

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	05 JUN 2024
	04Y.
	WEDNESDAY
TABLED BY:	MAJORITY PARTY W/H/P HON. SILVANO OJOD
CLERK-AT-TABLE:	J. Lemelle

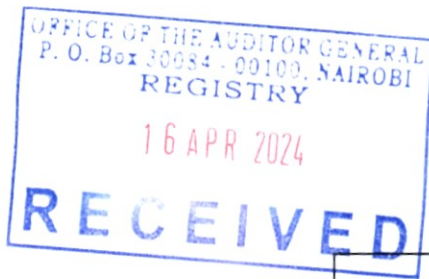
OF

THE AUDITOR-GENERAL

ON

SPORTS KENYA

**FOR THE YEAR ENDED
30 JUNE, 2023**



SPORTS KENYA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

Table of Contents.....	Page
1. Acronyms, Abbreviations and Glossary of Terms.....	iii
2. Key Entity Information and Management.....	iv
3. The Board of Directors.....	viii
4. Key Management Team.....	xi
5. Chairman's Statement.....	xiii
6. Report of the Director General.....	xiv
7. Statement of Performance against Predetermined Objectives for FY 2022/2023.....	xvi
8. Corporate Governance Statement.....	xix
9. Management Discussion and Analysis.....	xxv
10. Environmental and Sustainability Reporting.....	xxviii
11. Report of the Directors.....	xxxi
12. Statement of Directors Responsibilities.....	xxxii
13. Report of the Independent Auditor for the Financial Statements of Sports Kenya.....	xxxiv
14. Statement of Financial Performance for the year ended 30 June 2023.....	1
15 Statement of Financial Position as at 30 June 2023.....	3
16. Statement of Changes in Net Assets for the year ended 30 June 2023.....	5
17. Statement of Cash Flows for the year ended 30 June 2023.....	6
18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023.....	8
19. Notes to the Financial Statements.....	13
20. Appendices.....	53

1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

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

B: Glossary of Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

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

(b) Principal Activities

The principal activity/mission/ mandate of Sports Kenya are to ...

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

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

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

(c) Key Management

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

No.	Designation	Name
1.	Director General	Pius Metto
2.	Deputy Director Technical Services	Gabriel Komora
3.	Corporation Secretary/Director Legal Services	Daisy W. Kariuki
4.	Ag. Deputy Director Corporate Services	Julius Mbii
5.	Assistant Director Finance	Japhet Kaunyu
6.	Assistant Director Human Resources & Admin	Munase Mulama
7.	Ag. Assistant Director Facility Management	Alex Kataka

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

- i. Mr. Charles Waithaka - Chairman
- ii. Mr. Pius Metto - Director General/Board Secretary
- iii. Eng. Peter K.Tum CBS - Principal Secretary State Department for Sports
- iv. Dr. Hassan Duale - Rep. PS Ministry of Education
- v. Dr. Doreen Odhiambo - Ag. CEO, Kenya Academy of Sports
- vi. Mrs. Leah Kaburu - Secretary Sports Dispute Tribunal

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

vii.	Mr. Mark Wambugu	-	Ag. CEO, Sports Arts & Social Development Fund
viii.	Mr. James Wang'ombe	-	Rep. Inspectorate of State Corporations
ix.	Mr. Philip Cheruiyot	-	Rep. Office of the Attorney General
x.	Mr. Daniel Waithaka	-	Rep. The National Treasury

(e) Fiduciary Oversight Arrangements

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

- i). Corporate Services Committee
- ii). Sports facilities and Infrastructure Committee
- iii). Audit Committee
- vi). The Sports Kenya Full Board

(f) Entity Headquarters

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

(g) Entity Contacts

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

(h) Entity Bankers

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

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

Key Entity Information and Management (continued)

(i) Independent Auditor

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

(j) Principal Legal Adviser

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

3. The Board of Directors

Ref	Directors	Details
1.	 Mr. Charles Waithaka	<p>Designation: Chairman, Sports Kenya Board D.O.B: 1976 Qualification: Master of Business Administration in Project Management from University of Wales, United Kingdom, Bachelor of Business Administration, Entrepreneurship from SMA Swiss Management Academy, Switzerland, and a Diploma holder (IT) from JKUAT Experience: Over 18 years of experience in leadership and project management in both public and private sector, and has worked in simultaneous multi-community mobilization initiatives.</p>
2.	 Eng. Peter K. Tum CBS	<p>Board Member: D.O.B: Designation: PS, State Department for Sports Qualification: Masters in Energy Management from University of Nairobi, Bachelor of Industrial Technology from Egerton and Post Graduate Diploma in Medical Electronics from University of London. Experience: Over 25years in public sector</p>
3.	 Mr. James Wang'ombe	<p>Board Member: Rep. Inspector General Inspectorate, State Corporations DOB: 1963 Qualification: MBA, BA (Econs) Experience: Over 25 years in Public Service</p>

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.**



4.	 <p>Mrs. Leah Kaburu</p>	<p>Board Member Designation: Secretary Sports Disputes Tribunal, Judicial Service Commission D.O.B: 1972 Qualification: BA in Education, Master’s Degree in Education (Guidance and Counselling) Experience: Vast experience in Management</p>
5.	 <p>Mr. Mark Wambugu</p>	<p>Board Member Designation: Ag CEO, National Sports Art & Social Development Fund D.O.B: 1976 Qualification: CPA (K), CPS (K), BCom, MBA Experience: Vast experience in financial analysis and Management</p>
6.	 <p>Mr. Philip Cheruiyot</p>	<p>Board Member: Rep. Office of the Attorney General D.O.B 16/08/1973 Designation: Chief State Counsel Qualification: LLB, DIP.LAW (KSL) Experience: Vast Experience in legal practice at Attorney General’s Office</p>
7.	 <p>Dr. Doreen Odhiambo</p>	<p>Board Member Designation: Ag CEO Kenya Academy of Sports D.O.B: 1972 Qualification: PhD - Hosting of Major Sports Events in Developing Countries, Executive Masters of Business Administration (Strategic Management), International Master (MA) in Management, Law & Humanities of Sport (FIFA Master) Grade B Experience: Over 20 years in Public Service</p>

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

8.	 <p>Dr. Hassan Duale</p>	<p>Board Member: Rep. PS, Ministry of Education D.O.B :1977 Designation: Ag Director Field Co-ordination & Co Curriculum Activities in the Ministry of Education Qualification: Masters in Education Administration & Management, Master’s in Business Administration Experience: Over 20years Experience in Education Administration and Management</p>
9.	 <p>Mr. Daniel Waithaka Ng'ang'a</p>	<p>Board Member: Rep. The National Treasury D.O.B 02/04/1983 Designation: Principal Economist/PA to Director General Public Investment & Portfolio Management Qualification: Masters in Public Finance & Social Policy Experience:</p>
10.	 <p>Mr. Pius Metto</p>	<p>Designation: Director General Sports Kenya /Secretary to the Board Responsibility; Secretary to the Board; Developing and recommending to the board the long-term strategy business plans and annual operating budgets and establishing proper internal monitoring and control system and procedures; Administration of all the resources and activities of the Board; Formulating, implementing and monitoring Board Development policy legislation and regulations; among others Qualification: MBA-University of Plymouth (UK), BED (Arts)- KU, Membership KIM</p>

4. Key Management Team

	Management	Details
1.	 <p>Mr. Pius Metto Qualifications: MBA-University of Plymouth (UK), BED (Arts)- KU, Membership KIM</p>	<p>Designation: Director General Sports Kenya</p> <p>Responsibility; Secretary to the Board; Developing and recommending to the board the long-term strategy business plans and annual operating budgets and establishing proper internal monitoring and control system and procedures; Administration of all the resources and activities of the Board; Formulating, implementing and monitoring Board Development policy legislation and regulations; among others</p> <p>Experience: Public Service Operations & Management/Leadership and Senior manager with over 10yrs in policy & business strategy formulation and implementing.</p>
2.	 <p>Mr. Gabriel Komora Qualifications: MBA, Corporate Management</p>	<p>Designation: Deputy Director Technical Services</p> <p>Responsibility; Responsible to the Board to Formulate policies regarding utilization of the Board's facilities; Ensure that the Board's facilities are well maintained; Formulate policies for technical maintenance of mechanical and electrical works among other duties.</p> <p>Experience: Over 25 Yrs. in Public Service of which 5yrs as an Ag CEO SSMB.</p>
3.	 <p>Mr. Julius Mbii Qualifications: MBA – University of Nairobi, Diploma in Business Management, B.Sc.</p>	<p>Designation: Ag Deputy Director Corporate Services</p> <p>Responsibility; Responsible to the Board to formulate policies, procedures for Marketing all the Boards facilities; Develop and implement short- and long-range goals, objectives, policies, and operating procedures of the division; Develop and identifying new revenue generation opportunities for the Board</p> <p>Experience: Over 20 years in Public Sector of which 9 years as Assistant Director SSMB</p>

<p>4.</p>	 <p>Mr. Munase Mulama Qualifications: M.A. HRM -Madurai Kamraj University, B.A Public Administration and Political Science.</p>	<p>Designation: Assistant Director Human Resource & Administration</p> <p>Responsibility; Responsible to the Board to formulate Human Resources Policies and Procedures relevant to Recruitment, Remuneration, Development and Retention of Employees; Formulate Policies on Employees Relations, Reward Systems, Welfare, and Administrative Support</p> <p>Experience: Over 20years in public sector.</p>
<p>5.</p>	 <p>CPA Japhet Kaunyu Qualifications: (MBA Finance) - UON, BBA (Accounting), Dip: Forensic Accounting, CPA(K), CPS(K), Member of ICPAK and ICIFA</p>	<p>Designation: Assistant Director Finance</p> <p>Responsibility; Responsible to the Board to initiate development of financial policies, develop and implement accounting systems, procedures that will enhance the quality, timeliness and availability of financial information and ensuring compliance with GOK accounting policies and procedures for proper financial systems to enhance timely financial and accounting reports; timely preparation for planning and coordination of annual work plans and budget estimates, cash flows and overseeing administrative related issues of the Board.</p> <p>Experience: Over 20yrs experience in the public sector.</p>

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.**

5. Chairman's Statement

It is with pleasure that we present the financial results for Sports Kenya for the year ended 30th June, 2023.

Highlights

The 2022/2023 FY performance showed signs of improvement with Sports Kenya hosting a number of international championships including Team Kenya preparations for international events. These included the Rugby Barthes Cup, World Cup U20 Rugby Championships, FKF Premier League matches, Kipkeino Classic, Nairobi Marathon, WRC Super Special Stage and Team Kenya preparations for the Commonwealth Games.


Sports Kenya continued with the development/renovation of the following Regional Stadia: Kipchoge Keino – Uasin Gishu, Kamariny- Elgeyo Marakwet, Wote – Makueni, Ruringu – Nyeri, Marsabit – Marsabit and Karatu – Kiambu. The others are at various stages of completion with some experiencing contractual challenges. However, we have continued to receive support from the Government through the SASDF and National Treasury for funding of the sports infrastructure projects.

Moi Stadium, Embu County was completed and hosted the Madaraka Day celebrations. The facility continues to host other sporting and non-sporting events.

Operating Environment

Sports Kenya continues to fulfil its mandate in line with the Sports Act 2013. Our collaboration with the County Governments has seen Sports Kenya develop and renovate County Stadia to acceptable standards. This has enabled us to provide greater access to quality, affordable sports facilities and wider participation in sports.

The Board is pleased to present the financial statements which reflect the challenges and opportunities mentioned above. We are confident that with Government commitment to support funding for Sports Infrastructure, Sports Kenya will continue to develop and upgrade sporting facilities for the country, to enhance accessibility.


Mr. Peter Njuguna Gitau
B.O.D Chairman
Sports Kenya

12/04/2024

6. Report of the Director General

Financial Results

Revenue

Sports Kenya revenue from exchange transaction reduced from **Kshs. 382,452,699.00** to **Kshs. 225,707,689.00** from the previous year. This was due to the fact that in the previous period, Sports Kenya hosted the World Under 20 Championships, which was a major event contributing to the increase in revenue. In the year under review, we did not host any event of such magnitude. Some of the events hosted were Rugby Barthes Cup, World Cup U20 Rugby Championships, FKF Premier League matches, Kipkeino Classic World Rally Championships and hosting teams in preparation for the Commonwealth Games. Sports Kenya and the World Rally Championship partnered well and was able to host the Super Special Stage of the WRC Safari Rally Championship.

Debt Collection improved after the Sports Arts & Social Development Fund (SASDF) paid of outstanding bills from federations' activities. Sports Kenya has also put in measures including strict adherence to credit policies to reduce the debt level.

Grants from the Exchequer also reduced since the budget was cut in the year under review. Sports Arts & Social Development Fund (SASDF) has continued to support the Board in financing development projects being undertaken.

Sports Kenya will continue to implement strategies to increase revenue by reviewing charges for facilities and services offered and engaging partners in branding and naming rights.

Expenditure

The Board expenses reduced during the period under review since the Board was not fully constituted following the expiry of the term of the previous independent Board members.

Depreciation increased during the period since we transferred some assets from work in progress to the relevant class of asset after being completed. These include the Indoor Court, Police Station, luggage scanners among others.

Repairs and maintenance costs also reduced since most of the repairs were done in the previous year in preparation for World Under 20 Championships.

Service Delivery

Sports Kenya has continued to improve on service delivery by enhancing security of the facilities and events by installing CCTV in designated areas. We have also installed Wi-Fi in key areas to improved internet connectivity. At the Housing estate, we continue with the process of installation of pre-paid electricity meters by Kenya Power. The Enterprise Resource Planning (ERP) system has also been operationalized with all processes digitized.

Future Outlook

Sports Kenya will endeavour to implement the current Government priorities and programmes under the **Bottom Up Economic Transformation Agenda (BETA)** alongside contributing towards other National aspirations under the **Kenya Vision 2030(KV2030), and Medium Term Plan IV** which have provided for sports primarily in its social pillar and secondarily in its economic pillar. One of the priorities for “The Plan” spearheaded by Sports Kenya is the preparation of at least three venues to bid for joint hosting of the Africa Cup of Nations (AFCON) 2027.

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

Mega International rated stadiums and arts infrastructure which are characterised by International standard multi-use sports and arts facilities, Olympic-sized sports cities with more than 20,000 seats, among others. Others are pre-existing logistics (availability of commercial city, roads/rail/utilities/airports), supporting demographics, capacity to bid & host mega events, availability of appropriate land, and enabling economic/commercial activity are used to justify site selection.

Medium regional international rated stadia and arts infrastructure comprising of; International standard multi-use sports and arts facilities with seating capacities ranging from 8,000 to less than 20,000 people, the selection of such areas is justified by the necessity to decentralise infrastructure from large cities but within complementary distances of the mega facilities.

The distribution of infrastructure within the low to high-altitude zones is also considered. Unique strengths of sporting disciplines prevalent in certain zones have also informed the choice of facilities to be developed.

Community sports grounds; These facilities enable decentralized grassroots access to communities/institutions as well as opportunities for talent development and competition at the village and constituency levels. The demand for the facilities has been influenced by the tapping of tremendous abilities at the grassroots.

Further, in collaboration with County Governments, we continue to develop/refurbish county Stadia across the country. Some of the facilities to be renovated include, Afraha Stadium, Nakuru County and Kericho Green Stadium in Kericho County.



Mr Pius Metto
Director General
Sports Kenya

7. Statement of Performance against Predetermined Objectives for FY 2022/2023

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

Sports Kenya has five key strategic pillars and objectives within its Strategic Plan for the FY 2018/19 – 2022/2023. These strategic pillars are as follows:

Pillar 1: Sports and Recreational Facilities and Equipment’s.

Pillar 2: Sports Programs and administration.

Pillar 3: Development and Implementation of Sustainability Programs.

Pillar 4: Sports Research and Adoption of Modern Technology.

Pillar 5: Institutional Capacities and Mainstreaming of cross cutting issues.

Sports Kenya developed its annual work plans based on the above 5 pillars. Assessment of the Board’s performance was done against its annual work plan on quarterly basis. Sports Kenya achieved its performance targets set for the FY2022/ 2023 period for its strategic pillars, as indicated in the diagram below:

Strategic Pillars	Objectives	Key Performance Indicators	Activities	Achievements
Pillar 1: Sports and Recreational Facilities and Equipment’s	<ul style="list-style-type: none"> • To construct and equip 9 regional Stadia • To construct and upgrade Nyayo National Stadium • Develop and operationalize National standards and regulations for sports 	<ul style="list-style-type: none"> • Signed MOUs • preliminary and final designs • fundraising • construction • Improved Sports facility to international standard 	<ul style="list-style-type: none"> • Design & redesign the VVIP Pavilion • Construct terraces • Undertake Pitch works and mechanical services • Install the athletics track 	<ul style="list-style-type: none"> • Completion & equipping of 9 stadia to international standards is ongoing at 64.7% implementation status • Nyayo National Stadium has been completed and handed over • Draft standards developed &

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.**

				stakeholder engagements ongoing
Pillar 2: Sports Programs and administration	<ul style="list-style-type: none"> To implement grassroots, national and international sports programs 	<ul style="list-style-type: none"> Championships held, number of medals won, number of athletes participated 	<ul style="list-style-type: none"> Hosting of Regional National and international competitions 	<ul style="list-style-type: none"> 8 number regional, national and international competitions hosted Participated in 6 number championships
Pillar 3 : Development and Implementation of Sustainability Programs	<ul style="list-style-type: none"> To Develop fundraising and resource mobilization framework 	<ul style="list-style-type: none"> Number of policies and framework developed 	<ul style="list-style-type: none"> Developed funding framework, policies and guidelines for fundraising & partnerships 	<ul style="list-style-type: none"> Funding framework, policies and guidelines developed and commenced implementation
Pillar 4: Sports Research and Adoption of Modern Technology	<ul style="list-style-type: none"> To identify and conduct sports research in technology on 3 areas over the plan period. 	<ul style="list-style-type: none"> Research report 	<ul style="list-style-type: none"> Conduct research on sports programs, projects/facilities to identify existing gaps Implement Research Findings Monitoring and Evaluation 	<ul style="list-style-type: none"> Implementation of the research report to be initiated in FY 2022/2023
Pillar 5: Institutional Capacities and	<ul style="list-style-type: none"> To enhance human capital to 	<ul style="list-style-type: none"> Sports Kenya structure 	<ul style="list-style-type: none"> Approval of organizational structure 	<ul style="list-style-type: none"> Sports Kenya submitted the

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.**

<p>Mainstreaming of cross cutting issues.</p>	<p>60% of organizational needs by 2023</p>	<p>implemented</p>	<ul style="list-style-type: none"> • Approval of Staff Establishment. • Review Job evaluation and work load analysis • Develop, seek approval and implement the salaries and allowance structure • Placement of staff into the new SK structure 	<p>structure and staff establishment for approval</p> <ul style="list-style-type: none"> • Job evaluation review was completed and salaries & allowance structure implemented within the FY 2022/2023
--	--	--------------------	---	--

8. Corporate Governance Statement

Introduction

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

Sports Kenya complies with the Spirit and the letter of the Constitution in exercising its functions as provided for under section 4 of the Sports Act of 2013. Sports Kenya also has established Policies, Institutional Frameworks, and Administrative Procedures that ensure and effectively support the implementation of the Constitution.

Sports Kenya continues to adhere to its obligations as set out in the Sports Act as a state corporation mandated to promote the development of sports by establishing, managing, and developing sports facilities, promoting and coordinating sports programs, and developing and maintaining sports stadia. Further, Sports Kenya abides by the tenets of the Constitution of Kenya, the Leadership and Integrity Act of 2012, the Public Officers Ethics Act of 2003, the Mwongozo Code, Various Presidential Circulars, and all other laws.

The Board of Directors believes in the strategic importance of good corporate governance as the cornerstone of transparency, leadership, integrity, compliance with the law, and successful relationships with other stakeholders in the sports industry.

The Board of Sports Kenya

Appointment of Board Members and Succession Plan.

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

- (a) a non-executive chairperson, appointed by the President;
- (b) the Principal Secretary in the Ministry for the time being responsible for sports;
- (c) the Principal Secretary in the Ministry for the time being responsible for finance;
- (d) the Attorney-General;
- (e) the Principal Secretary in the Ministry responsible for education;
- (f) the Chief Executive Officer of the Academy of Sports;
- (g) the Chief Executive Officer of the National Sports Fund;
- (h) the Secretary to the Sports Disputes Tribunal;
- i) Four persons appointed by the Cabinet Secretary on nomination by—

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

(i) the sports organizations recognized as the national coordinating bodies for the promotion and development of high-performance Olympic, Paralympic, and Deaflympics sports in Kenya; and

(ii) the national multi-sport sports organization that is responsible for the adherence to all the codes for sports and recreational bodies.

(j) the Director-General of Sports Kenya.

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

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

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

1. Charles Waithaka	-	Chairperson
2. Jonathan Mueke	-	Principal Secretary State Department for Sports
3. Pius Metto	-	Director General and Secretary to the Board
4. Philip Cheruiyot	-	Rep. Attorney General
5. Leah Kaburu	-	Secretary, Sports Dispute Tribunal
6. Dr. Doreen Odhiambo	-	CEO, Kenya Academy for Sports
7. Dr. Hassan Duale	-	Rep. PS Ministry of Education
8. Waithaka Ng'ang'a	-	Rep. National Treasury
9. Mark Wambugu	-	Sports, Arts and Social Development Fund (formally Sports Fund)

On 23rd June, 2023, a new Chairperson; Mr. Peter Njuguna was appointed to replace Mr. Charles Waithaka. The three-year term for the independent directors lapsed in February 2022 and new directors are yet to be appointed by the Cabinet Secretary for Sports.

In the absence of independent board members, the Board has still been able to exercise its functions as the necessary quorum has always been achieved the professional qualifications of the existing Board Members have reasonably been sufficient for the Board to meet its mandates as it awaits the appointment of independent directors.

The Board Charter

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

Roles and functions of the Board

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

- (a.) Manage, control, and administer the assets of Sports Kenya in such manner and for such purposes as best promote the purposes for which Sports Kenya is established;
- (b.) Receive any gifts, grants, donations, or endowments made to Sports Kenya or any other monies in respect of Sports Kenya and make disbursements therefrom by the provisions of this Act;
- (c.) Determine the provisions to be made for capital and recurrent expenditure and for reserves of Sports Kenya;
- (d.) Open a banking account or banking accounts for the funds of Sports Kenya; and
- (e.) Invest any monies of Sports Kenya not immediately required for the purposes of this Act in the manner provided in section 11 of the Act.
- (f.) Make grants or lend money, and provide scholarships to sportspersons and staff of Sports Kenya; and
- (g.) Do any other thing necessary, or expedient for the discharge of its functions under the Act.

Board Meetings and Attendance

Sports Kenya board meetings are structured in a way that allows for open discussions. Comprehensive board papers are prepared and circulated to all directors for all substantive agenda items well in advance to allow time for the directors to undertake an appropriate review of the board papers to facilitate full and effective discussions at the meeting.

During the period under review, the Board held seven (7) full board meetings whose attendance summary is shown below-

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

Board Member	Position	15th September, 2022	20th September, 2022	15th November, 2022	30th January, 2023	11th May, 2023	14th June, 2023
Charles Waithaka	Chairperson	√	√	√	√	√	√
Josephine Onunga	Representative PS (Sports State Department)	√	√	-	- *Note 1	-	-
Jonathan Mueke	Principal Secretary, Sports	-	-	-	√	√	- *Note 2
Peter Tum	Principal Secretary, Sports	-	-	-	-	-	√
Pius Metto	Director General/Secretary to the Board	√	√	√	√	√	√
Mark Wambugu	Sports, Arts and Social Development Fund (formally Sports Fund)	√	-	√	-	-	-
Waithaka Ng'ang'a	Rep, the National Treasury	√	-	√	√	√	-
Phillip Cheruiyot	Rep, Attorney General	√	√	√	√	√	√
Doreen Odhiambo	CEO, Kenya Academy of Sports	√	√	√	√	√	-
Leah Kaburu	CEO, Sports Disputes Tribunal	√	√	√	√	√	√

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.**

Hassan A. Duale	Rep, Ministry of Education	-	-	√	-	√	√
-----------------	----------------------------	---	---	---	---	---	---

Notes

1. *Principal secretary alternate (State Department of Sports) withdrawn on 25th January, 2023 with directions that the PS would attend board of directors' meetings physically.*
2. *P.S. Jonathan Mueke was replaced with P.S. Peter Tum.*

Conflict of Interest

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

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

Induction and Training

Board members undergo regular training and education based on their individual needs assessment and Sports Kenya's requirements. This enables them to fulfil their responsibilities efficiently and upon appointment, all board members receive an induction.

Board Remuneration

The Director's remuneration rates are as outlined in the State Corporations Act and by the Salaries and Remuneration Commission. Sports Kenya does not grant personal loans or guarantees to its directors. Details of the remuneration paid in the year under review are set out on the financial statements of the annual report.

Conduct and Ethics

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

Board Member Performance

Evaluation is a core component of corporate governance and the Board of Directors adheres to the principles of board evaluation and ensures annual evaluation of its performance and effectiveness to enhance performance by identifying the areas for improvement and addressing them. To this end, The Board of Sports Kenya was evaluated on 20^h September 2022 by the State Corporation Advisory Committee.

Governance Audit

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

9. Management Discussion and Analysis

SECTION A

The entity's operational and financial performance

The organization is currently guided by the Bottom-Up Economic Transformation Agenda (BETA) through priority, sequencing and available resources in sports infrastructure development. This necessitated development of **five-year Master Plan** and review of the **Strategic Plan 2023 – 2027** to aligned the two policy documents to National priorities of; **BETA, MTP IV 2022/2023 – 2027/2028 and National Vision 2030**. The implementation of Sports Kenya projects/ programs will be based on executive guidance, availability/ appropriately sized land, clarity for ownership cost, accessibility, security & logistics, capacity, demographics, and multi-use nature taking into consideration opportunities for commercialization (sustainability).

Sports Kenya endeavours to complete construction and upgrade of 4 Regional Stadia as per the financial year target to achieve its strategic goal of developing Regional Stadia to cover the 47 Counties within the plan period. The Stadia under the entities Construction and upgrade for this period **include Kipchoge Keino – Uasin Gishu, Wote – Makueni, Ruringu – Nyeri, Marsabit – Marsabit, and** Counties. In addition, Sports Kenya consolidated designs for Kamariny, Gusii Stadium (Presidential Directive) and requested for funding for the same. The contract for Karatu Stadium was terminated due to non-performance. Further the entity tendered and awarded a contract for installation of MISC Seats, floated an EOI for a new indoor arena and another for floodlights at Nyayo National Stadium. The source of funding is GoK, SASDF. Kinoru Stadium and Chuka Stadium have been completed and are awaiting commissioning. Upon resumption of sporting activities after the COVID-19 pandemic local, national and sporting events took place. Sports Kenya was able to host a number of championships including the World Athletics Championships e.g., WAU20 and preparation of Team Kenya to participate in National and International championships.

Through this strategic plan, the organization projected revenues growth by 20% in the year. The opening of our sports facilities after Covid 19 pandemic led to increased revenue generation.

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

Sports Kenya is set to adopt best practise in the management of the facilities through innovative use of technology and outsourcing of some services. The organization has also enhanced efforts towards increasing facility utilization through development of fun park/theme park, museums and resource centres.

SECTION B

Entity's compliance with statutory requirements

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

SECTION C

Key projects and investment decisions the entity is planning / implementing

The construction, upgrade and renovations of three (3) stadia namely; Kinoru and Chuka were completed and are awaiting commissioning. This has led to availability of standard sporting infrastructure in the respective counties and will enable talent development and hosting of competitions.

Other regional stadia namely; Marsabit, Ruringu, Wote, Karatu, Kamariny and Kipchoge Keino are on-going at an average completion rate of 79.4%.

Sports Kenya successfully hosted World Rally Championships, WA U20 Championships, National trials for Team Kenya selection to International Championships and events e.g World Athletics Championships in Oregon USA and XXII Commonwealth games in Birmingham UK among others.

The organization is undertaking a review of its strategic plan to align it to the Medium Term Plan IV and Medium Term Expenditure Framework 2022/23 to 2027/28 and will include but not limited to; Capital projects for equipping of regional Stadia, construction and upgrade of 10 new county stadia, a new Indoor Arena at Nyayo National Stadium, upgrading of Mavoko, Magwagwa, Gusii, Malinya stadia, roofing of Nyayo National Stadium, installation of new floodlights at Nyayo National Stadium, Water harvesting and damming for reuse, installation of electronic pitch advertising board and sound system at Moi International Sports Complex & Nyayo National Stadium as well as installation of seats at MISC

SECTION D

Major risks facing the entity

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

Financial and Liquidity Risks- Delay in funding from exchequer has resulted in delay in completion of projects. This also results in project cost escalation due to inflation and depreciation of the uncompleted projects. The re-opening of Nyayo after renovations did not boost much of the cash flow and liquidity of the organization due to the COVID 19 pandemic. The organization hence continued to face risks in honouring its obligations in a timely manner as they fell due.

-Security risk because of large clientele patronizing the facilities without corresponding technological capacity to aid in surveillance and access control.

-Compliance Risk due to ever changing National and International rules/Standards and associated costs in conformance.

- COVID-19 pandemic has totally disrupted the normal business operation leading to loss of business opportunities for the Board due to closure of facilities.

SECTION E

Material arrears in statutory/financial obligations

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

The historical creditors pending bills also received partial allocation from the Sports Arts and Social Development fund which was paid.

Salaries and Remuneration Commission undertook job evaluation review within the financial year. They recommended Salaries and allowance structure adjustment which was duly implemented.

SECTION F

The entity's financial probity and serious governance issues

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

10. Environmental and Sustainability Reporting

Sports Kenya exists to transform lives. This is our purpose, the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on five pillars; putting the customer first, delivering relevant facilities and services and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability

(i) Sustainability strategy and profile

Sports Kenya has embarked on a major program of building new stadiums and renovating the existing ones in various parts of the country. Apart from doing this as part of its mandate as envisaged in the Sports Act 2013, it is also an effort to avail quality and properly equipped sports and recreational facilities to the Kenyan athletes who depend on sports not only as their main source of employment but also as their day-to-day livelihood.

Sports Kenya has deliberately endeavored to benchmark internationally to attain the conventionally accepted standards by the world governing bodies of various sports disciplines. In effect, the facilities and services provided by Sports Kenya are up to the required international standards.

(ii) Environmental performance

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

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

(iii) Employee Welfare

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

Sports Kenya recognizes the role of training as a management tool in improved productivity, efficiency and employee career progression. The Board's operations are of highly specialized nature, characterized by high precision skills and technical knowledge among the professional, technical and support employees. In this regard, the Board not only recruits the right caliber personnel but also

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

trains the incumbents for necessary skill sets. Through well trained and competent personnel, the Board undertakes to provide services to the Public efficiently and effectively.

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

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

(iv) Market Place Practices.

Below are Sports Kenya efforts to:

(a) Responsible Competition Practice.

Sports Kenya thrives on ethical management practices that are focused on provision of facilities and services that meet and even surpass the expectations of the customers. This is particularly done by ensuring proper product differentiation that naturally and fairly beats the competition. Being a corruption free organization, Sports Kenya puts fundamental emphasis on zero tolerance to corruption and any related vices.

(b) Responsible Supply Chain and Supplier Relations.

Sports Kenya is committed to engage with suppliers in a responsible and responsive manner taking into account the need to comply with the government regulations while taking care of the interests of the organization at the same time. In this regard, Sports Kenya provides equal opportunity for all eligible suppliers to do business and endeavors to honor all contracts as well as payments due to the suppliers within reasonable timelines.

(c) Responsible Marketing and Advertising.

Sports Kenya's marketing philosophy is based not only on the benefits to the customer but also the greater good to the community. In this connection, deliberate efforts are made to ensure that marketing and advertising initiatives are driven by honesty, trust and building of strong relationships with the customers through a set of shared values.

(d) Product Stewardship.

With the vision of Global Excellence in Sports, Sports Kenya employs whatever it takes to provide high quality facilities and services that its customers can trust. That means the ingredients and the raw materials used in construction and preparation of facilities must be safe not only for the people who use them but also for the environment.

(v) Corporate Social Responsibility/Community Engagements.

Community social investment is one of the key pillars of Sports Kenya's Corporate Social Responsibility (CSR) policy. In the past financial year, Sports Kenya has engaged in several charitable initiatives in both cash and kind such as Mt Kenya mountain running championship, Uhuru Classic Marathon, Branded sports balls among others.

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.**

11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Sports Kenya's affairs.

i) Principal activities

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

ii) Results

The results of the Entity for the year ended June 30, 2023, are set out on page 1 to 13

iii) Directors

The members of the Board of Directors who served during the year are shown on page viii to v. During the year new Chairman was appointed with effect from 23rd June 2023 to date.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

The Entity did not make any surplus during the year (FY 2023 Kshs Nil) and hence no remittance to the Consolidated Fund.

v) Auditors

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

By Order of the Board



**Mr. Pius Metto
Director General
Sports Kenya**

Date.....12/4/24

12. Statement of Directors Responsibilities

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

The Directors are responsible for the preparation and presentation of the Sports Kenya's financial statements, which give a true and fair view of the state of affairs of Sports Kenya for and as at the end of the financial year ended on June 30, 2023. This responsibility includes:

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

The Directors accept responsibility for Sports Kenya's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors are of the opinion that Sports Kenya's financial statements give a true and fair view of the state of Sports Kenya's transactions during the financial year ended June 30, 2023, and of Sports Kenya's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for Sports Kenya, which have been relied upon in the preparation of the Entity's financial statements as well as the adequacy of the systems of internal financial control.

**Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.**

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

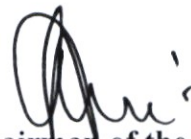
Approval of the financial statements

The Sports Kenya's financial statements were approved by the Board on 29th August 2023 and signed on its behalf by:



Director General
Mr. Pius Metto
Sports Kenya

Date 12/4/24

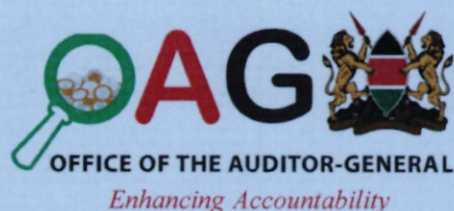


Chairman of the Board
Mr. Peter Njuguna
Sports Kenya

Date 12/08/2023

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON SPORTS KENYA FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Sports Kenya set out on pages 1 to 66, which comprise of the statement of financial position as at 30 June, 2023, 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 the Sports Kenya as at 30 June, 2023, 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 and the Sports Act, 2013.

Basis for Qualified Opinion

1.0 Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.238,489,766 whose debtor's movement schedule showing the opening balance, additions for the year and receipts during the year to arrive at the closing balance was not provided for audit. Further, as disclosed in Note 22 to the financial statements, the balance includes rent receivable balance of Kshs.68,666,527 out of which, an amount of Kshs.20,544,506 was in respect of rent arrears dating as far back as 2006/2007 owed by tenants who had vacated the premises. The balance of Kshs.68,666,527 also includes arrears amounting to Kshs.43,136,095 that had been outstanding for over three (3) years. However, efforts made to recover the arrears or explanation for their non-recoverability were not provided for audit.

In the circumstances, the accuracy, completeness and recoverability of receivables from exchange transactions balance of Kshs.238,489,766 could not be confirmed.

2.0 Long Outstanding Receivables from Non-Exchange Transactions

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.178,746,847 out of which, Kshs.120,935,927, or 68%, had been outstanding for over three (3) years. Additional arrears during the year under review alone was Kshs.57,810,920 compared to Kshs.4,324,114 in the previous year. However, no evidence was provided to show that efforts were made to recover the arrears. Similarly, Management has not explained why the former Ministry of Sports, Culture and the Arts still owe them Kshs.107,890,843 to date.

In the circumstances, the accuracy, completeness and recoverability of long-term receivables from exchange transactions balance of Kshs.178,746,847 could not be confirmed.

3.0 Unconfirmed Accuracy and Ownership of Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment (PPE) balance of Kshs.308,882,148, while the supporting Note 26 to the financial statements shows net

book value of Kshs.4,568,010,027, resulting in a variance of Kshs.4,259,127,888, being Work-In-Progress (WIP). However, no explanation has been provided on why the WIP balance, which is reflected in the statement of financial position as a separate line item and separately explained in Note 27 to the financial statements, was included in the PPE balance.

Further, the Note 26 reflects Kshs.Nil in respect of land since the parcel of land on which the Entity is situated had not been valued for undisclosed reasons, and ownership documents for the parcel of land were not provided for audit.

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

In the circumstances, the accuracy and fair disclosure of the property, plant and equipment balance of Kshs.308,882,148, and the ownership of the parcel of land occupied by the Entity could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Sports Kenya Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis amounts of Kshs.4,163,553,412 and Kshs.1,149,881,639 respectively, resulting in an underfunding of Kshs.3,013,671,773, or 72% of the approved budget. Similarly, the statement reflects final expenditure budget and actual on a comparable basis amounts of Kshs.4,163,553,412 and Kshs.1,490,414,774 respectively, resulting in an under-expenditure of Kshs.2,673,138,638, or 64% of the approved budget.

The underfunding and under-expenditure affected some of the planned activities and programmes which may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

Several audit issues raised in the audit report for the previous year remained unresolved as at 30 June, 2023. Management has not provided satisfactory explanation for the delay in resolving the prior year audit issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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

1.0 Management of Moi International Sports Centre

As previously reported, Management entered into a Memorandum of Understanding (MOU) for sharing of revenue between Sports Kenya and Nairobi Metropolitan Area Transport Authority (NAMATA) for a Bus Rapid Transit assembly facility construction on a fifteen (15) acre parcel of land hived from Moi International Sports Centre – Kasarani. Construction works were on-going at the time of audit. However, the project was not approved by the relevant Cabinet Secretary as required by Section 4(s) of the Sports Act, 2013. Further, construction of a Bus Rapid Transport facility does not fall within the mandate of Sports Kenya in the manner contemplated in Section 4 of the Sports Act, 2013, which stipulates that Sports Kenya is established for the purpose of promoting sporting activities and safeguarding sporting facilities and resources.

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

2.0 Incomplete and Stalled Projects

The statement of financial position reflects work in progress (WIP) balance of Kshs.4,259,127,880 as disclosed in Note 27 to the financial statements. Review of projects implemented by Management revealed the following unsatisfactory matters:

2.1 Construction of Kamariny Stadium

The balance of Kshs.4,259,127,880 includes Kshs.81,590,104 or 28% of the contract sum, paid to a contractor in respect of a contract for the construction works at Kamariny Stadium, which Management awarded to the contractor at a contract sum of Kshs.287,837,775 on 6 September, 2016. The scope of works included construction of a 15,000-seater pavilion, a standard football pitch, a borehole and associated water storage

facilities, electrical and mechanical works, and eight (8) lane tracks with field events facilities. However, physical verification of the Project on 5 March, 2024 revealed that the total works done were approximately 30%, the project had stalled since 2017 and the contractor was not on site.

In the circumstances, the value for money realized from the expenditure of Kshs.81,590,104 on the project could not be confirmed.

2.2 Construction of Kipchoge Keino Stadium Phase I

The balance of Kshs.4,259,127,880 includes Kshs.326,816,952, or 88% of the contract sum, paid to a contractor in respect of a contract for the construction works at Kipchoge Keino Stadium Phase 1, which Management awarded to the contractor at a contract sum of Kshs.304,204,413. The scope of works included construction of a 15,000-seater stadium, complete with a standard football pitch, a boundary wall with gates, a borehole and associated water storage facilities and a car park area. The contract sum was increased by Kshs.65,493,560 to Kshs.369,697,973 on 16 August, 2016 with expected completion date of 30 January, 2023. However, physical verification of the project on 5 March, 2024 revealed that the Phase I works had not been completed, the works had stopped and the contract termination process was underway.

In the circumstances, the value for money realized from the expenditure of Kshs.326,816,952 on the project could not be confirmed.

2.3 Construction of Kipchoge Keino Stadium Phase II

The balance of Kshs.4,259,127,880 includes Kshs.249,931,685, or 77 % of the contract sum, paid to a contractor in respect of a contract for the construction works at Kipchoge Keino Stadium Phase II, which Management awarded to the contractor at a contract sum of Kshs.325,829,431 on 18 August, 2017. The scope of works included the construction of a 5,000-seater pavilion, a boundary wall with gates, a borehole and associated water storage facilities, lifts, a car park area, installation of a generator, and electrical and mechanical works. The expected project completion date was 30 January, 2023. However, physical verification carried out on 5 March, 2024 revealed that the contractor had abandoned the site due to delayed payments and the project had stalled.

In the circumstances, the value for money realized from the expenditure of Kshs.249,931,685 on the project could not be confirmed.

2.4 Construction of Karatu Stadium

The balance of Kshs.4,259,127,880 includes Kshs.149,426,345, or 58% of the contract sum, paid to a contractor in respect of a contract for the construction works at Karatu stadium, which Management awarded to the contractor at a contract sum of Kshs.259,604,780. The scope of works included construction of a 1,500-seater pavilion, a standard football pitch, a borehole and associated water storage facilities, electrical and mechanical works and a 6-lane track with field events facilities. The contract period was

eight (8) months, from 16 September, 2016. However, physical verification carried out on 7 March, 2024 revealed the following anomalies:

- i. The 1,500-seat pavilion was yet to be completed, but there were workers on site and the works were progressing. Further, it was noted that the pavilion works had poor workmanship. The main bars and columns had honeycombs, and it appears the ratios in the mixing of motor and gravel was not correct since while compacting, the gravel separated with the motor, thus exposing the metal and weakening the strength of the beams.
- ii. The perimeter wall had caved in and had not been repaired, the car park had not been done and the borehole had also not yet been drilled as at the time of the audit. It was also noted that the Public Works officers had not visited the site since the year 2020 and, therefore, the quality of works could not be confirmed.

In the circumstances, the value for money realized from the expenditure of Kshs.149,426,345 on the project could not be confirmed.

2.5 Construction of Wote Stadium

The balance of Kshs.4,259,127,880 includes Kshs.178,712,430, or 60% of the contract sum, paid to a contractor in respect of a contract for the construction works at Wote stadium, which Management awarded to the contractor at a contract sum of Kshs.299,309,555, for a period of five (5) months from 5 January, 2017 to 31 May, 2017. Construction works included a 1,500-seater pavilion, 8 lane tracks with field events facilities, a standard football pitch, a boundary wall with gates and a borehole with associated water storage facilities. Extension of time was granted, revising the completion date to 30 March, 2023.

However, physical verification carried out in March, 2024, revealed that there was a change of site by the County Government of Makueni which led the contractor to incur additional costs which were not in the original Bill of Quantities due to the need to stabilize and compact the land. It was further noted that no feasibility study was conducted before commencement of work at the new site where the stadium is now constructed, hence the challenges the contractor was facing of compacting and levelling the land especially on the western side where the VIP pavilion was to be erected. Further, the project was incomplete, and some variations, like the drainage for instance, were done without approval. In addition, it was established that incidences of theft of materials on site were witnessed which has, therefore, affected work progress. Further, mechanical and electrical works were subcontracted by Sports Kenya and not by the main contractor.

In the circumstances, the value for money realized from the expenditure of Kshs.178,712,430 on the project could not be confirmed.

2.6 Construction of Ruringu Stadium

The balance of Kshs.4,259,127,880 includes Kshs.260,608,376, or 90% of the contract sum, paid to a contractor on 5 January, 2017 in respect of a contract for the construction

of Ruringu Stadium in Nyeri County, which Management awarded to the contractor at a contract sum of Kshs.288,045,530, with expected completion date of 5 August, 2017. However, physical verification carried out in March, 2024 revealed that the project was not complete, more than six (6) years since the expected completion date, and the contractor was not on site. Further, the following anomalies were noted:

- i. Drainage was poorly done, resulting in flooding into neighbouring homesteads whenever it rained.
- ii. Payments to the contractor were delayed, hence stalled project.
- iii. Power had not been installed.
- iv. No VIP lifts were installed despite being included in the Bill of Quantities.
- v. Cabro parking and VIP entrance/gate were incomplete.
- vi. Electrical works were not done.
- vii. Defective athletic track/peeling of tartan.

In the circumstances, the value for money realized from the expenditure of Kshs.260,608,376 on the project could not be confirmed.

2.7 Construction of Kirubia Stadium

The balance of Kshs.4,259,127,880, finally, includes Kshs.274,208,855, being the contract sum, paid to a contractor in respect of a contract for the construction of Kirubia Stadium in Tharaka Nithi County, which Management awarded to the contractor on 5 January, 2017, with expected completion date of 5 August, 2017. Although records provided for audit indicated that the project had been completed but not commissioned, physical verification carried out in March, 2024 revealed the following anomalies:

- i. The project had been completed but had not been commissioned hence posing maintenance challenges by the client.
- ii. The running track had been constructed and tartan laid. However, the tartan had developed numerous gapping cracks and potholes that made it impossible to be put to the intended use.
- iii. Further, the racing track could only accommodate six (6) lanes, instead of the eight (8) lanes as recommended by the International Association of Athletics Federations (IAAF) and the Bill of Quantities (BQ).
- iv. The grass on the football pitch was removed because it was discovered to be of low quality and wrong variety. It was replaced with Kikuyu grass which had overgrown into a bush and had dried from neglect and failure to water it regularly. The sprinkler irrigation system in place and the borehole water that was being used seemed not working. Further, some sprinklers were continuously leaking, thus contributing to water wastage. In addition, the pitch was also infested with several patches of weeds and ant hills.

- v. The public toilets, both ladies and gents, had poor elevation as there were signs of rain water flooding and collecting on the tiled floor. The slab roofing on the gent's toilet also had evidence of water seepage, causing the front left corner to be constantly moist.
- vi. It was also noted that out of the thirty-four (34) toilets for both men and ladies, only four (4) had floor traps that could drain splashed water down to the water way drainage system. No explanation was provided for non-adherence to the BQ.
- vii. On the electrical works, it was noted that all switches did not have switch covers, posing danger to users as they could be electrocuted,
- viii. It was also observed that while the BQ indicated that the inner walls of the pavilion were to be painted with three (3) coats, only one undercoat of paint was done. One undercoat and finishing coat were not done.
- ix. Security fence around the main arena, which was to be constructed with chain-link and barbed wire with precast concrete posts at a cost of Kshs.3,430,410, was not done,
- x. Seating terraces had started peeling off, an indication of poor concrete mix and non-railing on the part of masonry works,
- xi. The land on which the stadium was constructed did not have title deed or its equivalent.
- xii. Although there was a provision in the BQ for a generator, no generator was found installed.
- xiii. There were indications of high rate of vandalization of key items especially electronic items, taps and locks.

In the circumstances, the value for money realized from the expenditure of Kshs.274,208,855 on the project and the ownership of the land on which the stadium is constructed could not be confirmed.

3.0 Outstanding Audit Fees

The statement of financial position reflects audit fee payables balance of Kshs.7,075,520. The Entity provides for audit fees of Kshs.522,000 per year. However, the fees had not been paid for several years despite the fact that financial statements had been audited and audit reports signed and issued by the Auditor-General. Some of the invoices date as far back as 2004/2005 financial year. No satisfactory explanation has been provided for the non-payment.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter 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.

Inactive Audit Committee

During the period under review, it was noted that Sports Kenya did not have an active audit committee. This has been confirmed through the review of the committee attendance book and the minutes that the Committee's meeting held on 10 January, 2022. The Committee has therefore not sat for the financial year under review. This was also brought about by the lack of an appointed independent member to the board as board members' contracts ended in February, 2022.

In absence of the audit committee, there was lack of oversight role in risk assessment, governance and implementation of both internal and external reports by Management.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Board of Directors

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 ability of the Entity to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Entity or to cease operations.

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

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

The Board of Directors is responsible for overseeing the Entity'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

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Entity to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Entity to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

02 May, 2024

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

14. Statement of Financial Performance for the year ended 30 June 2023

	Notes	FY2022-2023	FY2021-2022
		<u>Kshs</u>	<u>Kshs</u>
Revenue from non-exchange transactions			
Transfer from other Government entities	6		
GOK Recurrent Grants	6. 1	201,853,750	206,500,000
Other Recurrent Grants	6. 2	33,361,504	23,392,140
Total Revenue from non-exchange transactions		235,215,254	229,892,140
Revenue from exchange transactions			
Hire of facilities	7.0	83,272,614	149,334,707
Rental revenue	8.0	59,085,301	69,828,126
Hotel Income	9.0	76,831,250	156,733,171
Branding	10.0	283,800	360,000
Advertising	11.0	6,107,850	6,102,250
Other income	12.0	126,874	94,445
Total Revenue from exchange transactions		225,707,689	382,452,699
Total Revenue		460,922,943	612,344,839
Expenses			
Employee costs	13.0	192,039,227	195,525,268
Remuneration of Board	14.0	7,097,526	10,022,201
Use of Goods and Services	15.0	197,427,296	190,336,650
Contracted and professional services	16.0	44,052,805	59,527,066
Bulk Purchases of water and electricity	17.0	81,319,254	73,016,858
Repairs and Maintenance	18.0	40,962,370	87,872,761
Depreciation and amortization expense	19.0	36,148,966	24,736,463
Finance Cost	20.0	-	-
Total Expenses		599,047,444	641,037,267
Net Surplus/(Deficit) for the year		(138,124,501)	(28,692,428)

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

The notes set out on pages 13 to 52 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 12 were signed on behalf of the Board of Directors by:



.....
Mr. Pius Metto
Director General

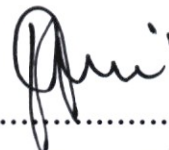
Date 12/4/24



.....
Mr. Japhet Kaunyu
Assist Director Finance

ICPAK M/No:15721

Date 12/4/24



.....
Mr. Peter Njuguna
Chairman of the Board

Date 12/04/2024

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

15 Statement of Financial Position as at 30 June 2023

	Notes	FY2022-2023	FY2021-2022
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	21.0	48,261,522	303,071,282
Accounts receivables from exchange transactions	22.0	238,489,766	297,217,284
Accounts receivables from non-exchange transactions	23.0	178,746,847	125,260,041
Inventories	24.0	5,692,580	4,197,369
Advanced Mobilization Monies	25.0	87,780,118	91,480,118
		558,970,833	821,226,094
Non - current assets			
Property, Plant and Equipment	26.0	308,882,148	156,984,393
Work in progress (WIP)	27.0	4,259,127,880	3,570,200,008
		4,568,010,028	3,727,184,401
Total assets		5,126,980,861	4,548,410,495
Liabilities			
Current liabilities			
Trade and other payable from exchange transactions	28.0	145,847,333	116,420,509
Refundable deposits from rent customers	29.0	1,239,175	1,126,000
Receipts in advance from trade customers	30.0	982,150	143,500
Provision for audit fee	31.0	800,000	522,000
Employee benefit obligation & pension	32.0	38,782,487	35,975,619
Audit fee payables	33.0	7,075,520	6,275,520
Provision for PAYE assessment	34.0	2,802,293	-
		197,528,958	160,463,148
Non - current liabilities			
Provision for KRA tax assessment	35.0	3,795,897	4,995,897
Projects 10% retention fee	36.0	57,077,807	80,759,170
		60,873,704	85,755,067
Total liabilities		258,402,662	246,218,215
Net assets		4,868,578,199	4,302,192,280
Reserves			
Accumulated surplus	37.0	167,312,545	305,437,046

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

Capital Funds	38.0	4,701,265,654	3,996,755,234
Total net assets & liabilities		<u>4,868,578,199</u>	<u>4,302,192,280</u>

The financial statements set out on pages 1 to 12 were signed on behalf of the Board of Directors by:

.....
Mr. Pius Metto
Director General

Date *12/4/24*

.....
Mr. Japhet Kaunyu
Assist Director Finance

ICPAK M/No:15721

Date *12/4/24*

.....
Mr. Peter Njuguna
Chairman of the Board

Date *12/04/2024*

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

16. Statement of Changes in Net Assets for the year ended 30 June 2023

	Revenue Reserve	Capital Reserve	Total
	Kshs	Kshs	Kshs
As at 30 /06/2021	334,129,474	3,293,818,529	3,627,948,003
Net surplus /(deficit) for the year	(28,692,428)		(28,692,428)
Additions for the year		702,936,705	702,936,705
Deferred Income	-	-	-
Prior year adjustment			-
As at 30/06/2022	305,437,046	3,996,755,234	4,302,192,280
As at 1/7/2022	305,437,046	3,996,755,234	4,302,192,280
Net surplus /(deficit) for the year	(138,124,501)		(138,124,501)
Additions for the year		704,510,420	704,510,420
As at 30/06/2023	167,312,545	4,701,265,654	4,868,578,199

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

17. Statement of Cash Flows for the year ended 30 June 2023

	Notes	2022-2023	2021-2022
Revenue from non-exchange transactions		Kshs	Kshs
Transfer from other Government entities	6		
GOK Recurrent Grants	6. 1	201,853,750	206,500,000
Other Recurrent Grants	6. 2	33,361,504	23,392,140
Revenue from exchange transactions			
Hire of facilities	7.0	83,272,614	149,334,707
Rental revenue	8.0	59,085,301	69,828,126
Hotel income	9.0	76,831,250	156,733,171
Branding	10.0	283,800	360,000
Advertising	11.0	6,107,850	6,102,250
Other income	12.0	126,874	94,445
Expenses			
Employee costs	13.0	(192,039,227)	(195,525,268)
Remuneration of Board	14.0	(7,097,526)	(10,022,201)
Use of goods and services	15.0	(197,427,296)	(190,336,650)
Contracted and professional services	16.0	(44,052,805)	(59,527,066)
Bulk Purchases of water and electricity	17.0	(81,319,254)	(73,016,858)
Repairs and maintenance	18.0	(40,962,370)	(87,872,761)
Finance cost	20.0	-	-
Working capital changes			
Increase/decrease in receivables exchange transactions	22.0	58,727,518	(74,968,970)
Increase/decrease in receivables non -exchange transactions	23.0	(53,486,806)	47,286,972
Increase /decrease in inventories	24.0	(1,495,211)	(1,168,860)
Increase /decrease in advance mobilization monies	25.0	3,700,000	13,537,455
Increase/decrease in Trade and other payables	28.0	29,426,824	(11,696,518)
Increase/decrease in refundable deposit for rent	29.0	113,175	-

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

Increase/decrease in receipt in advance from customers	30.0	838,650	(97,452)
Increase/decrease in provision in audit fee	31.0	278,000	522,000
Increase/decrease in pension obligation	32.0	2,806,867	3,293,194
Increase/decrease in Audit fee payable	33.0	800,000	-
Increase/decrease in PAYE assessment	34.0	2,802,293	-
Increase/decrease in KRA tax assessment	35.0	(1,200,000)	-
Increase/decrease in projects 10% retention fee	36.0	(23,681,363)	(11,381,442)
Net cashflow from operating activities		(82,345,588)	(38,629,586)
Cashflow from investing activities			
Purchase of fixed assets	26.0	(188,046,721)	(3,201,460)
Payment of capital	27.0	(688,927,872)	(674,826,184)
Cashflow from financing activities			-
Capital funds	38.0	704,510,421	702,936,705
Net increase in cash and cash equivalents		(254,809,760)	(13,720,525)
Cash and Cash equivalents at the start of the year		303,071,282	316,791,807
Cash and Cash equivalents at the end of the year	21.0	48,261,522	303,071,282

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023

ITEM DESCRIPTION	Original budget Approved FY2022/23	Adjustments	Final budget Approved FY2022/23	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
REVENUES						
Grants GOK	279,500,000	(77,646,250)	201,853,750	201,853,750	-	100%
President Inauguration Grant		9,400,000	9,400,000	9,400,000	-	100%
Grants SASDF	4,061,450,000	(532,222,603)	3,529,227,397	712,920,200	2,816,307,197	20%
Rent	80,708,000	(10,000,000)	70,708,000	59,085,301	11,622,699	84%
Hire of Facilities	220,000,000	(55,172,000)	164,828,000	81,234,098	83,593,902	49%
Hotel Fees	260,000,000	(82,250,735)	177,749,265	76,831,250	100,918,015	43%
Gate Takings	10,500,000	(9,000,000)	1,500,000	1,517,716	(17,716)	101%
Outdoor Advertising and TV Rights	11,717,000	(4,000,000)	7,717,000	6,628,650	1,088,350	86%
Sale of Tenders	100,000	(90,000)	10,000	-	10,000	0%
Partnership, Sponsorship, Naming Rights & Branding	20,840,000	(20,400,000)	440,000	283,800	156,200	65%
Bus Rapid Transport/Park & Ride	75,000,000	(75,000,000)	-	-	-	0%
Standard & Regulations of Stadia consultancy, Licenses and Levy	8,100,000	(8,100,000)	-	-	-	0%
Disposal of Assets	600,000	(600,000)	-	-	-	0%
Miscellaneous	200,000	(80,000)	120,000	126,874	(6,874)	106%
TOTAL REVENUES	5,028,715,000	- 865,161,588	4,163,553,412	1,149,881,639	3,013,671,773	28%
PERSONEL&ADMINSTRATION						
Basic Salaries	124,550,000	(9,500,000)	115,050,000	108,864,297	6,185,703	95%
House Allowance	40,016,000		40,016,000	37,694,000	2,322,000	94%
Special Duty Allowances	2,089,000	(800,000)	1,289,000	875,474	413,526	68%
Commuter Allowance	14,077,000	(1,500,000)	12,577,000	12,456,500	120,500	99%
Acting Allowances	628,000	1,200,000	1,828,000	1,696,023	131,977	93%
Telephone Allowances	1,102,000	(50,000)	1,052,000	916,000	136,000	87%
NSSF - Employer	360,000	700,000	1,060,000	993,080	66,920	94%
Pension Annual Employer	19,104,000	(3,500,000)	15,604,000	14,253,548	1,350,452	91%
Leave Allowance	3,640,000		3,640,000	2,824,917	815,083	78%

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

Entertainment Allowance	1,740,000		1,740,000	1,740,000	-	100%
Staff Service Gratuity /Arrears	24,500,000	(15,000,000)	9,500,000	7,448,248	2,051,752	78%
Staff Medical	22,926,000	3,000,000	25,926,000	23,081,140	2,844,860	89%
Contracted Service Gratuity & Arrears	6,940,000	(4,000,000)	2,940,000	2,277,140	662,860	77%
Staff Welfare & Hospitality	11,514,000	(3,000,000)	8,514,000	8,260,698	253,302	97%
Staff Training	25,470,000	(22,000,000)	3,470,000	3,328,300	141,700	96%
HIV /AIDS Activities	2,000,000	(1,500,000)	500,000	288,000	212,000	58%
Gender/Disabilities/Drug Abuse Activities	3,000,000	(2,770,000)	230,000	420,000	(190,000)	183%
Road Safety	2,000,000	(1,700,000)	300,000	290,000	10,000	97%
Performance Contracting	2,500,000	(2,000,000)	500,000	2,067,000	(1,567,000)	413%
SUB-TOTAL	308,156,000	- 62,420,000	245,736,000	229,774,365	15,961,635	94%
BOARD EXPENSES			-			
Chairperson Honoraria	960,000	-	960,000	1,080,000	(120,000)	113%
Board Sitting Allowances	17,440,000	(14,000,000)	3,440,000	4,708,300	(1,268,300)	137%
International Perdiem/Accommodation	6,000,000	(5,000,000)	1,000,000	-	1,000,000	0%
International Travel	4,000,000	(3,800,000)	200,000	85,730	114,270	43%
Local Perdiem/Accommodation	6,520,000	(5,300,000)	1,220,000	673,636	546,364	55%
Local Travel	3,500,000	(3,300,000)	200,000	129,860	70,140	65%
Board Oversight for Capital Projects	18,860,000	(16,000,000)	2,860,000	-	2,860,000	0%
Training	2,500,000	(2,300,000)	200,000	420,000	(220,000)	210%
Board hospitality/Conference expenses	2,000,000	(1,800,000)	200,000	-	200,000	0%
SUB-TOTAL	61,780,000	- 51,500,000	10,280,000	7,097,526	3,182,474	69%
EXPENSES			-			
OPERATIONS & MAINTENANCE			-			
Establishment of Sports Heritage & Documentation Center	4,000,000	(3,000,000)	1,000,000	-	1,000,000	0%
Standard Regulations of Stadia, Inspection & Licensing	1,500,000	(500,000)	1,000,000	-	1,000,000	0%
Hosting Mass sports in 7 Regions	7,500,000	(7,500,000)	-	-	-	0%
Policy, Strategy and Information	13,200,000	(12,200,000)	1,000,000	-	1,000,000	0%
Water & conservancy	48,740,000	(11,000,000)	37,740,000	37,318,533	421,467	99%
Electricity	46,820,000	(10,000,000)	36,820,000	44,000,721	(7,180,721)	120%
Food Purchases	64,108,000	(24,000,000)	40,108,000	39,159,629	948,371	98%
Stadion Expenses	10,046,000	(7,800,000)	2,246,000	2,488,715	(242,715)	111%
ICT Expenses & Accessories	9,600,000	800,000	10,400,000	11,788,310	(1,388,310)	113%
Gas & fuel	8,320,000	1,500,000	9,820,000	8,660,222	1,159,778	88%
Marketing & Advertising	30,816,000	(20,000,000)	10,816,000	8,307,460	2,508,540	77%
CSR Activities	3,680,000	(3,400,000)	280,000	100,000	180,000	50%

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

Stationery, Photocopying & Printing	8,420,000	(1,500,000)	6,920,000	6,884,245	35,755	99%
Fungicides, Insecticides Sprays & Fumigation	3,512,000	-	3,512,000	3,161,240	350,760	90%
Cleaning Materials & Pool Chemicals	8,188,000	-	8,188,000	9,389,325	(1,201,325)	115%
International Travel & Perdiem /Accommodation	19,400,000	(18,000,000)	1,400,000	1,098,799	301,201	78%
Local Travel & Perdiem/ Accommodation	23,100,000	(3,000,000)	20,100,000	22,001,585	(1,901,585)	109%
Advertising	6,560,000	(5,260,000)	1,300,000	474,478	825,522	36%
Casual Wages	16,000,000	4,000,000	20,000,000	20,370,059	(370,059)	102%
GENERAL ADMINISTRATIVE EXPENSES			-		-	
Official Entertainment	5,940,000	(2,000,000)	3,940,000	5,938,615	(1,998,615)	151%
Motor Vehicle Insurance	2,000,000	(2,000,000)	-	-	-	0%
Transport / Motor Vehicle Operations	6,000,000	1,500,000	7,500,000	9,520,133	(2,020,133)	127%
Office Refurbishment	6,160,000	(4,500,000)	1,660,000	875,600	784,400	53%
Maintenance of Stadia facilities, Office Equipment, Plant & Machinery	35,630,000	5,000,000	40,630,000	40,962,370	(332,370)	101%
Telephone & Airtime Expenses	2,617,000		2,617,000	1,926,777	690,223	74%
Postage & Courier Services	120,000		120,000	61,400	58,600	51%
Membership Subscriptions	1,320,000	(800,000)	520,000	469,400	50,600	90%
Miscellaneous and other Charges, Bank Charges	1,950,000		1,950,000	1,041,650	908,350	53%
Staff Uniforms & PPE	4,800,000	(4,000,000)	800,000	707,891	92,109	88%
Covid -19 Expenses	5,600,000	(5,200,000)	400,000	208,000	192,000	52%
Provision for Depreciation & Amortization	11,000,000		11,000,000	53,502,173	(42,502,173)	486%
SUB-TOTAL	416,647,000	- 132,860,000	283,787,000	330,417,330	(46,630,330)	116%
CONTRACTED SERVICES			-			
Legal Services	10,000,000	(8,900,000)	1,100,000	1,025,476	74,524	93%
Consultancy Services - Strategic plan	3,000,000	(1,149,800)	1,850,200	740,380	1,109,820	40%
Consultancy Services - Land Survey		49,850,000	49,850,000	9,970,000	39,880,000	20%
Cleaning Services	15,000,000	4,000,000	19,000,000	18,475,349	524,651	97%
Security Services	26,000,000	(1,000,000)	25,000,000	23,811,600	1,188,400	95%
Audit Services	522,000	278,000	800,000	800,000	-	100%
General Insurance	14,000,000	(10,833,675)	3,166,325	3,166,325	-	100%
Budget Preparations workshops, monitoring & Evaluations	4,500,000	(3,500,000)	1,000,000	1,092,300	(92,300)	109%
SUB-TOTAL	73,022,000	28,744,525	101,766,525	59,081,430	42,685,095	58%
TOTAL RECURRENT EXPENDITURE	859,605,000	- 218,035,475	641,569,525	626,370,651	15,198,874	98%
CAPITAL			-			
Purchase of Motor Vehicles	10,023,000	(10,023,000)	-	-	-	0%
Office Computers & Accessories	8,590,000	14,000,000	22,590,000	22,488,480	101,520	100%
Sports Kenya ERP System	2,000,000	11,469,490	13,469,490	8,081,694	5,387,796	60%

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

Specialized tools and Sports Equipment	1,952,000	(1,000,000)	952,000		952,000	0%
Plant & Equipment	2,550,000	2,000,000	4,550,000		4,550,000	0%
Furniture & Cabinets	9,545,000	(8,500,000)	1,045,000	1,234,800	(189,800)	118%
Aquatic Stadium Upgrade	83,450,000	(83,450,000)	-		-	0%
Water Harvesting system and damming for reuse	125,000,000	(125,000,000)	-		-	0%
Equipping the New Indoor Arena for Indoor Games	105,000,000	(105,000,000)	-		-	0%
Nyayo stadium phase 2 budget for roof	800,000,000	(800,000,000)	-		-	0%
Nyayo stadium phase 2 budget for swimming pool (Ksh 70M) and basket ball courts (Kshs 330M)	400,000,000	(400,000,000)	-		-	0%
Installation of electronic Pitch advertising boards at MISC (Kshs 150M) & NNS (Kshs 100M)	250,000,000	(250,000,000)	-		-	0%
Installation of state of the art sound system for Nyayo Stadium	80,000,000	(80,000,000)	-		-	0%
Installation of state of the art sound system for Kasarani Stadium	150,000,000	(150,000,000)	-		-	0%
Water Reticulation for MISC	8,000,000	(8,000,000)	-		-	0%
Maintenance of MISC (Kshs 150M) & NNS (Kshs 50M)	200,000,000	(200,000,000)	-		-	0%
Ticketing System for NNS (Kshs 50M) & MISC (Kshs 150M)	200,000,000	(200,000,000)	-		-	0%
7 Regional Stadia			-		-	0%
1.Kamariny Stadium	73,000,000	159,153,070	232,153,070	-	232,153,070	0%
2.Kipchoge Keino Phase I & Variation		65,513,560	65,513,560	29,835,964	35,677,596	46%
3.Wote Stadium		126,549,212	126,549,212	654,227	125,894,985	1%
4.Karatu Stadium		126,864,410	126,864,410	-	126,864,410	0%
5. Chuka Stadium		14,516,537	14,516,537	-	14,516,537	0%
6.Ruringu Stadium & Variation		112,505,847	112,505,847	50,651,756	61,854,091	45%
7.Marsabit Stadium & Variation		16,142,620	16,142,620	26,580,273	(10,437,653)	165%
Nyayo National Stadium		79,294,248	79,294,248	-	79,294,248	0%
10 New County stadia to be refurbished (4)	1,100,000,000	(1,100,000,000)	-		-	0%
Equipment for 8 regional stadia @ ksh 26.25M each	210,000,000	(210,000,000)	-		-	0%
City Stadium Upgrading	350,000,000	(350,000,000)	-		-	0%
Moi Stadium - Embu County		476,633,000	476,633,000	475,000,000	1,633,000	100%
Njukiri Stadium - Embu County		1,800,000,000	1,800,000,000	-	1,800,000,000	0%
Kinoru Stadium		63,213,919	63,213,919	40,653,525	22,560,394	64%
Kinoru Stadium Phase II		15,077,217	15,077,217	12,024,624	3,052,593	80%
Kipchoge Keino Stadium Phase II		139,927,606	139,927,606	64,337,636	75,589,970	46%

Sports Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.



Regional Tartan Track		71,216,412	71,216,412	23,238,212	47,978,200	33%
Kasarani Stadium Seats installation		107,031,250	107,031,250	107,030,932	318	100%
AFCON 2027 - Consultancy Services & Preparations		27,696,789	27,696,789	-	27,696,789	0%
Stadion Hotel		5,041,700	5,041,700	2,232,000	2,809,700	44%
SUB-TOTAL	4,169,110,000	- 647,126,113	3,521,983,887	864,044,123	2,657,939,764	25%
TOTAL EXPENDITURE	5,028,715,000	- 865,161,588	4,163,553,412	1,490,414,774	2,673,138,638	36%

19. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

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

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 41:	Applicable: 1st January 2023:
Financial Instruments	<p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

IPSAS 42: Social Benefits **Applicable: 1st January 2023**

The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:

(a) The nature of such social benefits provided by the Entity.

**Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.**

Standard	Effective date and impact:
	(b) The key features of the operation of those social benefit schemes; and
	(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.

Amendments to **Applicable: 1st January 2023:**

Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
--	---

Other *Applicable 1st January 2023*

improvements to IPSAS	<ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.
-----------------------	---

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>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.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44:	<i>Applicable 1st January 2025</i>
Non- Current Assets Held for Sale and Discontinued Operations	<p>The Standard requires,</p> <p>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:</p> <p>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.</p>

- iii. *Early adoption of standards*

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

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Entity* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2022-2023 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget.

**Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.**

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 financial performance has been presented under section xxx of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Entity and the same taxation authority.

**Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sales tax

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

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an *xx*-year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

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.

**Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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

Motor vehicle	-	25%
Plant & Equipment	-	37.5%
Computers	-	30%
Furniture & Equipment	-	12.5%
Building	-	2%

Equipment, furniture and fittings are periodically reviewed for impairment where the carrying amount of an asset is greater than estimated recoverable amount it is written down immediately to its carrying amount. New assets are charged depreciation fully in the year of acquisition.

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

**Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

h) Research and development costs

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

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

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

i) Financial instruments

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

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

**Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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.

Fair value through net assets/ equity

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

Trade and other receivables

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

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

**Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

k) Provisions

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

l) Social Benefits

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

m)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.

n) 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

o) Nature and purpose of reserves

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

p) 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.

q) Employee benefits

Retirement benefit plans

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

r) Foreign currency transactions

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

**Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) 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.

t) Related parties

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

u) Service concession arrangements

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

w) Comparative figures

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

x) 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, 2023.

**Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

6. (a) Transfers from Other Government entities

Description	FY 2022-2023	FY 2021-2022
(6.1) GOK Recurrent Grants (Unconditional Grants)	Kshs	Kshs
GOK Recurrent grant - Salaries	173,000,000	173,000,000
GOK Utility grants - Water & Electricity	28,853,750	33,500,000
Total	201,853,750	206,500,000
(6.2) Other Recurrent Grants		
Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Other Recurrent grants - Kipchoge	8,409,780	-
Office OF President Grant	9,400,000	-
AFCON Grants	15,551,724	
Kinoru Stadium SASDF Grant		8,000,000
Posta Ground - SASDF Grant		10,444,600
Office of the President - NNS Repair Grant	-	4,947,540
Total	33,361,504	23,392,140
Total Transfers from Other Government entities	235,215,254	229,892,140

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

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers (Current FY2022-2023)	Insert
					2021/2022
	KShs	KShs			KShs
Ministry of Youth Affairs, the Arts and Sports	201,853,750			201,853,750	206,500,000
Office OF President Grant	9,400,000			9,400,000	0
Ministry of Youth Affairs, the Arts and Sports /SASDF	8,409,780		665,880,433	674,290,213	1,141,483,613.00
Total	219,663,530	-	665,880,433	885,543,963	1,347,983,613

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

7. Hire of facilities

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Hire of Hospitality	509,207	373,604
Hire of main stadium & equipment	55,190,811	130,648,950
Hire of aquatic stadium	13,085,252	4,386,104
Hire of indoor courts	12,448,828	11,168,724
Gate takings	1,517,716	1,532,325
Live coverage income	520,800	1,225,000
Total	83,272,614	149,334,707

8. Rental Income

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Residential housing	33,068,500	33,088,000
Commercial space	26,016,801	36,740,126
Total	59,085,301	69,828,126

9. Hotel Income

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Hotel income , Cyber café, Bar sales	76,831,250	156,733,171
Total	76,831,250	156,733,171

10. Branding Income

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Nyayo stadium	283,800	360,000
Moi International Sports Centre	-	-
Total	283,800	360,000

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

11. Advertising Income

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Nyayo National Stadium/ MISC	6,107,850	6,102,250
Total	6,107,850	6,102,250

12. Other Income

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Miscellaneous	126,874	91,445
Sale of tenders	-	3,000
Disposal of assets	-	-
Total other Income	126,874	94,445

13. Employee Costs

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Employee related costs salaries and wages	110,604,297	124,090,227
Employee related cost contribution to pension	14,253,548	14,565,832
Commuter Allowance	12,456,500	
Gratuity contracted	2,277,140	1,707,480
Director General Gratuity	-	4,231,429
Gratuity arrears	7,448,248	5,340,069
NSSF	993,080	352,000
Acting allowance	1,696,023	1,711,301
Special duty allowance	875,474	762,930
Residential telephone line	916,000	936,000
Housing allowance	37,694,000	38,365,000
Leave allowance	2,824,917	3,463,000
Total Employee cost	192,039,227	195,525,268

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

14. Board Expenses

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Chairman's honoraria	960,000	766,451
Chairman's Telephone Allowance	60,000	50,000
Chairman's Mobile Allowance	60,000	50,000
Board of Directors sitting allowances	4,708,300	7,783,350
International travel	85,730	-
Local travel	129,860	61,600
Local perdiem	673,636	800,800
Training	420,000	510,000
Total Cost	7,097,526	10,022,201

15. Use of Goods and Services

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Marketing and Advertisement	8,781,938	5,114,003
Transport operating	9,520,133	8,799,491
Local travel & perdiem	22,001,585	20,685,874
International travel & perdiem	1,098,799	-
Stationery	6,884,245	6,344,352
Telephone and Airtime	1,926,777	3,286,145
ICT expenses	11,788,310	4,949,026
Gas and fuel	8,660,222	7,181,396
Food purchase	39,159,629	49,365,271
Hotel expenses	2,488,715	4,438,621
Medical insurance	23,081,140	19,898,394
Subscriptions	469,400	225,334
Office refurbishment	875,600	1,152,156
Office cleaning materials	9,389,325	5,283,504

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Insecticides sprays and chemicals	3,161,240	3,904,049
Motor vehicle insurance	-	1,136,849
General insurance	3,166,325	3,100,351
Casual Wages	20,370,059	19,717,919
Staff Uniforms	707,891	1,309,620
Training expenses	3,328,300	3,448,810
HIV /AIDS Activities	288,000	
Gender/Disability & Drug Abuse	420,000	820,000
Road Safety & Mainstreaming	290,000	290,000
Staff Welfare/ Staff Hospitality	8,260,698	6,693,472
Performance Contracting	2,067,000	254,000
Official entertainment	5,938,615	4,568,906
Sponsorship fees/CSR Activities	100,000	3,834,700
Postage & Courier Services	61,400	31,808
Monitoring and Evaluation	1,092,300	1,398,400
Covid - 19 Expenses	208,000	1,582,000
Audit fee	800,000	522,000
Bank charges	1,027,423	986,557
Mpesa Charges	14,227	13,642
Total cost	197,427,296	190,336,650

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

16. Contracted Services

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Cleaning services	18,475,349	11,914,656
Consultancy services	740,380	1,965,000
Security services	23,811,600	22,920,800
Legal fees	1,025,476	22,726,610
Total cost	44,052,805	59,527,066

17. Bulk purchases of water and Electricity

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Electricity	44,000,721	36,774,399
Water	37,318,533	36,242,459
Total Cost	81,319,254	73,016,858

18. Repairs and Maintenance

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Repair and maintenance of Stadia -SK	40,962,370	70,289,948
Repair and maintenance of Kinoru Stadia	-	6,968,800
Repair and maintenance of Posta Ground	-	10,614,013
Total Cost	40,962,370	87,872,761

19. Depreciation & Amortization expense

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Land & Buildings	3,269,036	2,034,731
Motor vehicles	2,716,813	3,622,418
Plant & Machinery	7,004,798	9,431,395
Office Equipment	7,121,560	7,894,099
Furniture	16,036,759	1,753,820
Total	36,148,966	24,736,463

20. Finance Costs

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Bank Interest/Overdraft	-	-
Total	-	-

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

21. Cash and Cash Equivalents

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Standard Chartered Operational Account 600	3,552,575	3,920,082
Standard Chartered Salaries Account 700	15,413,195	50,112,931
Standard Chartered Project Account 601	372,317	29,998,379
Standard Chartered Rent Account 602	2,109,028	208,834
Co-operative Project Account	26,574,449	218,441,543
Cash in Hand	-	-
Mobile Money in Account (Mpesa Account)	239,958	389,513
Total	48,261,522	303,071,282

22. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Receivables		
Rent	25,530,432	25,297,632
Trade debtors	47,205,314	54,723,365
Total Current Receivables	72,735,746	80,020,997

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

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Total receivables		
Rent	68,666,527	62,327,932
Trade debtors	169,823,239	234,889,352
Less: impairment allowance	0	0
Total receivables	238,489,766	297,217,284
Current portion transferred to current receivables	(72,735,746)	(80,020,997)
Total non-current receivables	165,754,020	217,196,287
Total receivables (a+b)	238,489,766	297,217,284

**Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

(c) Ageing analysis for Receivables from exchange transactions

Description	FY 2022-2023		FY 2021-2022	
	Kshs		Kshs	
	FY 2022-2023	% of the total	FY 2021-2022	% of the total
Less than 1 year	72,735,746	30%	80,020,997.00	27%
Between 1- 2 years	21,049,928	9%	54,723,365	18%
Between 2-3 years	46,225,065	19%	63,993,895	22%
Over 3 years	98,479,027	41%	98,479,027	33%
Total (a+b)	238,489,766	100%	297,217,284	100%

23. Receivables from Non-Exchange Transactions

Description	FY 2022-2023		FY 2021-2022	
	Kshs		Kshs	
Deaflympics	500,000		500,000	
Ministry of Sports, Culture and the Arts	107,890,843		107,390,843	
NYTA	3,045,084		3,045,084	
Kenya Football Federation -Loan	10,000,000		10,000,000	
Salary advance	2,125,371		2,268,383	
Imprest outstanding	1,003,838		2,055,731	
Receivable Regional Stadia Grant- (Ruringu Stadium)	20,573,370		-	
Receivable AFCON Grants	15,551,724		-	
Receivable Grant- (Kinoru Stadium)	7,656,090		-	
Receivable Grant- (Nyayo National Stadium)	10,400,527		-	
Total receivables from non-exchange transactions	178,746,847		125,260,041	
Ageing Analysis- Receivables from non- Non exchange transaction	FY 2022-2023	% of the total	FY 2021-2022	% of the total

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Less than 1 year	57,810,920	32%	4,324,114	3%
Between 1-2 years	-	0%	-	0%
Over 3 years	120,935,927	68%	120,935,927	97%
Total	178,746,847	100%	125,260,041	100%

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
At the beginning of the year	125,260,041	172,547,013
Additional provisions during the year	57,810,920	4,324,114
Recovered during the year	(4,324,114)	(51,611,086)
Written off during the year	-	-
At the end of the year	178,746,847	125,260,041

24. Inventories

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Moi international Sports Centre main stores	3,972,969	3,137,292
Food Stores	1,440,222	934,544
Nyayo National stadium stores	279,389	125,533
Total	5,692,580	4,197,369

25. Advanced mobilization monies

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Advanced Mobilization Monies	87,780,118	91,480,118
Total	87,780,118	91,480,118

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)
26. Property, Plant and Equipment

	Land	Buildings	Motor Vehicles	Plant & Machinery	Computers	Furniture	Work in Progress	Total
Cost		(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)
At 1st July 2021		115,912,082	32,966,762	98,496,093	73,878,289	40,158,883	2,895,373,824	3,256,785,932
Additions		-			3,126,460	75,000	674,826,184	678,027,644
Additions WU20		-						-
Disposals		-						-
Transfer/adjustments		-	-	-	-	-		-
At 30 June 2022		115,912,082	32,966,762	98,496,093	77,004,749	40,233,883	3,570,200,008	3,934,813,576
Cost								
At 1st July 2022		115,912,082	32,966,762	98,496,093	77,004,749	40,233,883	3,570,200,008	3,934,813,576
Additions		38,452,377		2,960,470	5,318,970	18,404,310	850,290,843	915,426,970
Additions WU20		25,297,571				97,613,023		122,910,594
Disposals		-						-
Transfer/adjustments			-	-	-	-	(161,362,971)	(161,362,971)
At 30 June 2023		179,662,030	32,966,762	101,456,563	82,323,719	156,251,216	4,259,127,880	4,811,788,169

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Depreciation and impairment								
At 1 July 2021		14,175,513	18,477,092	73,345,705	50,691,087	26,203,317	-	182,892,713
Depreciation (Charge for the yr.)		2,034,731	3,622,418	9,431,395	7,894,099	1,753,820	-	24,736,463
Impairment		-	-	-	-	-		-
At 30 June 2022		16,210,244	22,099,509	82,777,100	58,585,185	27,957,137	-	207,629,176
Depreciation and impairment								
At 1 July 2022		16,210,244	22,099,509	82,777,100	58,585,185	27,957,137	-	207,629,176
Depreciation (Charge for the yr.)		3,269,036	2,716,813	7,004,798	7,121,560	16,036,759	-	36,148,966
Impairment		-	-	-	-	-		-
At 30 June 2023		19,479,280	24,816,322	89,781,899	65,706,745	43,993,896	-	243,778,142
Net book values								
At 30 June 2023		160,182,750	8,150,440	11,674,664	16,616,973	112,257,320	4,259,127,880	4,568,010,027
At 30 June 2022		99,701,838	10,867,253	15,718,992	18,419,564	12,276,746	3,570,200,008	3,727,184,400

**Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

(b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Buildings	179,662,030	(19,479,280)	160,182,750
Motor Vehicles	32,966,762	(24,816,322)	8,150,440
Plant And Machinery	101,456,563	(89,781,899)	11,674,664
Computers And Related Equipment	82,323,719	(65,706,745)	16,616,974
Office Equipment, Furniture, And Fittings	156,251,216	(43,993,896)	112,257,320
Total	552,660,290	(243,778,142)	308,882,148

27. Work In Progress

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
27.1 International Sports Academy (WIP)	Kshs	Kshs
Opening bal	34,585,249	34,585,249
Expenditure	-	-
Total	34,585,249	34,585,249
27.2 Rehabilitation Works (WIP)		
Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Opening bal	2,989,545,344	2,315,160,820
World U 20 Projects Transferred to Assets	(122,910,594)	-
Kipchoge Keino Stadium Phase I	29,835,964	72,645,826
Ruringu Stadium	50,651,756	60,088,941
Marsabit Stadium	26,580,273	70,039,781
Wote Stadium	654,227	17,701,628
Karatu Stadium	-	829,274
Chuka Stadium	-	13,426,580
Nyayo National Stadium	-	51,837,493
Kinoru Stadium	40,653,525	14,100,908
Kinoru Stadium PHASE II	12,024,624	31,441,903
Kipchoge Keino Stadium Phase II	64,337,636	58,532,568
Stadion Hotel	2,232,000	74,203,100

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

	Rehabilitation works - Kisumu (WIP)	-	1,670,438
	World U 20 Project	-	41,863,046
	Tartan Installation - Regional Stadia	23,238,212	166,003,038
	Kasarani Stadium Seats installation	107,030,932	-
	Installation of ERP System (WIP)	8,081,694	-
	Land Survey (WIP)	9,970,000	-
	Rehabilitation works - Embu Stadium Stadium (WIP)	475,000,000	-
	Total	3,716,925,593	2,989,545,344
27.3	Indoor Court Complex (WIP)		
	Description	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
	Opening bal	38,452,377	38,010,717
	Expenditure	-	441,660
	Transfer to Assets	(38,452,377)	-
	Total	-	38,452,377
27.4	National Stadia		
	Description	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
	Feasibility Works -PKF	507,617,038	507,617,038
	Total	507,617,038	507,617,038
	TOTAL WIP	4,259,127,880	3,570,200,008

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

28. Trade and Other Payables

Description	FY 2022-2023		FY 2021-2022	
	Kshs		Kshs	
Trade payables	145,847,333		116,420,509	
Total trade and other payables	145,847,333		116,420,509	
Ageing analysis: (Trade and other payables)	FY 2022-2023	% of the Total	FY 2021-2022	% of the Total
Under one year	84,579,335	58%	64,275,645	55%
1-2 years	12,678,493	9%	5,370,510	5%
2-3 years	4,195,548	3%	3,989,912	3%
Over 3 years	44,393,957	30%	42,784,442	37%
Total (tie to above total)	145,847,333	100%	116,420,509	100%

29. Refundable Deposits from Customers

Description	FY2022-2023		FY2021-2022	
	Kshs		Kshs	
Customer deposits- Rent Deposits	1,239,175		1,126,000	
Other deposits	-		-	
Total deposits	1,239,175		1,126,000	
Ageing analysis: (Refundable deposits)	FY2022-2023	% of the Total	FY2021-2022	% of the Total
Under one year	113,175	9%	-	0%
1-2 years	370,300	30%	370,300	33%
2-3 years	-	0%	-	0%
Over 3 years	755,700	61%	755,700	67%
Total	1,239,175	100%	1,126,000	100%

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

30. Receipts in advance from Customers

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Rent received in advance	296,550	143,500
Receipts in advance from trade customers	685,600	-
Total	982,150	143,500

31. Provisions for Audit

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Provision for audit fee	800,000	522,000
Total	800,000	522,000

32. Employee Benefit Obligations

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Bal b/f	35,975,619	32,682,424
Pension for the year	21,368,841	21,840,876
Pension Paid	(18,561,973)	(18,547,681)
Total	38,782,487	35,975,619

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 1,080 per employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by Jubilee Pension Fund. Employees contribute 7.5% while employers contribute 15% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

33. Audit Fee Payable

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Audit Fee Payable	7,075,520	6,275,520
Total	7,075,520	6,275,520

34. PAYE obligations

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
PAYE obligation	2,802,293	-
Total	2,802,293	-

35. KRA tax assessment

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Provision for KRA tax assessment	3,795,897	4,995,897
Total	3,795,897	4,995,897

36. Project 10% retention fee

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Projects 10% retention fee	57,077,807	80,759,170
Total	57,077,807	80,759,170

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

37. Accumulated surplus

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Opening bal	305,437,046	334,129,474
Net surplus for the year	(138,124,501)	(28,692,428)
Total	167,312,545	305,437,046

38. Capital funds

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Opening bal	3,996,755,234	3,293,818,529
Grants for the year-Kinoru,NNS & Kipchoge II (CHAN)	111,736,074	125,226,191
Capital Grants- Kinoru PHASE II	-	46,519,120
Grants for the year-Regional Stadia	69,037,258	300,536,609
Capital Grants- Kasarani Seats Installation	-	115,654,785
Capital Project Grants- Tartan Installation	38,767,088	115,000,000
Capital Project Grants-SASDF -Embu Stadium	475,000,000	-
Land Survey- SASDF Grant	9,970,000	-
Total	4,701,265,654	3,996,755,234

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

39. Surplus Remission

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

40. Financial Risk Management

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

i) Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

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

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

The Entity has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The Entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) Interest rate risk

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

Management of interest rate risk

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

**Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

Financial Risk Management

Sensitivity analysis

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Entity's market assumptions.

iv) Capital Risk Management

The objective of the Entity's capital risk management is to safeguard the Entity's ability to continue as a going concern.

41. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Entity, holding 100% of Sports Kenya'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 Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Sports, Art and Social Development Fund
- v) Key management.
- vi) Board of directors.

Notes to the Financial Statements (Continued)

42. Events after the Reporting Period

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

43. Ultimate And Holding Entity

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

44. Currency

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

45. Mobilization fee

The board has mobilization outstanding of **Kshs 87,780,118** to contractors which were given at the beginning of the projects.

46. Service Gratuity-Ksh 60,016,534.00

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

**Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.**

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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	<p>1. Long Outstanding Accounts Receivables from Exchange Transactions</p> <p>The statement of financial position reflects accounts receivables from exchange transactions balance of Kshs.297,217,284 as disclosed in note 18 to the financial statements. The balance includes rent receivable of Kshs.62,327,932 which further includes an amount of Kshs.20,544,506 in respect of rent arrears for tenants who have since vacated the organizations premises dating as far back as 2006/2007 financial year. The Management has not made any provision for the doubtful debts</p> <p>In the circumstances, the accuracy and completeness of the accounts receivables from exchange transactions could not be confirmed.</p>	<p>It's true in the year under review; the statement of financial position reflects accounts receivables from exchange transactions balance of Kshs 297,217,284. This balance includes rent receivable balance of Kshs.62,327,932 out of which an amount of Kshs.20,544,506 is in respect of rent arrears dating as far back as 2006/2007 for Runaway Tenants and Line Ministries Tenants which was under check off system in respective ministries. Sports Kenya is still pursuing the tenants through various ways which includes Court cases and listing the individual tenants to Credit Reference Bureau (CRB). The management will institute provisions for bad and doubtful debts to mitigate the effects of the impending unrecoverable debts in the current Financial Year if the same debts remain subserviced.</p>	Not Resolved	FY2023/24

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.0	<p>2. Property and Equipment Balance</p> <p>The statement of financial position and as disclosed in Note 22 to the financial statements reflects property and equipment balance of Kshs.156,984,393. However, the land on which the organization is situated has not been valued nor included in the assets register. Further, the ownership documents to the land were not provided for audit verification.</p> <p>In the circumstances, the ownership, valuation and disclosure of the property and equipment balance of Kshs.156,984,393 as at 30 June, 2022 could not be confirmed</p>	<p>It is true that Sports Kenya does not have title deeds for Moi International Sports Centre, there are Gazette notices for the compulsory acquisition of land for establishment of the complex. The board is also in the process of acquiring the title deed for Kasarani land. Sports Kenya recently surveyed the land area for Moi International Sports Center to determine the actual size of the land. <i>(Report Extract Attached)</i></p> <p>Sports Kenya will now peruse tittle deed through National Land Commission given that actual size of the land is confirmed. Once the title is obtained a revaluation of the land and the stadium will be carried out to determine the actual values to be recorded in the books.</p>	Not Resolved	FY2023/24
1.0	<p>Other Matter</p> <p>1. Budgetary Control and Performance</p> <p>The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of</p>	<p>It is true that there is under performance when you compare the budget and the actuals as reflected in mentioned figures. This is due to the effect of Covid-19 pandemic that led to suspension of sporting activities thereby reducing revenues raised.</p>	Resolved	FY2023/24

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs.2,545,441,210 and Kshs.1,315,281,544 respectively resulting to an under-funding of Kshs.1,230,159,666 or 48% of the approved budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.2,545,441,210 and Kshs.1,152,620,213 respectively resulting to an under-expenditure of Kshs.1,392,820,997 or 55% of the approved budget.</p> <p>The underfunding and under expenditure affected some of the planned activities and programs which may have impacted negatively on efficient and effective service delivery to the public.</p>			
2.0	<p>2. Unresolved Prior Year Matters</p> <p>In the audit report of the previous year, several paragraphs were raised. However, Management has not resolved and disclosed the status of all the prior year matters as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board. Management has not provided satisfactory</p>	<p>Sports Kenya has handled all matters raised by the Auditor and some of the issues have been resolved as evidenced by reference number on external audits report no.1.0,2.0,3.0 in the financial year ending 30June 2022.Other matters are on-going.</p>		

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	explanation for the delay in resolving the issues.			
1.0	<p>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</p> <p>1. Management of Moi International Sports Centre</p> <p>The management entered a Memorandum of Understanding (MOU) for sharing of revenue between Sports Kenya and Nairobi Metropolitan Area Transport Authority (NAMATA) for a Bus Rapid Transit assembly facility construction on a fifteen (15) acre piece of land hived from Moi International Sports Centre – Kasarani. Construction works were ongoing at the time of the audit. However, the project was not approved Project by the relevant Cabinet Secretary as required by Section 4(s) of the Sports Act, 2013. Further, construction of a bus rapid transport facility does not fall within the mandate of Sports Kenya in the manner contemplated in Section 4 of sports Act,2013 which</p> <p>Stipulates that Sports Kenya is established for the</p>	<p>Nairobi Metropolitan Area Transport Authority (NAMATA) is a state corporation established by an executive order No 18 of 17th February 2017. NAMATA approached Sports Kenya to gain access to land adjacent to Thika Road to develop a bus terminal for the Bus Rapid Transit (BRT) line 2.</p> <p>The Cabinet Secretary has not issued approval for use of the land. However, Sports Kenya was compelled to give access to NaMATA since it was a government-to-Government initiative funded by the National Treasury after necessary approvals through responsible ministry to address commuter transport needs of the general public. Through this partnership, the flow of spectators to and from the stadium would also be eased.</p>	Not Resolved	FY2023/24

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>purpose of promoting sporting activities and safeguarding sporting facilities and resources.</p> <p>In the circumstances, the Management was in breach of the law.</p>			
<p>2.0 2.1</p>	<p>2. Incomplete and Stalled Projects</p> <p>2.1 Construction of Kamariny Stadium</p> <p>Management awarded a contract for the construction of 15,000-seater stadium complete with a standard football field, borehole and associated water storage facilities, electrical and mechanical works and eight (8) lane tracks with field events facilities at the stadium at a contract sum of Kshs.287,837,775 on 6 September, 2016. As at 30 November, 2022 Kshs.81,590,104 (or 28%) of the contract sum had been paid to the Contractor. However, physical verification of the Project in January, 2023 revealed that the total work done was at approximately 30% with the project having stalled since 2017 while the Contactor was not on site.</p>	<p>It is true Kshs 81,590,104.86 was paid to the contractor. However out of the amount paid Kshs 25,905,399.70, was mobilization. Comparison of works done is therefore against Kshs 55,684,705.16 which matches percentage completion status of 30%.</p> <p>It is worth noting that the work done involved massive earth works to achieve the required levels of the site. There was also sub-base, French Drainage, pitch works and internal drain channel which were dully verified and certified by the project managers and Public Works Officials. The advanced Mobilization was insured by AMACO Africa Merchant Co. Ltd and Sports Kenya has initiated recovery process with the Insurer. Fluctuation of materials prices during the</p>	<p>Not Resolved</p>	<p>FY2023/24</p>

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		two-year period when the project had stalled due to lack of funds, the contractor was unable to continue working with the same rates. The contract has since been terminated; revised Bills Of Quantities developed and is now ready for re-tendering. There is no overpayment since the works done is estimated at 30% while payments made is estimated at 28% with 10% retention withheld.		
2.2	<p>2.2. Construction of Kipchoge Keino Stadium Phase I</p> <p>The management awarded a contract for the construction works at Kipchonge Keino Stadium phase 1 at a contract sum of Kshs. 304,204,413. The scope included 15,000-seater stadium complete with a standard football field, a boundary wall with gates, a borehole and associated water storage facilities and car park area. The contract sum was revised by an amount of Ksh.65,493,560 increasing the contract sum to Ksh.369,697,973 on 16 August, 2016 with expected completion date of 30</p>	<p>It is true that the Initial contractor declined to proceed with works due to delayed payment and opted to assign the works to another contractor.</p> <p>The assigned contractor is on site and proceeding with the works and is expected to conclude the remaining scope of works by 31st July 2023.</p> <p>Variations were necessitated by unforeseen quantities for reinforced concrete works owing to conditions of the site, stone pitching and earth filling materials.</p>	Not Resolved	FY2023/24

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>January, 2023. As at 30 November, 2022 an amount of Ksh.326,816,952 or 88% of the contract sum had been paid to the Contractor. However, physical verification of the project on 31 January, 2023 revealed that the phase I works had not been completed.</p>			
2.3	<p>2.3 Construction of Kipchoge Keino Stadium Phase II</p> <p>Management awarded a contract for construction works at Kipchoge Keino Stadium phase II for a sum of Kshs.325,829,431 on 18 August 2017. The scope of works included the construction of 5,000-seater pavilion, boundary wall with gates, a borehole and associated water storage facilities, lifts, car park area, installation of a generator, electrical and mechanical works. The Project completion date was 30 January, 2023. Review of the Project Status Report dated 30 November, 2022 revealed that the Contractor had been paid amounts totaling to Kshs.220,382,862 (or 68%) of the contract sum.</p> <p>Further, physical verification carried out on</p>	<p>Sports Kenya concurs with the observations because the contractor had vacated site due to non-payment.</p> <p>Payment certificates to this contractor have delayed up to Seven (7) months with no explanation from the Sports Arts and Social Development Fund (SASDF).</p> <p>SASDF has since released funds for the pending certificates, the contractor has resumed works and issued revised programme of works with an expected completion date of 31st December 2023.</p>	Not Resolved	FY2023/24

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	31 January, 2023 revealed that the Contractor had abandoned the site due to delayed payments and the Project had stalled.			
2.4	<p>2.4 Construction of Karatu Stadium</p> <p>Management awarded a contract for the construction works at Karatu Stadium at a contract sum of Kshs.259,604,780. The scope of works included 1,500-seater pavilion, a standard football field, a borehole and associated water storage facilities, electrical and mechanical works and a 6-lane track with field events facilities. The contract period was eight (8) months from 16 September 2016 and amount paid the contractor was Kshs.132,740,373 (or 51%) of the contract sum. However, physical verification carried out on 2 March 2023 revealed that the site had been abandoned by the Contractor and the project is incomplete.</p>	<p>It is true that Karatu is designed for a six (6) lane athletics track with field event facilities. This still complies with World Athletic (WA) standards, where the inner lane has to be 400m and width between the lanes is 1.22 m. A six-lane track can still hold international championships. Therefore, there was value for money for the Athletic track because World Athletics standards have been met.</p> <p>It is true that the contract has stalled initially due to non-payment and lack of funds from the client. However, upon resumption of works after the return-to-work framework was signed, the client subsequently issued default notices and then a notice to terminate the contract due to non-performance. via letter ref SK/KS/Kiambu/498 VOL II (49) dated 27th June 2022.</p>	Not Resolved	FY2023/24

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>The contractor in a letter Ref S&G/2013 Vol III/02/28 dated 5th Oct 2022 responded expressing interest to resume works to completion. The contractor has since resumed works and issued a revised programme of works with an expected completion date of 30th October 2023.</p> <p>Defective works around the football pitch and structure on the main pavilion were noted by the project manager and instructions issued for the correction as evidence via letter ref 2485/A4UC/DKN/KN from MMI to the contractor and has since been corrected. Furthermore, none of the defective works has been paid for. Considering massive earth works to achieve required levels the amount paid is commensurate to the works done as verified and certified by the consulting Engineers and Quantity Surveyors and also verified by State Department of Public Works.</p>		

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		The amount paid includes mobilization of Kshs 38,364,430.00. out of which Kshs 7,672,000.00 has already been recovered hence the amount certified to date of Kshs 102,047,943.83 is realistic. All certificates are paid after inspection and approval by Public Works.		
2.5	<p>2.5 Construction of Wote Stadium</p> <p>Management entered into a contract for the construction works at Wote Stadium at a contract sum of Kshs.299,309,555. Construction works included 1,500-seater pavilion, 8 lane tracks with field events facilities, a standard football field, boundary wall with gates and a borehole with associated water storage facilities for a period of five (5) months from 5 January 2017 to 31 May 2018. Extension of time was granted revising the completion date to 30 March, 2023 and amount paid to the contractor was Kshs.162,942,629 (or 54 %) of the contract sum.</p> <p>Physical verification carried out on 6 February, 2023</p>	<p>During the project execution period, the project manager is allowed to vary the scope through site instructions book depending on the conditions of the ground as long as the project cost/value is not changed.</p> <p>The contractor had not mobilized adequately and Sports Kenya had issued a termination of contract notice on 27th June 2022 vide letter ref SKWS/48 Vol II (45) hence the letter ref TNE/CC/NO1/29 dated 20th June 2022 was a response to our termination notice.</p> <p>The contractor faced delay in payments due to failure of SASDF to release funds on time.</p>	Not Resolved	FY2023/24

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	revealed that there was a change of site by the County Government of Makueni which led the Contractor to incur additional costs which were not in the original bill of quantities due to the need to stabilize and compact the land. Further, the Project was incomplete and the Contractor was not on site.	The contractor has since resumed works.		
2.6	<p>2.6 Refurbishment of Kinoru Stadium</p> <p>The Management entered into a Memorandum of Understanding with the County Government of Meru to undertake refurbishment of Kinoru Stadium at a contract sum of 282,212,086. The contract was awarded to a contractor on 1 September, 2017 with expected completion date of 31 July, 2020 and amounts totaling to Kshs.196,866,326 was paid by the State Department for Sports.</p> <p>However, physical verification of the Project carried out on February, 2023 revealed that the Project was complete and awaiting commissioning but following anomalies were noted:</p>	<p>Sports Kenya Confirms that a 6-lane Tartan track also conforms to World Athletics standards.</p> <p>Due to the extended dry weather, the borehole catchment could not sufficiently replenish the supply and hence Meru Water and Sewerage Company Ltd (MEWASCO) water was also required to supplement the demand which at the time had been disconnected. MEWASCO has since restored water supply .</p> <p>Wear and tear together with pot holes on the tartan track were caused by breaches by the County Government during the swearing in of the Meru Governor and political rallies during the</p>	Not Resolved	FY2023/24

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>i) The tartan racing track had numerous wear and tear and pot holes. Further, the racing track could only accommodate 6 lanes instead of 8 lanes recommended by International Association of Athletics Federations.</p> <p>ii) The grass on the football pitch had dried from failure to water it regularly. This was despite the sprinkler irrigation system being in place and availability of borehole water.</p> <p>iii) Further, the roof ceiling on the pavilion were sagging and gaping from frequent rain water leakages from the iron roof.</p> <p>iv) The water treatment and power generator buildings floors are already chipping away.</p>	<p>campaign period. Sports Kenya had no control over this, but wrote a protest letter to the Meru Governor. However, the Contractor undertaking the installation of the Tartan track has shipped materials for repairs.</p> <p>The roof ceiling on the pavilion which were sagging and gaping are now under Sports Kenya Maintenance since the Defect Liability period for the contractor had lapsed. The water treatment and power generator buildings floors were completed as per the BOQs.</p>		
2.7	<p>2.7 Construction of Kirubia Stadium</p> <p>Management entered into a contract for the construction of Kirubia Stadium in Tharaka Nithi County at a contract sum of Kshs.274,208,855 on 5 January 2017 with expected completion date of 5 August, 2017. Although, available</p>	<p>The stadium has not yet been handed over to Sports Kenya by the contractor hence all defects including on the tartan track shall be addressed during defect liability period before handing over.</p> <p>Sports Kenya Confirms that a 6-lane Tartan track also conforms to World Athletics standards. There</p>	Not Resolved	FY2023/24

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>records indicated that the Project but had not been completed but not commissioned, physical verification carried out in February 2023, revealed that the tartan racing track had developed numerous cracks and potholes and could only accommodate 6 lanes instead of 8 lanes recommended by International Association of Athletics Federation. Further, grass on the football pitch had dried from failure to water it regularly. This was despite the sprinkler irrigation system being in place and availability of borehole water.</p>	<p>is value for money because the contractor executed the works as per the contract bills of quantities.</p>		
2.8	<p>2.8 Construction of Marsabit Stadium Management awarded a contract for the construction of Marsabit Stadium at a contract sum of Kshs.295,236,215 on 16 September, 2016 with expected completion date of 5 August, 2017. The contract was later varied by Kshs.71,767,679 (or 24%) of the contract price to Kshs.367,003,894. The timeline was however not met and the completion date extended to 30 June,</p>	<p>The contractor has completed his scope of works and has since handed over; However, the county Government who were constructing the VIP Pavilion dismissed their contractor due to non-performance and are yet to re-tender their works. Sports Kenya has also requested funds for additional works-Supply and installation of artificial turf.</p> <p>The BOQs have also been developed for completion of the remaining phase as</p>	Not Resolved	FY2023/24

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	2022. However, physical verification carried out in February, 2023 revealed that the Contractor was on site, but the Project had not been completed and handed over to the relevant Ministry	per design and funds requested		
2.9	<p>2.9 Construction of Ruringu Stadium</p> <p>Management entered into a contract for the construction of Ruringu Stadium in Nyeri County at a contract sum of Kshs.288,045,530 on 5 January 2017 with expected completion date of 5 August, 2017. However, physical verification carried out on January 2023 revealed that the Project was not complete and the Contractor was not on site five (5) years since inception.</p>	<p>The contractor is back on site and is expected to complete the project by end of December 2023. Delay in completion was caused by the land issues connected with the previous owners- Agricultural Society of Kenya (ASK) and delay in release of funds for payment of certificates especially before SASDF was operationalized.</p>	Not Resolved	FY2023/24

Pius Metto
Director General

Date.....12/4/24.....

**Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.**

Appendix II: Projects implemented by Sports Kenya

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

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

Status of Projects completion

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Chuka Stadium	244,208,855	229,692,318	97	14,516,537	-	GOK/ SASDF Grant
2	Marsabit Stadium	327,003,894	319,056,046	98	16,142,620		GOK/ SASDF Grant
3	Wote Stadium	259,309,554	162,942,630	66	126,549,212		GOK/ SASDF Grant
4	Karatu Stadium	229,604,780	132,740,374	59	126,864,410	-	GOK/ SASDF Grant
5	Kamariny Stadium	287,837,775	81,590,105	28	232,153,070		GOK/ SASDF Grant
6	Kipchoge Keino Phase 1	369,697,973	333,792,874	99	65,513,560		GOK/ SASDF Grant
7	Ruringu Stadium	318,145,530	243,063,363	90	112,505,847	18,420,540	GOK/ SASDF Grant
8	Tartan	224,983,500	189,241,250	84	71,216,412	38,767,088	SASDF Grant
9	Moi Stadium- Embu	476,633,000	475,000,000	100	476,633,000	475,000,000	SASDF Grant
10	MISC Seats	107,031,250	107,030,932	100	107,031,250	-	SASDF Grant

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

11	IAAF WU20 HOTEL FURNISHING	76,435,100	76,435,100	100	5,041,700	-	SASDF Grant
12	NNS	1,178,558,851	1,099,262,634	93	79,294,248	-	GOK/ SASDF Grant
13	KINORU	895,265,214	887,375,094	99	63,213,919	32,997,435	GOK/ SASDF Grant
14	KINORU- PHASE 2	46,519,120	45,856,077	99	15,077,217		SASDF Grant
15	KIPCHOGE KEINO- PHASE II	325,829,431	249,931,685	77	64,337,636	60,682,022	GOK/ SASDF Grant
16	Consultancy Services	245,080,000	205,329,403	84	27,696,789	30,043,347	GOK/ SASDF Grant
17	Land Survey	49,850,000	9,970,000	20	49,850,000	9,970,000	SASDF Grant
	TOTAL	5,661,993,827	4,848,309,885		1,653,637,427	665,880,432	

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development /Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Youth, the Arts and Sports	14.09.22	Recurrent	5,000,000	5,000,000					5,000,000
Ministry of Youth, the Arts and Sports	14.09.22	Recurrent	4,400,000	4,400,000					4,400,000
Ministry of Youth, the Arts and Sports	23.09.22	Recurrent	17,208,333	17,208,333					17,208,333
Ministry of Youth, the Arts and Sports	03.10.22	Recurrent	17,208,334	17,208,334					17,208,334
Ministry of Youth, the Arts and Sports	07.10.22	Recurrent	17,208,333	17,208,333					17,208,333
Ministry of Youth, the Arts and Sports	28.10.22	Recurrent	17,208,333	17,208,333					17,208,333

**Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.**

Ministry of Youth, the Arts and Sports	07.12.22	Recurrent	17,208,333	17,208,333					17,208,333
Ministry of Youth, the Arts and Sports	29.12.22	Recurrent	17,208,333	17,208,333					17,208,333
Ministry of Youth, the Arts and Sports	06.02.23	Recurrent	15,659,583	15,659,583					15,659,583
Ministry of Youth, the Arts and Sports	10.03.23	Recurrent	15,659,583	15,659,583					15,659,583
Ministry of Youth, the Arts and Sports	14.04.23	Recurrent	15,659,583	15,659,583					15,659,583
Ministry of Youth, the Arts and Sports	4/5/2023	Recurrent	17,208,334	17,208,334					17,208,334
Ministry of Youth, the Arts and Sports	1/6/2023	Recurrent	17,208,334	17,208,334					17,208,334
Ministry of Youth, the Arts and Sports	30/6/2023	Recurrent	17,208,333	17,208,333					17,208,333
Sports, Arts and Social	30/6/2023	Recurrent	8,409,780	8,409,780					8,409,780

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Development Funds									
Sports, Arts and Social Development Funds	3/8/2022	Development	11,657,846		11,657,846				11,657,846
Sports, Arts and Social Development Funds	4/10/2022	Development	20,045,452		20,045,452				20,045,452
Sports, Arts and Social Development Funds	4/10/2022	Development	14,435,587		14,435,587				14,435,587
Sports, Arts and Social Development Funds	7/10/2022	Development	13,027,592		13,027,592				13,027,592
Sports, Arts and Social Development Funds	7/10/2022	Development	18,420,540		18,420,540				18,420,540
Sports, Arts and Social Development Funds	7/10/2022	Development	5,357,909		5,357,909				5,357,909
Sports, Arts and Social Development Funds	26/10/2022	Development	32,997,435		32,997,435				32,997,435
Sports, Arts and Social Development Funds	26/10/2022	Development	38,767,088		38,767,088				38,767,088

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Sports, Arts and Social Development t Funds	14/02/2023	Development	250,000,000				250,000,000					250,000,000
Sports, Arts and Social Development t Funds	5/4/2023	Development	135,000,000				135,000,000					135,000,000
Sports, Arts and Social Development t Funds	8/5/2023	Development	26,200,983				26,200,983					26,200,983
Sports, Arts and Social Development t Funds	29/05/2023	Development	90,000,000				90,000,000					90,000,000
Sports, Arts and Social Development t Funds	17/05/2023	Development	9,970,000				9,970,000					9,970,000
Sports, Arts and Social Development t Funds			20,573,370				20,573,370			20,573,370		
Sports, Arts and Social Development t Funds			15,551,724				15,551,724			15,551,724		
Sports, Arts and Social Development t Funds			7,656,090				7,656,090			7,656,090		
Sports, Arts and Social			10,400,527				10,400,527			10,400,527		

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Development Funds									
Total			939,725,672	219,663,529	720,062,143	-	54,181,711	-	885,543,961

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Appendix V- Inter-Entity Confirmation Letter

Sports Kenya
Private Bag- Kasarani, NAIROBI

The Sports Kenya wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Sports Kenya as at 30th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [MOYAS/SADF] (KShs) as at 30th June 2023				Amount Received by Sports Kenya (KShs) as at 30th June 2023 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial ©	Total (D)=(A+B+C)		
Ministry of Youth, the Arts and Sports	14.09.22	5,000,000.00			5,000,000.00	5,000,000.00	-
Ministry of Youth, the Arts and Sports	14.09.22	4,400,000.00			4,400,000.00	4,400,000.00	-
Ministry of Youth, the Arts and Sports	23.09.22	17,208,333.00			17,208,333.00	17,208,333.00	-
Ministry of Youth, the Arts and Sports	03.10.22	17,208,334.00			17,208,334.00	17,208,334.00	-
Ministry of Youth, the Arts and Sports	07.10.22	17,208,333.00			17,208,333.00	17,208,333.00	-
Ministry of Youth, the Arts and Sports	28.10.22	17,208,333.00			17,208,333.00	17,208,333.00	-

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Ministry of Youth, the Arts and Sports	07.12.22	17,208,333.00			17,208,333.00	17,208,333.00	-
Ministry of Youth, the Arts and Sports	29.12.22	17,208,333.00			17,208,333.00	17,208,333.00	-
Ministry of Youth, the Arts and Sports	06.02.23	15,659,583.00			15,659,583.00	15,659,583.00	-
Ministry of Youth, the Arts and Sports	10.03.23	15,659,583.00			15,659,583.00	15,659,583.00	-
Ministry of Youth, the Arts and Sports	14.04.23	15,659,583.00			15,659,583.00	15,659,583.00	-
Ministry of Youth, the Arts and Sports	5/4/2023	17,208,334.30			17,208,334.30	17,208,334.30	-
Ministry of Youth, the Arts and Sports	6/1/2023	17,208,334.00			17,208,334.00	17,208,334.00	-
Ministry of Youth, the Arts and Sports	6/30/2023	17,208,333.00			17,208,333.00	17,208,333.00	-
Sports, Arts and Social Development Funds	6/30/2023	8,409,780.00			8,409,780.00	8,409,780.00	-
Sports, Arts and Social Development Funds	3/8/2022		11,657,846.15		11,657,846.15	11,657,846.15	-
Ministry of Sports, Culture and Heritage	4/10/2022		20,045,452.00		20,045,452.00	20,045,452.00	-
Sports, Arts and Social Development Funds	4/10/2022		14,435,586.60		14,435,586.60	14,435,586.60	-

**Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.**

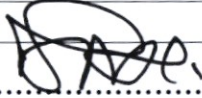
Sports, Arts and Social Development Funds	7/10/2022		13,027,592.47		13,027,592.47	13,027,592.47	-
Sports, Arts and Social Development Funds	7/10/2022		18,420,540.00		18,420,540.00	18,420,540.00	-
Sports, Arts and Social Development Funds	7/10/2022		5,357,909.11		5,357,909.11	5,357,909.11	-
Sports, Arts and Social Development Funds	26/10/2022		32,997,435.00		32,997,435.00	32,997,435.00	-
Sports, Arts and Social Development Funds	26/10/2022		38,767,087.95		38,767,087.95	38,767,087.95	-
Sports, Arts and Social Development Funds	14/02/2023		250,000,000.00		250,000,000.00	250,000,000.00	-
Sports, Arts and Social Development Funds	5/4/2023		135,000,000.00		135,000,000.00	135,000,000.00	-
Sports, Arts and Social Development Funds	8/5/2023		26,200,982.90		26,200,982.90	26,200,982.90	-
Sports, Arts and Social Development Funds	29/05/2023		90,000,000.00		90,000,000.00	90,000,000.00	-
Sports, Arts and Social Development Funds	17/05/2023		9,970,000.00		9,970,000.00	9,970,000.00	-

Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Total		219,663,529.30	665,880,432.18		885,543,961.48	885,543,961.48	-
-------	--	----------------	----------------	--	----------------	----------------	---

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

Head of Accountants department of beneficiary Entity:

Name JADHEI KANUNU Sign  Date 12/14/24

Sports Kenya
 Annual Reports and Financial Statements
 for the year ended June 30, 2023.

Appendix VI: Reporting of Climate Relevant Expenditures

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

**Sports Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.**

Appendix VII: Reporting on Disaster Management Expenditure

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