

FOOTBALL  
KENYA  
FEDERATION  
**7TH ANNUAL  
GENERAL MEETING**



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**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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Benim & Associates  
Certified Public Accountants  
P.O.Box 59792-00200 Nairobi  
Email:[info@benimandassociates.com](mailto:info@benimandassociates.com)



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### Federation information

Registered office	FKF House Kasarani P.O.Box 49911-00100 Nairobi
National Executive Committee	Nick Mwendwa - President Doris Petra - Vice president Robert Muthomi - General Secretary Ahmed Said - Member Chris Amimo - Member David Gikaria - Member Enos Tonny Kweya - Member Joseph Andere - Member Raphael Mwalungo - Member David Njoroge - Member Timoth Murithi - Member Elio Loli - Member-Resigned in 2018
Secretary General	Robert Muthomi
Independent Auditor	Benim & Associates Certified Public Accountants P.O.Box 59792-00200 Nairobi, Kenya Email: info@benimandassociates.com
Principal bankers	Kenya Commercial Bank Limited Thika Road Mall Branch P.O Box 48400-00100 Nairobi
Federation Advocates	Silas Munyao & Company Advocates Koin -Ei Plaza, 3rd Floor P.o.Box 1835 Kericho

## President's Foreword

The past one year has perhaps been the most exciting in our four-year tenure, the country qualified for the 2019 AFCON tournament for the first time in 15 years, this despite the numerous court cases that we continue to face, a financial gap occasioned by lack of commercial sponsorship and in adequate government funding that has forced us to heavily rely on credit facilities especially for national team assignments.

The culmination of the aforementioned goes to demonstrate the effort and commitment we have put in changing the game. This, we have done by consistently strengthening structures and processes, key in not only increasing Kenya's chances of success in major tournaments but also creating the much needed conveyer belt across our national teams for future prosperity.

As a result, the little things that we have done differently and consistently continue to bear fruits, for the first time in a number of years, fans have begun to show faith in our national teams, as continues to be witnessed by the growing number of fans attending our national matches.

It is my wish that the new found momentum is not only maintained during all our national team matches but that it is also translated to our league and cup matches, as we endeavor to grow the sport.

As FKF president, I am cognizant of the effort we have all put in to bring the game to where it is today, albeit with a lot of unique challenges that continue to act as bottle necks towards achieving our common goal.

Finally, I want to reiterate that we are far from achieving what we set out to do on February 10, 2016, when we were elected into office but despite the many challenges we have faced both as individuals and as an institution, we have remained steadfast in our resolve to bringing real change to the game demonstrated by our ever dying commitment to do good in what we stand for and believe in.

As we go into 2020, I want to thank all of you, first for your loyalty to the game and dedication in doing what is right.

May the bond and common purpose that brought us together, further, strengthen our relationship beyond the foreseeable future, for the good of the game.

Yours Sincerely,

**Nick Mwendwa**  
FKF President



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**National executive committee report**

The National Executive Committee submit their report together with the audited financial statements for the year ended 31 December 2018 which disclose the state of affairs of the Federation.

**Principal activities**

The principal activity of the Federation is management and promotion of the game of Football in the Republic of Kenya and is the only recognized affiliate of FIFA, CAF and CECAFA.

**Review of financial results and activities**

The annual statements have been prepared in accordance with International Financial Accounting standards and the requirements of the Sports Act, 2013. The accounting policies have been consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Federation are set out in these annual financial statement.

The Federation's net fund for the year is Kshs 96,665,844

**Events after the Reporting period**

As at 31 December 2018, FKF had capital prepayments of Kshs 123,175,693 paid to WTS Limited for supply of outside broadcasting equipment. However the supplier WTS Limited went under administration on the 16th April 2019 as per communication done by the administrators BDO LLP UK.

**National Executive Committee**

The National Executive Committee who held office during the year and to the date of this report are set out on page 1.

**Auditor**

Benim & Associates were appointed as the Federation's auditor and have expressed their willingness to continue in office.


**Statement of disclosure to the Federation's auditors.**

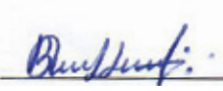
The National Executive Committee in office at the date of this report confirm that;

- a) So far as the National Executive is aware, no relevant audit information of which the Federation's auditor is unaware; and
- b) Each of the NEC member has taken all the steps that they ought to have taken as a NEC member so as to be aware of any relevant information and to establish that the Federation's auditor is aware of that information

**Approval of annual report and financial statements**

The annual report and financial statements set out on pages 8 to 19, which have been prepared on a going concern basis were approved by the National Executive Committee and signed on its behalf by;

  
\_\_\_\_\_  
(President/NEC Chairman)  
Date: 4<sup>th</sup> August 2019

  
\_\_\_\_\_  
General Secretary

### Statement of national executive committee responsibilities

The Sports Act of Kenya requires the National Executive Committee to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Federation as at the end of the financial period and of its fund for that year. It also requires the NEC to ensure that the Federation keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Federation. The NEC are also responsible for safeguarding the assets of the Federation.

The NEC accepts responsibility for the preparation and presentation of these annual report and financial statements in accordance with International Financial Reporting standard and in the manner required by Kenyan Sports Act 2013. The NEC also accepts responsibility for:

- i) designing, implementing and maintaining internal controls as it determines necessary to enable the presentation of annual report and financial statements that are free of material misstatement, whether due to fraud or error.
- ii) selecting suitable accounting policies and applying them consistently; and
- iii) making accounting estimates and Judgements that are reasonable in the circumstances.

Having made an assessment of the Federations' ability to continue its operations in the foreseeable future, the National Executive Committee is not aware of any material uncertainties related to events and conditions that may cast doubt upon the Federations ability to continue as a going concern.

The National Executive Committee acknowledges that the independent audit of the annual report and financial statements does not relieve them of their responsibilities.

The annual report and financial statements set out on pages 8 to 19 which have been prepared on going concern basis, were approved by the National Executive Committee on August 4<sup>th</sup> 2019 and were signed on its behalf by;



\_\_\_\_\_  
**President/NEC Chairman**



\_\_\_\_\_  
**Chairperson-Finance**

Date:



## Football Kenya Federation Annual report and financial statements For the year ended 31 December 2018

### Opinion

We have audited the annual report and financial statements of Football Kenya Federation, set out on pages 8 to 19 which comprise the statement of comprehensive income, statement of financial position, statement of movement in funds and statement of cashflows for the year then ended, and notes to the annual report and financial statements, including a summary of significant accounting policies.

In our opinion the annual report and financial statements present fairly, in all material respects, the financial position of Football Kenya Federation at December 31, 2018 and its financial performance and cashflows for the year then ended in accordance with International Financial reporting Standards and the requirements of the Sports Act 2013.

### Basis for opinion

We conducted our audit in accordance with International standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the annual report and financial statement section of our report.

We are independent of the Federation in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) together with the ethical requirements that are relevant to our audit of the annual report and financial statements in Kenya. We have fulfilled our ethical responsibilities' in accordance with IEBA Code and in accordance with other ethical requirements applicable to performing audits in Kenya.

We believe that the audit evidence we have obtained is sufficient and appropriate to provided a basis for our opinion.

### Material Uncertainty related to Property and Equipment

We draw attention to note 12 in the annual report and financial statements which indicates the Federation had paid Kshs 123,175,693 on acquisition of Outside broadcasting equipment (OB). However the supplier WTS Limited domiciled in United Kingdom went under administration on the 16th April 2019 as per communication done by the administrators BDO LLP. The delivery of this equipment to the federation is subject to the administration process outcome. However, the financial statements have been prepared on a going concern basis by the NEC on the assumption that the Equipment will be delivered to the federation. Our opinion is not modified in respect of this matter.

### Other Information

The NEC is responsible for the other information. The other information comprises the NECs' Report as required by the Sports Act 2013, which we obtained prior to the date of this report. Our opinion on the Annual report and Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the annual report and financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual report and financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion.





## Football Kenya Federation Annual report and financial statements For the year ended 31 December 2018

### **Responsibilities of the National Executive Committee for the Annual Report and Financial Statements**

The NEC is responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Sports Act, 2013, and for such internal control as the NEC determine is necessary to enable the preparation of annual report and financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual report and financial statements, the NEC is responsible for assessing the Federation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the NEC either intend to liquidate the Federation or to cease operations, or have no realistic alternative but to do so. The NEC is responsible for overseeing the Federation's financial reporting process.

### **Auditor's responsibilities for the audit of the Annual Report and Financial Statements**

Our objectives are to obtain reasonable assurance about whether the annual report and 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Annual Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual report 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the NEC.
- Conclude on the appropriateness of the NEC's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Federation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual report and financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the branch to cease to continue as a going concern.



## Football Kenya Federation Annual report and financial statements For the year ended 31 December 2018

- Evaluate the overall presentation, structure and content of the annual report and financial statements, including the disclosures, and whether the annual report and financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with the NEC regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We communicate with the NEC regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Going concern

Our responsibilities as auditors were to obtain sufficient, appropriate evidence about the appropriateness of the NEC' use of the going concern assumption in the preparation and presentation of the financial statements and to include whether there is a material uncertainty about the Federation's ability to continue as a going concern.

One of the fundamental accounting concepts is that the financial statements of a Federation are assumed to be prepared on a going basis. The assumption is that the Federation will carry its activities in the same way for the foreseeable future.

We tested these assumptions and were satisfied that the Federation had the cash to fund its operations, suppliers will continue to supply it and its products will continue to be patronized by its customers.

### Report on other legal requirements

As required by the Sports Act 2013 we report to you, based on our audit, that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of accounts have been kept by the Federation, so far as appears from our examination of those books; and
- iii) the Federation's statement of financial position and the statement of comprehensive income are in agreement with the books of account.

*Benim & Associates*

Certified Public Accountants of Kenya,  
Nairobi, Kenya.

09/08/2019 2019

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Benjamin Iseu Muendo -P/No 2052



Football Kenya Federation  
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Statement of comprehensive income

	Note	2018 Kshs	2017 Kshs
Grants	3	558,215,844	388,136,924
Other receipts ( Non Grant)	4	33,066,765	23,965,025
<b>Total receipts</b>		<b>591,282,609</b>	<b>412,101,949</b>
<b>Expenses</b>			
Direct expenses	5	(349,658,487)	(341,862,921)
Staff costs	6	(65,702,401)	(69,745,234)
Administrative expenses	7	(61,750,990)	(72,047,106)
Other operating expenses	8	(15,005,325)	(10,293,344)
<b>Total expenses</b>		<b>(492,117,203)</b>	<b>(493,948,605)</b>
<b>Fund for the year</b>		<b>99,165,406</b>	<b>(81,846,656)</b>
<b>Other Comprehensive income</b>			
Creditors written back		-	15,841,943
Foreign exchange gain/(loss)	9	(2,499,562)	(3,589,685)
		<b>(2,499,562)</b>	<b>12,252,258</b>
<b>Net fund for the year</b>		<b>96,665,844</b>	<b>(69,594,398)</b>

The accounting policies on pages 12 to 14 and the notes from page 15 to 19 form an intergral part of the annual report and financial statements.

Football Kenya Federation  
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Statement of financial position

	Note	2018 Kshs	2017 Kshs
<b>Non - current assets</b>			
Property and equipment	10	291,169,272	305,327,179
Intangible asset	11	190,623	179,518
		<b>291,359,895</b>	<b>305,506,697</b>
<b>Current assets</b>			
Receivables and prepayments	12	125,485,693	3,209,691
Cash at bank and in hand	13	(725,557)	882,279
		<b>124,760,136</b>	<b>4,091,970</b>
<b>Total assets</b>		<b>416,120,031</b>	<b>309,598,667</b>
<b>Liabilities and Fund</b>			
<b>Current liabilities</b>			
Payables and accruals	14	252,476,122	242,620,602
<b>Total current liabilities</b>		<b>252,476,122</b>	<b>242,620,602</b>
<b>Fund</b>			
Revaluation fund		169,394,112	169,394,112
General fund		(5,750,203)	(102,416,047)
		<b>163,643,909</b>	<b>66,978,065</b>
<b>Total liabilities and reserves</b>		<b>416,120,031</b>	<b>309,598,667</b>

The financial statements on pages 8 to 19 were approved by National Executive Committee

on 4<sup>th</sup> August 2019 and were signed on its behalf by:

  
\_\_\_\_\_  
President/NEC Chairman

  
\_\_\_\_\_  
General Secretary

The accounting policies on pages 12 to 14 and the notes from page 15 to 19 form an integral part of the annual report and financial statements.

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Statement of movement in funds

	Note	Revaluation fund Kshs	General Fund account Kshs	Total Kshs
At 1 January 2018		169,394,112	(102,416,047)	66,978,065
Net fund for the year		-	96,665,844	96,665,844
<b>At 31 December 2018</b>		<b>169,394,112</b>	<b>(5,750,203)</b>	<b>163,643,909</b>
At 1 January 2017		-	(32,821,649)	(32,821,649)
Net fund for the year		-	(69,594,398)	(69,594,398)
Revaluation fund		169,394,112	-	169,394,112
<b>At 31 December 2017</b>		<b>169,394,112</b>	<b>(102,416,047)</b>	<b>66,978,065</b>

The accounting policies on pages 12 to 14 and the notes from page 15 to 19 form an integral part of the annual report and financial statements.

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Statement of cash flows

	Note	2018 Kshs	2017 Kshs
<b>Cash flows generated from operating activities</b>			
Fund for the year		96,665,844	(69,594,398)
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	10	4,126,011	3,829,927
Armotisation	11	81,695	76,937
<b>Operating profit / (loss) before working capital changes</b>		<b>100,873,551</b>	<b>(65,687,534)</b>
<b>Changes in working capital</b>			
(Increase) /decrease in receivables and prepayments	12	(122,276,002)	1,483,956
Increase/(Decrease) in payables and accruals	14	9,855,520	63,329,348
<b>Net cash generated from operations</b>		<b>(11,546,932)</b>	<b>(874,230)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	10	9,939,096	(16,872,149)
<b>Cash generated from investing activities</b>		<b>9,939,096</b>	<b>(16,872,149)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,607,836)</b>	<b>(17,746,379)</b>
<b>Cash and cash equivalent at start of year</b>		<b>882,279</b>	<b>18,628,658</b>
<b>Cash and cash equivalents at end of year</b>	13	<b>(725,556)</b>	<b>882,279</b>

The accounting policies on pages 12 to 14 and the notes from page 15 to 19 form an intergral part of the annual report and financial statements.

## Significant accounting policies

### 1. General Information

The federation is registered as a national Sports Organization under Section 47 of Sports Act of 2013 (Revised Edition 2013)

### 2. Basis of preparation and summary of significant accounting policies

The annual report and financial statements have been prepared in accordance with International Financial Reporting Standards, and the Sports Act of 2013 (Revised Edition 2013) of the Laws of Kenya.

The annual report and financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Kenyan Shillings and rounded off to the nearest Shilling.

### First time adoption of International Financial Reporting Standards

Effective 1 January 2018, FKF had not assessed the impact of application of IFRS 9-Financial instruments.

### Standards issued but not yet effective

IFRS 16 was issued in January 2016 and replaced IAS 17-Leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17.

At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e.) the lease liability and an asset representing the right to use the underlying asset during the lease term (i.e.) the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and depreciation expense on the right-of-use asset.

### 2.1 Significant Judgements and sources of estimation uncertainty

#### Critical Judgements in applying accounting policies

The NEC did not make critical Judgements in the application of accounting policies, apart from those involving estimations which would significantly affect the annual report and financial statements.

#### Key sources of estimation uncertainty

##### Useful lives of property and equipment

The Federation reviews the estimated useful lives of property and equipment when changing circumstances indicate that they may have changed since most recent reporting dated.

#### Impairment testing

The Federation reviews and tests the carrying value of equipment when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, the Federation determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, The Federation assesses the recoverable amount for cash generating unit to which the asset belongs.

### 2.2 Property and equipment

Land and buildings are shown at fair value based on valuations by external independent valuers, less subsequent depreciation of the buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property and equipment are stated at historical costs less depreciation. Historical costs include expenditure that is directly attributed to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the federation and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to comprehensive income statement during the financial period in which they are incurred.

#### Accounting policies- (continued)

The depreciation chart of items of property and equipment have been assessed as follows:

<b>Asset class</b>	<b>Rate per annum(%)</b>
Buildings	2.50
Furniture and equipment	12.50
IT equipment	30.00

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period.

If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

### 2.3 Financial instruments

#### Classification

The company classifies financial assets and financial liabilities into the following categories

- (i) Financial assets at fair value through profit or loss
- (ii) Loans and receivables
- (iii) Financial liabilities at fair value through profit or loss

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is reassessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

#### Trade and other receivables

Trade receivables are carried at anticipated realizable value. An estimate is made for the doubtful receivables on a review of all outstanding amounts at the period-end. Bad debts are written off in the period in which they are identified.

#### Trade and other payables

Trade payables are stated at their nominal value.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

### 2.4 Taxation

#### Income tax

The Federation is exempt from income tax obligation on grants received from sponsors. However a certificate of exemption is not in place.

### 2.5 Employee benefits

#### Retirement benefits costs

The federation contributes to the statutory National Social Security Fund. This fund is a defined contribution Scheme registered under the National Social Security Fund Act. The company's obligations under this scheme are limited to specific contributions legislated from time to time and are currently limited to a maximum of . Kshs 1,080 per employee per month.

The federation's obligations to the scheme are recognized in the statement of comprehensive income .



Accounting policies- (continued)

**2.6 Provisions and contingencies**

Provisions are recognised when;

- (i) the federation has a present obligation as a result of a past event;
- (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the obligation. The amount of a provision is the present value of the expenditure expected to be

**2.7 Revenue**

Revenue represents funding from donors, Subscriptions from football clubs and other related income. Revenue from grants is recognised in the year they are received.

**2.8 Financial and Business Risk Management**

The federation risk limits are regularly assessed to ensure alignment with the federation's objectives and prevalent market conditions. The directors are closely involved in ensuring that a variety of techniques are used to assess and manage said risks.

**Currency risk:-**

The federation is exposed to risk through transactions in foreign currencies. The federation's exposures give rise to foreign currency gains and losses that are recognized in the Statement of Comprehensive Income. The federation ensures that its net exposure is kept to an acceptable level by careful monitoring of exchange rates and currency hedging.

**2.9 Critical accounting estimates and Judgements**

In the process of applying the federation's accounting policies, the management has made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These are dealt with below:

**Critical judgment's in applying the company's accounting policies:**

The federation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as when identified.

Football Kenya Federation  
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Notes to financial statements

	2018 Kshs	2017 Kshs
<b>3 Receipts</b>		
<b>Grants</b>		
FIFA Receipts	284,058,131	120,051,320
CAF Receipts	10,082,253	9,380,219
Sports Pesa Receipts	-	86,150,000
FKF Shield Cup Receipts	23,500,410	-
Go tv Receipts	-	10,387,445
Ministry of Sports	195,223,550	30,294,000
CECAFA Receipts	1,100,000	100,734,440
Safaricom Chapa Dimba	44,251,500	31,139,500
	<b>558,215,844</b>	<b>388,136,924</b>
<b>4 Other receipts ( Non Grant)</b>		
FKF National Super League	9,330,077	6,438,575
Gate Collections	2,731,408	1,080,166
TV Rights	500,000	-
Appeals and Fines	206,000	431,000
Training and Other Sponsorships	2,756,859	14,291,784
Participatory Fees	3,797,998	1,723,500
Production Van	3,147,692	-
Appearance fee	10,596,731	-
	<b>33,066,765</b>	<b>23,965,025</b>
<b>5 Direct expenses</b>		
<b>(i) Men's Football</b>		
Men's Football Accomodation	11,014,677	7,951,737
Men's Football transport	27,800,047	26,012,613
Men's Football Ground Hire	139,000	260,000
Men's Football Match Officials Fees	1,467,490	-
Men's Football Security	285,000	60,000
Men's Football Allowances	15,773,624	9,801,036
Men's Football event expenses	36,591,024	14,894,312
	<b>93,070,862</b>	<b>58,979,698</b>
<b>(ii) Women Football</b>		
Women Football event expenses	18,639,640	895,212
Women Football accomodation	11,458,740	16,101,830
Women Football transport	10,231,420	14,775,875
Women Football stadium hire	30,000	260,000
Women Football match officials fees	359,172	-
Women Football allowances	7,078,100	3,531,220
Women Grassroot Football - Pilot project	7,647,330	-
	<b>55,444,402</b>	<b>35,564,137</b>

Notes to financial statements

	2018 Kshs	2017 Kshs
<b>5 Continued</b>		
<b>(iii) Direct expenses</b>		
<b>Youth Football</b>		
Youth Football event expenses	17,939,228	9,936,541
Youth Football accomodation	29,368,437	12,965,780
Youth Football stadium hire	63,637	10,322
Youth Football transport	5,481,549	6,788,615
Youth Football security	-	45,000
Youth Football stipend	4,865,510	9,337,769
	<b>57,718,362</b>	<b>39,084,027</b>
<b>(iv) Other direct costs</b>		
Govt Shield Cup	11,326,702	7,395,432
CAF expenses	1,458,907	204,400
Technical Development	47,551,822	17,004,037
Refereeing	3,466,316	3,839,641
Leagues and competition	44,450,927	34,867,243
Beach/Futsal soccer	-	10,672,800
Chapa Dimba	28,437,431	33,477,337
CHAN expenses	95,050	3,370,678
CECAFA expenses	6,637,706	97,403,492
	<b>143,424,861</b>	<b>208,235,059</b>
<b>Total direct costs</b>	<b>349,658,487</b>	<b>341,862,921</b>
<b>6 Staff costs</b>		
Salary and wages	65,702,401	69,745,234
	<b>65,702,401</b>	<b>69,745,234</b>

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	2018	2017
	Kshs	Kshs
<b>7 Administrative expenses</b>		
Annual General meeting	7,318,803	7,411,878
Telephone ,postage and internet	1,885,080	1,556,143
Committee expenses	5,340,702	11,898,668
General administrative expenses	12,667,560	9,550,246
Audit fees	638,000	575,000
Printing and stationery	1,738,927	2,108,463
Penalties and expenses	-	2,397,000
Legal fees	10,842,509	15,831,982
Staff medical insurance	547,976	4,198,674
Security expenses	2,088,838	3,206,631
Staff meals expenses	9,097,114	3,941,674
Training expenses	582,884	-
Bank charges expenses	730,946	684,653
Compensation expenses	2,000,000	2,408,713
Buildings and equipment insurance	98,562	935,498
Pension expense	6,173,090	5,341,884
	<b>61,750,990</b>	<b>72,047,106</b>
<b>8 Other operating expenses</b>		
Advertisement expenses	45,900	399,360
Depreciation	4,126,011	3,829,927
Amortisation	81,695	76,937
Motor vehicle expenses	689,930	755,417
Transport expenses	6,905,211	4,224,490
Subscription expenses	22,400	376,602
Utilities expenses	283,484	327,271
Clearance fees	1,500,619	303,340
Production van	1,350,075	-
	<b>15,005,325</b>	<b>10,293,344</b>
<b>9 Foreign exchange</b>		
Foreign exchange gain/(loss)	(2,499,562)	(3,589,685)
	<b>(2,499,562)</b>	<b>(3,589,685)</b>

Notes to financial statements

10 Property and equipment

	Land		Buildings		WIP		Computers & equipment's		Furniture & Fittings		Total	
	Kshs		Kshs		Kshs		Kshs		Kshs		Kshs	
Balance as at 01-01-2018	220,000,000		73,000,000		13,936,717		4,430,738		10,803,600		322,171,055	
Additions	-		-		-		1,787,418		2,117,403		3,904,821	
Reclassification	-		-		(13,936,717)		-		-		-	
<b>Balance as at 31-12-2018</b>	<b>220,000,000</b>		<b>73,000,000</b>		<b>-</b>		<b>6,218,156</b>		<b>12,921,003</b>		<b>312,139,159</b>	
<b>Depreciation</b>												
Balance as at 01-01-2018	-		12,803,047		-		2,025,037		2,015,792		16,843,876	
Charge for the year	-		1,504,924		-		1,257,936		1,363,151		4,126,011	
<b>Balance as at 31-12-2018</b>	<b>-</b>		<b>14,307,971</b>		<b>-</b>		<b>3,282,973</b>		<b>3,378,944</b>		<b>20,969,887</b>	
<b>Net Book Value</b>												
<b>Balance as at 31-12-2018</b>	<b>220,000,000</b>		<b>58,692,029</b>		<b>-</b>		<b>2,935,183</b>		<b>9,542,060</b>		<b>291,169,272</b>	
Balance as at 01-01-2017	220,000,000		30,796,407		-		3,363,406		8,935,500		263,095,313	
Revaluations	-		42,203,593		-		1,067,332		-		43,270,925	
Additions	-		-		13,936,717		-		1,868,100		15,804,817	
Disposals	-		-		-		-		-		-	
<b>Balance as at 31-12-2017</b>	<b>220,000,000</b>		<b>73,000,000</b>		<b>13,936,717</b>		<b>4,430,738</b>		<b>10,803,600</b>		<b>322,171,055</b>	
<b>Depreciation</b>												
Balance as at 01-01-2017	-		11,259,535		-		994,022		760,391		13,013,948	
Charge for the year	-		1,543,512		-		1,031,015		1,255,401		3,829,928	
<b>Balance as at 31-12-2017</b>	<b>-</b>		<b>12,803,047</b>		<b>-</b>		<b>2,025,037</b>		<b>2,015,792</b>		<b>16,843,876</b>	
<b>Net Book Value</b>												
<b>Balance as at 31-12-2017</b>	<b>220,000,000</b>		<b>60,196,953</b>		<b>13,936,717</b>		<b>2,405,701</b>		<b>8,787,808</b>		<b>305,327,179</b>	

WIP (Work in progress) refers to deposit paid in the year 2017 relating to OB equipment, reclassified to prepayments and deposits in note 12 to the financial statements

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	2018 Kshs	2017 Kshs
<b>11 Intangible asset</b>		
<b>Software costs</b>		
At 1 January 2018	256,455	256,455
Additions	92,800	-
<b>At 31 December 2018</b>	<b>349,255</b>	<b>256,455</b>
<b>Amortization</b>		
At 1 January 2018	76,937	-
Charge for the year	81,695	76,937
At 31 December 2018	<b>158,632</b>	<b>76,937</b>
<b>Carrying amount at end of year</b>		
<b>At 31 December 2018</b>	<b>190,623</b>	<b>179,518</b>
<b>12 Receivables and prepayments</b>		
Advances	-	2,287,446
Deposits and prepayments	125,115,693	-
Other receivables	370,000	922,244
<b>At 31 December</b>	<b>125,485,693</b>	<b>3,209,691</b>

Included in the prepayments is Kshs 123,175,693 paid to WTS Limited for outside broadcasting equipment which had not been delivered as at the end of the year 31 December 2018.

The carrying value of receivables approximates fair value

**13 Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise the following;

Cash and current account balances		
KCB Bank Limited	(725,557)	882,279
	<b>(725,557)</b>	<b>882,279</b>

**14 Trade and other payables**

Payables b/f	242,620,602	179,291,254
Additions during the year	53,940,795	46,005,894
Creditors written off	-	(15,143,421)
Payment within the year	(90,727,200)	(4,145,089)
Accrued audit fees	638,000	575,000
Other payables	46,003,925	36,036,964
	<b>252,476,122</b>	<b>242,620,602</b>

The carrying value of payables and accruals approximates fair value

**15 Contingent Liabilities**

**Legal fees**

FIFA through a decision of a single judge of Players status committee in Zurich, Switzerland on 29th August 2017, awarded Kshs 60,000,000 compensation for breach of contract to the claimant Adel Amrouche, who had been dismissed by the Federation in the year 2015. Both the Federation and the claimant appealed this to the FIFA's appellant body, Court of Arbitration of Sports, with the latter seeking a higher award.

The safeguarding of FKF's interest in the ongoing legal matters and the protection against currently known legal risks will, however continue to generate some costs, which FKF intends to limit to the strict minimum necessary.





Football Kenya Federation  
FKF House, Kasarani  
P.O BOX 49911-00100 Nairobi  
Email: [info@footballkenya.org](mailto:info@footballkenya.org)  
Website: [www.footballkenya.org](http://www.footballkenya.org)