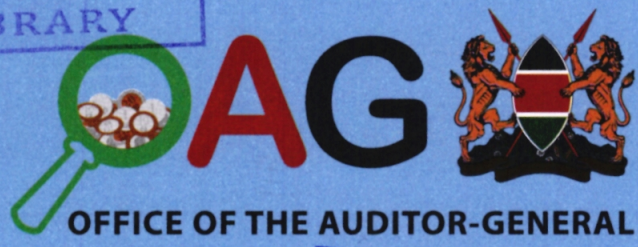


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REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 04 JUN 2025	DAY: Wednesday
TABLED BY:	Hon. Baya Pas, MP Deputy Leader of the Opposition
CLERK-AT THE-TABLE:	Halima Ahmed

OF

THE AUDITOR-GENERAL

ON

RAILWAY DEVELOPMENT LEVY FUND (OPERATION ACCOUNT)

FOR THE YEAR ENDED 30 JUNE, 2024

STATE DEPARTMENT FOR TRANSPORT



RAILWAY DEVELOPMENT LEVY FUND (OPERATIONS ACCOUNT)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

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1.Acronym and definition

RDLF – Railway Development Levy Fund

PFM Act -Public Finance Management Act

AIA –Appropriation in Aid

IPSAS- International Public Sector Accounting Standards

2. Key Entity Information and Management

(a) Background information

Railway Development Levy Fund was set up on 5th July 2013, by Gazette Supplement No. 99. The regulations may be sited as customs and exercise (Railway Development Levy Fund) Regulations 2013. The Fund consists of:

1. The proceeds of Railway Development Levy charges under Section 117A of the customs and excise Act
2. Grants or donations made to the fund and
3. Any income generated from the proceeds of the fund

Proceeds from foreign borrowings (A.I.A)

The key objective and purpose of the Fund shall be to provide funds for the construction of the Standard Gauge Railway network in order to facilitate the transportation of goods.

(b) Principal Activities

The principal activity/mandate of the Fund is to provide funds for the construction of the Standard Gauge Railway network in order to facilitate the transportation of goods.

(c) Fund Administration Committee

The officer administering the Fund is the Principal Secretary responsible for matters relating to transport. According to Sec 207(1)d of PFM act of 2012 the administration cost of the fund shall be maximum of three (3%) percent of the approved budget of the fund.

(d) Key Management

No.	Designation	Name
1	Fund Manager/ Administrator	Mr. Mohamed Daghar
2	Fund Coordinator	Dr. Duncan G Hunda
3	Fund Accountant	CPA. Odongo Kennedy

(e) Fiduciary Oversight Arrangements

The Fiduciary oversight during the year rested with the Budget Implementation Committee, the Public Accounts Committee of the National Assembly and the Development Partners.

(f) Registered Offices

The fund headquarters offices are:
Transcom Building
P.O. BOX 30007-00100
Upper hill
Nairobi, Kenya

(g) Fund Contacts

The following are the fund contacts
Telephone: (254) 20 338111
E-mail: ps@transport.go.ke
Website: www.transport.go.ke

(h) Fund Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. BOX 60000
City Square 00200
Nairobi, Kenya.

(i) Independent Auditors

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
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3.Fund Administration Committee

Names	Title designation	Key qualification	Responsibilities
Dr. Chris Kiptoo	Principal Secretary – National Treasury	Qualified	In charge of National Treasury (Chairperson)
Mr. Mohamed Daghar	Principal Secretary-Transport	Qualified	In charge of Transport
Eng. Joseph Mbugua	Principal Secretary-Infrastructure	Qualified	In charge of infrastructure
Mr. Philip Mainga	Managing Director-Kenya Railways Corporation	Qualified	Kenya Railways Corporation

4.Statement of Performance against Fund's Predetermined Objectives

The set targets in the year were mainly to complement the functions of the SGR Project related projects/activities, support the SGR operations and undertake associated projects and activities to enhance the SGR service. The activities included administrative costs associated to the fund.

Having funded the major infrastructure that is the SGR Phase 1 and 2A, and as the Government seeks for financing of SGR Phase 2B and 2C to Kisumu and Malaba, the allocation will aid in administering the activities of the fund that will focus on the Optimizing the Operations and maintenance of SGR, funding the Complementary infrastructure such as linkages and access to SGR, and acquisition of additional assets for effective operationalization of SGR.

The set targets in the year are mainly to complete the SGR Project related projects/activities, support the SGR operations and undertake associated projects and activities to enhance the SGR service.

The Fund Administrator for the FY 2023/24 submitted a total budget of kshs 113,088,000 being 3% of the total RDLF budget facilitating administration costs. However, due to delays and other factors the budget was rationalized to ksh 68,825,032 only that was funded.

5.Management Team

As per The Customs and Excise (Railway Development Levy Fund) Regulations, 2013, there is an Advisory Committee that oversee the management of the Fund. The Committee consist of;

- (a) The Principal Secretary responsible for matters relating to finance who is the chairperson;
- (b) The Principal Secretary responsible for, matters relating to transport;
- (c) The Principal Secretary responsible for matters' relating to infrastructure; and
- (d) The Managing director of the Kenya Railways Corporation appointed under section 5 of the Kenya Railways Corporation Act, Cap. 397.

The functions of the Advisory Committee are as follows;

- (a) To review and approve the annual work programmes and cost estimates; and
- (b) To oversee the management of the Fund and advise the Cabinet Secretary generally on the operations of the Fund.

6. Statement of Management Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a Public Fund shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. 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 fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the fund; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the Fund accepts responsibility for the Fund'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. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, and of the Fund's financial position as at that date.

The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

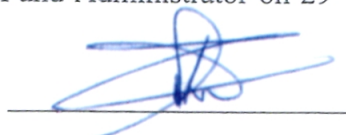
Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Fund Administrator on 29th October 2024 and signed by:



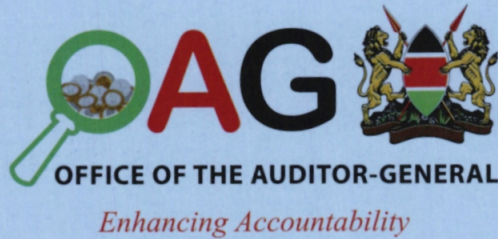
Mohamed Daghar, CBS
Fund Administrator



Odongo Kennedy (CPA)
Fund Accountant
ICPAK No 11493

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 RAILWAY DEVELOPMENT LEVY FUND (OPERATION ACCOUNT) FOR THE YEAR ENDED 30 JUNE, 2024 - STATE DEPARTMENT FOR TRANSPORT

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.

A Disclaimer of Opinion is issued when the Auditor-General is unable to obtain sufficient appropriate audit evidence to form an opinion on the financial statements.

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

Disclaimer of Opinion

I have audited the accompanying financial statements of Railway Development Levy Fund (Operations Account) set out on pages 1 to 13, which comprise of the statement of position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget

Report of the Auditor-General on Railway Development Levy Fund (Operation Account) for the year ended 30 June, 2024 - State Department for Transport

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. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

I do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion Section of my report, I have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

Failure to Prepare Financial statements

During the year under review, Management had initially prepared the financial statements for the year ended 30 June, 2024 without indicating comparative balances on the premises that this is the first year of preparation. However, review records and available information revealed that the State Department has been preparing the same financial statements up to 2020/2021 financial year when the process ceased under unclear circumstances. Consequently, the financial statements for the year ended 30 June, 2024, presented for audit lacked comparative and opening balances. No verifiable audit evidence was available to account for the failure of management to prepare and submit financial statements for the financial years 2021/2022 and 2022/2023 for audit review.

Although the State Department subsequently prepared the financial statements for two (2) years and revised 2023/2024 financial statements, review of the Railway Development Levy Fund - Holding Account indicated that amounts of Kshs.26,844,351,913 and Kshs.28,173,372,446, all totalling to Kshs.55,017,724,359 were transferred to The National Treasury by the Fund during the 2021/2022 and 2022/2023 financial year, respectively. However, the three statements omitted the effects of the transaction and did not factor in the closing balances thereon.

In the circumstances, it was not possible to determine the operations of the Fund during the two (2) years and confirm opening/comparative balances as indicated in the subsequently prepared financial statements in the absence of audited financial statements. This amounts to a limitation of scope and leads to loss of data.

In the circumstances, the accuracy, completeness and fair presentation of the operations of the Fund could not be confirmed.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

I do not express a conclusion on lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

I do not express a conclusion on the effectiveness of internal controls, risk management and governance as required by Section 7(1)(a) of the Public Audit Act, 2015. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to

governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

I am independent of the Railway Development Levy Fund - Operations Account Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

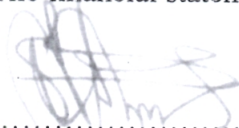
Nairobi

31 December, 2024


8. Statement of Financial Performance for The Year Ended 30th June 2024

Description	Note	2023-2024 Kshs
Receipts/ Revenue from non-exchange transactions		
Receipts from Railway Development Levy Fund (Holding A/c)	6(a)	69,825,032
Total revenue		69,825,032
Expenses		
Use of goods and services.	7	1,366,968
Routine maintenance.		0
Acquisition of fixed and capital assets	8	4,200,000
Total Expenses		5,566,968
Surplus/Deficit for the year		64,298,406.04

The financial statements set out on pages 1 to 4 were signed on 29th October 2024 and signed by



Mohamed Daghar, CBS
Fund Administrator



Odongo Kennedy (CPA)
Fund Accountant
ICPAK No 11493


9. Statement of Financial Position as at 30 June 2024

Description	Note	2023-2024
		Kshs
Assets		
Current Assets		
Cash and cash equivalents	9	64,298,406.04
Total Current Assets		64,298,406.04
Non-Current Assets		
		-
Total Assets		64,298,406.04
Liabilities		
		-
Total Liabilities		-
Net Assets		64,298,406.04
Represented by:		0
Accumulated Surplus		64,298,406.04
Total Net Assets and Liabilities		64,298,406.04

The financial statements set out on pages 1 to 4 were signed on 29th October 2024 and signed by



Mohamed Daghar, CBS
Fund Administrator



Odongo Kennedy (CPA)
Fund Accountant
ICPAK No 11493


10. Statement of Changes in Net Assets for the year ended 30 June 2024

	Revolving Fund	Retained earnings	Total
	Kshs	Kshs	Kshs
As at July 1, 2022	0		0
Surplus/ deficit for the year	0		0
As at June 30, 2023	0		0
As at July 1, 2023			
Surplus/ deficit for the year	64,298,406	-	64,298,406
As at June 30, 2024	64,298,406	-	64,298,406

The financial statements set out on pages 1 to 4 were signed on 29th October 2024



Mohamed Daghar, CBS
Fund Administrator



Odongo Kennedy (CPA)
Fund Accountant
ICPAK No 11493

11. Statement of cash flows for the year ended 30th June 2024

Description	Notes	2023-2024
		Kshs
Receipts for Operating Income		
Receipts from Railway Development Levy Fund (Holding A/c)	6	69,825,032
Payments For Operating Expenses		
payments from operating activities	7	5,566,968
Net Cash Flow from Operating Activities		64,298,406
Cash flow From Investing Activities		
Net Cash Flows from Investing Activities		-
Cash flow From Borrowing Activities		
Net cash flow from financing activities		-
Net increase in cash and cash equivalent		64,298,406
Cash & Cash Equivalent at End of The Year		64,298,406

The financial statements set out on pages 1 to 4 were signed on 29th October 2024 and signed by:



Mohamed Daghar, CBS
Fund Administrator



Odongo Kennedy (CPA)
Fund Accountant
ICPAK No 11493

12. Statement of Comparison of budget and Actual Amounts for FY2023/24

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Revenue	113,088,000	-43,262,968	69,825,032	69,825,032	0	100%
Total Income	113,088,000	-43,262,968	69,825,032	69,825,032	0	100%
Expenditure	0		69,825,032	5,566,968	64,298,406	15%
Total Expenditure	0	-43,262,968	69,825,032	5,566,968	64,298,406	15%
Surplus /Deficit at the end of the period	0	-43,262,968	69,825,032	64,298,406	64,298,406	15%

The underutilization of the budget was mainly due to the following:

- i. There were payments approved in June 2023 amounting to Ksh 30.1 million but were not finalized by 30/06/2024
- ii. The planned disbursements to account was done towards the end of the financial year due to delays in approvals of the budget by the Railway Development Levy Fund committee.
- iii. The Procurement process of the acquisitions motor vehicle was completed later in the year and the payment thus delayed.

13. Notes to the Financial Statement

1. General Information

Railway Development Levy Fund is established by and derives its authority and accountability from Customs and Exercise Act Cap 472 Legal notice No. 118. The Entity is wholly owned by the Government of Kenya and is domiciled in Kenya.

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

2. Statement of Compliance and Basis of Preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of New and Revised Standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

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. Recurrent grants are

recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

A) 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. The Fund did not have Interest Income for the year under review.

b) Budget information

The original budget for FY 2023-2024 was approved by the Railway Development Levy Fund Advisory Committee on July 2023. There were subsequent revisions and additional appropriations made to the approved budget in the financial year which have been reported.

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.

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 14 of these financial statements.

c) Provisions

Provisions are recognized when the fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or

Notes to the Financial Statements.

Summary of Significant Accounting Policies.

service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

d) Contingent liabilities

The Railway Development Levy Fund 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.

e) Contingent assets

The Railway Development Levy Fund 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.

f) Changes in accounting policies and estimates

The Railway Development Levy Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

g) 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. This is not applicable in the year under review.

h) Related parties

The Railway Development Levy Fund regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of key management are regarded as related parties and comprise Fund Administrator, Fund Managers and Fund Accountant.

i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Bank account balances include amounts held at the Central Bank of Kenya at the end of the financial year.

j) Comparative figures

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

k) 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.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Such assumptions were not made in the financial year.

6. Transfers from other Government Entities

An amount of Kshs 69,825,032 million was received during financial year 2023/2024. The following is the breakdown on a quarterly basis of the receipts into the operations Account. The funds were received from

a) Railway Development Levy Fund Holding account

Description	2023-2024
	Kshs
Transfers from Kenya Revenue Authority	
other receipts	32,129,032
Quarter 4	37,696,000
Total	69,825,032

7. use of goods and services.

USE OF GOODS AND SERVICES	
Foreign Travel and Subsistence, and other	1,116,968.00
Training Expenses	250,000.00
TOTAL	1,366,968.00

8.Acquisition of assets.

ACQUISITION OF FIXED AND CAPITAL ASSETS	
DESCRIPTION	AMOUNT
Purchase of Computers, Printers and other IT Equipment	2,190,000.00
Purchase of Exchanges and other Communications Equipment	2,010,000.00
TOTAL	4,200,000.00

9.Cash and Cash Equivalents

Description	2023-2024
	Kshs
Deposits Account	64,298,406.04
Total Cash and Cash Equivalents	64,298,406.04

(9b) Detailed Analysis of the Cash and Cash Equivalents

		2023-2024
a) Financial Institution	Account number	Kshs
Current Account		
Central Bank of Kenya	1000215879	64,298,406.04
Total		64,298,406.04

10.Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Railway Development Levy Fund, holding 100% of the Fund'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:

The following comprise of related parties to the Railways Revenue Development Fund (Holding Account)

- i) Key management personnel that include the Cabinet Secretaries and Accounting Officers
- ii) Other Ministries Departments and Agencies and Development Projects;

11.Events after the Reporting Period

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

12.Ultimate And Holding Entity

The entity is a Fund established by the Customs and Exercise Act Cap 472 Legal notice No. 118 and it's under the State Department for Transport. Its ultimate parent is the Government of Kenya.

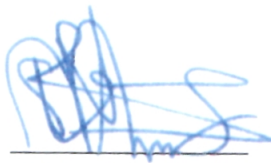
13. Currency

The financial statements are presented in Kenya Shillings (Kshs).

14. Appendix

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

The Fund did not have any pending matters with the office of the Auditor-General.



Fund Administrator



Fund Accountant

Appendix II: Trial Balance

**RAILWAY DEVELOPMENT LEVY FUND- OPERATIONS ACCOUNT
TRIAL BALANCE-FY 2023-2024**

	Dr	Cr
Fund Balance b/f		0
Transfers from Kenya Revenue Authority		
Quarter 1		32,169,374.04
Quarter 2		-
Quarter 3		-
Quarter 4		37,696,000.00
Transfers to Kenya railway corporation		
Quarter 1	-	
Quarter 2	-	
Quarter 3		-
Quarter 4	5,566,968.00	
Bank Balances	64,298,406.04	-
	69,865,374.04	69,865,374.04

Annex 10- Reports

The following financial reports generated and should be attached as appendices to these financial statements.

- i. Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. Certificate of balances