

REPUBLIC OF KENYA



**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 12 MAR 2026

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TABLED  
BY:

Sp. Leader of the  
Majority Party  
HON. OWEN BANDA MP

CLERK-AT  
THE-TABLE:

MERCY CATUMO

**THE AUDITOR-GENERAL**

**ON**

**SPORTS, ARTS AND SOCIAL DEVELOPMENT  
FUND**

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



Revised 30<sup>th</sup> June 2025



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**SPORTS, ARTS AND SOCIAL DEVELOPMENT FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2025**

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

**Sports, Arts and Social Development Fund  
Annual Report and Financial Statements  
for the year ended June 30, 2025.**

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# Sports, Arts and Social Development Fund Annual Report and Financial Statements for the year ended June 30, 2025

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## 1. Acronyms and Definition of Key Terms

### A: Acronyms

CEO	Chief Executive Officer
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
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
SASDF	Sports, Arts and Social Development Fund.
ADAK	Anti-Doping Agency Kenya
AK	Athletics Kenya
SCM	Supply Chain Management
PPADA	Public Procurement and Disposal Act
AGPO	Access to Government Procurement Opportunities
CSR	Corporate Social Responsibility
KAS	Kenya Academy of Sports
BETA	Bottom-up Economic Transformation Agenda

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**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**

The Sports, Arts and Social Development Fund (SASDF) is established under Legal Notice No. 194, of the Public Finance Management (Sports, Arts and Social Development Fund) Regulations, 2018. The mandate of SASDF is to provide funding to support the development and promotion of sports, arts, and the promotion of social development including universal health care.

The main source of funds for SASDF is proceeds from betting and lotteries provided for under section 69(A) of the Betting, Lotteries and Gaming Act. Other sources include taxes levied under section 35 (5A) of the Income Tax Act and section 36 (5) of the Excise Duty Act, 2015, grants and donations and such other monies as may be appropriated by the National Assembly.

The Fund is located at Talanta plaza, 11<sup>th</sup>, 9<sup>th</sup> and 8<sup>th</sup> Floor, Upper hill, Kenya Road, Nairobi. It comprises of three main directorates namely: Fund Administration and Linkages Directorate, Research, Planning and M&E Directorate and Corporate Services Directorate.

The mandate and function of the Fund as outlined in the PFM (Sports, Arts and Social Development Fund) Regulations 2018 is:

- i) Promote social development including universal health care.
- ii) Finance the development of sports and recreation facilities including stadia, gymnasiums, buildings, tracks;
- iii) Enhance support and access to funding for sportspersons and sports organizations to enable their participation in sporting events and competitions.
- iv) Facilitate acquisition and provision of equipment to sports and recreation facilities.
- v) Support for the identification, nurturing and development of talent in sports and arts.
- vi) Facilitate training and capacity building programmes for persons involved in sports and recreation, creative arts, artistic production, contemporary and cultural practitioners.

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- vii) Facilitate the identification, development and capacity building of technical personnel and sports support personnel involved in sports and recreation.
- viii) Support for the promotion and development of artistic production of contemporary or cultural goods and services.
- ix) Facilitate the marketing and promotion of artistic productions and contemporary or cultural goods and services.
- x) Support linkages with domestic, regional and international markets for sports, artistic productions and contemporary or cultural goods and services.
- xi) Facilitate for exhibition and promotion of contemporary or cultural artistic production of goods and services for national identity and pride.
- xii) Finance the acquisition, development and preservation of, among others, heritage sites, cultural centres, national monuments, tangible and intangible heritage and culture and heritage equipment and tools; and
- xiii) Facilitate innovation, research and documentation in arts, culture and the creative industry, sports and social development.

**Vision**

A sustainable funding agency in transforming sports, arts, culture and social development.

**Mission**

To support sports, arts, culture and social development through effective and efficient funding

**(b) Key Management**

The Fund's day-to-day management is under the following key organs:

No.	Designation	Name
1.	Fund Oversight Board	
2.	Fund Administrator/ Chief Executive Officer	
3.	Fund Secretariat	

**(c) Fiduciary Management**

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**Key Entity Information and Management (continued)**

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

No.	Designation	Name
1.	Fund Administrator /Chief Executive Officer	<b>Mr. Nuh M. Ibrahim</b>
2.	Director Planning, Research, Monitoring and Evaluation	<b>Mr. Hassan Boru</b>
3.	Ag. Director Fund Administration and Linkages	<b>Dr. Job Aiyabei</b>
4.	Ag. Director, Corporate Services	<b>Ms. Doreen Diki</b>

**(d) Fiduciary Oversight Arrangements**

- (i) All disbursements from the Fund are approved and recorded in minutes of the Oversight Board
- (ii) All disbursements from the Fund are to support the objects and purpose of the Fund.
- (iii) Transfers to defray the expenses in respect of the administration of the Fund are approved by the Oversight Board for the respective financial year.
- (iv) The Oversight Board has set out other conditions and requirements for release of funds, to ensure efficient and effective management of resources

**(e) The Sports Arts and Social Development Fund Headquarters**

P.O. Box 4644-00200  
Talanta Plaza, 8<sup>th</sup> Floor,  
Upper Hill, Kenya Road  
NAIROBI, KENYA  
Tel: +254 0720110088, 0789110088  
Tel: +254-0720110055  
Website: [www.sasdef.go.ke](http://www.sasdef.go.ke)

**(f) Entity Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue

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P.O. Box 60000

City Square 00200

**NAIROBI, KENYA**

2. Co-Operative Bank of Kenya

University Way Branch

P.O Box 48231-00100

**NAIROBI, KENYA**

3. Kenya Commercial Bank

Upper Hill Platinum

P.O BOX 41166-00100

**NAIROBI, KENYA**

4. Sidian Bank Limited

Kilimani Branch

P.O BOX 25363-00603

**NAIROBI, KENYA**

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**Key Entity Information and Management (continued)**

**(g) Independent Auditor**

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


**(h) Principal Legal Adviser**


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

**3. The Board of Directors/Council**

Ref	Directors	Details
1.	 <p data-bbox="293 999 790 1115"><b>Lt. Gen (Rtd.) Jackson Tuwei, MGH, CBS, DCO Chairperson</b></p>	<p data-bbox="836 412 1458 667">Lt. Gen (Rtd.) Jackson Tuwei, MGH, CBS, DCO joined the Military as a cadet rising through the ranks in an illustrious career that saw him retire as Commander, Kenya Army.</p> <p data-bbox="836 741 1458 1155">Lt. Gen (Rtd.) Tuwei, holds a Diploma from the Royal College of Defence Studies (UK) and has attended courses on Executive Development, Senior Management and International Defence Resources Management. Lt. Gen (Rtd.) Tuwei was the African Union Special envoy for the Lords Resistance issues.</p> <p data-bbox="836 1178 1458 1319">He is currently the World Athletics (IAAF) Vice President and the President of Athletics Kenya</p>
2.		<p data-bbox="836 1346 1394 1541">Mr. Elijah Mwangi is the Principal Secretary, State Department for Sports under The Ministry of Youth Affairs, Creative Economy and Sports.</p> <p data-bbox="836 1563 1458 1758">Previously he was the Principal Secretary in the State Department for Mining under the Ministry of Mining, Blue Economy and Maritime Affairs.</p> <p data-bbox="836 1832 1458 1921">Prior to his appointment with the Public Sector, Mr. Elijah served as a Managing</p>

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	<p><b>Mr. Elijah Mwangi, CBS Board Member</b></p>	<p>Director at Strategic Synergy Consultants, an International Finance, research and strategy firm. He was responsible for business development spanning financial and strategic management, risk and leadership effectiveness. He has also worked at different capacities in local and international engagements as, managing partner of an Auditing firm, principal consultant and change management head. Elijah holds a Masters of Business Administration degree in strategic management and a Bachelor of Commerce degree in accounts, both from The University of Nairobi. He is also a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya.</p>
<p>3.</p>		<p>Ms. Umami Bashir is the current <b>Principal Secretary, State Department for Culture &amp; Heritage</b>. She is a strategic leader and cultural ambassador passionate about preserving, promoting, and celebrating our rich cultural heritage.</p> <p><b>Ms. Umami previously held senior positions in different sectors including;</b> the UNDP-Kenya, UNHCR, in the office of the Special Envoy for the Horn of Africa, served as the County Chief Officer in the Department of Public Service and Labour in Wajir County Government</p>

	<p><b>Ms. Ummi Bashir, CBS Board Member</b></p>	<p>and also served as the Head of Legal and advisor to the Governor in Mombasa County Government.</p> <p>Ms. Ummi is an advocate of the High Court of Kenya with 11 years of post-admission experience in the field of Law. She holds a Master’s Degree in armed conflict &amp; peace from the University of Nairobi, a post-graduate diploma in Law from Kenya School of Law and a Bachelor of Law (LLB) from Zanzibar University.</p>
4.	 <p><b>Amb. Dr. Julius Bitok, CBS Board Member</b></p>	<p>Ambassador Prof. Julius Kibet Bitok is the Principal Secretary, State Department for Citizen Services. Previously, he was the Kenya’s High Commissioner to Pakistan.</p> <p>Amb. Prof. Bitok is a renowned educationist and a financial consultant with extensive experience in the public service. He has worked with State House, the Central Bank of Kenya (CBK), Capital Markets Authority (CMA), Kenya Civil Aviation Authority (KCAA) and the Kenya Ports Authority (KPA) among other institutions.</p> <p>Amb. Prof Bitok holds a Doctor of Philosophy (PhD) in Business Management from Oklahoma State University, USA, a Master of Business Administration (MBA) degree and a Bachelor of Arts (BA) degree in Economics from the University of Nairobi. He is also a holder of a Diploma in</p>

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		Education from the Kenya Science Teachers College.
5.	 <p><b>Dr. Ouma Oluga, CBS Board Member</b></p>	<p>Dr. Ouma Oluga is the current Principal Secretary for the State Department for Medical Services in the Ministry of Health. In this capacity, he plays a pivotal role in shaping health policies and ensuring the delivery of medical services across the country.</p> <p>Dr. Oluga's commitment to improving healthcare systems led him to serve as the Secretary-General of the Kenya Medical Practitioners, Pharmacists and Dentists Union (KMPDU) from 2014. In this role, he was instrumental in advocating for better working conditions for healthcare professionals and reforms in the health sector.</p> <p>His leadership extended to public service when he was appointed as the Chief Officer of Health in the Nairobi Metropolitan Services (NMS), where he oversaw health services in Kenya's capital.</p> <p>He holds Bachelor of Medicine and Bachelor of Surgery (MBChB) degree from Moi University, a Master's degree in Internal Medicine from the University of Nairobi. His academic pursuits also include a Fellowship in Monitoring and Evaluation</p>

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		<p>(Health) from the University of Nairobi and a postgraduate certificate in Infectious Diseases from the Infectious Diseases Institute at Makerere University.</p>
6.		<p>Mr Guyo Boru is Head and Fund Administrator of Equalization Fund and an alternate Board member to Permanent Secretary -National Treasury and Planning. Mr Boru has wealth of experiences with career spanning over 16 years both in Corporate and public sector with a decade of experience in public finance management.</p> <p>He started his career in 2006 as graduate trainee at Barclays Bank (Now Absa) and later joined (2009) Co-operative Bank of Kenya as Relationship manager before he was tapped for Branch Manager. Mr Boru also served at the Office of the Controller of Budget (between (2012-2020) where he focused on overseeing Budget implementation and exchequer issue management for county governments.</p> <p>He has Bachelor of Science (Hons), MBA-Finance from University of Nairobi, Master of Public Policy and Management from Strathmore University and CPA finalist.</p> <p>Mr Boru has attended numerous trainings in public finance management, Strategic governance, leadership, among other numerous trainings both locally and internationally.</p>

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	<p><b>Mr Guyo Boru Board Member</b></p>	
7.	<div style="text-align: center;">  <p><b>Ms. Martha Okochil Board Member</b></p> </div>	<p>Ms. Okochil is an independent Board Member following her recent appointment in September 2024. Prior to this, she served as a Board Member at the Kenya National Entrepreneurs Savings Trust (KNEST). With over seven years of experience managing accounting, budgeting, and financial analysis across multiple African countries, she brings a deep understanding of financial governance and oversight.</p> <p>Ms. Okochil holds a Bachelor of Commerce degree in Finance from Strathmore University and is a certified Financial Modelling and Valuation Analyst.</p>
8.	<div style="text-align: center;">  <p><b>Mr. Simion Kipruto Bor Board Member</b></p> </div>	<p>Mr. Bor is an independent Director, following his recent appointment in April 2023. Prior to this, he served as Chief Whip of the Majority Party while in the County Assembly, Nandi County, a former Councillor representing Kosirai Ward and as a Marine Radio and Radar Technician.</p> <p>Mr. Bor was an active athlete and represented the Armed Forces in the National Athletics Championships from 1993 to 2006. He rose through the ranks to Corporal and was honoured with 20 great years of the Nyayo Era Medal.</p>



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		<p>He holds a Bachelor of Arts in Public Administration and Political Science and has vast experience in leadership.</p>
9.	 <p style="text-align: center;"><b>Nuh M. Ibrahim</b> <b>Fund Administrator /CEO</b></p>	<p>Mr. Nuh M. Ibrahim is the Chief Executive Officer and the Fund Administrator of the Sports, Arts and Social Development Fund (SASDF). He is the Accounting Officer of the Fund and responsible for delivering the mandate of the Fund. Mr. Nuh is a risk governance and a policy professional at the same time a Certified Risk Analyst. He previously held leadership positions in different government institutions including; Independent Electoral and Boundaries Commission (IEBC), National Hospital Insurance Fund (NHIF) currently known as Social Health Authority (SHA) among others.</p> <p>Mr. Nuh holds a Bachelor’s Degree in Economics from the University of Nairobi and a Master’s Degree in Public Policy and Administration from Kenyatta University.</p>



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**4. Key Management Team**

	<b>Management</b>	<b>Details</b>
1.	 <p style="text-align: center;"><b>Nuh M. Ibrahim</b> Fund Administrator /CEO</p>	<p>Chief Executive Officer / Fund Administrator</p>
2.	 <p style="text-align: center;"><b>Hassan Abdi Boru</b> MA (Environment Planning &amp; Management), BSc Wildlife Management and Conservation</p>	<p>Director Planning, Research, Monitoring and Evaluation</p>

3.	 <p><b>Doreen Diki</b> MBA (HRM), BBA (HRM), CHRP(K), Higher Dip. (HRM), CPA II</p>	AG. Director, Corporate Services
4.	 <p><b>Dr. Job Aiyabei</b> PhD (Business Administration), MBA (Finance) BBA (Accounting and Finance), CPA K</p>	AG. Director Fund Administration and linkages

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5	 <p><b>Dr. Nzilu Musyoki</b> PhD. (Business Management) MBA, B-Com (Marketing)</p>	Deputy Director, Planning, Monitoring and Evaluation
6	 <p><b>Veronica Kanini</b> Msc. Project Management, BBA (Purchasing &amp;</p>	Deputy Director, Supply Chain Management

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	Supply Chain Management)	
7	 <p><b>Naanyu Karbolo</b> MBA (Strategic Management), Bachelors of Arts (Sociology)</p>	Deputy Director, Corporate Communication

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**5. Statement by the Oversight Board Chairman**



**Lt. Gen (Rtd.)  
Jackson Tuwei**

I am pleased to present to you the Annual Report of Sports, Arts and Social Development Fund (SASDF) for the financial year ended June 30, 2025. This report represents not only our performance over the past year, but also the resilience, ingenuity and commitment that have kept the Fund moving forward in a dynamic and challenging operating environment. As an organization, we have continued to support the Bottom-up Economic Transformation Agenda, as well as the country's Vision 2030, in terms of Funding and promoting Sports, Arts and Social development as drivers of economic growth in Kenya. This is due to the fact that sports, Arts and creative economy are regarded as tools for national unity and a platform to strengthen national identity and improve Kenya's international image.

The year under review was marked by significant milestones in our ongoing journey towards driving positive change and development across the realms of sports, arts, and social development in Kenya. Our key achievements this year have been to provide funding for key priority projects/ Infrastructure and events in sports, arts and social development sectors.

Under the sports sector in the FY 2024/25, SASDF has funded major sport Stadia/ infrastructure in preparations for Hosting CHAN 2024 and AFCON 2027 and other events that include; construction of Talanta sports Stadium; upgrading and rehabilitation of Moi International Sports Complex – Kasarani and Nyayo stadium; Kipchoge Keino Stadium; Raila Odinga Stadium- Homa Bay; Kinarini Stadium-Kwale County among others. The Fund also provided financial support to fund various Sports programs including hosting of Harambee Stars CHAN 2024 and AFCON 2027 qualifiers, CAC Road Cycling African Championships in Iten; the International Safari Sevens Rugby series 2024 and Junior and Elite Triathlon Cup Kilifi ; Team Kenya participation in 2024 Paris Olympics and Paralympics games and U17 Women's World Cup in the Dominican Republic; 2025 World Athletics Continental Tour Gold series- Kipkeino Classic; 2025

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Nairobi City Marathon; WRC Safari Rally 2025 ; 2025 Magical Kenya Open Golf Tournament; Sirikwa World cross country Gold tour 2025 : Funded and supported KAS talent development programs towards establishment of Constituency Sports Academies and National Sports Talent Camp; AK Holiday Youth Training Camps across the Country; Kenya Secondary School Games and Funded Enhanced Anti-Doping programs for ADAK.

Under the arts sector, the Fund provided financial support towards hosting of Kenya Innovation Week 2024; Kenya International Theatre Festival (KITFEST 2024): Kapkugo Cultural Festival in Mt. Elgon; Kenya Theatre Awards 2025; Africa Continental Free Trade Area (AFCTA) Youth Symposium; Presidential Innovation Challenge and Award Programme (PIA); financed the execution of the Agreement Between Grammy Global Ventures LLC and The Ministry of Youth Affairs, Creative Economy and Sports for hosting / Establishment of the Africa Grammys Academy; Music and Drama Festivals and KCC County Theatre Fiesta among others. Under social development Sector, the Fund provided financial support to National Youth Council for implementation of the Wazo Programme.

In the year under review, the fund has provided cash awards to the exemplary performers in International, continental and regional championships. This serves as a way to recognize and motivate them for their outstanding performances.

As we look into the future, the oversight board will continue to utilize resources at its disposal to restore the country's sporting glory and upgrade sporting infrastructure, promote the arts and creative sector, and finance social development programs that are aligned to the Bottom-Up Economic Transformation Agenda (BETA) and will have a transformative and progressive impact to the country.

On behalf of the Oversight Board, I wish to express our heartfelt appreciation to the management, staff, the Ministry of Youth Affairs, Creative economy and Sports and all stakeholders for their goodwill and support that has gone a long way towards fulfilling the Funds mandate.

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**Lt. Gen (Rtd.) Jackson Tuwei  
CHAIRPERSON**

## **6. Statement by the Fund Administrator/ Chief Executive Officer**



**Nuh M. Ibrahim  
Fund Administrator /  
Chief Executive  
Officer**

As we close the financial year ending June 2025, it is with immense pride and optimism that I present this report on the remarkable progress and milestones achieved at Sports, Arts and Social Development Fund. This report provides an overview of our financial performance, operational highlights, key activities and challenges that have shaped our journey this year.

This year has been a testament of our commitment to becoming a sustainable funding agency in transforming Sports, Arts and Social Development in the country through effective and efficient funding as we continue to make significant gains towards achieving our organizational

strategic objectives.

Our financial performance this year reflects both the opportunities and challenges we faced. During the financial year 2024/2025, the Fund realized a total collection of **Kes. 15,516,450,642**, the highest collection to date. The Oversight Board approved financial support amounting to **Kes. 17,979,613,191** to Fund various projects and programs namely; **Kes. 14,012,973,698** disbursed for the promotion of sports, **Kes. 1,478,980,306** disbursed for promotion of arts and culture and **Kes. 487,659,187** disbursed for Social Development.

The Fund has continuously and effectively provided financial support for the various projects, programs and infrastructure under the sectors of sports, arts and social development namely: Hosting of the Harambee Stars AFCON/CHAN qualifiers and CAC Road Cycling African Championships in Iten ; Funded Team Kenya participation in 2024 Paris Olympics and Paralympics games; Funded and supported KAS talent development programs towards establishment of Constituency Sports Academies and National Sports Talent Camp; Supported and funded hosting of Kenya Innovation Week 2024 and National Youth Council for implementation of the Wazo Programme; Funding of major sports

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stadia's, infrastructure and projects including construction of Talanta sports stadium, upgrading and rehabilitation of Moi International Sports centre- Kasarani, Nyayo and Kipchoge Keino stadium to AFCON standards among other successful projects and programs.

During the year under review the fund started the process of Securitizing the Fund to meet the significant capital requirements for implementation of the Talanta Sports city project. By the Fund seeking alternative sources of financing, this will ensure successful construction of Talanta Sports stadium and secure the hosting of AFCON 2027 due to the strict timelines that all AFCON hosting projects are expected to be completed by 2025. The Fund hopes that the entire Securitization process will be completed in the FY 2025/26 and that the cashflows required for this Capital-intensive project will be availed

In the year under review, another key achievement was the completion of Talanta plaza office partitioning and relocation of the Ministry Headquarters as yet another testament and milestone to our commitment to be self-reliant and enhance service delivery and cost savings on rent and other operational maintenance. Further, SASDF office interior branding was done to enhance Fund's corporate Image and increase visibility.

In the financial year 2024/25, the Fund also reviewed its HR instruments and Strategic plan and continuously trained its staff to ensure a highly motivated staff and a robust working environment. Automation of SASDF systems was implemented to enhance operational efficiency and effectiveness such as development of ICT based monitoring and evaluation system to help in tracking financial returns from federations and state departments. Also, a risk management framework was developed to help identify and mitigate potential risk at the Fund in compliance with National Treasury circular.


However, the Declassification of SASDF and reverting it back to the Ministry as per proposed state corporations restructuring reforms is a major challenge that will disrupt the ongoing legal review, major infrastructure projects and service delivery of the Fund.

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SASDF continues to foster a more accountable, transparent, and successful sports, arts and social development sectors in Kenya, ensuring that government funding yields tangible and positive outcomes for sport men and women and the creative industry as a whole and the realization of the Bottom-Up Economic Transformation Agenda (BETA) of the Kenya Kwanza Plan.

I would like to express my gratitude to the dedicated SASDF oversight Board, management, staff and stakeholders. Your resilience and creativity continue to be our driving force towards our shared vision of positively impacting the lives of Kenyans. Together, we have overcome challenges and achieved great successes.



**Nuh M. Ibrahim**

**FUND ADMINISTRATOR/ CHIEF EXECUTIVE OFFICER**

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

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer presents a statement of performance against predetermined objectives of the Sports Arts and Social Development Fund.

The key strategic objectives as per the Sports Arts and Social Development Fund strategic plan for FY 2024- FY 2025 (Financial Year 2023-2028) are to:

**KRA 1: FUND ADMINISTRATION**

**Strategic Objective: To Improve Effectiveness and Efficiency in Fund Management**

Strategies	Expected Outcome	Activities	Output indicators	2024/25	Achievement 2024/2025
Streamline application processes	Increased clarity and ease in funding application	Develop/review implement funding guidelines	Approved funding guidelines	1	0
		Sensitise stakeholders on the funding guidelines and funding priorities	No. of sensitisation forums	4	0
		Implement funding guidelines	Level of implementation	100%	100%
Advise on funding priorities	Increased effectiveness in sports, arts and social development funding	Develop concept paper on funding priorities and ceilings in collaboration with relevant ministries and agencies	Approved concept paper	1	1
		Issue budget circular and calls for funding proposals based on set priorities	Budget circular & call for proposals	1	1
Strengthen proposal evaluation and disbursement process	Prompt feedback on funding applications and disbursement of funds	Undertake evaluation of funding proposals	Calendar of events for all activities and projects	1	1
		Present calendar of events/programs/projects for Board approval	Approved calendar of events/programs/projects	1	1
		Disburse funds	% of funds disbursed to approved funding	100%	90%

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**KRA 2: RESEARCH, MONITORING & EVALUATION**

**Objective: To Support Evidence-Based Decision Making**

Strategies	Expected outcome	Activity	Output Indicator	2024/25	Achievement 2024/2025
Enhance research capacity	Improved quality of research reports	Undertake assessment of SASDF's research capacity gaps	Report on research capacity assessment	1	0
		Implement recommendations of the research capacity assessment report	Implementation report	3	0
	Research based decisions	Carry out research in collaboration with relevant stakeholders and advise on funding and emerging issues in sports, arts and social development	No. of researches undertaken	3	0
		Prepare research briefs and advisory notes on sports, arts and social development sectors	No. of research briefs and advisory notes prepared	1	1
Strengthen monitoring, evaluation and reporting	Increased accountability in use of resources	Develop/review M&E policies and procedure manual	Approved M&E policies and procedures manual	1	1
		Develop ICT enabled monitoring, evaluation and reporting platform /templates	Approved monitoring, evaluation and reporting templates	1	1
		Sensitise stakeholders on the use of monitoring, evaluation and reporting templates	Sensitisation forums held	2	2
		Field work to collect and collate technical and financial M&E reports	No. of M&E reports	4	4
		Share M&E and impact assessment findings with respective beneficiaries	Feedback reports	3	3
Enhance information sharing	Adequately informed stakeholders	Hold conferences for stakeholder briefings on research outputs and M&E reports	No. of stakeholder conferences held	1	1
		Upload research and M&E reports on the Fund's website	No. of research and M&E reports shared on the Fund's website	7	2
		Publish research and M&E reports in the media	No. of media publications	1	0
		Design stakeholder feedback portal on SASDF website	Level of feedback activity on the portal	100%	100%
		Review and respond to stakeholders' feedback reports	% of feedback reports responded to	100%	100%

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**KRA 3: ORGANIZATIONAL CAPACITY**

**Strategic Objective 5.1: To enhance Institutional Governance**

<b>Strategies</b>	<b>Expected Outcome</b>	<b>Activities</b>	<b>Output Indicator</b>	<b>2024/25</b>	<b>Achievement 2024/2025</b>	
Espouse good corporate governance practices	Compliant institution	Develop and implement board charter	Approved board charter	1	1	
			Implementation level of board charter	100%	95%	
	Good corporate image	Undertake training of the board and senior management on corporate governance	% of board members and senior management trained	100%	50%	
			Undertake legal and governance audits and implement recommendations	Legal and governance audits reports	1	0
				Level of legal and governance compliance	100%	0
			Strengthen Fund's risk management	Reduced risk exposure	Develop an enterprise risk management (ERM) framework	Approved ERM framework
Train staff on ERM framework	% of relevant staff trained	100%			100%	
Implement the ERM framework	Level of adherence to ERM framework	100%			0	

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**Strategic Objective 5.2: To ensure the Fund has Adequate, Competent and Productive Workforce**

Strategies	Expected Outcome	Activities	Output Indicator	2024/25	Achievement 2024/2025
Implement an appropriate organization structure	Supportive organizational structure Increased productivity	Finalise and seek approval of the organization structure by SCAC/PSC	Report on approved organization structure and staff establishment	1	0
		Undertake competitive recruitment to fill identified positions	Implementation level of the new structure	50%	50%
Reinforce human capital management and skills development	Motivated, skilled and productive staff	Develop and implement the human resource policies manual	Approved human resources policies manual	1	1
			Implementation level HR policies	100%	100%
		Undertake job evaluation and salary structure review	Approved grading and remuneration structure	1	0
		Develop various cross cutting policies including Gender Mainstreaming, ADA, HIV/AIDS, Disability, Road Safety, OSH, CRC and anti-corruption	No. of policies in place	6	0
		Sensitise staff on various policies	% of staff sensitized	40%	40%
		Undertake training needs assessment (TNA)	TNA report	1	1
		Develop training plan	Training plan	1	1
		Undertake training as per training plan	% of eligible staff trained	100%	100%
Strengthen performance management	Increased Productivity	Develop/review the performance management system (PMS)	A PMS in place	1	0
		Sensitize staff on the PMS	% of staff sensitized	50%	0

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<b>Strategies</b>	<b>Expected Outcome</b>	<b>Activities</b>	<b>Output Indicator</b>	<b>2024/25</b>	<b>Achievement 2024/2025</b>
		Set annual targets	% of staff with individual work plans	100%	0
		Undertake bi-annual performance reviews	% of staff appraised	100%	100%
Enhance staff welfare	Motivated and productive staff	Provide adequate working space and appropriate working tools	% of staff with adequate working tools	100%	100%
		Implement staff benefit schemes e.g., car loans, mortgages	Level of staff benefit schemes uptake	20%	0
	Increased staff retention and loyalty	Carry out staff satisfaction and work environment surveys	Employee satisfaction and work environment survey reports	1	0
		Increased team work	Implement survey recommendations	Implementation level of survey recommendations	50%
	Develop and implement occupational safety and health policy		Level of adherence to OSHP	100%	0
	Undertake teambuilding activities		No. of teamwork building activities undertaken	1	0

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**Strategic Objective 4.3: To Enhance Operational Efficiency and Service Delivery**

<b>Strategies</b>	<b>Expected Outcome</b>	<b>Activities</b>	<b>Output Indicator</b>	<b>2024/25</b>	<b>Achievement 2024/2025</b>
Reengineer operational processes	Seamless processes Efficient service delivery	Undertake operational process analysis and review	Reviewed operational processes report	1	1
Automate operational processes	Efficient service delivery	Undertake ICT needs assessment	ICT needs assessment report	1	1
		Implement ERP system (Funding, financial, CRM, procurement and other modules)	Operational ERP system in place	50%	0
		Revamp Update existing website	Interactive website	1	0
		Undertake maintenance of ICT systems	ICT system uptime	99.98%	88%
Enhance customer relationship management	Timely service delivery	Sensitize staff on Customer Service Charter and feedback channels	Level of adherence to customer service charter	100%	100%
		Handle customer complaints and provide feedback	Level of compliance with CSC provisions	100%	100%
	Prompt handling of customer complaints	Undertake customer satisfaction surveys and implement recommendations	Customer satisfaction survey report	1	1
			Implementation level of survey's recommendations	100%	100%
Outsource non-core functions	Increased efficiency	Identify services that can be outsourced e.g., cleaning and security	List of activities for outsourcing	1	1
		Outsource identified service	% of eligible services outsourced	100%	100%
		Oversee provision of outsourced services	Level of adherence to SLAs	100%	100%

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Strategies	Expected Outcome	Activities	Output Indicator	2024/25	Achievement 2024/2025
Enhance prudent management of financial resources	Efficient use of resources				
		Adhere to the Public Financial Management Act 2015	Financial and audit reports	1	1
		Develop and implement procurement plan	Approved procurement plan	1	1
			Quarterly procurement reports	4	4
		Monitor expenditure against the budgetary provisions	Budget variance analysis reports	4	4

**Strategic Objective 5.4: To Promote Fund's Visibility and Corporate Image**

Strategies	Expected Outcome	Activities	Output Indicator	2024/25	Achievement 2024/2025
Enhance SASDF's brand	Increased visibility	Undertake SASDF branding	Approved brand strategy and manual	1	1
		Sensitise staff on Fund's brand	% of staff trained	1	1
		Develop and implement Corporate Social Investment (CSI) policy and plan	Approved CSI Policy and Plan	1	0
			Implementation level of CSI plan	100%	0
Improve on corporate communication	Increased visibility	Develop SASDF communication policy and strategy	Approved corporate communication policy and strategy	1	0
		Implement communication policy and strategy	Level of adherence to communication policy and strategy	100%	0

## **8. Corporate Governance Statement**

### **Constitution of the Board**

Part III of Legal Notice no. 194 States that there shall be a Board established to be known as the Sports, Arts and Social Development Oversight Board.

The Oversight Board Shall Consist of:

- (i) The Principal Secretary for the time being responsible for matters relating to finance
- (ii) the Principal Secretary for the time being responsible for matters relating to sports;
- (iii) the Principal Secretary for the time being responsible for matters relating to arts
- (iv) the Principal Secretary for the time being responsible for matters relating to health
- (v) the Principal Secretary for the time being responsible for matters relating to education;
- (vi) one person not being a public officer nominated by the Cabinet Secretary responsible for sports with competence in matters relation to sports;
- (vii) one person not being a public officer nominated by the Cabinet Secretary responsible for health with competence in matters relating to health; and
- (viii) one person not being a public officer nominated by the Cabinet Secretary with competence in matters relating to finance.
- (ix) The President shall appoint one of the members appointed under this regulation to be the Chairperson of the Board.

The Current Oversight Board with Eight (8) members is therefore properly constituted as provided above.

### **Functions of the Oversight Board**

The Functions and roles of the Oversight Board as outline in the Legal Notice No. 194 is as follows:

- i. Provide overall oversight of the Fund;
- ii. Approve the ceilings for funding under sports, arts and social development in each financial year;
- iii. Develop policy guidelines relating to disbursements by the Fund;
- iv. prescribe other guidelines for the administration of the Fund;

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- v. Review the estimates of annual revenue and expenditure of the Fund and recommend them to the Cabinet Secretary responsible for Sports for approval and submission to the Cabinet Secretary responsible for finance;
- vi. Review guidelines on the fund priorities and criteria for allocation and disbursement of funds to implementing agencies in furtherance of the objects of the Fund
- vii. Monitor and evaluate the programmes and activities under the Fund;
- viii. Facilitate and develop sectoral linkages to the Fund;
- ix. Review the performance of the Fund and make recommendations on the operations of the Fund to the administrator of the Fund;
- x. Review and approve the financial statements of the Fund before submission to the Auditor General;
- xi. Review policy on the management of assets, equipment and all properties under the Fund;
- xii. Receive reports on the performance of the Fund; and
- xiii. Any other activity that in the opinion of the Board, will promote and facilitate the realization of the objects and purposes of the Fund.
- xiv. The Oversight Board shall prepare and submit a quarterly report to the Cabinet Secretary responsible for finance on the performance of the Fund with copies to the Cabinet Secretaries responsible for sports, arts, health and education.

**Board Charter**

A Board charter defines the Oversight Board's roles and responsibilities as well as functions and structures in a way that supports the members in carrying out their strategic Oversight function. The Charter provides the Oversight Board Members with an opportunity to think creatively and critically about how their strategic and operational plans align with the organization's strategic direction and expectations, with respect to governance.

The Oversight board charter and manual was developed and approved.

**Board Remuneration of Oversight Board Members**

Oversight Board Members shall be remunerated for their services in accordance with the prevailing relevant legislative provisions and /or guidance from the relevant authority.

Oversight Board allowances for members of the Oversight Board shall be paid out of the funds of the SASDF. These include sitting allowances or other remuneration as stipulated within the scales of remuneration specified from time to time by the State Corporations Advisory Committee (“SCAC”) or its successor.

The Oversight Board shall, subject to section 10(2) of the State Corporations Act, within the scales specified by SCAC, refund travelling, and other expenses incurred by the Oversight Board Members in the performance of their duties.

**Removal/Resignation from office**

- a) An Oversight Board member (excluding the Chief Executive Officer) shall cease to hold office or may be removed from office by the appointing authority if the Oversight Board member-
- b) Is absent, without the permission of the appointing authority notified to the Oversight Board, from three consecutive meetings; or
- c) Is convicted of an offense and sentenced to imprisonment for a term exceeding six months or to a fine exceeding two thousand shillings; or
- d) Is adjudged bankrupt or enters into a composition or arrangement with his creditors; or
- e) Is incapacitated by prolonged physical or mental illness from performing his duties as member of the Oversight Board; or
- f) Accepts any office the holding of which, if he were not a member of the Oversight Board would make him ineligible for appointment to the office of a member of the Oversight Board; or
- g) Conducts himself or herself in a manner deemed by the appointing authority to be inconsistent with membership of the Oversight Board; or
- h) Is recommended for removal by the Oversight Board on the basis of non-performance, non- attendance of meetings, unethical conduct which contravenes the Code of Conduct and Ethics and applicable policies.
- i) An Oversight Board member may resign at any time by giving notice, in writing, to the appointing authority, copied to the Chairperson of the Oversight Board and the Chief Executive Officer. The resignation shall take effect upon receipt of the notice by the appointing authority or at any later time specified therein. The acceptance of such resignation shall not be necessary to make it effective.

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**Oversight Board and Management Succession Planning**

- a) The Oversight Board shall approve, review and maintain Oversight Board skills matrix to guide the Cabinet Secretary on appointment and replacement of Oversight Board Members.
- b) The Oversight Board shall also liaise with the Cabinet Secretary to ensure that the tenures of Oversight Board Members are staggered, and that transition is phased and timely.
- c) In addition, the Oversight Board shall approve, review and maintain a succession plan for the Chief Executive Officer and Senior Management staff.

**Board Committees**

Committees are crucial for the Fund as they enhance efficiency, expertise, and accountability. They allow for focused attention on specific issues, leverage diverse perspectives, and distribute workload, ultimately leading to better decision-making and governance

The Oversight Board operates in the following committees;

- 1) Technical Committee – Provides expert guidance and oversight on technical matters within a specific field. In this case the committee deliberates on all the funding requests and makes decisions.
- 2) Finance and Administration Committee – Is charged with the responsibility of looking at financial matters, administrative procedures, and related policies. It provides recommendations to the Oversight Board.
- 3) Audit Committee – Its responsible for oversight of the financial reporting process of the Fund.

**Risk Management Framework**

The Fund has a Risk Management Framework in compliance with the Constitution, Public Finance Management Act, and Code of Governance for State Corporations (Mwongozo Code of Governance)

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**OVERSIGHT BOARD MEETINGS ATTENDANCE FOR THE FY 2024/2025**

In the financial year 2024/2025 the Oversight Board held nine meetings as tabulated below:

**SCHEDULE OF ATTENDANCE OF THE OVERSIGHT BOARD MEETINGS FOR THE FINANCIAL YEAR 2024/2025**

**FULL BOARD**

	<b>Month</b>	<b>July 2024</b>	<b>November 2024</b>	<b>April 2025</b>
<b>S/No</b>	<b>Date</b>	<b>24</b>	<b>26</b>	<b>15</b>
1.	Lt. Gen (Rtd) Jackson Tuwei	x	x	x
2.	Eng. Peter Tum, CBS	x	x	
3.	Dr. Belio Kipsang, CBS	x	x	
4.	Ismail Madey	x		
5.	Mr. Harry Kimtai, CBS	x		
6.	Guyo Boru	x	x	x
7.	Simon Bor	x	x	x
8.	Ms. Ummi Bashir, CBS		x	x
9.	Ms. Martha Okochil		x	x
10.	Dr. Amb. Julius Bitok, CBS			x
11.	Mr. Elijah Mwangi, CBS			x

**SCHEDULE OF ATTENDANCE OF THE OVERSIGHT BOARD MEETINGS FOR THE FINANCIAL YEAR 2024/2025**

**TECHNICAL COMMITTEE**

	<b>Month</b>	<b>October 2024</b>	<b>November 2024</b>	<b>February 2025</b>
<b>S/No</b>	<b>Date</b>	<b>23</b>	<b>12</b>	<b>18</b>
1.	Eng. Peter Tum, CBS	x	x	x
2.	Mr. Harry Kimtai, CBS	x		
3.	Ms. Ummi Bashir, CBS	x	x	x
4.	Guyo Boru		x	x

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**FINANCE AND ADMINISTRATION COMMITTEE**

	<b>Month</b>	<b>July 2024</b>	<b>October 2024</b>
<b>S/No</b>	<b>Date</b>	<b>19</b>	<b>24</b>
1.	Dr. Belio Kipsang, CBS		x
2.	Eng. Peter K. Tum, CBS	x	x
3.	Mr. Harry Kimtai, CBS	x	x
4.	Guyo Boru	x	

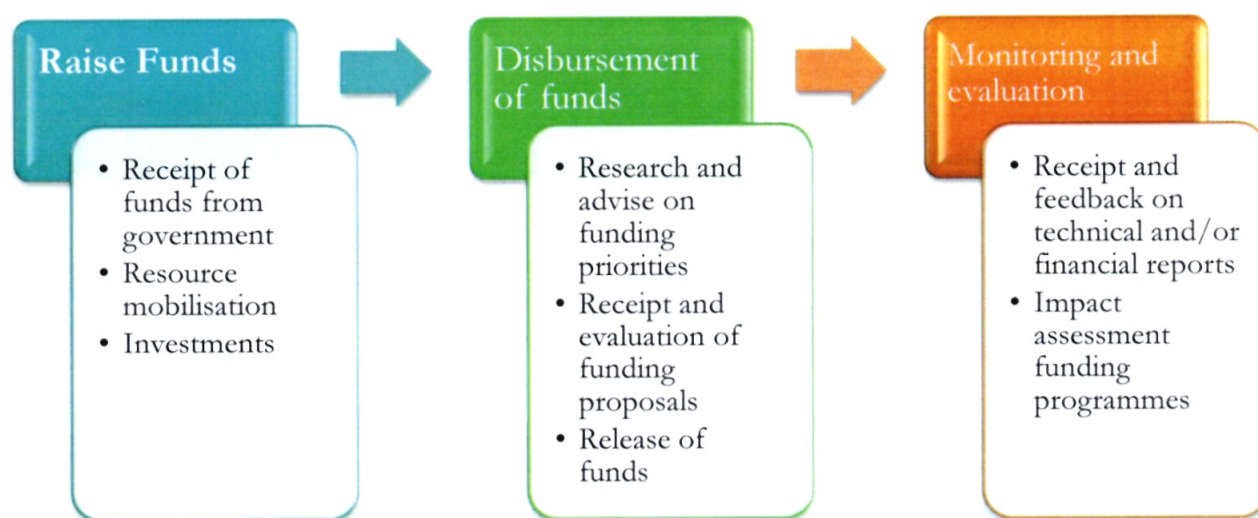
**AUDIT COMMITTEE**

	<b>Month</b>	<b>July 2024</b>
<b>S/No</b>	<b>Date</b>	<b>9</b>
1.	Mr. Simion Bor	x
2.	Mr. Ismail Madey	x
3.	Mr. Guyo Boru	x

## **9. Management Discussion and Analysis**

### **i. Core Mandate**

The Sports, Arts and Social Development Fund (SASDF) was established by the Legal Notice No. 194 Public Finance Management (Sports, Arts and Social Development Fund) Regulations, 2018. The mandate of SASDF is to provide funding to support the development and promotion of sports, arts, and the promotion of social development including universal health care. SASDF value chain in the discharge of its functions can be summarized as depicted in Figure 1 below:



### **ii. Revenue of the Fund**

The Legal Notice No. 194 of the Public Finance Management (Sports, Arts and Social Development Fund) Regulations, 2018 provide that the sources of funding for the Fund shall emanate from the collection as outlined under;

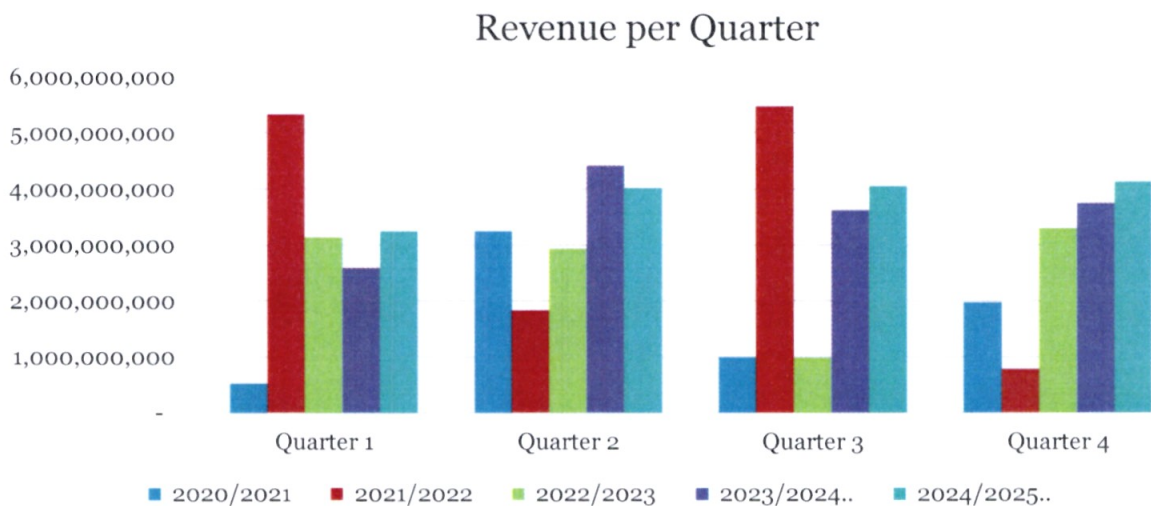
- a) Section 69(A) of the Betting, Lotteries and Gaming Act,
- b) Section 35(5A) of the Income Tax Act
- c) Section 36(5) of the Excise Duty Act, 2015
- d) Such other moneys as may be appropriated by the National assembly

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The Fund placed some of its funds on call deposit account as part of its prudent financial management thereby generating a net income of Kshs 111 million and had miscellaneous income of Kes 39.1 million.

Further, during the financial year 2024/2025, the Fund realized revenue of Kshs 15,516,450,642 against a projected revenue of Kshs 16.8 billion. This collection was higher than the previous year. It was however a shortfall as per the projections which was occasioned by global instabilities that made fuel prices go up reducing the disposable income that would otherwise be used for spending on non-essential commodities.

The revenue trend for the financial year 2020/21, 2021/22, 2022/23, 2023/2024 & 2024/2025 is as shown in the graph below:



**ii. Fund Disbursements**

In apportioning the proceeds of the Fund, the Oversight Board ensures that the following requirements as provided for in the Regulations are adhered to. These are;

- a) an amount not exceeding sixty percent be apportioned to social development including universal health care;
- b) an amount not exceeding thirty-five percent be apportioned to the promotion and development of sports;

- c) an amount not exceeding twenty percent be apportioned to the promotion and development of arts; and
- d) an amount not exceeding five percent be apportioned to government strategic interventions whose expenditure shall be subject to approval by Cabinet.

During the Financial Year 2024/2025, the Fund Oversight Board approved financial support amounting to Kshs to fund various projects and programs being implemented in the Sports, Arts & culture and Social Development including Universal Healthcare. The Fund Oversight Board approved total disbursement of Kshs 17,734,762,327 with Kshs 16,117,404,621 for the promotion of sports, Kshs 1,550,357,706 for promotion of arts and culture and Kshs 67,000,000 for Social Development including Universal Healthcare.

### **iii. Monitoring and Evaluation**

During the financial year 2024/2025, the management carried out monitoring and evaluation of funded programs, which is a key function of SASDF as per the established legal framework.

The Fund received more than 70% returns from beneficiaries hence a significant improvement in submission of returns. Through continuous communication and stakeholder forums, the Fund has been urging the federations to comply with government regulations and the SASDF regulations on technical and financial reporting however it remains a key challenge.

### **iv. Strategic Plan**

During the financial year under review, the Fund reviewed its strategic plan to realign with emerging realities.

### **v. Talanta Plaza**

The Fund partitioned its offices during the financial year under review.

### **vi. Statutory requirements**

The Fund has complied with all statutory requirements including PAYE, Withholding VAT, NHIF, NITA, NSSF and Health and safety requirements.

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**vii. Risks facing the Fund**

The major risk facing the Fund is in its establishment. The Fund is established through the Public Finance Management (SASDF) Regulations 2018 and as such is not established under an Act of Parliament. Further, the Fund also faces the risk of declassification and its functions be reverted back to the Ministry.

Another risk faced by the Fund is in the manual nature of its operations. The Fund processes have largely remained manual with minimal automation. This has significantly impacted the efficiency and effectiveness of the Fund operations.

**viii. Competence Management**

During the year under review, the Fund carried out a training needs analysis (TNA). The Fund paid annual subscription fees to professional bodies and facilitated trainings, seminars and conferences for staff members.

**10. Environmental and Sustainability Reporting**

The Fund exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the SASDF's policies and activities that promote sustainability.

**i. Sustainability strategy and profile**

Sustainable development is about balancing needs of the present generation without compromising the needs of future generations. The key aspect is balancing business, social and environmental aspects of the organization. The Fund has been providing financial support to youths who are mainly the athletes representing the country in various sporting activities and also supporting the creative sector through cash awards.

The financial support towards school feeding programs in marginalized and ASAL areas by NACONEK is a true reflection of retention and transition of learners in schools.

Further, the completion and commissioning of the Talanta plaza which will house the ministry of Youth affairs, the Creative economy and sports and hence enhanced service delivery and cost savings on rent and other operations maintenance costs.

**ii. Environmental performance**

We recognize environmental protection as one of the guiding principles and a key component of sustainable business performance. The Constitution of Kenya is quite coherent in the need to promote environmental management and sustainability in Kenya. Its preamble commits the people of Kenya to be respectful of their environment as their heritage. Article 10 (2d) in particular identifies sustainability as one of the national values and principles of governance. Additionally, article 42 provides for the right to a healthy environment for all Kenyans.

Kenya's development blue print (Kenya Vision 2030) identifies several emerging challenges in environmental management and sustainability which include environmental degradation, forestry, food insecurity, water resources, pollution and waste management, climate change, bio- integrated environmental planning, and unplanned human settlement among others. Therefore, environmental management and sustainability is a critical undertaking needed to help Kenyans realize the aspirations of our Constitution and the Vision 2030.

The key objectives of the environment and sustainability policy is to:

- i. Adhere to all applicable environmental regulations and other requirements that relate to our environmental aspects.
- ii. Implement and maintain a structured Environmental Management System based on the continual improvement of the environmental performance and regular review of the set environmental objectives, targets and programmes of all significant environmental aspects.
- iii. Adopt and implement environment-friendly strategies prevent pollution, reducing waste generation and minimizing the consumption of resources.

To promote a more ecologically sustainable environment the Fund has:

- i. Encouraged responsiveness to environmental management and sustainability challenges
- ii. Supported tree growing activities through the World Rally Championship as a legacy activity
- iii. The Fund has gone digital and implemented an ERP system that is paperless and helps to reduce wastages while enhancing efficiency.

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- iv. The Fund is utilizing pooled transport in order to reduce emission of the green- house gas
- v. In line with the government directives on the COVID-19 protocols, the Fund has been regularly fumigating the offices and providing sanitizers for clean working environment.
- vi. The Fund has been undertaking energy saving activities

**iii. Employee welfare**

The Fund through its Human Resources Policy Manual has elaborate processes of hiring/ recruitment as provided in Sections 3.0-3.30. The policy areas on recruitment include: Human Resource Planning, Declaration of Vacancies, Role of Human Resource Management Committee, Shortlisting and Interviews, Offer of Appointments etc. In addition, the Fund has in place an approved Staff establishment policy document that guides on number of positions, job specifications and job titles that can be hired. The Fund will strived to balance the gender ratio.

The Fund engaged the Public Service Commission on matters of Human Resources Management as its main stakeholders on such matters. The Fund in consultation with the Public Service Commission revised its Human Resource Instruments in April, 2024.

The Fund had an extensive policy on Training and Development. All members of staff were trained in that year.

The Fund had in place a robust performance management system with rewards. In the Financial year 2024/ 25 several staff members were promoted as part of the reward system.

The Fund is in the process of constituting several committees amongst them a Health and Safety Committee.

#### **iv. Operational practices**

The Fund's SCM operations are governed by the principles of good governance, transparency, value for money, and social inclusion, in line with the Constitution of Kenya 2010, the Public Procurement and assets disposal act 2015(PPADA), Public procurement and Assets Disposal Regulations 2020 and Public Finance Management Act (PFMA). All procurement activities undertaken by the Fund were executed in compliance with all the above legislative and regulatory frameworks. Through transparent and competitive procurement processes, the Fund sought to maximise the value derived from funds allocated, ensuring quality service delivery at the most economical cost.

SCM practices prioritized the empowerment of historically disadvantaged individuals under the AGPO categories and the fund was able to achieve more than the minimum required reservation of 30%. Contracts were actively managed through structured performance monitoring frameworks and appointed contract implementation committees. Regular engagements were held with service providers to ensure compliance with agreed deliverables thus resulting in the timely delivery of all contracted goods, services and works.

The Fund placed a high priority on the **timely processing of payments to all contracted suppliers**, recognising the critical role this plays in sustaining small businesses, building trust, and ensuring continuity of service delivery. Internal turnaround targets were established to process valid invoices within **30 days or less** thereby reinforcing its commitment to supplier development and economic empowerment.

#### **v. Community Engagements**

Besides delivering its core mandate, the Fund has integrated Corporate Social Responsibility (CSR) initiatives into its operations to support improving the livelihoods of the beneficiary communities and impact society to be better.

The Fund approach towards CSR is focused on identifying and formulating projects guided by its CSR policy and in response to specific needs that CSR committee members assess as a priority. The committee consulted widely on best practices in order to make corporate social

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responsibility an integral part of its undertakings and implement projects that impact positively on society.

To this end, the Fund actively participated in several engagements with various stakeholders towards improving the quality of life and making the society a better place. For instance, the Fund participated in tree growing exercise whereby over 5,000 trees were planted in Kaberwa station, in Mt. Elgon, Bungoma county whereby together with the Kenya Forest service we were able to share some necessities and refreshment with the community taking care of the forest.

The Fund shall remain committed as a responsible corporate citizen by prioritizing mitigation measures on the impact of its activities on the environment, communities, employees and stakeholders.

**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 the Funds' affairs.

i) Principal activities

The mandate and function of the Fund as outlined in the PFM (Sports, Arts and Social Development Fund) Regulations 2018 is:

Promote social development including universal health care;

Finance the development of sports and recreation facilities including stadia, gymnasiums, buildings, tracks;

Enhance support and access to funding for sportspersons and sports organizations to enable their participation in sporting events and competitions;

Facilitate acquisition and provision of equipment to sports and recreation facilities;

Support for the identification, nurturing and development of talent in sports and arts;

Facilitate training and capacity building programmes for persons involved in sports and recreation, creative arts, artistic production, contemporary and cultural practitioners;

Facilitate the identification, development and capacity building of technical personnel and sports support personnel involved in sports and recreation;

Support for the promotion and development of artistic production of contemporary or cultural goods and services;

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Facilitate the marketing and promotion of artistic productions and contemporary or cultural goods and services;

Support linkages with domestic, regional and international markets for sports, artistic productions and contemporary or cultural goods and services;

Facilitate for exhibition and promotion of contemporary or cultural artistic production of goods and services for national identity and pride;

Finance the acquisition, development and preservation of, among others, heritage sites, cultural centres, national monuments, tangible and intangible heritage and culture and heritage equipment and tools; and

Facilitate innovation, research and documentation in arts, culture and the creative industry, sports and social development.

**ii) Results**

The results of the Fund for the year ended June 30, 2025, are set out on page 1-6

**iii) Directors**

The members of the Board of Directors who served during the year are shown on page x-xvi.

**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 Fund 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 the Sports, Arts and Social Development Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

**Sports, Arts and Social Development Fund  
Annual Report and Financial Statements  
for the year ended June 30, 2025**

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By Order of the Board



.....

**Lt. Gen (Rtd.) Jackson Tuwei  
Chairman Oversight Board**

## **12. Statement of Directors Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and Regulation 3 of the Legal Notice No. 194 of the Public Finance Act dated 25th October 2018, require the Directors to prepare financial statements in respect of the Sports, Arts and Social Development Fund, which give a true and fair view of the state of affairs of the Fund at the end of the financial year/period and the operating results of the Fund for that year/period. The Directors are also required to ensure that the Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the Fund. The Directors are also responsible for safeguarding the assets of the SASDF.

The Directors are responsible for the preparation and presentation of the SASDF's financial statements, which give a true and fair view of the state of affairs of the SASDF 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 SASDF;
- iii. Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- iv. Safeguarding the assets of the SASDF;
- v. Selecting and applying appropriate accounting policies; and
- vi. Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the SASDF'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 Legal Notice No. 194 of the Public Finance Act (the Sports, Arts and Social Development Fund) Regulations 2018 dated 25th October 2018. The Directors are of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's

**Sports, Arts and Social Development Fund  
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transactions during the financial year ended June 30, 2025 and of the Fund's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

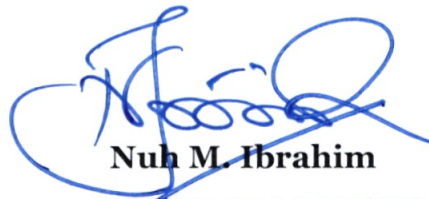
Nothing has come to the attention of the Directors to indicate that the Fund's will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the Financial Statements**

The Fund's financial statements were approved by the Oversight Board on 27<sup>th</sup> August 2025 and signed on its behalf by:



**Lt. Gen (Rtd.) Jackson Tuwei**  
**CHAIRPERSON**



**Nuh M. Ibrahim**  
**FUND ADMINISTRATOR/CEO**

# REPUBLIC OF KENYA



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**HEADQUARTERS**  
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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON SPORTS, ARTS AND SOCIAL DEVELOPMENT FUND FOR THE YEAR ENDED 30 JUNE, 2025**

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### **PREAMBLE**

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

- A. Report on 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 Lawfulness and Effectiveness in the 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 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 framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the 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, Arts and Social Development Fund set out on pages 1 to 37 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, Arts and Social Development Fund 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. Lack of Service Agreement on Betting Tax Collection**

The statement of financial performance and Note 7 to the financial statements reflects Kshs.15,516,450,642 as proceeds from betting and lotteries tax. The betting tax revenue was collected by the Kenya Revenue Authority (KRA) and channeled to the Fund through the State Department for Sports. However, Service Agreement between the Kenya Revenue Authority and the Fund, clearly outlining the types of taxes or revenues Kenya Revenue Authority is authorized to collect, reporting obligations and remittance timelines were not provided for audit verification.

In the circumstances, the completeness and accuracy of proceeds from betting and lotteries tax of Kshs.15,516,450,642 could not be confirmed.

#### **2. Long Outstanding Payables**

The statement of financial position and Note 20 to the financial statements reflects trade and other payables balance of Kshs.52,797,605. The balance includes an amount of Kshs.11,761,215 awarded by the Court to a tenant arising from a dispute over a tenancy agreement. However, the balance has been outstanding for more than two (2) years exposing the Fund to possibility of sanctions which may lead to extra charges.

In the circumstances, the completeness and accuracy of the balance of Kshs.11,761,215 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Sports, Arts and Social Development Fund 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**

#### **1. Undisclosed Guarantee Issued by the Fund in a Securitization Process – Kshs.44,516,053,525**

Review of documents after the year end revealed that the Sports, Arts and Social Development Fund had offered a guarantee to investors who subscribed to a securitization for the purposes of raising Kshs.44,516,053,525 for the construction of Talanta Stadium in Nairobi County. The guarantee was offered by the Fund though the State Department for Sports on behalf of the Government of Kenya after approval from The National Treasury. Under the terms of the guarantee, Sports, Arts and Social Development Fund was to make monthly remittance to the investors towards the repayments of the principal loan plus interest over a period of fifteen (15) years. The monthly payments were secured by the future revenue from betting activities as remitted to the Fund by the State Department for Sports. However, the full documentation supporting the transaction was not provided for audit and financial statements disclosures were also omitted.

In the circumstance, the audit was unable to verify the reliability of the securitization model employed and confirm that adequate internal control and oversight mechanisms were established.

#### **2. Undisclosed Contingent Liability in Respect of Assigned Receivables – Kshs.97,500,000,000**

In the securitization process, the Project was expected to incur an interest of 7.93 % per annum on the value of the bond of Kshs.44,516,053,525 over a 15 years period. However, the resultant contingent liability relating to receivables amounting to Kshs.97,500,000,000 consisting of the principal and interest which is fully payable at the maturity of the 15 years bond was not disclosed in the financial statements. Further, the disclosure pertaining to the future contingent liabilities was also omitted from the financial statements for the period under review.

In the circumstances, the completeness and valuation of contingent liabilities in the financial statements could not be confirmed

#### **3. Contingent Liabilities Related to Refundable Rent Deposits**

Review of documents revealed that the Fund has matters in Court regarding refundable deposits in relation to Talanta Plaza. The cases originated after the Fund acquired the building from National Olympics Committee of Kenya who had signed contracts with various tenants for sale of office spaces between the years 2012 and 2013 under an off-plan agreement. At the time of audit, three (3) of the cases were ongoing in Court while

seven (7) other purchasers were awaiting an outcome of out of Court negotiations of Talanta Plaza located in Upper Hill, Nairobi. The full amount in dispute had not been determined.

In the circumstances, due to ongoing litigations and unresolved negotiations with uncertain financial impact, audit could not confirm the completeness valuation or disclosure of contingent liabilities.

My Opinion is not modified in respect of these matters

### **Key Audit Matter**

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 effect of 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**

In the audit report of the previous year, the following paragraphs were raised. However, Management has not resolved the prior year matters and has not explained the delay in resolving the issues as at 30 June, 2025.

1. Long Outstanding Accounts Payables
2. Delay in Disbursements of Funds to Sporting Federations
3. Lack of Internal Audit Function and Audit Committee

### **Other Information**

The Management is responsible for the Other Information set out on page v to li which comprise of Key Entity Information and Overall Performance, Statement of Governance, Statement of the Chairperson, Statement of the Chief Executive Officer, Management Discussion and Analysis, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on Sports, Arts and Social Development Fund 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 a 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 THE 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 for Conclusion

#### 1. Lack of Lease Agreements

The statement of financial position and Note 19 to the financial statements reflects property, plant and equipment balance of Kshs.2,966,584,814 which includes Kshs.2,765,014,915 as the cost of Sports, Arts and Social Development Fund-owned Talanta Plaza building. During physical verification, it was observed that four (4) floors are being occupied by the State Department for Sports while one (1) floor was being utilized by State Department for Youth Affairs and Creative Economy. However, lease agreements for the two State Departments were not provided for audit verification.

In the circumstances, the regularity and validity of the tenancy of the State Departments could not be confirmed.

#### 2. Non-Adherence to the Disbursement Proportions

The statement of financial performance and Note 16 to the financial statements reflect transfer to other Government implementing agencies of Kshs.17,979,613,191. The transfer includes an amount of Kshs.14,012,973,698 (78%) which was transferred for promotion and development of sports, Kshs.1,478,980,306 (8%) transferred for promotion and development of arts and an amount of Kshs.487,659,187 (3%) that was transferred for social development including Universal Health Care. However, the analysis showed that the Fund surpassed the recommended percentage of disbursements towards sports development by fifty four percent (54%) in contravention of Regulation 4(2) of the Public Finance Management (Sports, Arts, and Social Development Fund), 2018 which states that an amount not exceeding thirty five percent (35%) to be apportioned to the promotion and development of sports.

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

### **3. Delay in Disbursement of Funds to Sporting Federations**

The review of Board minutes approving disbursements of funds to Sporting Federations revealed that the Fund had not disbursed an amount of Kshs.87,868,135 due to the National Olympics Committee of Kenya which went to Paris 2022. Such delays in fund disbursement can hinder the planning and implementation of essential operational elements, including security, staffing, and logistics, thereby adversely affecting the federation's reputation and the country's ability to host major events.

In the circumstances, the delay in disbursements of approved money to sporting federations exposes the federations to the risk of failing to meet their international commitments which may result in sanctions to the country for non-compliance.

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 matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective

### **Basis for Conclusion**

#### **1. Non-Operational Audit Committee**

Review of Board documents revealed that the Fund has established an Audit Committee. However, the Audit Committee had met only once during the year. This was contrary to Regulation 179 (1) of the Public Finance Management Regulations (National Government), 2015 which states that the Audit Committee shall meet at least once in every three (3) months. The absence of a functioning Audit Committee may hinder accountability for financial performance and compliance.

In the circumstances, the effectiveness of the internal control system could not be confirmed.

## **2. Lack of an Offsite Data Storage Facility, Continuity Plan and Disaster Recovery Plan**

Review of the Information Communication Technology (ICT) Systems revealed that the Fund does not have a secure offsite storage facility for its data, an ICT Continuity Plan and a Disaster Recovery Plan. This may lead to loss of data confidentiality integrity and accessibility in case of a disaster.

In the circumstances, the effectiveness, existence of data confidentiality, integrity and availability 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 the 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 Fund'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 Fund'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

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**

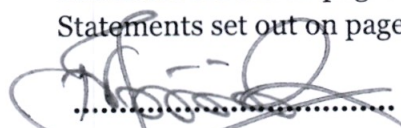
**17 December, 2025**

**Sports, Arts and Social Development Fund  
Annual Report and Financial Statements  
for the year ended June 30, 2025**

**14. Statement of Financial Performance for the year ended 30 June 2025**

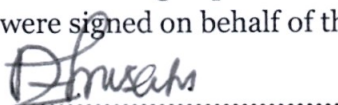
	Notes	2024/2025	2023/2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from other Government Entities	6	-	207,999,997
Proceeds from Betting & Lotteries Tax, Income Tax and Excise Duty Tax	7	15,516,450,642	14,429,962,909
		<b>15,516,450,642</b>	<b>14,637,962,906</b>
<b>Revenue from exchange transactions</b>			
Finance Income	8	70,117,162	196,906,660
Miscellaneous Income	9	39,591,324	1,526,000
<b>Total revenue</b>		<b>15,626,159,128</b>	<b>14,836,395,566</b>
<b>Expenses</b>			
Use of Goods and Services	10	184,043,058	116,465,959
Employee Costs	11	90,606,306	76,598,713
Oversight Board Expenses	12	11,947,996	11,211,222
Depreciation and Amortization Expense	13	96,478,862	70,190,167
Repairs and Maintenance Costs	14	19,268,734	17,818,563
Contracted Services	15	12,699,300	2,941,760
Transfer to Government Implementing Agencies and Sports Organisations	16	17,979,613,191	14,269,210,229
Finance Costs		-	11,906,116
<b>Total expenses</b>		<b>18,394,657,447</b>	<b>14,576,342,729</b>
<b>Surplus/ (Deficit) before tax</b>		<b>(2,768,498,319)</b>	<b>260,052,837</b>
Taxation		-	-
<b>Surplus/(Deficit) for the year</b>		<b>(2,768,498,319)</b>	<b>260,052,837</b>
Remission to National Treasury	21	-	-
<b>Net Surplus/ Deficit) for the year</b>		<b>(2,768,498,319)</b>	<b>260,052,837</b>
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling Entity		<b>(2,768,498,319)</b>	<b>260,052,837</b>
		<b>(2,768,498,319)</b>	<b>260,052,837</b>

The notes set out on pages 8 to 69 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 7 were signed on behalf of the Oversight Board by:



**Nuh. M. Ibrahim**  
Fund Administrator

28/09/2025



**David Muasya Musau**  
Head of Finance  
ICPAK M/No:9486

28/09/2025



**Lt. Gen (Rtd.) Jackson Tuwei**  
Chairman of the Board

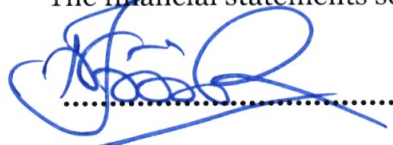
28/09/2025

**Sports, Arts and Social Development Fund  
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**15 Statement of Financial Position as at 30 June 2025**

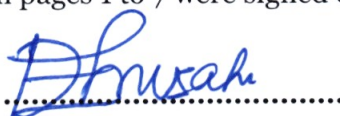
	Notes	2024/2025	2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	17	175,450,428	3,192,467,927
Receivables from Exchange Transactions	18	46,743,691	82,732,397
<b>Total Current Assets</b>		<b>222,194,119</b>	<b>3,275,200,324</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	19	2,966,584,814	2,662,624,611
<b>Total Non- Current Assets</b>		<b>2,966,584,814</b>	<b>2,662,624,611</b>
<b>Total Assets (A)</b>		<b>3,188,778,933</b>	<b>5,937,824,935</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	20	52,797,605	33,345,288
<b>Total Current Liabilities</b>		<b>52,797,605</b>	<b>33,345,288</b>
<b>Non-Current Liabilities</b>			
Contingent Tax Liability		4,612,000	4,612,000
<b>Total Non- Current Liabilities</b>		<b>4,612,000</b>	<b>4,612,000</b>
<b>Total Liabilities (B)</b>		<b>57,409,605</b>	<b>37,957,288</b>
<b>Net Assets (A-B)</b>		<b>3,131,369,328</b>	<b>5,899,867,647</b>
<b>Represented by:</b>			
Reserves		(2,768,498,319)	260,052,837
Accumulated Surplus		5,879,867,647	5,619,814,810
Capital Fund		20,000,000	20,000,000
<b>Net Assets</b>		<b>3,131,369,328</b>	<b>5,899,867,647</b>

The financial statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:



**Nuh. M. Ibrahim**  
**Accounting Officer**

**Date**



**David Muasya Musau**  
**Head of Finance**  
**ICPAK Member 9486:**

**Date**



**Lt. Gen (Rtd.) Jackson**  
**Tuwei**  
**Chairman of the Board**

**Date**

**Sports, Arts and Social Development Fund  
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**

Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>As at July 1, 2023</b>	-	-	-	<b>5,619,814,810</b>	-	<b>20,000,000</b>	<b>5,639,814,810</b>
Surplus for the year		-	-	260,052,837	-	-	260,052,837
Revaluation gain	-	-	-	-	-	-	-
<b>As at June 30, 2024</b>	-	-	-	<b>5,879,867,647</b>	-	<b>20,000,000</b>	<b>5,899,867,647</b>
<b>As at July 1, 2024</b>	-	-	-	<b>5,879,867,647</b>	-	<b>20,000,000</b>	<b>5,899,867,647</b>
Fair value adjustment on investments	-	-	-	-	-	-	-
Deficit for the year	-	-	-	<b>(2,768,498,318)</b>	-	-	<b>(2,768,498,318)</b>
<b>As at June 30, 2025</b>	-	-	-	<b>3,111,369,329</b>	-	<b>20,000,000</b>	<b>3,131,369,329</b>

**Sports, Arts and Social Development Fund  
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
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government Entities	6	-	207,999,997
Proceeds from Betting & Lotteries Tax, Income Tax and Excise Duty Tax	7	15,516,450,642	14,429,962,909
Finance Income	8	70,117,162	196,906,660
Miscellaneous Income	9	39,591,324	1,526,000
<b>Total receipts</b>		<b>15,626,159,128</b>	<b>14,836,395,566</b>
<b>Payments</b>			
Use of goods and services	10	184,043,058	116,465,959
Employee costs	11	90,606,306	76,598,713
Oversight Board Expenses	12	11,947,996	11,211,222
Repairs and maintenance	14	19,268,734	17,818,563
Contracted services	15	12,699,300	2,941,760
Transfer to Government Implementing Agencies and Sports Organisations	16	17,979,613,191	14,269,210,229
Finance Costs		-	11,906,116
<b>Total payments</b>		<b>18,298,178,584</b>	<b>14,506,152,562</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>(2,672,019,456)</b>	<b>330,243,004</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE and Intangible assets	19	(400,439,066)	(444,827,590)
Decrease in Non-Current Receivables	18	35,988,706	(39,811,028)
Decrease in Payables	20	19,452,317	(7,635,576)
<b>Net cash flows from/(used in) investing activities</b>		<b>(344,998,043)</b>	<b>(492,274,194)</b>
<b>Cash flows from financing activities</b>		-	-
<b>Net cash flows from financing Activities</b>		-	-
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>	17	<b>(3,017,017,499)</b>	<b>(162,030,719)</b>
Cash and cash equivalents at 1 July	17	<b>3,192,467,927</b>	3,354,498,646
<b>Cash and cash equivalents at 30 June</b>	17	<b>175,450,428</b>	<b>3,192,467,927</b>

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

<b>Receipt/Expense Item</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>Budget Utilization Difference</b>	<b>% of Utilization</b>
	<b>a</b>	<b>b</b>	<b>c=a+b</b>	<b>d</b>	<b>e=c-d</b>	<b>f=d/c %</b>
<b>Receipts</b>						
Proceeds from Betting & Lotteries Tax	16,464,000,000	-	16,464,000,000	15,217,025,340	1,246,974,660	98%
Recurrent Expenditure Grants	336,000,00	-	336,000,000	299,425,302	36,574,698	89%
Finance Income	-	-	-	70,117,162	(70,117,162)	
Other Income	-	-	-	39,591,324	(39,591,324)	
<b>Total Receipts</b>	<b>16,800,000,000</b>	<b>-</b>	<b>16,800,000,000</b>	<b>15,626,159,128</b>	<b>1,173,840,872</b>	
<b>Payments</b>						
Compensation of employees	91,541,794	-	91,541,794	90,606,306	935,488	99%
Use of goods and services	224,289,901	-	224,289,901	216,011,091	8,278,810	96%
Transfers to other Government Implementing Agencies	16,464,000,000	-	16,464,000,000	17,979,613,191	(1,515,613,191)	109%
Oversight Board Expenses	20,168,305	-	20,168,305	11,947,996	8,220,309	59%
<b>Total Payments</b>	<b>16,800,000,000</b>	<b>-</b>	<b>16,800,000,000</b>	<b>18,298,178,584</b>	<b>(1,498,178,584)</b>	
<b>Surplus</b>	<b>-</b>		<b>-</b>	<b>(2,672,019,456)</b>	<b>2,672,019,456</b>	

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**19. Notes to the Financial Statements**

**1. General Information**

The Sports, Arts and Social Development Fund is established by Legal Notice No. 194 of the Public Finance Management (PFM) Act dated 25<sup>th</sup> October 2018. The Sports Arts and Social Development Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The Fund's principal activity is to provide funding for the development of Sports, Arts and Social protection including universal Health care

**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 Funds' 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 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Fund. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act (, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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**Notes to the Financial Statements (Continued)**

**3. Adoption of New and Revised Standards**

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> 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.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> 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.
IPSAS 45: Property Plant and Equipment	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> 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.
IPSAS 46: Measurement	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The objective of this standard was to improve measurement guidance across IPSAS by:

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	<ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>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.</p>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>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.</p>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>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.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>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.</li> <li>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</li> </ul>

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	statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
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**ii. *Early adoption of standards***

The Entity did not early – adopt any new or amended standards in the 2024/2025 Financial Year.

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**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 Fund 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 Fund 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.

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**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 the Fund.

**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 FY was approved by the National Assembly on 26<sup>th</sup> July 2024. 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. Accordingly, the Entity recorded additional appropriations of xxx on the 20xx budget following the governing body's approval.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Budget information (continued)**

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

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**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.

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**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 25 year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. 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.

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**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. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

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

Motor Vehicle	25.00 %
Plant & Equipment	12.50%
Office Equipment	12.50%
Computers	30.00%
Furniture & Fittings	12.50%
Building's	2.00%

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

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

**f) Leases**

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

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**Summary of Significant Accounting Policies (Continued)**

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 Fund will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

**g) Intangible assets**

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

**Summary of Significant Accounting Policies (Continued)**

**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 Fund 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 Fund does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Funds' 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.

**i. 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

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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.

**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.

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**Notes to the Financial Statements (Continued)  
Summary of Significant Accounting Policies (Continued)**

**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.

**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) are set out in *Note xx*.

**ii. Financial liabilities**

**Classification**

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

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**Notes to the Financial Statements (Continued)  
Summary of Significant Accounting Policies (Continued)**

**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*.

**Notes to the Financial Statements (Continued)  
Summary of Significant Accounting Policies (Continued)**

**l) Provisions**

Provisions are recognized when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**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

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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.

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

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

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

**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.

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

**v) Service concession arrangements**

The Fund analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

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

**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, 20xx.

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**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

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expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

**Notes to the Financial Statements (Continued)**

**6. Transfers from Other Government entities**

Description	2024/2025	2023/2024
	Kshs	Kshs
<b>Unconditional Grants</b>		
Operational Grant	-	207,999,997
Development grants	-	-
Other Grants	-	-
<b>Total Unconditional Grants</b>	-	<b>207,999,997</b>
<b>Conditional Grants amortised/ transferred to revenue</b>	-	-
Other Organizational Grants	-	-
<b>Total Government Grants And Subsidies</b>	-	<b>207,999,997</b>

**7. Proceeds from Betting & Lotteries Tax, Income Tax and Excise Duty Tax**

Description	2024/2025	2023/2024
	Kshs	Kshs
Proceeds from Betting & Lotteries tax , Income Tax and Excise Duty Tax	15,217,025,340	14,429,962,909
Administrative Costs	299,425,302	-
<b>Total</b>	<b>15,516,450,642</b>	<b>14,429,962,909</b>

**8. Finance Income**

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest income from short term call deposits	70,117,162	196,906,660
<b>Total finance income</b>	<b>70,117,162</b>	<b>196,906,660</b>

**9. Miscellaneous Income**

Description	2024/2025	2023/2024
	Kshs	Kshs
Insurance Recoveries	470,000	245,386
Miscellaneous Income Refund by Sports Federations and Government Implementing Agencies	39,121,324	302,332,442
<b>Total Other income</b>	<b>39,591,324</b>	<b>302,577,828</b>

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**Notes to the Financial Statements (Continued)**

**10. Use of Goods and Services**

Description	2024/2025	2023/2024
	Kshs	Kshs
Advertising and Publicity	844,524	1,288,679
Audit Fees	-	1,000,000
Bank Charges	1,314,425	1,602,710
Seminars and Conference Costs	5,465,500	1,315,200
Office Consumables	5,330,500	4,532,881
Computer Accessories	4,785,158	3,033,290
Motor Vehicle Fuel & Lubricants	18,818,398	17,843,718
Motor Vehicle Insurance	3,842,726	2,347,266
Newspapers and Periodicals	495,160	461,112
Publishing and Printing	100,000	2,083,960
Hospitality and Entertainment	10,550,350	8,484,960
Staff Medical Expense	16,151,605	9,623,218
Monitoring and Evaluation Costs	37,578,900	16,312,625
Office Stationery	2,119,650	2,304,600
Office Rental Costs	-	547,114
Telephone & Internet Costs	779,227	948,546
Staff Training Costs	12,882,300	3,249,597
Travel, Accommodation, Subsistence and Other Allowances	37,290,120	21,464,420
Pension Administration Costs	321,578	415,408
Electricity & Water	6,699,913	5,934,253
Cleaning Services	8,806,185	2,805,202
Security Expenses	6,466,842	2,862,300
Postage & Courier	37,800	-
Professional Subscriptions	177,060	142,900
Corporate Social Responsibility	231,500	206,000
Legal Costs	370,343	5,656,000
Property Insurance	2,246,393	-
Landscaping Services	144,900	-
Garbage Collection	192,000	-
<b>Total Use of Goods and Services</b>	<b>184,043,057</b>	<b>116,465,959</b>

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**Notes to the Financial Statements (Continued)**

**11. Employee Costs**

Description	2024/2025	2023/2024
	Kshs	Kshs
Basic salaries of permanent employees	78,241,655	65,620,032
Basic wages of temporary employees	126,000	420,000
Pension and other social security contributions	12,238,651	10,558,681
<b>Employee costs</b>	<b>90,606,306</b>	<b>76,598,713</b>

**12. Oversight Board Expenses**

Description	2024/2025	2023/2024
	Kshs	Kshs
Chairman's Honoraria	-	960,000
Sitting Allowances	739,000	1,232,800
Travel and Accommodation	11,208,996	9,018,422
<b>Total</b>	<b>11,947,996</b>	<b>11,211,222</b>

**13. Depreciation and Amortization Expense**

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant and equipment	96,478,862	70,190,637
<b>Total depreciation and amortization</b>	<b>96,478,862</b>	<b>70,190,637</b>

**14. Repairs and Maintenance**

Description	2024/2025	2023/2024
	Kshs	Kshs
Equipment and Machinery	-	15,000
Motor Vehicle Maintenance Costs	8,610,522	8,402,167
Maintenance Computers and Other Electronic Equipment	3,688,725	4,266,600
Building Repairs and Maintenance	6,969,487	5,134,796
<b>Total Repairs and Maintenance</b>	<b>19,268,734</b>	<b>17,818,563</b>

**15. Contracted Services**

Description	2024/2025	2023/2024
	Kshs	Kshs
Consultancy Fees	-	2,941,760
Property and Facilities Management Fees	5,208,000	-
Event Management Costs	7,491,300	-
<b>Total Contracted Services</b>	<b>12,699,300</b>	<b>2,941,760</b>

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**Notes to the Financial Statements (Continued)**

**16. Transfers to Government Implementing Agencies and Sports Federations**

Description	2024/2025	2023/2024
	Kshs	Kshs
Promotion and Development of Sports	14,012,973,698	11,540,176,218
Social Development Including Universal Health Care	487,659,187	1,125,422,926
Promotion and Development of Arts	1,478,980,306	912,747,359
Government Strategic Interventions	2,000,000,000	690,863,726
<b>Total Grants and Subsidies</b>	<b>17,979,613,191</b>	<b>14,269,210,229</b>

**17. Cash and Cash Equivalents**

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account	142,711,360	2,080,833,197
On - Call Deposits	32,686,498	1,111,582,160
Petty Cash	52,750	52,750
<b>Total Cash and Cash Equivalents</b>	<b>175,450,428</b>	<b>3,192,467,927</b>

**Detailed Analysis of the Cash and Cash Equivalents**

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
<b>a) Current Account</b>			
Central Bank of Kenya	1000404892	-	2,770,627
CO-operative Bank of Kenya	01141174153400	10,533,720	37,018,048
CO-operative Bank of Kenya	01141174153401	129,748,089	2,040,722,576
Kenya Commercial Bank	1315129442	2,429,551	321,946
<b>Sub- Total</b>		<b>142,711,360</b>	<b>2,080,833,197</b>
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank	MM23153B37D8	32,686,498	32,686,498
Kenya Commercial Bank	MM24113PFN67	-	748,000,000
Co-operative Bank of Kenya	01150174153405	-	30,895,662
Co-operative Bank of Kenya	01101741534004	-	300,000,000
<b>Sub- Total</b>		<b>32,686,498</b>	<b>1,111,582,160</b>
<b>c) Cash in Hand</b>			
Cash In Hand		52,570	52,570
<b>Sub- Total</b>		<b>52,570</b>	<b>52,570</b>
<b>Grand Total</b>		<b>175,450,428</b>	<b>3,192,467,927</b>

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**Notes to the Financial Statements (Continued)**

**18. Receivables from Non-Exchange Transactions**

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Prepaid Fuel	596,052		596,052	
Staff Salary Advances	277,286		607,910	
Receivable from the State Department of Sports	33,476,573		33,476,573	
Receivable from Toyota Kenya	955,060		955,060	
Staff Imprests	2,561,496		2,561,496	
Motor Vehicle Maintenance Deposit	300,000		300,000	
Prepaid Medical Insurance	8,577,224		8,577,224	
Interest Income receivable	-		35,658,082	
<b>Total receivables from non- exchange transactions</b>	<b>46,743,691</b>		<b>82,732,397</b>	
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	<b>2024/2025</b>	<b>% of the total</b>	<b>2023/2024</b>	<b>% of the total</b>
Less than 1 year		%	45,243,216	55%
Between 1-2 years	9,254,510	%	-	%
Over 3 years	37,489,181	%	37,489,181	45%
<b>Total</b>	<b>46,743,691</b>	<b>%</b>	<b>82,732,397</b>	<b>100%</b>

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**Notes to the Financial Statements (Continued)**

**19. Property, Plant and Equipment**

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Office Equipment	Work in progress	Total
Depreciation Rate		2%	25%	12.50%	30%	12.5%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 <sup>st</sup> July 2023	-	-	54,438,440	998,097	9,179,773	3,443,220	2,264,581,415	2,332,640,945
Additions	-	-	-	8,666,584	7,765,000	-	428,396,006	444,827,590
Disposals	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	2,589,937,687	-	74,399,734	-	-	(2,664,337,421)	-
<b>As at 30<sup>th</sup> June 2024</b>	-	<b>2,589,937,687</b>	<b>54,438,440</b>	<b>84,064,415</b>	<b>16,944,773</b>	<b>3,443,220</b>	<b>28,640,000</b>	<b>2,777,468,535</b>
Additions	-	283,304,858	95,508,716	-	4,019,700	-	17,605,792	400,443,066
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
<b>As At 30<sup>th</sup> June 2025</b>	-	<b>2,873,242,545</b>	<b>149,947,156</b>	<b>84,064,415</b>	<b>20,964,473</b>	<b>3,443,220</b>	<b>46,245,792</b>	<b>3,177,907,601</b>
<b>Depreciation And Impairment</b>								
As at 1 <sup>st</sup> July 2023	-	-	(37,213,778)	(296,645)	(5,749,875)	(1,392,989)	-	(44,653,287)
Depreciation	-	(51,798,754)	(4,306,166)	(10,470,969)	(3,358,469)	(256,279)	-	<b>(70,190,637)</b>
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
<b>As at 30<sup>th</sup> June 2024</b>	-	<b>(51,798,754)</b>	<b>(41,519,944)</b>	<b>(10,767,614)</b>	<b>(9,108,345)</b>	<b>(1,649,268)</b>	-	<b>(114,843,925)</b>
Depreciation	-	<b>(56,428,876)</b>	<b>(27,106,804)</b>	<b>(9,162,100)</b>	<b>(3,556,838)</b>	<b>(224,244)</b>	-	<b>(96,478,862)</b>

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Disposals	-	-	-	-			-	-
Impairment	-	-	-	-			-	-
Transfer/Adjustment	-	-	-	-			-	-
<b>As At 30<sup>th</sup> June 2025</b>	-	<b>(108,227,630)</b>	<b>(68,626,748)</b>	<b>(19,929,714)</b>	<b>(12,665,183)</b>	<b>(1,873,512)</b>	-	<b>(211,322,787)</b>
<b>Net Book Values</b>	-							
	-							
<b>As at 30<sup>th</sup> June 2024</b>		<b>2,538,138,933</b>	<b>12,918,497</b>	<b>73,296,801</b>	<b>7,836,428</b>	<b>1,793,952</b>	<b>28,640,000</b>	<b>2,662,624,611</b>
<b>As at 30<sup>th</sup> June 2025</b>	-	<b>2,765,014,915</b>	<b>81,320,408</b>	<b>64,134,701</b>	<b>8,299,290</b>	<b>1,569,708</b>	<b>46,245,792</b>	<b>2,966,584,814</b>

**Notes**

1. Work in Progress relates to purchase of Monitoring and Evaluation Software which is expected to be completed and commissioned in the FY 2025/26.

2. Depreciation is calculated on reducing balance basis.

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**Notes to the Financial Statements (Continued)**

**19 (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	2,873,242,545	108,227,630	2,765,014,915
Office Equipment	3,443,220	1,873,512	1,569,708
Motor Vehicles, Including Motorcycles	149,947,156	68,626,747	81,320,409
Computers And Related Equipment	20,964,473	12,665,183	8,299,290
Office Equipment, Furniture, And Fittings	84,064,415	19,929,714	64,134,709
Work in Progress	46,245,792	-	46,245,792
<b>Total</b>	<b>3,177,907,601</b>	<b>211,322,787</b>	<b>2,966,584,814</b>

**20. Trade and Other Payables**

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade payables	52,797,605		32,301,289	
<b>Total trade and other payables</b>	<b>52,797,605</b>		<b>33,345,288</b>	
		% Of the Total		% Of the Total
<b>Ageing analysis: (Trade and other payables)</b>	<b>2024/2025</b>		<b>2023/2024</b>	
Under one year	20,496,316	39%	22,688,378	68%
1-2 years	21,644,379	41%	1,449,176	4%
2-3 years	1,449,176	3%	9,207,734	28%
Over 3 years	9,207,734	17%	-	0%
<b>Total</b>	<b>52,797,605</b>	<b>100%</b>	<b>33,345,288</b>	<b>100%</b>

Long Outstanding Trade Payables relates to retention fee for the contract for office partitioning of Talanta Plaza

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**Notes to the Financial Statements (Continued)**

**21. Surplus Remission**

Section 17 of the Public Finance Management (Sports, Arts and Social Development Fund regulations 2018 States that “All receipts, earnings and accruals of the Fund and the balance of the Fund at the close of the Financial year shall be retained by the Fund for use for the purpose for which the Fund was established”. Therefore, the Fund is not required to remit any surplus to the National Treasury.

**22. Cash Generated from Operations**

Description	2024/2025	2023/2024
	Kshs	Kshs
<b>Surplus for the year before tax</b>	<b>(2,768,498,319)</b>	<b>260,052,837</b>
<b>Adjusted for:</b>		
Depreciation	96,478,862	70,117,162
<b>Working capital adjustments</b>		
Increase in receivables	35,988,706	(39,811,028)
Decrease payables	19,452,317	7,635,576
<b>Net cash flow from operating activities</b>	<b>(2,616,578,434)</b>	<b>297,994,547</b>

**23. Related Party Disclosures**

**Nature of related party relationships**

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

**Government of Kenya**

The Government of Kenya is the principal shareholder of the Fund, holding 100% of the *Entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Entity, both domestic and external.

**Other related parties include:**

- i) The Ministry of Youth Affairs, Creative Economy and Sports
- ii) County Governments
- iii) Kenya Academy of Sports

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- iv) Sports Kenya
- v) Anti-Doping Agency of Kenya
- vi) Kenya Revenue Authority
- vii) State Department for Basic Education
- viii) Key management.
- ix) Board of directors.

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Sales to related parties</b>	-	-
<b>b) Grants /transfers from the government</b>		
Grants from national govt	-	-
Grants from county government	-	-
<b>Total</b>		
<b>c) Expenses incurred on behalf of related party</b>		
<b>Total</b>	-	-
<b>d) Key management compensation</b>	-	-
Directors' emoluments	-	-
Compensation to key management		
<b>Total</b>		

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**24. Events after the Reporting Period**

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

**25. Ultimate And Holding Entity**

The Entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry. Its ultimate parent is the Government of Kenya.

**26. Currency**

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

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**20. Appendices**

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

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>

**Guidance Notes:**

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

.....

Director General/C.E.O/M.D (enter title of head of Entity)

Date: