

KENYA GOLF UNION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

KENYA GOLF UNION**1**Annual report and financial statements
For the year ended 31st December 2023

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KENYA GOLF UNION

Union Information

For the year ended 31st December 2023

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Registered Office

Kenya Golf Union
Muthaiga Golf Club
Kiambu Road
P.O Box 49609-00100
Nairobi

Independent Auditor

MGK Associates LLP
Certified Public Accountants of Kenya
Mayfair Business Centre, 2nd Floor
Off Parklands Road
P.O. Box 6358 - 00100
Nairobi, Kenya

Principal Bankers

NCBA Bank Kenya
Wabera Street
P.O Box 30437-00100
Nairobi

Prime Bank Limited
Village Market
Nairobi

REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee submit their report and audited financial statements for the year ended 31 December 2023, which shows the state of the Union's affairs.

REGISTRATION

The Union is registered in Kenya under the Societies Act.

PRINCIPAL ACTIVITY

As the governing authority of golf in Kenya, the Union continues to advance , promote and safeguard the interest of golf and to act as the national representative of all Golf Clubs in Kenya.

RESULTS

The results for the year are set out on page 7

EXECUTIVE COMMITTEE

The members of the Executive Committee who served during the year and to the date of this report were:-

Chairman	Philip Ochola
Vice Chairman	David Ndung'u
Hon. Treasurer	Karugu Macharia
Hon. Secretary	Chris Kinuthia
Executive	Francis Wambua
Executive	Ndiga Kithae
Executive	Thomas Mwaura
Executive	Jonathan Marucha
Executive	Sammy Itemere
Executive	Brian Akun

The regional representatives who served during the year and to the date of this report were:

North Rift Region	Moses Tanui
Mt. Kenya Region	Patrick Ekwam
Western Region	Julius Oketch
Coast Region	Eric Nyongesa
Central Rift Region	Robert Obondy

AUDITORS

The Union's auditors MGK Associates LLP have expressed their willingness to continue in office in accordance with societies act. The directors monitor the effectiveness, objectivity and independence of the auditors. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

By Order of the board



Secretary

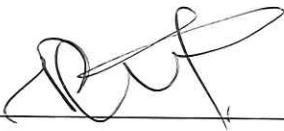
Statement of Executive Committees' responsibilities
For the year ended 31st December 2023

The Executive Committee is required to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Union as at the end of the financial year and of its income and expenditure. The Executive Committee is also required to ensure that the Union keeps proper accounting records, that disclose with reasonable accuracy, the financial position of the Union. They are also responsible for safeguarding the assets of the Union.


The Executive Committee accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the organisation accounting policies. The Executive Committee is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Union and of its income and expenditure. The Executive Committee further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

Nothing has come to the attention of the Executive Committee to indicate that the Union will not remain a going concern for at least twelve months from the date of this statement.

Approved by the Executive Committee on 30TH APRIL 2024 and signed on its behalf by:



Chairman



Honorary Treasurer



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 Mayfair Business Centre, 2nd Floor
 Off Parklands Road
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REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF KENYA GOLF UNION FOR THE YEAR ENDED 31ST DECEMBER 2023.

Opinion

We have audited the accompanying financial statements of Kenya Golf Union, set out on pages 7 to 15, which comprise the statement of financial position as at 31 December 2023, the statement of income and expenditure account, statements of changes in reserves and cash flows for the year then ended, and notes, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Union as at 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and medium-sized entities.

Basis of 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 Financial Statements section of our report. We are independent of the Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with Governance for the Financial Statements

The Executive Committee are responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standards for Small and medium sized entities and for such internal control as the trustees and management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committee are responsible for assessing the Union'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 committee either intends to liquidate the Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Union's financial reporting process.

Auditor's Responsibility

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF KENYA GOLF UNION FOR THE YEAR ENDED 31ST DECEMBER 2023 (CONTINUED).

Auditor's Responsibility (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 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 Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Union'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 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 Union to cease to continue as a going concern.

We communicate with those charged with governance 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.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA James Gichuru of Practising Certificate No. 2640

For and on behalf of
 MGK Associates LLP
 Certified Public Accountants
 Nairobi, Kenya

30th April 2024

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDING 31 DECEMBER

Receipts	Note	2023 Kshs	2022 Kshs
Members' affiliation fees	3	20,929,000	19,869,000
Tournament entrance fees	4	3,780,600	1,061,700
Sponsorships and grants		11,032,888	4,428,218
Co-op Bank Series		-	2,185,717
Other income	5	<u>7,833,741</u>	<u>10,499,354</u>
		43,576,229	38,043,989
Expenditure			
Golf related expenditure	6	(26,315,349)	(20,288,681)
Administrative expenses	7	<u>(20,972,984)</u>	<u>(18,031,268)</u>
Operating deficit for the year		<u>(3,712,104)</u>	<u>(275,960)</u>
Tax on interest income	8	<u>(367,818)</u>	<u>(648,361)</u>
Deficit after tax		<u><u>(4,079,922)</u></u>	<u><u>(924,321)</u></u>

The notes on pages 11 to 15 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	Note	2023 Kshs	2022 Kshs
EQUITY			
Equity			
Accumulated funds	Page 9	<u>15,234,297</u>	<u>19,314,219</u>
PRESENTED BY			
Current assets			
Short term Investment	10	18,686	7,148,974
Trade and other receivables	11	8,746,287	753,752
Cash and cash equivalents	12	8,260,172	14,052,928
		<u>17,025,145</u>	<u>21,955,653</u>
Current liabilities			
Trade and other payables	13	1,770,381	2,596,148
Current tax payable	8	20,467	45,286
		<u>1,790,848</u>	<u>2,641,434</u>
Net current assets		<u>15,234,297</u>	<u>19,314,219</u>

The notes on pages 11 to 15 are an integral part of these financial statements.

The financial statements on pages 7 to 15 were approved for issue by the Executive committee on

...30TH APRIL..... 2024 and were signed on their behalf by:

Chairman

Honorary Treasurer

STATEMENT OF CHANGES IN RESERVES FOR YEAR ENDED 31 DECEMBER

	General Reserve Kshs	Total Kshs
Year ended 31 December 2023		
At 1st January 2023	19,314,219	19,314,219
Deficit after tax	(4,079,922)	(4,079,922)
	<hr/>	<hr/>
At 31st December 2023	<u>15,234,297</u>	<u>15,234,297</u>
Year ended 31 December 2022		
At 1st January 2022	19,535,407	19,535,407
Prior year adjustment	703,133	703,133
Deficit after tax	(924,321)	(924,321)
	<hr/>	<hr/>
At 31st December 2022	<u>19,314,219</u>	<u>19,314,219</u>

The notes on pages 11 to 15 are an integral part of these financial statements.

STATEMENT OF CASHFLOW FOR YEAR ENDED 31 DECEMBER

	Note	2023 Kshs	2022 Kshs
Cash flows from operating activities			
Deficit before tax		(3,712,104)	(275,960)
Adjustments for:			
Interest income		(625,510)	(2,161,202)
Prior year adjustment		-	703,133
Operating deficit before working capital changes		<u>(4,337,614)</u>	<u>(1,734,028)</u>
Changes in working capital			
Trade and other receivables		(7,992,535)	4,883,164
Trade and other payables		<u>(850,587)</u>	<u>(4,900,265)</u>
Cash (used in)/generated from operations		(13,180,736)	(1,751,129)
Income tax paid		<u>(367,819)</u>	<u>(648,361)</u>
Net cash used in operating activities		(13,548,555)	(2,399,490)
Cash flows from investing activities			
Interest income		625,510	2,161,202
Investment from/(in) money market		<u>7,130,289</u>	<u>(3,950,689)</u>
Net cash generated/(used in) investing activities		<u>7,755,799</u>	<u>(1,789,487)</u>
Net decrease in cash and cash equivalents		(5,792,756)	(4,188,977)
Cash and cash equivalents at start of year		14,052,928	18,241,905
Cash and cash equivalents at end of year	12	<u><u>8,260,172</u></u>	<u><u>14,052,928</u></u>

The notes on pages 11 to 15 are an integral part of these financial statements.

Notes to the financial statements**1 General Information**

Kenya Golf Union is a union registered in Kenya under the Societies Act.

Significant accounting policies

The principal accounting policies adopted in the preparation of these statement are set out below:

Basis of preparation and summary of significant accounting policies

These financial statements have been prepared on a going concern basis and in compliance with the Organization accounting policies. The measurement basis is the historical cost basis except where otherwise stated in the accounting policies below.

Furniture ,computers and Equipment

Computers , furniture and equipment are written off to the income and expenditure account in the year of purchase.

Financial liabilities

Financial liabilities are initially recognized at the transaction price (less transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortized cost using the effective interest method.

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Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Kenya Shillings using the exchange rate prevailing at the transaction date. Monetary assets and liabilities at the statement of financial position date denominated in foreign currencies are translated into Kenya Shillings using the exchange rate prevailing as at that date. The resulting gains and losses from the settlement of such transactions and translations are recognized on a net basis in the statement of comprehensive income in the year in which they arise.

Member Clubs; Affiliation fees

The estimated income for the year represents fees due from each member club based on the club Membership , Affiliation fee is based on membership at Kshs 3,000 per member.

Affiliation fees and other receivable are carried at invoice amount less provision made for impairment of receivable . An estimate is made for doubtful receivable based on the review of outstanding amounts at the year end . Bad debts are written off when all reasonable steps to recover them have failed.

Retirement benefit obligations

The Union and the employees contribute to the National Social Security Fund, a national defined contribution scheme. Contributions are determined by local statute and the company's contributions are charged to the profit and loss account in the year to which they relate.

2 (Deficit)/ surplus for the year

The surplus for the year is arrived at after charging:-

	2023	2022
	Kshs	Kshs
Audit fees	104,400	104,400
Staff cost	<u>11,643,471</u>	<u>13,560,040</u>

Notes to the financial statements (continued)

3 Summary of affiliation fees 2023

	Members	Total (invoiced) Kshs	Received during the year Kshs	Balance Kshs
1 Sigona Golf Club	659	2,020,000	2,020,000	-
2 Muthaiga Golf Club	626	1,878,000	1,878,000	-
3 Karen Country Club	578	1,734,000	1,734,000	-
4 Royal Nairobi Golf Club	514	1,542,000	1,542,000	-
5 Vet Lab Sports Club	481	1,476,000	1,476,000	-
6 Nyalii Golf & Country Club	358	1,075,000	1,075,000	-
7 Limuru Country Club	343	1,029,000	1,029,000	-
8 Thika Sports Club	297	891,000	891,000	-
9 Ruiru Sports Club	282	846,000	846,000	-
10 Kiambu Golf Club	260	780,000	780,000	-
11 Golf Park Golf Club	250	751,000	751,000	-
12 Nakuru Golf Club	219	657,000	657,000	-
13 Windsor Golf Hotel & Country Club	190	570,000	570,000	-
14 Kenya Railway Golf Club	185	555,000	555,000	-
15 Eldoret Club	178	534,000	534,000	-
16 Machakos Sports Club	151	453,000	453,000	-
17 Kericho Golf Club	140	420,000	420,000	-
18 Nyahururu Sports Club	102	311,000	311,000	-
19 Nyeri Club	97	291,000	291,000	-
20 Mombasa Golf Club	94	282,000	282,000	-
21 Kenya Air Force Golf Club	90	270,000	270,000	-
22 Nyanza Golf Club	90	270,000	270,000	-
23 Kitale Golf Club	85	256,000	256,000	-
24 Nanyuki Sports Club	73	221,000	221,000	-
25 Nandi Bears Club	70	210,000	210,000	-
26 Thika Greens Sports Club	66	198,000	198,000	-
27 Kakamega Sports Club	63	192,000	192,000	-
28 Great Rift Valley Golf Club	46	140,000	140,000	-
29 Vipingo Ridge Golf Club	44	132,000	132,000	-
30 Njoro Country Club	42	126,000	126,000	-
31 Malindi Golf and Country Club	40	120,000	120,000	-
32 Naivasha Sports Club	40	120,000	120,000	-
33 Kisii Sports Club	36	108,000	108,000	-
34 Leisure Lodge Golf Club	34	102,000	102,000	-
35 Migaa Golf Club	34	102,000	102,000	-
36 Thika Barracks	33	99,000	99,000	-
37 Ndumberi	22	66,000	66,000	-
38 Gilgil Country Club	17	51,000	51,000	-
39 Makuyu Golf Club	10	30,000	30,000	-
40 Embu Golfers Association	7	21,000	21,000	-
Total	6,946	20,929,000	20,929,000	-

Outstanding affiliation fees (receivables)

-

Notes to the financial statements (continued)

	2023 Kshs	2022 Kshs
4 Tournament entrance fees		
Kenya Amateur Match play fees	189,600	180,200
Kenya Amateur Stroke-play fees	324,000	197,500
International pairs fees	1,953,000	327,000
Rules school fees	1,314,000	357,000
	<u>3,780,600</u>	<u>1,061,700</u>
5 Other Income		
Fixed deposit interest income	1,226,061	2,161,202
Gain on foreign exchange	625,510	271,241
KLGU World Handicapping system share	309,600	258,000
KOGL Insurance contribution	76,770	86,141
KOGL remuneration contribution	5,595,800	7,722,770
	<u>7,833,741</u>	<u>10,499,354</u>
6 Golf related expenditure		
AAGTC	-	1,553,654
British Amateur Championship	709,663	85,225
Chairman's prize	350,000	250,000
Coaching and training	1,339,432	1,045,498
Co-operative bank series	-	1,716,245
Course rating	289,230	-
Egyptian amateur open	611,280	-
Golf curriculum development	-	724,403
Golf for disabled	413,865	-
International pairs	5,144,033	2,620,469
Junior golf foundation	729,108	598,006
KAGC expenses	6,215,566	2,063,508
Magical Kenya open	551,750	257,811
Kenya Amateur Match play competition	1,040,195	529,655
Kenya Amateur Stroke-play competition	1,146,935	1,969,105
Other golf related expenses	284,576	173,853
Region IV	1,725,736	1,076,704
Rule school expense	1,892,781	403,765
South African swing	1,538,950	-
Union affiliation fee charges: Africa golf confederation	145,890	63,000
University golf	259,718	-
Victoria cup	-	3,890,827
World Handicapping and scoring system	1,926,641	1,266,953
	<u>26,315,349</u>	<u>20,288,681</u>

Notes to the financial statements (continued)

	2023	2022
	Kshs	Kshs
7 Administrative expenses		
Audit fees	104,400	104,400
Bank charges	162,989	119,365
Email and internet	185,518	187,085
Executive and referees uniforms	426,233	228,230
Expensed asset	19,147	235,900
Grant to JGF and KGF	2,000,000	-
Insurance	356,266	310,815
Meeting expenses	1,609,209	1,142,794
Office expenses	168,825	212,094
Other admin expenses	1,291,764	500,124
Postage, telephone and delivery	254,555	230,081
Printing and stationery	164,738	74,795
Professional fees	229,800	272,600
R & A golf conference	899,420	-
Repairs and maintenance	-	13,000
Secretariat expenses	11,643,471	13,560,040
Staff training	616,189	-
Strategic plan	630,000	630,000
Training-captains	150,350	156,535
Travelling	22,610	15,910
Website maintenance and design	37,500	37,500
	<u>20,972,984</u>	<u>18,031,268</u>
8 Taxation		
	2023	2022
	Kshs	Kshs
(a) Tax expense		
Chargeable income (Interest income)	<u>1,226,061</u>	<u>2,161,202</u>
At 30% on interest income (2022:30%)	<u>367,818</u>	<u>648,361</u>
(b) Tax (receivable)/payable		
Opening balance	45,286	118,706
Current year charge	367,818	648,361
Current year charge:JGF at 30% (2022:30%)	<u>309,014</u>	<u>122,427</u>
Tax liability	722,118	889,494
Tax paid	(363,238)	(458,813)
Tax deducted at source	<u>(338,417)</u>	<u>(385,395)</u>
Tax payable	<u>20,467</u>	<u>45,286</u>
9 Expensed Assets		

Asset purchased during the year amounting to Kshs 19,147 (2022:Kshs 235,900) were expensed in line with the Union policy.

Notes to the financial statements (continued)

	2023 Kshs	2022 Kshs
10 Short-term Investments		
CIC Unit Trust Collection Account	<u>18,686</u>	<u>7,148,974</u>
11 Receivables and prepayments		
Receivables	2,245,716	646,183
Other receivables	-	107,569
Amount owed from related party Kenya Open Golf Limited	<u>6,500,571</u>	-
	<u>8,746,287</u>	<u>753,752</u>
12 Cash and bank balances		
Prime bank -fixed deposit account	-	11,051,714
NCBA- Kenya shillings account	1,002,585	330,318
NCBA- Great British Pound account	1,657,204	2,323,087
Prime bank -Kenya shillings account	5,600,383	347,799
MPESA ACCOUNT - NCBA	-	10
	<u>8,260,172</u>	<u>14,052,928</u>
13 Trade and other payables		
Trade payables	783,510	1,890,121
Amount owed to related party Junior Golf Foundation	235,733	174,457
Payroll liabilities	325,341	271,490
Accrued liabilities	297,797	260,080
Other liabilities	128,000	-
	<u>1,770,381</u>	<u>2,596,148</u>
14 Related Parties		
The Union is related to Golf Talent Foundation, Kenya Golf Network Limited and Kenya Open Golf Limited.		
The following are the Union shareholding in related parties:		
Golf Talented Foundation	100%	
Kenya Golf Network Limited	86%	
Kenya Open Golf Limited	48%	
County Golf Parks Limited	100%	
Junior Golf Foundation	100%	

15 Events after year end

There were no material effect occurring after the year end period.

16 Contingent liabilities

The Union has no legal matters either for or against pending in any courts.

17 Capital Commitments

The union has no capital commitments, whether authorized or contracted in the year 2023.