

Road Maintenance Fund Administration (RMFA)

Financial statements
for the year ended 31 December 2017

*This report contains 21 pages
Ref: S651/sm/emj*

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General information

- Board of Directors** : Mr. Y. T. Sesay - Chairman
Madam Haja Kaday Sesay - Director
Mr. Edward Ganda - Director
Ing. Obafemi Davies - Director
Ing. Edward Victor Silma - Director
Revend J. Y. Conteh - Director
Ms. Virginia R. Kamara - Director
Mr. Buffy Bailor - Director
Mr. Abdul Kareem Kalokoh - Member & CEO
- Registered Office** : Road Maintenance Fund Administration
Maritime Building
Government Wharf
Freetown
- Secretary** : Foresees Consultants Ltd.
4 Liverpool Street
Freetown
- Solicitor** : Tanner Legal Advisory
1st Floor, Red Lion Building
65 Siaka Stevens Street
Freetown
- Bankers** : Bank of Sierra Leone
Siaka Stevens Street
Freetown
- Auditor** : Baker Tilly Sierra Leone
Chartered Accountants
Baker Tilly
37 Siaka Stevens Street
Freetown

Directors' responsibility statement


The Directors are responsible for the preparation and presentation of the financial statements, comprising the statement of financial position for the year ended 31 December 2017, and the statements of financial performance, changes in equity and cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with the International Public Sector Accounting Standards (IPSAS) Accruals, the Road Maintenance Fund Administration Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Approval of the financial statements

The financial statements were approved by management on 24th March 2020 and signed on its behalf by:



Director



Director

Independent Auditor's report to the Directors of Road Maintenance Fund Administration (RMFA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Road Maintenance Fund Administration (RMFA), set out on pages 6 to 21 which comprise the statement of financial position as at 31 December 2017, and the statements of financial performance, changes in equity and cash flows for the year then ended and the notes to the financial report which include a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Road Maintenance Fund Administration (RMFA) give a true and fair view of the financial performance of the programme for the year ended 31 December 2017 in accordance with the International Public Sector Accounting Standards (IPSAS) Accruals and the Road Maintenance Fund Administration Act.

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 entity 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 Sierra Leone, and we have fulfilled our other ethical 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

Management is responsible for the other information which we obtained prior to the date of this report. Other information 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 an audit opinion or 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 on the other information obtained prior to the date of this auditor's report, 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.

Independent Auditor's report to the Directors of Road Maintenance Fund Administration (RMFA) *(continued)*

Responsibilities of Directors and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS) Accruals and the Road Maintenance Fund Administration (RMFA) Act, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial report 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 financial statements.

As part of an audit in accordance with international standards on auditing, 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of management' 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 entity'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 report or, if such disclosures are inadequate, to modify our opinion.

Independent Auditor's report to the Directors of Road Maintenance Fund Administration (RMFA) (continued)

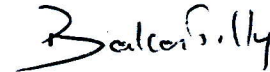
Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the entity's audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The Engagement Partner on the audit resulting in this independent auditor's report is Derrick Kawaley.



Freetown

Chartered Accountants

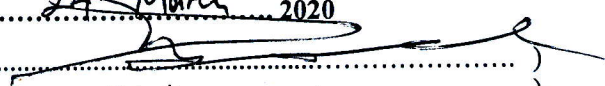
Date: 26th March 2020


Statement of financial position
at 31 December 2017

<i>In thousands of Leones</i>	<i>Notes</i>	2017	2016
Non-current assets			
Property and equipment	8	1,314,484	1,848,183
		<u>1,314,484</u>	<u>1,848,183</u>
Current assets			
Receivables	9	145,161,236	96,473,896
Cash and cash equivalents	10	4,468,760	3,861,587
		<u>149,629,996</u>	<u>100,335,483</u>
Total assets		<u><u>150,944,480</u></u>	<u><u>102,183,666</u></u>
Equity and liabilities			
Financed by			
Capital grant	14	-	315,000
Accumulated fund	15	(33,748,643)	(37,042,237)
Total equity		<u>(33,748,643)</u>	<u>(36,727,237)</u>
Non-current liabilities			
End of service benefit	12	2,062,176	1,584,079
Borrowings due after one year	13a	43,333,827	28,797,249
		<u>45,396,003</u>	<u>30,381,328</u>
Current liabilities			
Payables	11	117,296,011	102,782,836
Borrowings due within one year	13b	22,001,109	5,746,739
		<u>139,297,120</u>	<u>108,529,575</u>
Total liabilities		<u>184,693,123</u>	<u>138,910,903</u>
Total equity and liabilities		<u><u>150,944,480</u></u>	<u><u>102,183,666</u></u>

These financial statements were approved by the Board of Directors on

..... 24th March 2020

..... 

..... 

) Directors



The notes on pages 10 to 21 are an integral part of these financial statements.

Statement of financial performance
for the ended 31 December 2017

<i>In thousands of Leones</i>	Notes	2017	2016
Operating income	4	114,166,893	93,111,069
Other operating income	5	346,292	149,027
Total income		114,513,185	93,260,096
Expenditure			
Road maintenance expenses	6	101,016,141	113,417,975
Administrative expenses	7	10,203,450	10,184,586
Total expenditure		111,219,591	123,602,561
Surplus/(deficit) for the year		3,293,594	(30,342,465)

These financial statements were approved by the Board of Directors on

24th March.....2020


.....)
) **Directors**
) 
.....)

The notes on pages 10 to 21 are an integral part of these financial statements

Statement of changes in equity
for the ended 31 December 2017

	Accumulated fund
<i>In thousands of Leones</i>	
Balance as at 1 January 2016	(12,452,434)
Prior year adjustment	5,752,662
Deficit for the year	(30,342,465)
Balance at 31 December 2016	<u>(37,042,237)</u>
Balance as at 1 January 2017	(37,042,237)
Surplus for the year	3,293,594
Balance at 31 December 2017	<u>(33,748,643)</u>

The notes on pages 10 to 21 are an integral part of these financial statements

Statement of cash flows
for the year ended 31 December 2017

<i>In thousands of Leones</i>	<i>Notes</i>	2017	2016
Net cash inflow from operating activities	<i>16</i>	(30,081,005)	(35,592,843)
		<hr/>	<hr/>
Cash flow from investing activities			
Payments to acquire property and equipment	<i>8</i>	(134,062)	306,484
Interest received & other income	<i>5</i>	31,292	149,027
		<hr/>	<hr/>
Net cash flow from investing activities		(102,770)	455,511
		<hr/>	<hr/>
Cash flow from financing activities			
Loans and borrowings	<i>13</i>	30,790,948	34,543,988
		<hr/>	<hr/>
Net cash flow from financing activities		30,790,948	34,543,988
		<hr/>	<hr/>
Net increase in cash and cash equivalent		607,173	(593,344)
Balance at 1 January		3,861,587	4,454,931
		<hr/>	<hr/>
Cash and cash equivalent at 31 December 2017		4,468,760	3,861,587
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 10 to 21 are an integral part of these financial statements.

Notes to the financial statements

1. Reporting entity

The Road Maintenance Fund Administration was established through the Road Maintenance Fund Administration Act, for financing the maintenance of the core road network and to provide for other related matters.

2. Basis of accounting

These financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) Accruals. They were authorized for issue on 2020.

3. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied unless otherwise stated.

3.1 Borrowing costs

All of the costs incurred in connection with borrowing are treated as expenses in the period in which they are incurred.

3.2 Cash, investments and other financial assets

Cash and cash equivalents include cash in hand, deposits held at call with banks.

3.3 Expense recognition

Expenses are recognized as goods are received and services delivered.

3.4 Financial risks

The Administration does not have significant exposure to foreign currency risk as its revenue and expenses are most times in its functional currency which is the Leones.

The Administration does not have significant exposure to liquidity risk as it has substantial unrestricted cash resources which are replenished from the results of its operations

The Administration is to exposed to the risk of interest rates risk as its road maintenance expenditure is partly financed by loan. The Administration does not use financial instruments to hedge interest rate risk.

The Administration's accounts receivable is almost exclusively from Oil Marketing Companies (OCM), and therefore risks related to credit are considered minimal. No allowance has been established against the asset value of accounts receivable to reflect receivables for which payment is not anticipated in the short-term.

Notes to the financial statements (continued)

3.5 Foreign currency transactions

The functional currency of the Administration is the Sierra Leone Leones and these financial statements are presented in that currency. All transactions occurring in other currencies are translated into Sierra Leone Leones using the Central Bank (Bank of Sierra Leone) mid exchange rates which represent those prevailing at the date of the transactions. Both realized and unrealized gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of assets and liabilities denominated in currencies other than RMFA's functional currency are recognized in the Statement of Financial Performance.

3.6 Property and equipment

Property and equipment are valued at cost less accumulated depreciation and impairment. Property and equipment are recognized as an asset if it has a cost of Le 500,000 or more per unit.

Subsequent costs of major renovations and improvements to fixed assets that increase or extend the future economic benefits or service potential are valued at cost. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset and are included in the Statement of Financial Performance.

Depreciation is charged so as to write off the full cost of fixed assets over their estimated useful lives using the straight-line method. Where fixed assets are only in use for part of the year (due to acquisition, disposal or retirement during the year), depreciation is charged only for the months during which the asset was in use. The following useful lives are applied to the different classes of fixed assets:

Office equipment	20%
Office furniture & fittings	10%
Motor vehicles	25%
Computer equipment	25%
Generator	10%

3.7 Provisions

Provisions are recognized when the Administration has a legal or constructive obligation as a result of a past event, whereby it is probable that an outflow of resources will be required to settle the obligation and where a reliable estimate of the amount of the obligation can be made.

3.8 Receivables

Receivables from Oil Marketing Companies and Utility Companies and Sierra Leone Road Safety Authority for vehicle registration and license fees are measured at the fair value of the consideration received or receivable for fuel. No provision for bad debt is made as the debts are highly recoverable. Over the years, the default rate is very low.

Notes to the financial statements (continued)

3.9 Revenue Recognition

a) Operating income

Operating Income represents receipts from Oil Marketing companies by way of fuel levies and registration & licensing fees from Sierra Leone Road Safety Authority (formerly Sierra Leone Road Transport Authority).

b) Other operating income

This represents income from investments arising from short term placement of funds. It also includes income from utility companies for the reinstatement of excavated roads, and any other income not included under operating income.

3.10 Use of estimates

The financial statements necessarily include amounts based on estimates and assumptions by management. Estimates include, but are not limited to: defined benefit plan accrued charges and the degree of impairment of fixed assets. Actual results could differ from these estimates. Changes in estimates are reflected in the period in which they become known.

4. Operating income

<i>In thousands of Leones</i>	2017	2016
Fuel Levy	111,454,709	93,111,069
Sierra Leone Road Transport Authority	2,712,184	149,027
	<u>114,166,893</u>	<u>93,260,096</u>

5. Other operating income

<i>In thousands of Leones</i>	2017	2016
Investment Income	11,008	8,977
Income from Utility Companies	9,067	54,977
Other income	11,217	85,073
Grant income	315,000	-
	<u>346,292</u>	<u>149,027</u>

Notes to the financial statements (continued)

6. Road maintenance expenses		
<i>In thousands of Leones</i>	2017	2016
Direct payments to SLRA	735,011	2,626,939
Indirect costs - SLRA contractors	67,566,208	72,451,747
SLRA operational expenses	235,140	-
Freetown City Council	9,764,754	7,645,843
District Councils	6,425,871	8,541,495
Other road maintenance expenses	5,450,637	21,132,892
Interest on (Road Maintenance)		
Borrowing	10,838,520	1,019,059
	<u>101,016,141</u>	<u>113,417,975</u>
7. Administrative expenses		
<i>In thousands of Leones</i>	2017	2016
a) Staff costs		
Gross salaries & allowances	3,097,539	3,005,120
Employers' 10% NASSIT	309,754	297,973
Use of vehicle by directors	-	1,609
Leave allowances	252,349	291,691
Fuel Allocation	165,012	95,441
Phone card top-up	60,100	59,273
Casual & contract staff	4,896	55,545
End of service benefits	478,097	587,206
Medical	102,719	160,963
Staff Annual Bonus	257,769	257,938
Overtime (Drivers & Office Assistants only)	-	243
Uniforms & other staff costs	9,404	9,035
Staff Rent Allowance	517,954	500,193
Other Salary Allowances	105,158	99,185
	<u>5,360,751</u>	<u>5,421,415</u>
b) Board of Directors costs		
Fess & allowance	525,361	626,356
Sitting fees	43,850	52,000
Entertainment	8,665	9,149
Travel	204,391	27,309
	<u>782,267</u>	<u>714,814</u>

Notes to the financial statements (continued)

7. Administrative expenses (continued)

c) Other operating expenses

<i>In thousands of Leones</i>	2017	2016
Electricity	119,000	91,000
Generator repairs	5,590	2,158
Generator fuel	15,834	10,541
Rent & rates	383,250	383,250
Vehicle fuel	29,052	22,585
Vehicle maintenance costs	162,729	95,341
Cost of newspapers, bid adverts etc.	16,838	1,131
Recruitment expenses	25,748	9,600
Human resources expenses	19,664	29,333
Office stationery	24,535	58,633
General office supplies	39,849	33,414
Telephone and other communication Expenses	228,573	149,074
Entertainment and hospitality	27,285	16,820
Statutory audit fee	65,000	60,225
Internal audit fee	40,000	38,325
Subscriptions and donations	57,475	106,678
Vehicle license and registration	93,304	77,322
Other property Insurance	20,953	8,381
Staff medical overseas	68,303	93,645
Local M&E Travel	264,588	113,929
Overseas travelling	215,168	376,624
Printing, newspaper, adverts, publications	7,992	13,967
Public relations	53,200	183,638
Security expenses	55,918	32,500
Cleaning costs	86,131	55,258
Networking and website hosting	45	13,643
Building repairs and maintenance	58,585	32,375
Consultancies and other professional fees	-	-
Legal retainership fees	110,000	88,000
Board secretary retainership fees	74,090	66,539
IFMIS service retainership	30,000	-
Computer running costs	24,160	24,868
Bank charges	399,125	464,282
Office furniture and equipment repairs	16,309	14,643
Staff training local	19,673	1,500
Staff training overseas	415,260	417,455

Notes to the financial statements *(continued)*

7. Administrative expenses *(continued)*

c) Other operating expenses *(continued)*

<i>In thousands of Leones</i>	2017	2016
Examination fees and professional membership subs	4,800	2,520
Professional membership fees - International	27,396	23,377
Non capitalised expenditure	2,725	2,030
Loss on sale of fixed assets	-	37,111
Other office expenses	6,508	5,212
Transportation	20	315
Christmas hamper	77,996	48,286
Depreciation	667,761	742,829
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	4,060,432	4,048,357
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Total Administrative expenses	10,203,450	10,184,586
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Notes to the financial statements (continued)

8. Property and Equipment

In thousands of Leones

Cost	Office equipment	Office furniture and fittings	Motor vehicles	IT equipment	Generator	Total
Balance at 1 January 2017	175,869	352,295	1,828,220	796,504	91,995	3,244,883
Additions	7,180	21,965	-	104,917	-	134,062
Balance at 31 December 2017	<u><u>183,049</u></u>	<u><u>374,260</u></u>	<u><u>1,828,220</u></u>	<u><u>901,421</u></u>	<u><u>91,995</u></u>	<u><u>3,378,945</u></u>
Balance at 1 January 2016	104,950	302,757	924,299	577,109	91,995	2,001,110
Additions	70,919	49,538	1,341,931	219,395	-	1,681,783
Disposals	-	-	(460,010)	-	-	(460,010)
Adjustments	-	-	22,000	-	-	22,000
Balance at 31 December 2016	<u><u>175,869</u></u>	<u><u>352,295</u></u>	<u><u>1,828,220</u></u>	<u><u>796,504</u></u>	<u><u>91,995</u></u>	<u><u>3,244,883</u></u>

Notes to the financial statements (continued)

8. Property and equipment (continued)

In thousands of Leones

Accumulated depreciation

Balance at 1 January 2017
 Charge for the year

Balance at 31 December 2017

Balance at 1 January 2016
 Charge for the year
 Disposals
 Adjustments

Balance at 31 December 2016

Carrying value at 31 December 2016

Carrying value at 31 December 2017

	Office equipment	Office furniture and fittings	Motor vehicles	IT equipment	Generator	Total
Balance at 1 January 2017	94,981	120,296	703,297	443,627	34,499	1,396,700
Charge for the year	31,886	36,583	401,056	189,036	9,200	667,761
Balance at 31 December 2017	<u>126,867</u>	<u>156,879</u>	<u>1,104,353</u>	<u>632,663</u>	<u>43,699</u>	<u>2,064,461</u>
Balance at 1 January 2016	60,151	86,323	402,623	275,691	25,299	850,087
Charge for the year	34,038	34,074	493,777	171,741	9,200	742,830
Disposals	-	-	(422,899)	-	-	(422,899)
Adjustments	792	(101)	229,796	(3,805)	-	226,682
Balance at 31 December 2016	<u>94,981</u>	<u>120,296</u>	<u>703,297</u>	<u>443,627</u>	<u>34,499</u>	<u>1,396,700</u>
Carrying value at 31 December 2016	<u>80,888</u>	<u>231,999</u>	<u>1,124,923</u>	<u>352,877</u>	<u>57,496</u>	<u>1,848,183</u>
Carrying value at 31 December 2017	<u>56,182</u>	<u>217,381</u>	<u>723,867</u>	<u>268,758</u>	<u>48,296</u>	<u>1,314,484</u>

Notes to the financial statements (continued)

9. Receivables

<i>In thousands of Leones</i>	2017	2016
Advance payment to SLRA contractors	115,467,185	68,723,816
Receivable from OMCs	6,283,185	3,401,331
Receivable from utility companies	238,520	238,520
SLRTA receivable	168,519	1,125,475
Fuel prepayment	1,938	8,046
Advance payment to Beton Villa (as per MOU)	22,973,767	22,973,767
Staff travel contingencies	28,122	-
Staff advances	-	2,941
	<u>145,161,236</u>	<u>96,473,896</u>

10. Cash & cash equivalents

<i>In thousands of Leones</i>	2017	2016
Bank of Sierra Leone	1,421,660	786,383
Union Trust Bank (Admin a/c)	483	457,668
Union Trust Bank (Maint. a/c)	8,294	74,687
Zenith Bank Salaries Account	795,697	1,218,888
Zenith Bank End-of-Service Account	-	1,231,250
Rokel Commercial Bank (EOS) a/c	2,065,965	-
Bank of Sierra Leone (Escrow a/c)	2,781	84,929
Sierra Leone Commercial Bank Ltd.	158,996	-
Rokel Commercial Bank S.L. Ltd.	5,224	-
Forex Account	8,931	7,771
Cash Imprest	729	11
	<u>4,468,760</u>	<u>3,861,587</u>

Notes to the financial statements (continued)

11. Payables

<i>In thousands of Leones</i>	2017	2016
PAYE payable	-	170,302
NASSIT payable	-	38,691
WHT payable	2,223,115	2,133,346
BOD fees payable	12,575	12,575
SLRA O/S Contractors	-	-
Other payables	8,685,213	462,778
National petroleum	2,367,003	-
Provision for audit fees	136,077	148,031
SLRA contractors	92,075,623	93,173,103
Retention fees payable	7,940,643	6,557,811
Payable to district councils	3,855,762	86,199
	<u>117,296,011</u>	<u>102,782,836</u>

12. End of service benefits

<i>In thousands of Leones</i>	2017	2016
Balance at 1 January	1,584,079	996,873
Service cost	478,097	587,206
	<u>2,062,176</u>	<u>1,584,079</u>

13. Loans and borrowings

<i>In thousands of Leones</i>	Loan Amount	Rate (%)	Tenure (months)	2017	2016
Sierra Leone Commercial Bank	30,000,000	16	36	23,655,964	-
Rokel Commercial Bank	15,000,000	16	36	11,891,682	-
Commerce and Mortgage Bank (revolving loan)	35,000,000	16.5	60	29,787,290	34,543,988
				<u>65,334,936</u>	<u>34,543,988</u>

Notes to the financial statements (continued)

13a) Loans and borrowings due after one year

<i>In thousands of Leones</i>	2017	2016
Sierra Leone Commercial Bank	14,125,949	-
Rokel Commercial Bank	7,126,675	-
commerce and Mortgage Bank	22,081,203	28,797,249
	<u>43,333,827</u>	<u>28,797,249</u>

13b) Loans and borrowings due within one year

<i>In thousands of Leones</i>	2017	2016
Sierra Leone Commercial Bank	9,530,015	-
Rokel Commercial Bank	4,765,007	-
commerce and Mortgage Bank	7,706,087	5,746,739
	<u>22,001,109</u>	<u>5,746,739</u>

14. Capital grant

<i>In thousands of Leones</i>	2017	2016
Ministry of Finance - AG Department	-	315,000
	<u>-</u>	<u>315,000</u>

15. Accumulated fund

<i>In thousands of Leones</i>	2017	2016
Balance b/f	(37,042,237)	(12,452,434)
Prior Year adjustment	-	5,752,662
Surplus / (deficit)	3,293,594	(30,342,465)
	<u>(33,748,643)</u>	<u>(37,042,237)</u>

Notes to the financial statements (continued)

16. Net cash inflow from operating activities

<i>In thousands of Leones</i>	2017	2016
Operating surplus/(deficit)	3,293,594	(30,342,465)
Depreciation	667,761	742,829
Interest received	(346,292)	(149,027)
Loss on sale of fixed assets	-	37,111
Prior year adjustment not involving cash movement	-	5,752,662
Assets adjustments	-	226,682
Increase in receivables	(48,687,340)	(11,704,896)
Increase in payables	14,513,175	(742,945)
Increase in end of service benefits	478,097	587,206
Net cash (outflow)/inflow from operating activities	(30,081,005)	(35,592,843)

17. Related party transactions

For the period ended 31 December 2017, RMFA obtained an additional Le 80 billion loan from two commercial banks (Sierra Leone Commercial Bank & Rokel Commercial Bank) both institutions largely owned by the Government of SL. As at 31 December 2017 total loans obtained was Le 80 billion.

18. Contingent liabilities

There were no contingent liabilities at 31 December 2017. (31 December 2016: Nil)

19. Commitments

There were no commitments at the reporting date. (31 December 2016: Nil)

20. Events after the reporting date

No material events, favorable or unfavorable, which would have impacted upon the statements have been incurred between the reporting date and the date on which the financial statements were authorized for issue.