

KENYA GOLF UNION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

CONTENTS	PAGE
Union information	2
Report of the executive committee	3
Statement of the executive committee's responsibilities	4
Report of the independent auditor	5-6
Financial statements:	
Income and expenditure account	7
Statement of financial position	8
Statement of changes in reserves	9
Statement of cash flows	10
Notes to the financial statements	11-15

KENYA GOLF UNION**2**

Union Information

For the year ended 31st December 2024

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 2024, 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	David Ndung'u
Chairman	Philip Ochola - resigned on 24 th May 2024
Vice Chairman	Chris Kinuthia
Hon. Treasurer	Karugu Macharia
Hon. Secretary	Brian Akun
Executive	James Gitonga
Executive	Jonathan Marucha
Executive	Liban Roba
Executive	Peter Mwaura
Executive	Robert Ngugi
Executive	Weldon Mutai
Executive	Francis Wambua - resigned on 24 th May 2024
Executive	Thomas Mwaura - resigned on 24 th May 2024
Executive	Sammy Itemere - resigned on 24 th May 2024

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

Central Rift Region	Robert Obondy
Coast Region	Eric Nyongesa
Mt. Kenya Region	Nyagah Nderitu
North Rift Region	Kimeli Mutai
Western Region	Wycliffe Ayienda
North Rift Region	Moses Tanui - resigned on 24 th May 2024
Mt. Kenya Region	Patrick Ekwam - resigned on 24 th May 2024
Western Region	Julius Oketch - resigned on 24 th May 2024

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


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.....29th April.....2025 and signed on its behalf by:



Chairman

Honorary Treasurer

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF KENYA GOLF UNION FOR THE YEAR ENDED 31ST DECEMBER 2024.

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 2024, the income and expenditure account, statement of changes in reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Union as at 31 December 2024 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 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 Financial Statements section of our report. We are independent of the union in accordance with the 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 financial statements in Kenya, and we have fulfilled our other responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Executive Committee are responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

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

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

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF KENYA GOLF UNION FOR THE YEAR ENDED 31ST DECEMBER 2024 (CONTINUED).

Executive Committee' responsibility for the financial statements (continued)

In preparing the financial statements, the Executive 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 Executive Committee either intend to liquidate the union or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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.
- 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.

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

2nd May 2025

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDING 31 DECEMBER

Receipts	Note	2024 Kshs	2023 Kshs
Members' affiliation fees	3	24,123,000	20,929,000
Tournament entrance fees	4	3,424,780	3,780,600
Sponsorships and grants	5	14,888,272	11,032,888
Other income	6	<u>3,260,025</u>	<u>7,833,741</u>
		45,696,077	43,576,229
Expenditure			
Golf related expenditure	7	(30,357,628)	(26,169,459)
Administrative expenses	8	<u>(20,309,585)</u>	<u>(21,118,874)</u>
Operating deficit for the year		<u>(4,971,136)</u>	<u>(3,712,104)</u>
Tax on interest income	9	<u>(367,982)</u>	<u>(367,818)</u>
Deficit after tax		<u><u>(5,339,118)</u></u>	<u><u>(4,079,922)</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	2024 Kshs	2023 Kshs
EQUITY			
Equity			
Accumulated funds	Page 9	<u>9,895,179</u>	<u>15,234,297</u>
PRESENTED BY			
Current assets			
Short term investment	11	5,093,110	18,686
Trade and other receivables	12	1,910,522	8,746,287
Cash and cash equivalents	13	5,042,133	8,260,172
Current tax receivable	9	26,507	-
		<u>12,072,272</u>	<u>17,025,145</u>
Current liabilities			
Trade and other payables	14	2,115,443	1,770,381
Current tax payable	9	61,650	20,467
		<u>2,177,093</u>	<u>1,790,848</u>
Net current assets		<u>9,895,179</u>	<u>15,234,297</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

29th April 2025 and were signed on their behalf by:

Chairman

Honorary Treasurer

STATEMENT OF CHANGES IN RESERVES FOR YEAR ENDED 31 DECEMBER

	General Reserve Kshs
Year ended 31 December 2024	
At 1st January 2024	15,234,297
Deficit after tax	(5,339,118)
	<hr/>
At 31st December 2024	<u><u>9,895,179</u></u>
Year ended 31 December 2023	
At 1st January 2023	19,314,219
Deficit after tax	(4,079,922)
	<hr/>
At 31st December 2023	<u><u>15,234,297</u></u>

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

STATEMENT OF CASHFLOWS FOR YEAR ENDED 31 DECEMBER

	Note	2024 Kshs	2023 Kshs
Cash flows from operating activities			
Deficit before tax		(4,971,136)	(3,712,104)
Adjustments for:			
Gain on foreign exchange		-	(625,510)
Prior year withholding tax adjustment		11,056	-
Operating deficit before working capital changes		(4,960,080)	(4,337,614)
Changes in working capital			
Trade and other receivables		6,835,765	(7,992,535)
Trade and other payables		345,061	(850,587)
Cash generated/(used in) from operations		2,220,746	(13,180,736)
Income tax paid		(364,361)	(367,819)
Net cash generated/(used) in operating activities		1,856,385	(13,548,555)
Cash flows from investing activities			
Gain on foreign exchange		-	625,510
Investment from/(in) money market		(5,074,425)	7,130,289
Net cash generated/(used in) investing activities		(5,074,425)	7,755,799
Net decrease in cash and cash equivalents		(3,218,040)	(5,792,756)
Cash and cash equivalents at start of year		8,260,172	14,052,928
Cash and cash equivalents at end of year	13	<u>5,042,133</u>	<u>8,260,172</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.

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.

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:-

	2024 Kshs	2023 Kshs
Audit fees	114,840	104,400
Staff cost	<u>6,709,437</u>	<u>11,643,471</u>

Notes to the financial statements (continued)

3 Summary of affiliation fees 2024

	Total (invoiced)	Received during the	Balance
	Kshs	year	Kshs
		Kshs	
1 Eldoret Club	550,000	550,000	-
2 Gilgil Country Club	84,000	84,000	-
3 Golf Park Golf Club	1,013,000	1,013,000	-
4 Great Rift Valley Golf Club	200,000	200,000	-
5 Kakamega Sports Club	215,000	215,000	-
6 Karen Country Club	1,898,000	1,898,000	-
7 Kenya Air Force Golf Club	242,000	242,000	-
8 Kenya Railway Golf Club	856,000	856,000	-
9 Kericho Golf Club	459,000	459,000	-
10 Kiambu Golf Club	835,000	835,000	-
11 Kisii Sports Club	138,000	138,000	-
12 Kitale Golf Club	250,000	250,000	-
13 Leisure Lodge Golf Club	136,000	136,000	-
14 Limuru Country Club	1,023,000	1,023,000	-
15 Machakos Sports Club	732,000	732,000	-
16 Malindi Golf and Country Club	228,000	228,000	-
17 Migaa Golf Club	152,000	152,000	-
18 Mombasa Golf Club	384,000	384,000	-
19 Muthaiga Golf Club	1,994,000	1,994,000	-
20 Naivasha Sports Club	248,000	248,000	-
21 Nakuru Golf Club	747,000	747,000	-
22 Nandi Bears Club	235,000	235,000	-
23 Nanyuki Sports Club	323,000	323,000	-
24 Ndumberi Golf Club	70,000	70,000	-
25 Njoro Country Club	198,000	198,000	-
26 Nyahururu Sports Club	445,000	445,000	-
27 Nyali Golf & Country Club	1,222,000	1,222,000	-
28 Nyanza Golf Club	280,000	280,000	-
29 Nyeri Club	408,000	408,000	-
30 Royal Nairobi Golf Club	1,581,000	1,581,000	-
31 Ruiru Sports Club	967,000	967,000	-
32 Sigona Golf Club	2,233,000	2,233,000	-
33 Thika Barracks Golf Club	128,000	128,000	-
34 Thika Greens Sports Club	131,000	131,000	-
35 Thika Sports Club	879,000	879,000	-
36 Vet Lab Sports Club	1,894,000	1,894,000	-
37 Vipingo Ridge Golf Club	130,000	130,000	-
38 Windsor Golf Hotel & Country Club	615,000	615,000	-
Total	24,123,000	24,123,000	-

Note: There are various applicable rates for contributions depending on the membership categories as follows: Members Kshs 3,000 each, professionals Kshs 2,000 each, caddies Kshs 1000 each and staff members Kshs 1,000 each.

Notes to the financial statements (continued)

	2024 Kshs	2023 Kshs
4 Tournament entrance fees		
Kenya Amateur Match play fees	316,000	189,600
Kenya Amateur Stroke-play fees	439,000	324,000
International Pairs fees	2,577,000	1,953,000
Rules School Fees and Course Rating	92,780	1,314,000
	<u>3,424,780</u>	<u>3,780,600</u>
5 Sponsorships and grants		
NCBA Bank Kenya Plc.	8,550,000	5,000,000
Grandpri Ltd	41,000	31,000
The R & A	5,767,272	5,271,888
NOC Kenya	530,000	530,000
Communications Authority of Kenya	-	200,000
	<u>14,888,272</u>	<u>11,032,888</u>
6 Other Income		
Fixed deposit interest income	1,226,606	1,226,061
Gain on foreign exchange	-	625,510
KLGU World Handicapping system share	301,000	309,600
KOGL Insurance contribution	55,419	76,770
KOGL remuneration contribution	1,677,000	5,595,800
	<u>3,260,025</u>	<u>7,833,741</u>
7 Golf related expenditure		
AAGTC	1,445,186	-
British Amateur Championship	842,006	709,663
Chairman's Prize	-	350,000
Coaching and training	1,711,182	1,339,432
Course Rating	148,160	289,230
Egyptian Amateur Open	-	611,280
Golf for Disabled	519,958	413,865
International Pairs	5,591,883	5,144,033
Junior Golf Foundation	713,279	729,108
KAGC expenses	8,156,854	6,215,566
Magical Kenya Open	299,280	551,750
Kenya Amateur Match play competition	1,066,460	1,040,195
Kenya Amateur Stroke-play competition	1,661,092	1,146,935
Other golf related expenses	146,358	284,576
Region IV	1,177,754	1,725,736
Rules School expense	67,510	1,892,781
Africa Amateur Championship	1,426,260	1,538,950
University golf	-	259,718
Victoria Cup	3,514,922	-
World Handicapping and scoring system	1,869,484	1,926,641
	<u>30,357,628</u>	<u>26,169,459</u>

Notes to the financial statements (continued)

	2024	2023
	Kshs	Kshs
8 Administrative expenses		
Audit fees	114,840	104,400
Bank charges	149,523	162,989
Captains and golf admins symposium	367,735	150,350
Email and internet	189,720	185,518
Exchange loss	318,347	-
Executives, staff and referees uniforms	969,352	426,233
Expensed asset	424,560	19,147
Grant to JGF and KGF	-	2,000,000
Insurance	416,160	356,266
Marketing & publicity	448,380	-
Meeting expenses	2,292,446	1,609,209
Office expenses	156,130	168,825
Other admin expenses	258,972	1,291,764
Postage, telephone and delivery	301,985	254,555
Printing and stationery	53,031	164,738
Professional fees	348,000	229,800
International golf conferences	2,147,757	899,420
Rent & electricity	282,132	-
Repairs and maintenance	13,000	-
Secretariat expenses	6,709,437	11,643,471
Staff training and team building	1,114,878	616,189
Strategic plan	-	630,000
Local travel	19,260	22,610
Africa Golf Confederation Affiliation	65,000	145,890
Windsor offices expenses	3,104,976	-
Website maintenance and design	43,964	37,500
	<u>20,309,585</u>	<u>21,118,874</u>
9 Taxation		
(a) Tax expense		
Chargeable income (Interest income)	<u>1,226,606</u>	<u>1,226,061</u>
At 30% on interest income (2023:30%)	<u>367,982</u>	<u>367,818</u>
(b) Tax (receivable)/payable		
Opening balance	20,467	45,286
Prior year withholding tax adjustment	11,056	-
2023 tax paid adjustment	(31,523)	-
Current year charge	367,982	367,818
Current year charge:JGF at 30% (2023:30%)	<u>239,650</u>	<u>309,013</u>
Tax liability	607,632	722,118
Withholding tax payable	26,507	-
Tax paid	(290,075)	(363,234)
Tax deducted at source	<u>(282,414)</u>	<u>(338,417)</u>
Tax payable	<u>61,650</u>	<u>20,467</u>
10 Expensed Assets		

Asset purchased during the year amounting to Kshs 424,560 (2023:Kshs 19,147) were expensed in line with the Union policy.

Notes to the financial statements (continued)

	2024 Kshs	2023 Kshs
11 Short-term Investments		
NCBA Money Market	5,090,008	-
CIC Unit Trust Collection Account	3,102	18,686
	<u>5,093,110</u>	<u>18,686</u>
12 Receivables and prepayments		
Receivables	206,780	-
Other receivables	10,000	-
Amount owed from related party Junior Golf Foundation	444,825	2,245,716
Amount owed from related party Kenya Open Golf Limited	1,248,917	6,500,571
	<u>1,910,522</u>	<u>8,746,287</u>
13 Cash and bank balances		
NCBA- Kenya shillings account	1,836,992	1,002,585
NCBA- Great British Pound account	2,808,149	1,657,204
Prime bank -Kenya shillings account	393,805	5,600,383
Mpesa Till Account	274	-
Petty cash	2,913	-
	<u>5,042,133</u>	<u>8,260,172</u>
14 Trade and other payables		
Trade payables	1,008,319	783,510
Amount owed to related party Junior Golf Foundation	440,077	235,733
Payroll liabilities	150,854	325,341
Accrued liabilities	226,192	297,797
Other liabilities	290,000	128,000
	<u>2,115,443</u>	<u>1,770,381</u>

15 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%

16 Events after year end

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

17 Contingent liabilities

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

18 Capital Commitments

The union has no capital commitments, whether authorized or contracted in the year 2024.