169,727,778	7,364,660,368
Liabilities			
Current liabilities			
Trade and other payable from exchange transactions	27.0	113,430,435	110,134,757
Refundable deposits from rent customers	28.0	1,290,175	1,256,175
Receipts in advance from trade customers	29.0	22,301,150	21,526,300
Provision for audit fee	30.0	928,000	928,000
Employee benefit obligation & pension	31.0	15,906,985	12,541,070
Audit fee payables	32.0	928,000	928,000
Provision for PAYE assessment	33.0	5,717,518	3,207,039
		160,502,263	150,521,341
Non - current liabilities			
Non-Current Trade and other payable from exchange transactions	27.0	85,632,578	116,294,295

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Non-Current Employee benefit obligation pension	31.0	66,142,659	38,782,487
Non-Current Audit fee payables	32.0	7,481,520	6,553,520
Provision for KRA tax assessment	34.0	7,895,724	29,895,724
Projects 10% retention fee	35.0	160,963,497	132,483,320
		328,115,978	324,009,346
Total liabilities (B)		488,618,241	474,530,687
Net assets (A-B)		12,681,109,537	6,890,129,681
Reserves			
Accumulated surplus	36.0	(41,782,873)	68,006,482
Capital Funds	37.0	12,722,892,410	6,822,123,199
Total net assets & liabilities		12,681,109,537	6,890,129,681

The financial statements set out on pages 1 to 13 were signed on behalf of the Board of Directors by:



Mr. Gabriel Komora
Ag. Director General

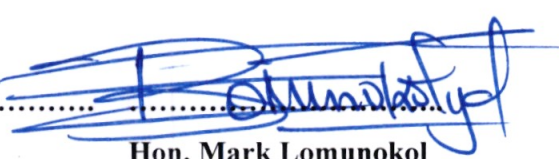
Date 20/11/25



Mr. Japhet Kaunyu
Assist Director Finance

ICPAK M/No:15721

Date 20/11/25



Hon. Mark Lomunokol
Chairman of the Board

Date 20/11/25

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

16. Statement of Changes in Net Assets for the year ended 30 June 2025

	Revenue Reserve	Capital Reserve	Total
	Kshs	Kshs	Kshs
As at 01/07/2023	167,312,545	4,701,265,654	4,868,578,199
Net surplus /(deficit) for the year	(99,306,063)		(99,306,063)
Additions for the year		2,120,857,545	2,120,857,545
Deferred Income	-	-	-
Prior year adjustment			-
As at 30/06/2024	68,006,482	6,822,123,199	6,890,129,681
As at 1/7/2024	68,006,482	6,822,123,199	6,890,129,681
Net surplus /(deficit) for the year	(109,789,355)		(109,789,355)
Additions for the year		5,900,769,211	5,900,769,211
As at 30/06/2025	(41,782,873)	12,722,892,410	12,681,109,537

Note:

- The Statement of Financial Performance includes **Kshs 23,770,733** realized from sale of scrap metal disposals during the renovation works at MISC Kasarani and Nyayo National Stadium. The PPE does not include the value of the Stadium buildings thus the disposal amount was not deducted from the PPE.*
- Staff Leave allowances is normally issued to the staff ones in a calendar year. Management agreed to be paying leave allowance as a one-off in the month of January every year to avoid monthly salary fluctuations.*

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

17. Statement of Cash Flows for the year ended 30 June 2025

	Notes	2024-2025	2023-2024
Revenue from non-exchange transactions		Kshs	Kshs
Transfer from other Government entities	6		
GOK Recurrent grants	6. (a)	215,116,591	202,999,998
Other Recurrent Grants	6. (b)	55,212,525	115,586,988
Revenue from exchange transactions			-
Hire of facilities	7.0	69,493,010	76,655,971
Rental revenue	8.0	60,672,710	71,895,026
Hotel income	9.0	80,951,280	122,338,448
Advertising	10.0	2,326,021	2,993,943
Other income	11.0	23,898,354	106,503
Expenses			
Employee costs	12.0	(189,256,492)	(187,395,582)
Remuneration of Board	13.0	(25,475,127)	(8,343,206)
Use of goods and services	14.0	(188,526,387)	(188,842,706)
Contracted and professional services	15.0	(50,013,886)	(70,283,519)
Bulk Purchases of water and electricity	16.0	(52,200,066)	(64,465,303)
Repairs and maintenance	17.0	(82,636,615)	(139,930,583)
Finance cost	19.0	-	-
Working capital adjustments			
Increase/decrease in receivables from exchange transactions	21.0	2,028,831	(89,627,026)
Increase/decrease in receivables from non -exchange transactions	22.0	(12,440,562)	(53,961,200)
Increase /decrease in inventories	23.0	1,025,993	(912,626)
Increase /decrease in advance mobilization monies	25.0	77,280,779	(148,561,899)
Increase/decrease in Trade and other payables	27.0	(27,366,039)	80,581,719
Increase/decrease in refundable deposit for rent	28.0	34,000	17,000

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Increase/decrease in receipt in advance from customers	29.0	774,850	20,544,150
Increase/decrease in provision in audit fee	30.0	-	128,000
Increase/decrease in pension obligation	31.0	30,726,086	12,541,069
Increase/decrease in Audit fee payable	32.0	928,000	406,000
Increase/decrease in PAYE assessment	33.0	2,510,479	404,746
Increase/decrease in KRA tax assessment	34.0	(22,000,000)	26,099,827
Increase/decrease in projects 10% retention fee	35.0	28,480,178	75,405,513
Net cashflow from operating activities		1,544,513	(143,618,749)
Cashflow from investing activities			
Purchase of fixed assets	25.0	(10,703,651)	(19,962,766)
Payment of capital	26.0	(5,921,554,442)	(1,911,994,814)
Cashflow from financing activities			-
Capital funds	37.0	5,900,769,211	2,120,857,546
Net increase in cash and cash equivalents		(29,944,369)	45,281,217
Cash and Cash equivalents at the start of the year		93,542,739	48,261,522
Cash and Cash equivalents at the end of the year	20.0	63,598,370	93,542,739

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

ITEM DESCRIPTION	Original budget Approved FY2024/25	ADJUSTMENTS	Supplementary budget Approved FY2024/25	Actual on comparable basis-Quarter 1,2, 3 & 4	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
REVENUES	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Grants GOK	356,122,000	101,000,000	255,122,000	215,116,591	40,005,409	84%
Grants SASDF	9,389,631,000	1,738,284,000	11,127,915,000	5,900,769,211	5,227,145,789	53%
Rent	54,214,000	-	54,214,000	60,672,710	(6,458,710)	112%
Hire of Facilities	102,540,000	10,000,000	92,540,000	66,562,510	25,977,490	72%
Hotel Fees	119,240,000	-	119,240,000	80,951,280	38,288,720	68%
Gate Takings	1,500,000	917,000	2,417,000	2,930,500	(513,500)	121%
Outdoor Advertising and TV Rights	6,480,000	-	6,480,000	2,326,021	4,153,979	36%
Sale of Tenders	50,000	-	50,000	1,724	48,276	3%
Partnership, Sponsorships, Naming Rights & Branding	30,210,000	9,140,000	21,070,000	-	21,070,000	0%
Standard & Regulations of Stadia consultancy, Licenses and Levy	5,100,000	3,100,000	2,000,000	-	2,000,000	0%
Disposal of Assets	3,200,000	42,055,000	45,255,000	23,770,733	21,484,267	53%
Miscellaneous	90,000	10,000	100,000	125,897	(25,897)	126%
TOTAL INCOME	10,068,377,000	1,658,026,000	11,726,403,000	6,353,227,177	5,373,175,823	54%
PERSONEL&ADMINSTRATION						
Basic Salaries	132,471,000	4,300,000	128,171,000	101,707,361	26,463,639	79%
House Allowance	46,412,000	2,500,000	43,912,000	35,038,974	8,873,026	80%

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Special Duty Allowances	1,455,000	-	905,000	843,163	61,837	93%
Commuter Allowances	15,062,000	-	13,062,000	11,961,855	1,100,145	92%
Acting Allowances	1,698,000	-	1,398,000	1,349,512	48,488	97%
Telephone Allowances	1,540,000	-	840,000	727,355	112,645	87%
NSSF - Employer	1,864,000	3,000,000	4,864,000	4,346,205	517,795	89%
Housing Levy	2,626,000	80,000	2,706,000	2,654,230	51,770	98%
Pension Annual Employer	20,820,000	-	15,820,000	13,349,850	2,470,150	84%
Leave Allowance	4,140,000	1,000,000	5,140,000	4,924,167	215,833	96%
Entertainment Allowance	2,460,000	-	1,760,000	1,648,871	111,129	94%
Director Generals Gratuity		4,274,000	4,274,000	4,274,124	(124)	100%
Staff Service Gratuity /Arrears	11,500,000	-	5,270,000	4,593,737	676,263	87%
Contracted Service Gratuity & Arrears	4,384,000	-	1,984,000	1,837,088	146,912	93%
Staff Medical	25,000,000	1,200,000	26,200,000	26,182,955	17,045	100%
Staff Welfare/Hospitality	6,888,000	-	6,688,000	7,314,221	(626,221)	109%
Staff Training	7,220,000	3,000,000	4,220,000	4,024,793	195,207	95%
National commission for Science Technology & Innovation	1,000,000	-	700,000	305,200	394,800	44%
Productivity	1,000,000	1,000,000	-	-	-	-
Road Safety	1,000,000	1,000,000	-	-	-	-
Performance Contracting	1,500,000	-	700,000	1,003,100	(303,100)	143%
SUB-TOTAL	290,040,000	21,426,000	268,614,000	228,086,761	40,527,239	85%

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

BOARD EXPENSES						
Chairperson Honoraria	1,080,000	100,000	980,000	975,570	4,430	100%
Board Sitting & Mileage Allowances	14,440,000	3,000,000	11,440,000	11,009,907	430,093	96%
International Perdiem/Accommodation and Travel	5,500,000	5,500,000	-	-	-	-
Local Perdiem/Accommodation and Travel	10,020,000		10,020,000	11,049,650	(1,029,650)	110%
Board Oversight for Capital Projects	8,860,000	8,860,000	-		-	-
Training	1,500,000	1,000,000	2,500,000	2,440,000	60,000	98%
Board hospitality/Conference expenses	1,000,000	1,000,000	-	-	-	-
SUB-TOTAL	42,400,000	17,460,000	24,940,000	25,475,127	(535,127)	102%
EXPENSES						
OPERATIONS & MAINTENANCE						
Establishment of Sports Heritage & Documentation Center	2,000,000	2,000,000	-	-	-	-
Standard Regulations of Stadia, Inspection & Licensing	1,500,000	1,500,000	-	-	-	-
Hosting Mass sports in 7 Regions	1,000,000	1,000,000	-	-	-	-
Policy, Strategy and Information	8,500,000	8,500,000	-	-	-	-
Water & conservancy	30,640,000	4,000,000	26,640,000	25,778,035	861,965	97%
Electricity	30,860,000	4,000,000	26,860,000	26,422,031	437,969	98%
Food Purchases	25,108,000	1,000,000	26,108,000	30,147,437	(4,039,437)	115%
Stadion Expenses	4,345,000	4,000,000	8,345,000	7,635,414	709,586	91%
ICT Expenses & Accessories	5,576,000		5,576,000	6,203,477	(627,477)	111%
Gas & fuel	4,320,000	301,000	4,019,000	6,579,230	(2,560,230)	164%
Marketing	8,816,000	4,000,000	4,816,000	5,471,356	(655,356)	114%

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

CSR Activities	1,680,000	-	400,000	380,000	20,000	95%
Stationery, Photocopying & Printing	5,420,000	-	4,420,000	3,573,491	846,509	81%
Fungicides, Insecticides Sprays & Fumigation & Pool Chemicals	6,512,000	-	2,712,000	1,174,354	1,537,646	43%
Cleaning Materials	4,378,000	-	3,678,000	2,252,808	1,425,192	61%
International Perdiem /Accommodation and Travel	12,400,000	-	2,000,000	1,987,284	12,716	99%
Local Perdiem/ Accommodation and Travel	21,100,000	-	36,100,000	35,285,335	814,665	98%
Advertising	3,060,000	-	60,000	30,160	29,840	50%
Casual Wages	12,000,000	-	14,000,000	13,824,626	175,374	99%
Talanta Stadium Groundbreaking		-	8,693,000	8,637,097	55,903	99%
NNS Tartan Storage Charges		-	35,000,000	35,000,425	(425)	100%
Repair and Maintenance works - Aquatic Complex		-	3,660,000	3,660,000	-	100%
Installation of Seats at Kinarini Stadium		-	11,520,000	19,692,589	(8,172,589)	171%
Installation of Seats at Kanduyi Stadium		-	7,000,000	-	7,000,000	0%
Wanguru Stadium Pitch Restoration		-	5,898,000	-	5,898,000	0%
GENERAL ADMINISTRATIVE EXPENSES						
Official Entertainment	5,395,000	-	7,395,000	7,839,681	(444,681)	106%
Transport / Motor Vehicle Operations	7,000,000	-	12,000,000	13,726,968	(1,726,968)	114%
Office Refurbishment	2,160,000	-	-	-	-	-
Maintenance of Stadia facilities, Plant & Machinery, Office Equipments	25,793,000	-	20,793,000	15,646,504	5,146,496	75%
Telephone & Airtime Expenses	2,617,000	-	2,667,000	1,277,056	1,389,944	48%
Postage & Courier Services	120,000	-	60,000	76,000	(16,000)	127%

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Membership Subscriptions	1,320,000	1,150,000	170,000	175,560	(5,560)	103%
Miscellaneous and other Charges, Bank Charges	1,950,000		1,950,000	1,198,303	751,697	61%
Staff Uniforms & PPE	1,800,000	1,780,000	20,000	12,500	7,500	63%
Climate change and adaptation expenses		300,000	300,000	285,000	15,000	95%
Provision for Depreciation & Amortization	14,083,000		14,083,000	29,351,273	(15,268,273)	208%
SUB-TOTAL	251,453,000	45,490,000	296,943,000	303,323,994	(6,380,994)	102%
CONTRACTED SERVICES						
Legal Services	5,500,000	4,500,000	1,000,000	957,986	42,014	96%
Consultancy Services - Strategic plan	3,000,000	3,000,000	-	-	-	0%
Cleaning Services	15,000,000		15,000,000	15,000,000	-	100%
Security Services	32,500,000	2,000,000	34,500,000	34,055,900	444,100	99%
Audit Services	800,000	128,000	928,000	928,000	-	100%
General Insurance	16,970,000	4,760,000	12,210,000	8,763,578	3,446,422	72%
Budget Preparations workshops, monitoring & Evaluations	3,858,000	2,000,000	1,858,000	868,500	989,500	47%
SUB-TOTAL	77,628,000	12,132,000	65,496,000	60,573,964	4,922,036	92%
TOTAL RECURRENT EXPENDITURE	661,521,000	5,528,000	655,993,000	617,459,846	38,533,154	94%
CAPITAL						
Office Computers & Accessories	5,065,000	500,000	5,565,000	5,486,952	78,048	99%
Sports Kenya ERP System	-	1,010,000	1,010,000	1,010,212	(212)	100%
Specialized tools and Sports Equipments	1,165,000	1,000,000	165,000		165,000	0%
Plant & Equipment	1,350,000	1,350,000	-	3,503,907	(3,503,907)	0%

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Furniture & Cabinets	9,645,000	- 8,300,000	1,345,000	1,712,792	(367,792)	127%
Hotel Fittings and Furnishing - Stadion Hotel		2,520,000	2,520,000	2,520,130	(130)	100%
Access Road and parking for the New Indoor Arena Annex	-	19,698,000	19,698,000	19,698,054	(54)	100%
Completion of Regional Stadia, Variation Requests and Regional Consultancy	-	184,865,000	184,865,000	176,576,245	8,288,755	96%
Marsabit Stadium Phase II	-	256,610,000	256,610,000	51,322,000	205,288,000	20%
Kamariny Regional Stadium-Elgeyo Marakwet	500,000,000	260,000,000	760,000,000	-	760,000,000	0%
International Stadium Construction-Talanta Stadium (AFCON)	-	2,000,000,000	2,000,000,000	2,000,000,000	-	100%
Rehabilitation works - Kanduyi Stadium		61,380,000	61,380,000	61,379,854	146	100%
Rehabilitation works - Bukhungu Stadiumm		1,449,985,000	1,449,985,000	237,829,204	1,212,155,796	16%
Upgrading of NNS Stadium-Nairobi County (AFCON)		50,000,000	50,000,000	50,000,000	-	100%
Upgrading of Kipchoge Keino Stadium-Uasin Gishu County (AFCON)	1,600,000,000	- 1,300,000,000	300,000,000	300,000,000	-	100%
Health and Fitness Center-Dp Resident (Nairobi County)	50,000,000	- 50,000,000	-	-	-	-
Kapkatet Stadium-Kericho County	700,000,000	56,595,000	756,595,000	-	756,595,000	0%
Kapsabet Stadium-Nandi County	500,000,000	- 500,000,000	-	-	-	-
Mbaraki Stadium-Mombasa County	100,000,000	- 100,000,000	-	-	-	-
Busia Regional Stadium-Busia	700,000,000	- 700,000,000	-	-	-	-
Garissa Stadium-Garissa County	50,000,000	- 50,000,000	-	-	-	-
Olkalau Regional Stadium-Nyandarua county	200,000,000	- 200,000,000	-	-	-	-
Bomet Regional Stadium-Bomet County	200,000,000	- 200,000,000	-	-	-	-
Njukiri Regional Stadium-Embu County	600,000,000	- 600,000,000	-	-	-	-
Kidundu Stadium-Vihiga County	500,000,000	- 500,000,000	-	-	-	-

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Othaya Community Stadium-Nyeri County	100,000,000	47,313,000	52,687,000	-	52,687,000	0%
Maua Regional Stadium-Meru County	300,000,000	300,000,000	-	-	-	-
Gichugu Regional Stadium-Kirinyaga County	150,000,000	150,000,000	-	-	-	-
Police Sacco-Nairobi County	100,000,000	100,000,000	-	-	-	-
Kanyonyo Ap-Kitui County	150,000,000	150,000,000	-	-	-	-
MISC Kasarani boundary wall	300,000,000	300,000,000	-	-	-	-
AFCON 2027 - Kasarani Stadium Renovations	2,589,631,000	450,317,000	2,139,314,000	2,139,313,951	49	100%
AFCON 2027 - Consultancy Services UNES	-	50,586,000	50,586,000	50,585,653	347	100%
Refurbishment of Raila Odinga Stadium-Homabay	-	502,380,000	502,380,000	342,742,206	159,637,794	68%
Refurbishment of Raila Odinga Stadium-Homabay Additional Works	-	226,659,000	226,659,000	-	226,659,000	0%
Construction of Ablution Block-Malinya	-	19,788,000	19,788,000	19,788,071	(71)	100%
Renovations of Siaya Stadium	-	50,013,000	50,013,000	-	50,013,000	0%
Renovations of Kinarini Stadium-Kwale	-	568,801,000	568,801,000	490,330,857	78,470,143	86%
Installation of Tartan at NNS	-	81,780,000	81,780,000	35,280,000	46,500,000	43%
Consultancy-TVET	-	10,000,000	10,000,000	10,000,005	(5)	100%
Renovation of Ithookwe Stadium	-	688,664,000	688,664,000	-	688,664,000	0%
Renovation of Migori Stadium	-	740,000,000	740,000,000	-	740,000,000	0%
Perimeter Wall at Homabay Stadium	-	50,000,000	50,000,000	-	50,000,000	0%
Renovation of Embu Stadium Changing Room	-	40,000,000	40,000,000	-	40,000,000	0%
SUB-TOTAL	9,406,856,000	1,663,554,000	11,070,410,000	5,999,080,093	5,071,329,907	54%
TOTAL EXPENDITURE	10,068,377,000	1,658,026,000	11,726,403,000	6,616,539,939	5,109,863,061	56%

19. Notes to the Financial Statements

1. General Information

Sports Kenya is established by and derives its authority and accountability from Sports Act No. 25 of 2013. The Entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The Entity's principal activity is to promote co-ordinate and implement national and international sports programs, establish, manage, develop and maintain the sports facilities including convention centers, indoor sporting and recreational facilities in the country and participate in the promotion of sports tourism among others. Sports Kenya is expected to develop modern sports facilities as well as improve the existing ones.

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 Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note of these financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Sports Kenya. 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.

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There were no new and amended standards issued in the financial year.

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. The standard has been applied effectively
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. The standard has been applied effectively
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. The standard has been applied effectively
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

	i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. <i>The standard has been applied effectively</i>
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. <i>The standard is not effective</i>
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. <i>The standard is not effective</i>
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. <i>The standard is not effective</i>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

	understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <i>The standard is not effective</i>
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iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year.

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Taxes, Levies and fines

The Entity recognizes revenues from taxes, levies, 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 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. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The Entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sale of goods

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

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 Entity's right to receive payments is established.

Rental income

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

b) Budget information

The original budget for the Current FY2024-2025 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 Entity upon receiving the respective approvals in order to conclude the final budget.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Budget information (continued)

Sports Kenya'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. 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 cash flows has been presented under section xxx of these financial statements.

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 Sports Kenya 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.

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (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. 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.

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sales tax

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

- i) 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.
- ii) 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. 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 an xx-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.

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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

Motor vehicle	-	25%
Plant & Equipment	-	37.5%
Computers & Accessories	-	30%
Furnitures & Office Equipment	-	12.5%
Building	-	2%

New assets are charged depreciation fully in the year of acquisition.

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 Entity. 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 Entity 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. 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 Entity 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.

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

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

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Biological Assets

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i) Research and development costs

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

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

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

b) Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

k) 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:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

l) 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. 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.

m) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

n) 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.

o) 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.

Summary of Significant Accounting Policies (Continued)

p) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

q) Changes in accounting policies and estimates

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

r) Employee benefits

Retirement benefit plans

The Entity 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 Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

s) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

t) 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.

u) Related parties

The Entity 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 Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Director General and senior managers.

v) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity 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 Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

w) 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.

x) Comparative figures

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

y) 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, 2025.

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity'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:

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 Entity 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 Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

Description	FY 2024-2025	FY 2023-2024
(6.1) GOK Recurrent Grants (Unconditional Grants)	Kshs	Kshs
GOK Recurrent grant - Salaries	193,716,591	173,000,000
GOK Utility grants - Water & Electricity	21,400,000	29,999,998
Total	215,116,591	202,999,998
(6.2) Other Recurrent Grants		
Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Nyayo Stadium Preparation for Kipchoge Classic -SASDF Grant	-	14,884,880
Nyayo Stadium CAF Inspection-SASDF Grant	-	15,000,000
AFCON/CAF Inspection Grants -SASDF	-	39,838,837
CECAFA - Kisumu Grant	-	25,020,271
Marsabit Renovation Grant	-	20,843,000
NNS Tartan Storage fee- Grants -SASDF	35,000,428	-
Talanta Groundbreaking Grant	8,692,097	-
Kinarini Stadium seats installation -SASDF Grant	11,520,000	-
Total	55,212,525	115,586,988
Total Government grants and subsidies	270,329,116	318,586,986

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers (Current FY2024-2025)	2023/2024
	KShs	KShs	KShs	KShs	KShs
Ministry of Youth Affairs, Creative Economy and Sports	215,116,591			215,116,591	202,999,998
Sports, Arts and Social	55,212,525	5,900,769,209		5,955,981,734	2,236,444,533

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Development Funds					
Total	270,329,116	5,900,769,209	-	6,171,098,325	2,439,444, 31

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

7. Hire of facilities

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Hire of Hospitality	-	230,000
Hire of main stadium & equipment	19,223,386	44,070,758
Hire of aquatic stadium	8,094,891	8,825,956
Hire of indoor courts	38,984,233	21,382,248
Gate takings	2,930,500	1,487,009
Live coverage income	260,000	660,000
Total	69,493,010	76,655,971

8. Rental Income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Residential housing	33,366,000	33,156,000
Commercial space	27,306,710	38,739,026
Total	60,672,710	71,895,026

9. Hotel Income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Hotel income, Cyber café, Bar sales	80,951,280	122,338,448
Total	80,951,280	122,338,448

10. Advertising Income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Nyayo National Stadium/ MISC	2,326,021	2,993,943
Total	2,326,021	2,993,943

11. Other Income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Miscellaneous	125,897	104,779
Sale of tenders	1,724	1,724
Disposal of assets	23,770,733	-
Total other Income	23,898,354	106,503

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

12. Employee Costs

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Employee related costs salaries and wages	103,356,232	106,2 9,931
Employee related cost contribution to pension	13,349,850	13,4 2,159
Commuter Allowance	11,961,855	12,0 8,452
Gratuity contracted	1,837,088	2,2 3,160
Director General Gratuity	4,274,124	
Gratuity arrears	4,593,737	4,7 6,662
NSSF - Employer	4,346,205	1,9 7,439
HOUSING LEVY - Employer	2,654,230	2,4 5,975
Acting allowance	1,349,512	2,5 2,236
Special duty allowance	843,163	1,1 8,439
Residential telephone line	727,355	9 1,000
Housing allowance	35,038,974	36,3 7,129
Leave allowance	4,924,167	3,2 3,000
Total Employee cost	189,256,492	187,3 5,582

13. Board Expenses

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Chairman's honoraria	855,570	9 0,000
Chairmans Telephone Allowance	60,000	0,000
Chairmans Mobile Allowance	60,000	0,000
Board of Directors sitting allowances	8,526,000	3,4 6,000
International travel	-	-
Local travel	5,565,933	1,1 3,975
Local perdiem	7,826,000	1,8 6,400
Training	2,440,000	6 6,831
Board hospitality/Conference expenses	-	1 0,000
Board Housing Levy	141,624	
Total Cost	25,475,127	8,3 3,206

14. Use of Goods and Services

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Marketing and Advertisement	5,501,516	3,5 9,498
Transport operating	13,726,968	13,0 8,713
Local travel & perdiem	35,285,335	26,7 2,233
International travel & perdiem	1,987,284	2,2 0,770
Stationery	3,573,491	6,8 6,987
Telephone and Airtime	1,277,056	1,6 6,737
ICT expenses	6,203,477	6,3 6,727
Gas and fuel	6,579,230	8,5 2,465
Food purchase	30,147,437	38,3 7,231
Hotel expenses	7,635,414	3,8 7,533

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Medical insurance	26,182,955	24,655,321
Subscriptions	175,560	183,960
Office refurbishment	-	664,7
Office cleaning materials	2,252,808	6,253,679
Insecticides sprays and chemicals	1,174,354	3,130,443
General insurance	8,763,578	1,372,074
Casual Wages	13,824,626	20,797,561
Staff Uniforms	12,500	1,906,261
Training expenses	4,024,793	1,440,280
Staff Welfare/ Staff Hospitality	7,314,221	6,478,157
Performance Contracting	1,003,100	-
Official entertainment	7,839,681	6,850,626
Sponsorship fees/CSR Activities	380,000	360,000
National Commission for science Technology & Innovation	305,200	
Postage & Courier Services	76,000	47,243
Monitoring and Evaluation	868,500	1,106,700
Climate Change and adaptation expenses	285,000	121,000
Audit fee	928,000	928,000
Bank charges	1,176,459	1,274,301
Mpesa Charges	21,844	33,453
Total cost	188,526,387	188,842,706

15. Contracted Services

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Cleaning services	15,000,000	17,719,738
Consultancy services	-	16,146,524
Security services	34,055,900	33,645,440
Legal fees	957,986	2,771,817
Total cost	50,013,886	70,283,519

16. Bulk purchases of water and Electricity

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Electricity	26,422,031	35,514,395
Water	25,778,035	28,950,908
Total Cost	52,200,066	64,465,303

17. Repairs and Maintenance

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Repair and maintenance of Stadia -SK	19,306,504	93,864,640
Repair and maintenance of Kisumu Stadium	-	25,473,683
Repair and maintenance of Marsabit Stadium	-	20,592,260
Talanta Groundbreaking	8,637,097	-
NNS Tartan Storage fee	35,000,425	-
Kinarini seat installation & pitch renovations	19,692,589	-
Total Cost	82,636,615	139,930,583

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

18. Depreciation and Amortization Expense

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Land & Buildings	3,139,582	3,2 3,655
Motor vehicles	1,528,207	2,0 7,610
Plant & Machinery	4,486,480	5,0 6,024
Computers & Accessories	6,365,440	6,7 1,934
Furniture & Office Equipments	13,831,564	15,5 2,818
Total	29,351,273	32,6 2,041

19. Finance Costs

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Bank Interest/Overdraft	-	-
Total	-	-

20. Cash and Cash Equivalents

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Standard Chartered Operational Account 600	391,382	1,2 5,458
Standard Chartered Salaries Account 700	54,337,393	2,5 9,495
Standard Chartered Project Account 601	362,597	3 2,597
Standard Chartered Rent Account 602	439,293	7 4,966
Co-operative Project Account	8,067,705	88,6 0,223
Cash in Hand	-	-
Total	63,598,370	93,5 2,739

21. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Description	FY 2024-2025	FY 2023-2024
	391382	Kshs
Receivables		
Rent	20,147,644	36,9 7,473
Trade debtors	35,638,664	69,0 8,372
Total Current Receivables	55,786,308	105,9 5,845

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

(b) Receivables from Exchange Transactions (Long-term)

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Total receivables		
Rent	141,048,433	107,649,434
Trade debtors	185,039,528	220,467,358
Less: impairment allowance	0	0
Total receivables	326,087,961	328,116,792
Current portion transferred to current receivables	(55,786,308)	(105,975,845)
Total non-current receivables	270,301,653	222,140,947
Total receivables (a+b)	326,087,961	328,116,792

(c) Ageing analysis for Receivables from exchange transactions

Description	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
	FY 2024-2025	% of the total	FY 2023-2024	% of the total
Less than 1 year	55,786,308	17%	105,975,845	30%
Between 1- 2 years	48,160,706	15%	58,490,847	9%
Between 2-3 years	58,490,847	18%	18,946,008	19%
Over 3 years	163,650,100	50%	144,704,092	41%
Total (a+b)	326,087,961	100%	328,116,792	100%

(d) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
At the beginning of the year	328,116,792	238,489,766
Additional provisions during the year	55,786,308	105,975,845
Recovered during the year	(57,815,139)	(16,348,819)
Written off during the year	-	-
At the end of the year	326,087,961	328,116,792

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

22. Receivables from Non-Exchange Transactions

Description	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
Deaflympics	500,000		500,000	
Ministry of Sports, Culture and the Arts	107,890,843		107,890,843	
NYTA	3,045,084		3,045,084	
Kenya Football Federation -Loan	10,000,000		10,000,000	
Salary advance	2,162,583		1,048,392	
Imprest outstanding	618,500		412,770	
Receivable Grant- (Kinoru Stadium)	7,656,090		7,656,090	
Receivable Grant- (Nyayo National Stadium)	14,476,947		14,476,947	
Receivable Regional Stadia Grant-	25,672,852		28,847,418	
Receivable Grant- (Kipchoge Stadium PHASE 11)	3,347,839		8,471,461	
Receivable Grant- (Tartan Installation)	35,474,162		35,474,162	
Receivable NNS Preparation- Kipchoge Classic Grant	-		14,884,880	
Receivable Regional Stadia Consultancy TVET Grant from SASDF	2,500,001		-	
Receivable AFCON UNES Consultancy TVETGrant from SASDF	585,653		-	
Receivable Recurrent Kinarini stadium SASDF Grant	11,520,000		-	
Receivable Access Road & Parking MISC from SASDF	19,698,055		-	
Total receivables from non- exchange transactions	245,148,609		232,708,047	
Ageing Analysis- Receivables from non-Non exchange transaction	FY 2024-2025	% of the total	FY 2023-2024	% of the total
Less than 1 year	37,084,792	15%	93,215,503	40%
Between 1-2 years	18,324,786	7%	18,556,617	8%

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Over 3 years	189,739,031	77%	120,935,927	52%
Total	245,148,609	100%	232,708,047	100%

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
At the beginning of the year	232,708,047	178,746,847
Additional provisions during the year	37,084,792	93,215,503
Recovered during the year	(24,644,230)	(39,254,303)
Written off during the year	-	-
At the end of the year	245,148,609	232,708,047

Notes to the Financial Statements (Continued)

23. Inventories

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Moi international Sports Centre main stores	4,828,317	4,714,127
Food Stores	543,690	1,215,183
Nyayo National stadium stores	207,206	675,896
Total	5,579,213	6,605,206

24. Advanced mobilization monies

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Advanced Mobilization Monies	159,061,238	236,342,017
Total	159,061,238	236,342,017

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

25. Property, Plant and Equipment

	Land	Buildings	Motor Vehicles	Plant & Machinery	Computers & Accessories	Furnitures & Office Equipments	Work in Progress	Total
Cost		(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)
At 1st July 2023		179,662,030	32,966,762	101,456,563	82,323,719	156,251,216	4,259,127,880	4,811,788,169
Additions		-	-	1,861,400	5,856,140	12,245,226	1,911,994,814	1,931,957,580
Additions WU20								-
Disposals								-
Transfer/adjustments								-
At 30 June 2024		179,662,030	32,966,762	103,317,963	88,179,859	168,496,442	6,171,122,694	6,743,745,749
Cost								
At 1st July 2024		179,662,030	32,966,762	103,317,963	88,179,859	168,496,442	6,171,122,694	6,743,745,749
Additions		-	-	3,503,907	5,486,952	1,712,792	5,921,554,442	5,932,258,093
Additions WU20								-
Disposals								-
Transfer/adjustments								-
At 30 June 2025		179,662,030	32,966,762	106,821,870	93,666,811	170,209,234	12,092,677,136	12,676,003,842
Depreciation and impairment								
At 1 July 2023		19,479,280	24,816,322	89,781,899	65,706,745	43,993,896	-	243,778,142
Depreciation(Charge for the yr)		3,203,655	2,037,610	5,076,024	6,741,934	15,562,817	-	32,622,040
Impairment		-	-	-	-	-		-

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

At 30 June 2024		22,682,935	26,853,932	94,857,923	72,448,679	59,556,713	-	276,400,182
Depreciation and impairment								
At 1 July 2024		22,682,935	26,853,932	94,857,923	72,448,679	59,556,713	-	276,400,181.83
Depreciation(Charge for the yr)		3,139,582	1,528,207	4,486,480	6,365,439	13,831,564	-	29,351,272.94
Impairment		-	-	-	-	-		-
At 30 June 2025		25,822,517	28,382,140	99,344,403	78,814,119	73,388,277	-	305,751,455
Net book values								
At 30 June 2025		153,839,513.36	4,584,622.24	7,477,466.78	14,852,692.00	96,820,956.85	12,092,677,136	12,370,252,387
At 30 June 2024		156,979,095.27	6,112,829.66	8,460,039.85	15,731,179.42	108,939,728.97	6,171,122,694	6,467,345,567

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

25 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Buildings	179,662,030	25,822,517	153,839,513
Motor Vehicles	32,966,762	28,382,140	4,584,622
Plant And Machinery	106,821,870	99,344,403	7,477,467
Computer & Accessories	93,666,811	78,814,119	14,852,692
Office Equipment, Furniture, And Fittings	170,209,234	73,388,277	96,820,957
Total	583,326,707	305,751,456	277,575,251

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

26. Work In Progress

26.1	Description	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
	Opening bal	5,628,920,407	3,716,925,593
	Kipchoge Keino Stadium Phase I	5,708,709	10,807,414
	Ruringu Stadium	3,108,080	41,474,352
	Marsabit Stadium	4,242,753	2,365,428
	Wote Stadium	27,562,884	17,769,801
	Karatu Stadium	108,099,953	67,701,964
	Chuka Stadium	26,378,038	
	Kamariny Stadium	1,475,828	5,550,729
	Nyayo National Stadium	-	4,076,420
	Kinoru Stadium	-	676,606
	Kinoru Stadium PHASE II	-	2,389,550
	Kipchoge Keino Stadium Phase II	-	10,893,051
	Stadion Hotel	2,520,130	-
	Installation of ERP System (WIP)	1,010,212	3,552,635
	Land Survey (WIP)	-	39,880,000
	Rehabilitation works - Homabay Stadium Stadium (WIP)	342,742,206	-
	Rehabilitation works - Kericho Green Stadium (WIP)	-	408,000,000
	Rehabilitation works - Kanduyi Stadium (WIP)	61,379,854	596,768,576
	Rehabilitation works - AFCON Project (Kasarani Stadium) (WIP)	2,139,313,951	700,088,288
	Construction works - AFCON Project (Talanta Stadium) (WIP)	2,000,000,000	
	Rehabilitation works - AFCON Project (Nyayo Stadium) (WIP)	50,000,000	
	Rehabilitation works - AFCON Project (Kipchoge Stadium) (WIP)	300,000,000	
	Rehabilitation works - Kinarini Stadium (WIP)	490,330,857	

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

	Construction of Changing Rooms - Malinya Stadium (WIP)	19,788,071	
	Rehabilitation works - Bukhungu Stadium (WIP)	237,829,204	
	MISC Access Road & Parking Construction	19,698,054	
	Nyayo Stadium Tartan Installation	19,780,000	
	Regional Stadia TVET Consultancy	10,000,005	
	AFCON UNES Consultancy	50,585,653	
	Total	11,550,474,849	5,628,920,407
	Description	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
26.2	26.2 International Sports Academy (WIP)	Kshs	K shs
	Opening bal	34,585,249	34,585, 49
	Total	34,585,249	34,585,249
26.3	26.3 National Stadia		
	Description	FY 2024-2025	FY 2023-2024
	Feasibility Works -PKF	Kshs	Kshs
	Opening bal	507,617,038	507,617, 38
	Total	507,617,038	507,617, 38
	TOTAL WIP	12,092,677,136	6,171,122, 94

27. Trade and Other Payables

Description	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
Trade payables-Current	113,430,435		110,134,757	
Trade payables non-current	85,632,578		116,294,295	
Total trade and other payables	199,063,013		226,429,052	
Ageing analysis: (Trade and other payables)	FY 2024-2025	% of the Total	FY 2023-2024	% of the Total
Under one year	113,430,435	57%	110,134,757	49%

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

1-2 years	35,698,214	18%	58,239,111	26%
2-3 years	11,582,292	6%	11,286,454	5%
Over 3 years	38,352,072	19%	46,768,730	21%
Total (tie to above total)	199,063,013	100%	226,429,052	100%

Notes to the Financial Statements (Continued)

28. Refundable Deposits from Customers

Description	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
Customer deposits- Rent Deposits	1,290,175		1,256,175	
Other deposits	-		-	
Total deposits	1,290,175		1,256,175	
Ageing analysis: (Refundable deposits)	FY 2024-2025	% of the Total	FY 2023-2024	% of the Total
Under one year	34,000	3%	17,000	1%
1-2 years	17,000	1%	113,175	9%
2-3 years	113,175	9%	370,300	29%
Over 3 years	1,126,000	87%	755,700	60%
Total	1,290,175	100%	1,256,175	100%

29. Receipts in advance from Customers

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Rent received in advance	224,750	288,500
Receipts in advance from trade customers	2,076,400	1,237,800
Receipts in advance from SASDF	20,000,000	20,000,000
Total	22,301,150	21,526,300

30. Provisions for Audit

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Provision for audit fee	928,000	928,000
Total	928,000	928,000

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

31. Employee Benefit Obligations Pension

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current Benefit Obligation	15,906,985	12,540,070
Non-Current Benefit Obligation	66,142,659	38,782,487
Total Employee Benefits Obligation	82,049,644	51,322,557

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 2,160 per employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by Jubilee Pension Fund. Employees contribute 7.5% while employers contribute 15% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

32. Audit Fee Payable

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current Audit fee payable	928,000	928,000
Non-Current Audit fee payable	7,481,520	6,553,520
Total	8,409,520	7,481,520

33. PAYE obligations

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
PAYE Obligation	5,717,518	3,270,039
Total	5,717,518	3,270,039

34. KRA tax assessment

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Provision for KRA tax assessment	7,895,724	29,105,724
Total	7,895,724	29,105,724

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

35. Project 10% retention fee

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Projects 10% retention fee	160,963,497	132,483,320
Total	160,963,497	132,483,320

36. Accumulated Surplus (Deficit)

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Opening bal	68,006,482	167,312,545
Net surplus for the year	(109,789,355)	(99,306,063)
Total	(41,782,873)	68,006,482

37. Capital funds

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Opening bal	6,822,123,199	4,701,265,654
Grants for the year-Kinoru,NNS & Kipchoge II (CHAN)	-	15,753,784
Grants for the year-Regional Stadia	176,567,039	162,655,175
Capital Project Grants- Tartan Installation	-	35,474,162
Land Survey- SASDF Grant		39,880,000
Kericho Green Stadium- SASDF Grant		408,000,000
Capital Project Grants-SASDF -Kanduyi Stadium	51,172,854	606,979,238
Capital Project Grants-SASDF -Bukhungu Stadium	85,802,306	152,026,898
Capital Project Grants AFCON -SASDF	4,489,313,951	700,088,288
Capital Project Grants- Access Road & packing MISC	19,698,055	
Capital Project Grants- NNS Tartan Installation	35,280,000	
Capital Project AFCON UNES Consultancy - SASDF Grant	50,585,653	

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Capital Project Regional TVETs Consultancy - SASDF Grant	10,000.005	
Capital Project Grants-SASDF -Kinarini Stadium	503,839.890	
Capital Project Grants-SASDF -Homabay Stadium	385,187.395	
Capital Project Grants-GOK -Homabay Stadium	42,000.000	
Capital Project Grants-SASDF -Marsabit Phase II Stadium	51,322.063	
Total	12,722,892,410	6,822,123,1' 9

38. 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. In line with this legal requirement Sports Kenya did not make any surplus during the year (Previous FY Nil) and hence no remittance to the Consolidated Fund.

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes To the Financial Statements (Continued)

39. Cash Generated from Operations

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Surplus for the year before tax	(109,789,355)	(99,306,063)
Adjusted for:		
Depreciation	29,351,273	32,622,041
Working capital adjustments		
Increase/decrease in receivables exchange transactions	2,028,831	(89,627,026)
Increase/decrease in receivables non -exchange transactions	(12,440,562)	(53,961,200)
Increase /decrease in inventories	1,025,993	(912,626)
Increase /decrease in advance mobilization monies	77,280,779	(148,561,899)
Increase/decrease in Trade and other payables	(27,366,039)	80,581,719
Increase/decrease in refundable deposit for rent	34,000	17,000
Increase/decrease in receipt in advance from customers	774,850	20,544,150
Increase/decrease in provision in audit fee	-	128,000
Increase/decrease in pension obligation	30,726,086	12,541,069
Increase/decrease in Audit fee payable	928,000	406,000
Increase/decrease in PAYE assessment	2,510,479	404,746
Increase/decrease in KRA tax assessment	(22,000,000)	26,099,827
Increase/decrease in projects 10% retention fee	28,480,178	75,405,513
Net cash flow from operating activities	1,544,513	(143,618,749)

40. Financial Risk Management

The Entity’s activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity’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 Entity 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 Entity’s financial risk management objectives and policies are detailed below:

i) Credit risk

The Entity 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

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

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 Entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the Entity's maximum exposure to credit risk without taking account of the value of any collateral obtained.

ii) Liquidity risk management

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

Financial Risk Management

iii) Market risk

The Entity has put in place an internal audit function to assist it in assessing the risk faced by the Entity 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 Entity'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 Entity'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 Entity's exposure to market risks or the way it manages and measures the risk.

Notes to the Financial Statements (Continued)

a) Foreign currency risk

The Entity 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. The Entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

The carrying amount of the Entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period.

b) Interest rate risk

Interest rate risk is the risk that the Entity's financial condition may be adversely affected as a result of changes in interest rate levels. The Entity's interest rate risk arises from bank deposits. This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity'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 Entity 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. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

IPSAS 30 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 Entity'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 *Entity* considers relevant and observable market prices in its valuations where possible.

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Financial Risk Management

The following table shows an analysis of financial and non-financial instruments recorded at fair value by level of the fair value hierarchy:

There were no transfers between levels 1, 2 and 3 during the year. 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 Entity's capital risk management is to safeguard the Entity's ability to continue as a going concern. The Entity capital structure comprises of the following funds:

Description	FY2024-25 Kshs	FY2023-24 Kshs
Revaluation Reserve	-	-
Retained Earnings	(41,782,873)	68,006,482
Capital Reserve	12,722,892,410	6,822,123,199
Total Funds	12,681,109,537	6,890,129,681
Total Borrowings	0	0
Less: Cash and Bank Balances	(63,598,370)	(93,542,739)
Net Debt/(Excess Cash and Cash Equivalents)	12,617,511,167	6,796,586,942
Gearing	xx%	xx%

Notes to the Financial Statements (Continued)

41. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the Entity 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 Entity, holding 100% of the Entity's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Entity, both domestic and external.

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs.
- iv) Key management.
- v) Board of directors.

42. Events after the Reporting Period

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

43. Ultimate And Holding Entity

Sports Kenya is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Youth Affairs Creative Economy and Sports. Its ultimate parent is the Government of Kenya.

44. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

45. Mobilization fee

The board has Advance mobilization outstanding of **Kshs 159,061,237.76** as at 30th June 2025 to contractors which were given at the beginning of the projects.

46. Service Gratuity-Ksh 51,408,961.00

This relates to Service Gratuity Payments owed to staff before Sports Kenya engaged a fund Administrator (Jubilee Insurance) for defined contributory scheme between 2005 to June 2011. Reconciliation is on-going to establish the correct amount for inclusion on the face of the Financials

20. Appendices

Appendix 1: Implementation Status of Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	1. Long Outstanding Receivables from Exchange Transactions The statement of financial position and Note 22 to the financial statements reflects receivables from exchange transactions balance of Kshs.328,116,792. However, the balance includes rent receivable balance of Kshs.107,649,434 out of which an amount of Kshs.20,544,506 was in respect of rent arrears dating as far back as 2006/2007 and for tenants who had vacated the premises. Further it was noted that out of Kshs.107,649,434, rent arrears of Kshs.43,136,095 has been outstanding for over four (4) years and no efforts nor explanation was provided for non-recoverability of the rent arrears. In the circumstances, the accuracy, completeness and recoverability of receivables from exchange transactions balance of Kshs.328,116,792 could not be confirmed.	It is true in the year under review the statement of financial position reflects accounts receivables from exchange transactions balance of Kshs. 328,116,792. Kshs. 328,116,792 balance includes rent receivable balance of Kshs. 107,649,434 out of which an amount of Kshs 20,544,506 is in respect of rent arrears dating as far back as 2006/2007 for Runaway Tenants and Line Ministries. Sports Kenya is still pursuing the tenants through various ways which includes court cases and listing of individual tenants Credit Reference Bureau (CRB) as per attached. Appendix I.		
	2. Long Outstanding Receivables from Non-Exchange Transactions	It is true the statement of financial position reflects receivables		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	The statement of financial position and Note 23 to the financial statements reflects receivables from non-exchange transactions of Kshs.232,708,047. The balance includes Kshs.121,435,927 or (52%) which has been outstanding for over four (4) years. Further, Management did not provide evidence grants in respect of Ruringu stadium and AFCON grants of Kshs.20,573,370 and Kshs.15,551,724 were realized. In addition, Management did not explain why the former Ministry of Sports, Culture and the Arts still owe them Kshs.107,890,843 to date. In the circumstances, the accuracy, completeness and recoverability of receivables from exchange transactions balance of Kshs.232,708,047 could not be confirmed.	balance from Non exchange transaction of Kshs.232,708,047. Receivable grants in respect of Ruringu stadium and AFCON grants of Kshs.20,573,370 and Kshs.15,551,724 respectively were received as per attached bank statement. Appendix II. Receivable of Kshs.107,890,843 from the former Ministry of Sports, Culture and the Arts is still not settled to date. The board is still making follow up.		
	3. Unconfirmed Accuracy and Ownership of Property, Plant and Equipment The statement of financial position and Note 26 to the financial statements reflects property, plant and equipment balance of Kshs.296,222,873. However, the land on which the organization is situated has not been included in the assets register. Further, the ownership documents to the land were not provided for audit verification.	Sports Kenya is in the process of acquiring title deed for Mombasa International Sports Centre, Kasarani from the relevant Government Agencies as per Appendix III. The Board has undertaken various steps to obtain title for the land from the relevant government offices.		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Further, Management did not provide a comprehensive register of assets owned by the organization for audit verification which contains comprehensive details of the assets such as cost, disposals, depreciation, location of the asset, tagging, serial numbers and the officer responsible for each asset, among other details, as required under Regulation 143 (2) of Public Finance Management Regulations, 2015 and the Treasury Circular 1 No. 5/2020 of 25 February ,2020. In the circumstances, the ownership, valuation and disclosure of the property, plant and equipment balance of Kshs.296,222,873 could not be confirmed	Sports Kenya has a fixed asset movement register which is not fully updated to provide details as indicated in the query due to budgetary constraints. The Board is seeking for more funds to complete this project which is currently at 40% Completion level. The Management has maintained a Fixed asset Movement schedule which indicates Kshs.296,222,873 without the value of MISC Land due to lack of ownership documents for revaluation and the cost of Kasarani Stadium has not been established to determine the carrying value. The historical data of the construction cost of M. International Sports Centre Kasarani Value is not Known.		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Emphasis of Matter Budgetary Control and Performance The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.3,312,201,783 and Kshs.2,606,795,201 respectively resulting to an under-funding of Kshs.705,406,582 or 21% of the approved budget. Similarly, the statement reflects final expenditure budget and actual on a comparable basis of Kshs.3,312,201,783 and Kshs.2,775,867,418 respectively resulting to an under-expenditure of Kshs.536,334,365 or 16% of the approved budget. The under-funding and under-expenditure affected some of the planned activities and programmes which may have impacted negatively on efficient and effective service delivery to the public.	The under-funding of Kshs.705,406,582 or 21% of the approved budget was majorly attributed to low absorption of projects funds due to lengthy process of approval of certificates and release of funds and low generation of internally revenues from Hire of facilities, gate takings and hotel income due to closure of facilities in preparation for CHAN and AFCON 2027. The under-expenditure of Kshs.536,334,365 or 16% of the approved budget was as a result of low absorption of development budget expenditure of Kshs 486,362,267 and recurrent expenditure of Kshs		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		49,972,098 due to the reasons highlighted above. With the closure of facilities, there was need to control the recurrent expenditure in line with reduced Internally Generated Revenues. This resulted to under expenditure which is matched with under collection of revenues.		
	Other Matter 1. Management of Moi International Sports Centre As previously reported, Management entered a Memorandum of Understanding (MOU) for sharing of revenue between Sports Kenya and Nairobi Metropolitan Area Transport Authority (NAMATA) for a Bus Rapid Transit assembly facility construction on a fifteen (15) acre piece of land hived from Moi International Sports Centre – Kasarani. Construction works were on going at the time of the audit. However, the project was not approved by the relevant Cabinet Secretary as required by Section 4(s) of the Sports Act, 2013. Further,	Section 4(s) of the Sports Act 2013 states that Sports Kenya “may perform such other functions related to the implementation of this Act as may be directed by the Cabinet Secretary. Sports Kenya has a board which approves all its projects and may consult the Cabinet Secretary where necessary and the Act does not provide for		

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	construction of a Bus Rapid Transport facility does not fall within the mandate of Sports Kenya in the manner contemplated in Section 4 of the Sports Act, 2013 which stipulates that Sports Kenya is established for the purpose of promoting sporting activities and safeguarding sporting facilities and resources. In the circumstances, the Management was in breach of the law.	express approval by the Cabinet Secretary. Nairobi Metropolitan Area Transport Authority (NAMATA) is a state corporation established by executive order No.18 of 17th February 2017. NAMATA approached Sports Kenya to gain access to land adjacent to Thika Road to Develop a Bus Terminal for the Bus Rapid Transit (BRT) Line 2. This was a national Government Priority Funded by the National Treasury and as explained above the project which was being executed by the Ministry of Road and Infrastructure did not expressly require approval by the Cabinet Secretary for Sports. Sports Kenya was compelled to give access to NAMATA since it was a government-to-government		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		initiative funded by the National Treasury after necessary approvals through responsible ministry to address commuter transport needs of general Public. Through this partnership and once the project is completed, the flow of spectators to and from the stadium would be eased and Sports Kenya would gain through revenue sharing. Discussions on signing the MOU are still ongoing.		
	2. Long Outstanding Trade and Other Payables The statement of financial position and Note 28 to the financial statements reflects trade and other payables of Kshs.226,429,052. Review of the financial records revealed that payables amounting to Kshs.116,294,295 (51%) had been outstanding for a period of more than two years. Management did not provide explanations for the non-settlement of liabilities.	The statement of financial position has an outstanding trade payables Kshs 226,429,052 which has resulted from unreceived accounts receivables for the services offered but were not paid for. Once the Board receive the unpaid accounts		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, Management did not comply with the obligations as per the contractual agreements.	receivables from exchange transactions, the outstanding trade and other payables will be settled.		
	3. Outstanding Audit Fees Note 33 to the financial statements reflects an amount of Kshs.7,481,520 being audit fees outstanding. The Corporation provides for audit fees of Kshs.928,000 per year. However, the fees have not been paid for several years despite the fact that financial statements have been audited and audit reports signed and issued by the Auditor General. Some of the invoices date as far back as 2004/2005 financial year. No satisfactory explanation has been provided for the non-payment. In the circumstances, Management was in breach of the law.	Management takes note of the auditor's recommendation and will pay the Outstanding Auditors Fees once the board collects some of its non-exchange receivables currently standing at Kshs 232,708,047. The current audit Fee is already paid. Appendix IV.		
	4. Irregular Award of Tender for Refurbishment of Kericho Green Stadium Background Information Available information confirmed that the contract for refurbishment of Kericho Green stadium was awarded to a construction company on	The contract was signed on 4 th September 2023 and not 4 th September 2024 as indicated above. The contract signed on this date was to ensure that the project was to be complete before 19 th October 2023 to		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	4 September 2024 at a contract sum of Kshs.408,000,000. Review of correspondences confirmed that the Principal Secretary, Internal Security and National Administration through a letter Ref: MOINA/SEC 8/7 dated 19 July 2023 had notified the Principal Secretary, State Department for Sports and the Arts that the Mashujaa day celebrations for year 2023 would be held in Kericho Green Stadium. The information was communicated to the Director General of Sport Kenya. A letter references No. Ref: SK/KS/502(6) dated 18 July 2023 from the Director General Sports Kenya informed the County Governor of Kericho about the decision of a high-level delegation and the County Government was to refurbish the Eastern Pavilion while Sports Kenya Management was to refurbish the Western VIP Pavilion. Review of the procurement documents revealed the following anomalies; i. Invalid Contract Note 27.2 to the financial statements indicates an amount of Kshs.408,000,000 on rehabilitation of works to Kericho Green Stadium. Audit review of payments vouchers and support documents revealed that the contract was signed on 4 September 2023. However, by the time of signing, the entity had already engaged with the contractor even before the procurement process commenced as	have the project ready to host Mashujaa Day Celebrations on 20th October 2023 in Kericho County. The limited timeframe required to deliver the contract necessitated the use of precast technology whereby Modern Precast was the only contractor known to have this technology after having successfully completed similar structure in Embu stadium in a record 90 days. This justified the use of direct procurement as the instructions to host Mashujaa Day in Kericho had come on 19th July 2023, which is less than 90 days to hand over the Stadium to Kenya Defence Forces for rehearsals for the event being a national event, failure or postponement were not tenable options. Once it		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	evidenced by a letter and designs by the construction company dated 19 July 2023. In the absence of an explanation, it is not possible to confirm adherence to the procurement process.	was agreed that direct procurement method was to be used, it was decided that the contractor who had done a similar job in Embu Stadium be identified for the works and engagement with the contractor started as the contract was being formalized.		
	ii. Commencement of Works before Signing of the Contract The contract was signed on 4 September 2023 between Sports Kenya and the contractor. In a letter Ref: BD118/Gen/Vol.1/16 dated 5 September 2023, from the State Department for Public Works to Sports Kenya, it was cited that the contractor had achieved 50% progress and a payment of Kshs.183,600,000 was due to the contractor. It is not practical for the contractor to achieve 50% progress a day after signing the contract unless the contractor had already commenced works before the signing of the contract.	Further to the explanation above, preparing precast concrete involves several key steps i.e design and planning, mold preparation, reinforcement placement, mixing and pouring concrete, curing, demolding, quality control and storage before transportation. This process ensures that the precast concrete products are produced with precision, quality, and efficiency, ready for		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		installation in various construction projects. Amount due to the contractor immediately after signing the contract and 50% progress achievement was due to the early preparation of precast, which are done at contractors' yard before transportation as stated above. This was done as the contract was being prepared for signing.		
	iii. Acceptance of award before approval of professional opinion and award The statement of professional opinion and a letter of award to the contractor were done on 14 August 2023. However, the acceptance of award by the contractor was done on 11 August 2023, three days before approval and notification of award.	The acceptance letter was mistakenly dated 11 th August 2023 instead of 14 th August 2023. This was corrected (copy attached). Appendix V		
	iv. Certificate of Registration with NCA	The initial NCA registration had expired and renewal of the		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Kakamega to finalize on the MOU.		
	ii) Delay in Completion of Phase II of the Project The award of the phase III to the contractor was on assumption that phase II would be complete to ensure there was seamless continuation of the project execution. However, physical verification of the project on 24 September, 2024 revealed that phase II was still incomplete. Further, phase III works were still behind schedule	Phase II of the contract was under the County Government. The County Government had given its commitment to complete their scope in readiness for CHAN 2024 so that as Sports Kenya completes phase III this would go hand in hand with Phase II of the County Government. When CHAN 2024 was moved to Nyayo National Stadium in Nairobi the priorities changed and the contract period was extended to 3 Years. Phase III works are not behind schedule.		
	iii) Unspecified Scope of works Review of the bills of quantities for phase III of the Contract revealed that the works only included lower tier of the Circular Right - C Section. However, review of the designs at the site office revealed that	Due to budgetary constraints, it was decided that the scope of works under Sports Kenya		

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	the stadium terraces comprise of lower and upper tiers. It was not clear why the contract was split to only include the lower level and how the upper level will be contracted. An effort to get BQs for phase I and II and agreements indicating the scope of work to be carried out by both County Government and Sports Kenya were not availed for review and therefore not possible to confirm the scope or if there was any duplication of works.	would only accommodate one tier with an omission of the upper tier. The County Government are therefore required to amend the design of the Stadium to scale down the seating capacity and omit one tier. Bills of quantities for the scope of works being undertaken by Sports Kenya are available Appendix X. Sports Kenya will only Pay for the works done as per the works done in the BOQs and works done at the lower tier of the Circular Right - C Section and therefore there is no double payment. The scope of works and BoQs for phase I and II are available at the County Government who are executing the works.		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Audit review of tender documents revealed that the contractor registered with National Construction Authority on 29 July, 2023 while on 19 July, 2023 the constructor had interacted with Sports Kenya and submitted some designs for Kericho green Stadium. No satisfactory explanation was provided for this anomaly	same had delayed so that by the time the contract was signed on 4 th September 2023, the contractor had a valid NCA certificate dated 29 th July 2023.		
	5. Irregular Award of Tender for Refurbishment of Bukhungu Stadium Background Information According to the records, Bukhungu stadium in Kakamega County was earmarked to host the African Nations Championship (CHAN 2024) games scheduled for September 2024. Available information confirmed that phase I and II of the works was awarded by the County Government of Kakamega to a construction company. Further, phase III of the works was awarded to the same contractor by Sports Kenya Management at contract sum of Kshs.760,134,488. In the year under review, an amount of Kshs.152,026,897 was paid for the value of works undertaken. Review of the procurement records revealed the following anomalies; i) Non-Provision of Memorandum of Understanding	The Kshs 152,026,897 was 20% advanced Mobilization as per the contract provisions and not as per the value of work done although in the opinion of the management more than 20% of the works has been achieved as per now. Advance security Guarantee for the Mobilization is hereby attached Appendix VIII Sports Kenya undertook construction of Bukhungu Stadium phase III at a cost of Kshs.760,134,488.00. The scope of works to be carried out was identified by the County Government which		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	It was not possible to confirm the scope of works to be undertaken since a memorandum of understanding and agreements were not provided for review.	submitted the BOQs totaling to Kshs.1,075,746,660 as part of the overall designs separating what the County Government was doing and what Sports Kenya was to do as evidenced by the Internal Memo. Ref SK/BKG/565 Vol. I(16) dated 16 th January 2024 Appendix XV. Sports Kenya Contracted what the budget was able to support. The inception of the project was done as a matter of urgency due to imminent inspection by CAF to determine the preparedness of the Country to host CHAN 2024. Though this has been moved to Nairobi and the contract completion period extended to three (3) years due to changes in project priorities. Sports Kenya is engaging the county government of		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	6. Irregularities Award of Tender for Refurbishment of Masinde Muliro - Kanduyi Stadium The statement of financial position and Note 27.2 to the financial statements reflects a balance of Kshs.596,768,576 in respect of rehabilitation works for the stadium. The total cost of the rehabilitation works was to be Kshs.799,142,400. Review of the procurement records revealed that the contract was signed before acceptance of the award. The professional opinion dated 28 February, 2024 was approved on 28 February, 2024. The contractor was notified of the award on 29 February, 2024 and the contractor accepted the award on 4 March, 2024. However, the contract was signed by both parties on 1 March, 2024 three days before the acceptance of the award. Further, Section 35 and 35.1 of the tender documents indicates that, the contract shall not be signed earlier than at the expiry of a standstill period of 14 days to allow any dissatisfied tender to launch a complaint.	The contract for the construction of Masinde Muliro stadium (Kanduyi) was erroneously dated. This will be corrected since the contractor is still on site.		
7.0	Incomplete and Stalled Projects	It is true the project stalled due to non-performance by the		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
7.1	The statement of financial position and Note 27.2 to the financial statements reflects work in progress balance of Kshs.6,171,122,694. Review of projects implemented by Management revealed the following unsatisfactory matters; Construction of Kamariny Stadium Management awarded a contract for the construction of 15,000-seater stadium complete with a standard football field, borehole and associated water storage facilities, electrical and mechanical works and eight (8) lane tracks with field events facilities at the stadium at a contract sum of Kshs.287,837,775 on 6 September, 2016. As at 30 June, 2024, an amount of Kshs.87,140,833 or 30 % of the contract sum had been paid to the Contractor. However, the construction had stalled since 2017 while the contractor was not on site.	contractor. The contractor cited fluctuation of materials prices during the two-year period when the project had stalled due to lack of funds as the main reason for non-performance. The contract has since been terminated and re advertised under a revised scope that also recognizes works done to date. The tender process is still ongoing. It is also true that Kshs.81,590,104.86 was paid to the contractor. However out of the amount paid, Kshs. 25,905,399.70 relates to advance mobilization. Comparison of works done should therefore be against Kshs 55,684,705.16 which matches percentage completion status of 30%. It is worth noting that works involved massive earth works		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		to achieve the required level of the site. There was also subbase, French Drainage, Pitch works and internal drainage channel which were dully verified and certified by the project managers and public works officials		
7.2	Construction of Kipchoge Keino Stadium Phase I The Management awarded a contract for the construction works at Kipchoge Keino Stadium Phase 1 at a contract sum of Kshs.304,204,413. The scope included 15,000-seater stadium complete with a standard football field, a boundary wall with gates, a borehole and associated water storage facilities and car park area. The contract sum was revised by an amount of Kshs.65,493,560 increasing the contract sum to Kshs.369,697,973 on 16 August, 2016 with expected completion date of 30 January, 2023. As at 30 June, 2023 an amount of Kshs.326,816,952 or 88% of the contract sum had been paid to the contractor. However, physical verification of the project on 5 March 2024 revealed that the phase I works had not been	The contract was terminated and handed over to Ministry of Defence to pave way for AFCON 2027 preparations. The Final account will be done for the terminated contract to ensure the contractor is paid for the work done and the rest of the works to be pushed to the new contract as per the revised scope of works.		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	completed and the works had stopped as the contract termination process was underway to pave way for AFCON requirements.			
7.3	Construction of Kipchoge Keino Stadium Phase II Management awarded a contract for construction works at Kipchoge Keino Stadium Phase II for a sum of Kshs.325,829,431 on 18 August, 2017. The scope of works included the construction of 5,000-seater pavilion, boundary wall with gates, a borehole and associated water storage facilities, lifts, car park area, installation of a generator, electrical and mechanical works. The project completion date was 30 January, 2023. Review of the Project Status Report revealed that the Contractor had been paid amounts totalling to Kshs.260,824,736 or 80% of the contract sum. However, the contractor had abandoned the site due to delayed payments and the project had stalled.	The auditors' observations are true and the stadium is still under work in progress. However, it is worth noting that due to the stadium being identified as a reserve venue for AFCON 2027, a revised scope of works necessary for AFCON 2027 compliance requirements necessitated a mutual termination of the existing contract. Final account is at an advanced stage to close the contract.		
7.4	Construction of Karatu Stadium Management awarded a contract for the construction works at Karatu stadium at a contract sum of Kshs.259,604,780. The scope of works included 1,500-seater pavilion, a standard football field, a borehole and associated water storage facilities, electrical and mechanical	The works at the stadium are progressing on well and currently the completion status is at 83.6% completion and the pending Works will be		

Sports Kenya

**Annual Report and Financial Statements
for the year ended June 30, 2025.**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	works and a 6-lane track with field events facilities. The contract period was eight (8) months from 16 September, 2016 and amount paid to the contractor was Kshs.217,128,309 or 83.6% of the contract sum. Physical verification revealed following anomalies; i) The 1,500-seat pavilion was yet to be completed, but there were workers on site and the works were progressing. Further to this, it was noted that the pavilion works had poor workmanship. The main bars had honeycombs and could be seen on the columns. It appears the ratios in the mixing of motor and gravel was not to the standards making gravel to separate with the motor thus exposing the metal and weakening the strength of the beams. ii) The perimeter wall had caved in and had not been repaired, the car park had not been done and the borehole had also not yet been dug as at the time of the audit.	completed before handing over. On the issue of poor workmanship, there is a consultant on site Mutiso Menezes International (MMI) who noted the defects on the drainage system and section of the pavilion which were to be corrected. The contractor has since done the corrective works on all arears mentioned by the consultant. State Department of Public Works officer was on (Feb 2024) for an inspection and approval of subsequent certificates. The contractor is on site and the works are ongoing with necessary supervisions.		
7.5	Construction of Wote Stadium	During the project execution period, the project manager is		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Management entered into a contract for the construction works at Wote stadium at a contract sum of Kshs.299,309,555. Construction works included 1,500-seater pavilion, 8 lane tracks with field events facilities, a standard football field, boundary wall with gates and a borehole with associated water storage facilities for a period of five (5) months from 5 January, 2017 to 31 May, 2018. Extension of time was granted revising the completion date to 30 March, 2023 and amount paid to the contractor was Kshs.196,482,231 or 65.6% of the contract sum. However, physical verification revealed that there was a change of site by the County Government of Makueni which led the contractor to incur additional costs which were not in the original bill of quantities due to the need to stabilize and compact the land. It was further noted that for the new site where the stadium is constructed, no feasibility study was conducted before commencement of work hence the challenges the contractor is facing of compacting and levelling the land especially on the western side where the VIP pavilion is to be done. Further, the project was incomplete, and some variations were done without approval like for instance, the drainage. In addition, it was established that incidences of theft on site materials were witnessed and therefore affecting work progress and mechanical and electrical works were subcontracted by Sports Kenya and not by the main contractor.	allowed to vary the scope through site instructions book depending on conditions of the project cost/value is not changed. The project is still under work in progress and some of the changes which are site instructions will be addressed through final account when financial appraisal will be conducted. On the issue of theft of materials, the matter is being pursued by the contractor through the criminal justice system.		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
7.6	Construction of Ruringu Stadium Management entered into a contract for the construction of Ruringu Stadium in Nyeri County at a contract sum of Kshs.288,045,530 on 5 January, 2017 with expected completion date of 5 August, 2017. According to the financial records, an amount of Kshs.302,082,728 had been paid to the contractor. However, physical verification revealed that the Project was not complete, and the contractor was not on site seven (7) years since commencement. In the circumstances, the propriety of the expenditure and value for money could not be confirmed.	The Contract was varied by Kshs 70,200,000.00 from Kshs 288,045,530.00 to the current contract sum of Kshs 358,245,530.00 (24.4%) Appendix XXI. The project is assessed to be at 85% complete hence nearing completion for the proposed scope of work. Currently the contract has been terminated due to non-performance by the contractor and final account is being prepared and there after the works will be retendered to undertake the entire project.		
7.7	Construction of Kirubia Stadium Records provided for audit indicated that the project had been completed with a total amount of Kshs.274,208,855 paid. However, physical verification carried out in March, 2024 identified some anomalies that management has not provided any information on	The project is complete but the contractor is yet to hand over. The corrective action will be taken to rectify the noted defects before settlement of the final account. All the defects		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	progress done to rectify them. Further, management has not provided ownership documents of the land on which the stadium is constructed. In the circumstances, the value for money realized from the expenditure of Kshs.274,208,855 could not be confirmed.	will be addressed by the contractor before handing over.		

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Gabriel Komora

Ag. Director General, Sports Kenya

Date: 20/11/25

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Appendix II: Projects implemented by Sports Kenya

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.

Status of Projects completion

SN	Project	Total Project Cost	Total Expenditure to Date	Completion % to Date	Budget 2024/25	Actual Expenditure For 2024/25	Source of Funds
1	Construction of Talanta Stadium	44,494,107,922	2,000,000,000	45	2,000,000,000	2,000,000,000	SASDF Grant
2	Renovation of MISC Kasarani-AFCON	3,189,630,972	2,839,402,239	99	2,139,314,000	2,139,313,951	SASDF Grant
3	Renovation of Kipchoge Keino-AFCON	3,517,419,470	300,000,000	9	300,000,000	300,000,000	SASDF Grant
4	Renovation of Nyayo National Stadium-AFCON	1,184,000,000	50,000,000	85	50,000,000	50,000,000	SASDF Grant
5	Chuka Kurubia Stadium	283,719,051	256,070,357	98	30,000,000	26,378,038	GOK/SASDF Grant
6	Marsabit Stadium	327,003,894	319,056,046	98	-	-	GOK/SASDF Grant
7	Wote Stadium	259,309,554	202,275,314	78	29,000,000	27,562,884	GOK/SASDF Grant

Sports Kenya

**Annual Report and Financial Statements
for the year ended June 30, 2025.**

8	Karatu Stadium	290,604,780	249,703,480	95	110,000,000	108,099,953	GOK/SASDF Grant
9	Kamariny Stadium	287,837,775	81,590,105	28	760,000,000	-	GOK/SASDF Grant
10	Kipchoge Keino Phase 1	369,697,973	333,792,874	90	-	-	GOK/SASDF Grant
11	Ruringu Stadium	318,145,530	261,054,790	82	-	-	GOK/SASDF Grant
12	Regional Consultancy Services	329,000,000	326,816,908	99	15,865,000	14,535,370	GOK/SASDF Grant
13	Perimeter Wall at Homabay Stadium	50,000,000	-	0	50,000,000	-	GOK/SASDF Grant
14	Renovation of Migori Stadium	740,000,000	-	0	740,000,000	-	GOK/SASDF Grant
15	Renovation of Embu Stadium Changing Room	38,000,000	-	0	40,000,000	-	GOK/SASDF Grant
16	Renovations of Kinarini Stadium-Kwale	568,801,379	490,330,857	86	568,801,000	490,330,857	GOK/SASDF Grant

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

17	Consultancy-TVET	10,000,000	10,000,005	100	10,000,000	10,000,005	GOK/SASDF Grant
18	Tartan	224,983,500	189,241,250	84	-	-	GOK/SASDF Grant
19	Renovations of Siaya Stadium	50,013,000	-	0	50,013,000	-	GOK/SASDF Grant
20	Installation of Tartan at NNS	81,780,000	35,280,000	43	81,780,000	35,280,000	GOK/SASDF Grant
21	Construction of Ablution Block-Malinya	19,788,071	19,788,071	100	19,788,071	19,788,071	GOK/SASDF Grant
22	Kipchoge Keino Phase II	325,829,431	249,931,685	77	-	-	GOK/SASDF Grant
23	Refurbishment of Raila Odinga Stadium-Homabay	502,380,477	342,742,206	68	502,380,000	342,742,206	SASDF Grant
24	Refurbishment of Raila Odinga Stadium-Homabay Additional Works	226,659,000	-	0	226,659,000	-	SASDF Grant
25	AFCON 2027 - Consultancy Services UNES	50,586,000	50,585,653	100	50,586,000	50,585,653	GOK/SASDF Grant

Sports Kenya

**Annual Report and Financial Statements
for the year ended June 30, 2025.**

26	Othaya Community Stadium-Nyeri County	52,686,000	-	0	52,687,000	-	GOK/SASDF Grant
27	Kapkatet Stadium-Kericho County	756,595,000	-	0	756,595,000	-	GOK/SASDF Grant
28	Access Road and parking for the New Indoor Arena Annex	19,698,000	19,698,054	100	19,698,054	19,698,054	GOK/SASDF Grant
29	Marsabit Stadium Phase II	256,610,000	51,322,000	20	256,610,000	51,322,000	GOK/SASDF Grant
30	Kanduyi Stadium	799,160,706	668,355,431	84	61,380,000	61,379,854	GOK/SASDF Grant
31	Bukhungu Stadium	1,449,985,000	237,829,204	16	1,449,985,000	237,829,204	GOK/SASDF Grant
32	ERP System	13,469,490	12,644,329	94	1,010,000	1,010,212	AIA
	Total	61,087,501,975	9,597,510,857	1,730	10,372,151,125	5,985,856,312	

N/B: Total Expenditure includes unrecovered Mobilization Monies

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Youth Affairs, Creative Economy & Sports	5/9/2024	Recurrent	21,259,716.00	21,259,716					21,259,716
Ministry of Youth Affairs, Creative Economy & Sports	6/9/2024	Recurrent	21,259,716.00	21,259,716					21,259,716
Ministry of Youth Affairs, Creative Economy & Sports	14/10/2024	Recurrent	21,499,717.00	21,499,717					21,499,717
Ministry of Youth Affairs, Creative Economy & Sports	6/11/2024	Recurrent	21,259,716.00	21,259,716					21,259,716
Ministry of Youth Affairs, Creative Economy & Sports	9/12/2024	Recurrent	21,259,717.00	21,259,717					21,259,717
Ministry of Youth Affairs, Creative Economy & Sports	7/1/2025	Recurrent	21,259,715.00	21,259,715					21,259,715

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Ministry of Youth Affairs, Creative Economy & Sports	19/2/2025	Recurrent	21,259,716.45	21,259,716					21,259,716
Ministry of Youth Affairs, Creative Economy & Sports	13/3/2025	Recurrent	21,259,716.50	21,259,717					21,259,717
Ministry of Youth Affairs, Creative Economy & Sports	11/4/25	Recurrent	21,259,715.00	21,259,715					21,259,715
Ministry of Youth Affairs, Creative Economy & Sports	16/5/2025	Recurrent	21,259,716.40	21,259,716					21,259,716
Ministry of Youth Affairs, Creative Economy & Sports	30/6/2025	Recurrent	2,279,430.00	2,279,430					2,279,430
Ministry of Youth Affairs, Creative Economy & Sports	30/6/2025	Development	42,000,000	-	42,000,000				42,000,000
Sports Arts & Social Development Fund	31/07/2024	Development for Smith & Gold (Karatu Cert 8)	28,691,448.00		28,691,448.00				28,691,448
Sports Arts & Social Development Fund	16/08/2024	Development for Chuka Kurubia -Cert 9 (Toddy Civil)	33,233,260.00		33,233,260.00				33,233,260
Sports Arts & Social Development Fund	12/9/2024	Development for Kinarini Kwale cert 1	142,200,345.00		142,200,345.00				142,200,345

Sports Kenya

Annual Report and Financial Statements

for the year ended June 30, 2025.

Sports Arts & Social Development Fund	17/09/2024	Development for Smith & Gold (Karatu Cert 9)	44,281,885.00		44,281,885.00				44,281,885
Sports Arts & Social Development Fund	26/09/2024	Development for Fee Note 3 (Quany Man Associates-Ruringu)	3,108,080.00		3,108,080.00				3,108,080
Sports Arts & Social Development Fund	30/09/2024	Development for Kinarini Kwale cert 2	173,711,290.00		173,711,290.00				173,711,290
Sports Arts & Social Development Fund	2/10/2024	Development for Tectura International	5,881,709.00		5,881,709.00				5,881,709
Sports Arts & Social Development Fund	4/10/2024	Development for Modern Precast-Kinarini Cert 4	124,198,432.00		124,198,432.00				124,198,432
Sports Arts & Social Development Fund	15/10/2024	Recurrent for Talanta Stadium Ground Breaking	8,692,097.00	8,692,097.00					8,692,097
Sports Arts & Social Development Fund	17/10/2024	Development for Modern Precast-Kinarini Cert 5	63,729,823.00		63,729,823.00				63,729,823
Sports Arts & Social Development Fund	31/10/2024	Development for Toddy-Kanduyi Stadium Cert 3	51,172,854.00		51,172,854.00				51,172,854
Sports Arts & Social Development Fund	5/11/2024	Development for Stadia Architecture-Kenya School of TVET	10,000,005.00		10,000,005.00		2,500,000		10,000,005
Sports Arts & Social Development Fund	19/11/2024	Development for Construction of Talanta Stadium-AFCON-1st	1,000,000,000.00		1,000,000,000.00				1,000,000,000

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Sports Arts & Social Development Fund	20/1/2024	Development for Rehabilitation of MISC Kasarani-AFCON-2nd	259,756,437.00		259,756,437.00				259,756,437
Sports Arts & Social Development Fund	11/12/2024	Development for Rehabilitation of MISC Kasarani-AFCON	529,557,514.00		529,557,514.00				529,557,514
Sports Arts & Social Development Fund	20/12/2024	Development for Taphese & Niram-Wote Cert 7	27,562,884.00		27,562,884.00				27,562,884
Sports Arts & Social Development Fund	23/12/2024	Development for Construction of Talanta Sports City-AFCON	500,000,000.00		500,000,000.00				500,000,000
Sports Arts & Social Development Fund	26/12/2024	Development for Rehabilitation of MISC Kasarani-AFCON	550,000,000.00		550,000,000.00				550,000,000
Sports Arts & Social Development Fund	26/12/2024	Development for Rehabilitation of Nyayo National Stadium-AFCON	50,000,000.00		50,000,000.00				50,000,000
Sports Arts & Social Development Fund	4/2/2025	Development for Construction of Talanta Sports City-AFCON	500,000,000.00		500,000,000.00				500,000,000
Sports Arts & Social Development Fund	24/2/2025	Development for Consultancy services-UNES	50,585,653.00		50,585,653.00		585,653		50,585,653
Sports Arts & Social Development Fund	24/2/2025	Development for Consultancy services-Otieno Odongo-Marsabit	2,308,811.00		2,308,811.00				2,308,811
Sports Arts & Social Development Fund	27/03/2025	Development for Smith & Gold (Karatu Cert 10)	31,498,961.00		31,498,961.00				31,498,961

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Sports Arts & Social Development Fund	27/03/2025	Mobilization for Rehabilitation of Raila Odinga Stadium-Homabay	100,476,096.00		100,476,096.00				100,476,096
Sports Arts & Social Development Fund	28/03/2025	Development for Rehabilitation of Kipchoge Keino-AFCON	300,000,000.00		300,000,000.00				300,000,000
Sports Arts & Social Development Fund	8/4/2025	Development for Rehabilitation of Raila Odinga Stadium, Homabay-Cert 1	58,687,482.00		58,687,482.00				58,687,482
Sports Arts & Social Development Fund	8/4/2025	Recurrent for NNS Tartan-Storage	35,000,428.00	35,000,428.00					35,000,428
Sports Arts & Social Development Fund	28/4/2025	Development for Rehabilitation of Raila Odinga Stadium, Homabay-Cert 3	102,696,964.00		102,696,964.00				102,696,964
Sports Arts & Social Development Fund	7/5/2025	Development for Rehabilitation of MISC Kasarani-AFCON-Cert 6	400,000,000.00		400,000,000.00				400,000,000
Sports Arts & Social Development Fund	8/5/2025	Development for Mobilization of NNS Tartan	16,356,000.00		16,356,000.00				16,356,000
Sports Arts & Social Development Fund	14/05/2025	Development for Rehabilitation of Raila Odinga Stadium, Homabay-Cert 2	87,456,168.00		87,456,168.00				87,456,168
Sports Arts & Social Development Fund	30/05/2025	Development for Rehabilitation of MISC Kasarani-AFCON-Cert 7	400,000,000.00		400,000,000.00				400,000,000
Sports Arts & Social Development Fund	30/06/2025	Development for Raila Odinga Stadium	35,870,685.00		35,870,685.00				35,870,685

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Sports Arts & Social Development Fund	30/06/2025	Development for Bukhungu Stadium	85,802,306.00		85,802,306.00			85,802,306
Sports Arts & Social Development Fund	30/06/2025	Development for Marsabit Stadium Phase 20%-Mobilization	51,322,063.00		51,322,063.00			51,322,063
Sports Arts & Social Development Fund	30/06/2025	Recurent for Kinarini Pitch Maintenance & Seats	11,520,000.00	11,520,000.00			11,520,000	11,520,000
Sports Arts & Social Development Fund	30/06/2025	Development for Access Road	19,698,055.00		19,698,055.00		19,698,055	19,698,055
Sports Arts & Social Development Fund	30/06/2025	Development for NNS Taratan	18,924,000.00		18,924,000.00			18,924,000
Total			6,171,098,325	270,329,116	5,900,769,209	-	34,303,708	- 6,171,098,325

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Appendix V- Inter-Entity Confirmation Letter

Name of Transferring entity: State Department for Sports

Name of Beneficiary entity: Sports Kenya

Confirmation of amounts received by Sports Kenya as at 30th June 2025							
		Amounts Disbursed by State Department for Sports as at 30th June 2025				Amount Received by Sports Kenya as at 30th June 2025 (Kshs) (E)	Differences (KShs) (F)=(D-E)
Reference Number	Date Disbursed	Recurrent Kshs (A)	Development Kshs (B)	Inter - Ministerial Kshs ©	Total Kshs (D)=(A+B+C)		
FT24249VX4CK	05 Sep 2024	21,259,716.00			21,259,716.00	21,259,716.00	-
FT24250GL657	06 Sep 2024	21,259,716.00			21,259,716.00	21,259,716.00	-
FT24288044KH	14 Oct 2024	21,499,717.00			21,499,717.00	21,499,717.00	-
FT243119W8GY	06 Nov 2024	21,259,716.00			21,259,716.00	21,259,716.00	-
FT243445RBC4	09 Dec 2024	21,259,717.00			21,259,717.00	21,259,717.00	-
FT25007MPRYG	07 Jan 2025	21,259,715.00			21,259,715.00	21,259,715.00	-
FT2505079RMK	19-Feb-25	21,259,716.45			21,259,716.45	21,259,716.45	-
FT25071NVW27	13-Mar-25	21,259,716.50			21,259,716.50	21,259,716.50	-

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

FT25101YD8N8	11-Apr-25	21,259,715.00			21,259,715.00	21,259,715.00	-
FT251363ZGJY	16-May-25	21,259,716.40			21,259,716.40	21,259,716.40	-
FT25182INT8H	30-Jun-25	2,279,430.00			2,279,430.00	2,279,430.00	-
FT25185J5MCC	30-Jun-25		42,000,000.00		42,000,000.00	42,000,000.00	-
Total		215,116,591.35	42,000,000.00		257,116,591.35	257,116,591.35	-

In confirm that the amounts shown above are correct as of the date indicated.

Head of Finance & Accountants department of Sports Kenya:

Name JAPHES M. KAMUNGU Signature [Signature]
Date 20/11/25 Official Stamp



Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Appendix VI: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Appendix VII: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments