

Road Maintenance Fund Administration (RMFA)

Financial statements
for the year ended 31 December 2019

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

Contents	Page
General information	1
Management responsibility statement	2
Independent Auditor's report	3 - 5
Statement of financial position	6
Statement of financial performance	7
Statement of changes in equity	8
Statement of cash flow	9
Notes to the financial statements	10 - 21

General information

Board of Directors : Mr Smart K. Senessie - Chairman
Ing. Frederick Bruce - Member
Mr. Raymond Koroma - Member
Mr. Moses M. Mambu - Member
Haja Seibatu Conteh - Member
Mr. Joseph B. Lahai - Member
Mr. Paul S. H. Bockarie - Member
Mr. Tasima Ahmed Jah - Member
Mr Sheku Mahmoud Kanneh - Member & CEO

Registered Office : Road Maintenance Fund Administration
Maritime Building
Government Wharf
Freetown

Secretary : Mr. Mangay Sankoh
Director of Administration & Corporate Services
Road Maintenance Fund Administration
Freetown

Solicitor : KMK Solicitors
Top Floor
28 John 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

Management responsibility statement

Management is responsible for the preparation and presentation of the financial statements, comprising the statement of financial position for the year ended 31 December 2019, 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 21 January 2021 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 2019, 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.

In our opinion, the accompanying financial statements of the Road Maintenance Fund Administration (RMFA) give a true and fair view of the financial position of the RMFA as at 31 December 2019 and of its financial performance and its cash flows for the year then ended 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: 21 January 2021

Statement of financial position
at 31 December 2019

<i>In thousands of Leones</i>	Notes	2019	2018
Non-current assets			
Property and equipment	8	1,737,502	827,341
		<u>1,737,502</u>	<u>827,341</u>
Current assets			
Receivables	9	142,518,980	145,780,027
Cash and cash equivalents	10	4,071,189	20,100,634
		<u>146,590,169</u>	<u>165,880,661</u>
Total assets		<u><u>148,327,671</u></u>	<u><u>166,708,002</u></u>
Equity and liabilities			
Financed by			
Accumulated fund	14	14,248,117	(2,449,719)
Total equity		<u>14,248,117</u>	<u>(2,449,719)</u>
Non-current liabilities			
End of service benefit	12	1,164,383	842,180
Borrowings due after one year	13a	7,246,298	21,630,487
		<u>8,410,681</u>	<u>22,472,667</u>
Current liabilities			
Payables	11	105,875,077	123,015,027
Borrowings due within one year	13b	19,793,796	23,670,027
		<u>125,668,873</u>	<u>146,685,054</u>
Total liabilities		<u>134,079,554</u>	<u>169,157,721</u>
Total equity and liabilities		<u><u>148,327,671</u></u>	<u><u>166,708,002</u></u>

These financial statements were approved by the Board of Directors *21 January 2021*

.....)
)
) Directors
)

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

Statement of financial performance
for the year ended 31 December 2019

<i>In thousands of Leones</i>	Notes	2019	2018
Operating income	4	121,222,498	85,909,941
Other operating income	5	1,122,280	8,874,883
Total income		122,344,778	94,784,824
Expenditure			
Road maintenance expenses	6	91,323,298	53,020,799
Administrative expenses	7	14,323,644	10,465,101
Total expenditure		105,646,942	63,485,900
Surplus/(deficit) for the year		16,697,836	31,298,924

These financial statements were approved by the Board of Directors on 21 January 2021


)
)

) **Directors**
)

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

Statement of changes in equity
for the year ended 31 December 2019

In thousands of Leones

	Accumulated fund
Balance as at 1 January 2018	(33,748,643)
Surplus for the year	31,298,924
Balance at 31 December 2018	<u>(2,449,719)</u>
Balance as at 1 January 2019	(2,449,719)
Surplus for the year	16,697,836
Balance at 31 December 2019	<u>14,248,117</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 2019

<i>In thousands of Leones</i>	<i>Notes</i>	2019	2018
Net cash inflow from operating activities	15	2,593,218	26,990,275
Cash flow from investing activities			
Payments to acquire property and equipment	8	(1,484,523)	(158,919)
Interest received & other income	5	1,122,280	8,874,883
Net cash flow from investing activities		(362,243)	8,715,964
Cash flow from financing activities			
Loans and borrowings	13	(18,260,420)	(20,034,422)
Net cash flow from financing activities		(18,260,420)	(20,034,422)
Net increase in cash and cash equivalent		(16,029,445)	15,671,817
Balance at 1 January		20,100,634	4,468,760
Effect of exchange rate		-	(39,943)
Cash and cash equivalent at 31 December	10	4,071,189	20,100,634

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 21 January 2021.

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 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 Organisation is the Sierra Leone Leone and these financial statements are presented in that currency. All transactions occurring in other currencies are translated into Sierra Leone Leone 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 Organization 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>	2019	2018
Fuel levy	115,870,848	81,548,775
Sierra Leone Road Transport Authority	5,351,650	4,361,166
	<u>121,222,498</u>	<u>85,909,941</u>
	<u><u>121,222,498</u></u>	<u><u>85,909,941</u></u>

5. Other operating income

<i>In thousands of Leones</i>	2019	2018
Investment income	-	7,649
Other income	1,122,280	8,867,234
	<u>1,122,280</u>	<u>8,874,883</u>
	<u><u>1,122,280</u></u>	<u><u>8,874,883</u></u>

Notes to the financial statements (continued)

6. Road maintenance expenses

<i>In thousands of Leones</i>	2019	2018
Direct payments to SLRA	7,311,332	4,682,195
Indirect costs - SLRA contractors	49,873,723	23,554,365
SLRA operational expenses	8,000,000	4,500,000
Freetown City Council	3,961,845	809,170
District Councils	18,509,966	10,097,368
Other road maintenance expenses	1,966,532	77,233
Interest on (Road Maintenance) borrowing	1,699,785	9,300,466
Bank charges	115	-
	<u>91,323,298</u>	<u>53,020,797</u>

7. Administrative expenses

a) Staff costs

<i>In thousands of Leones</i>	2019	2018
Gross salaries & allowances	4,182,330	3,805,669
Employers' 10% NASSIT	410,990	337,703
Leave allowances	315,435	335,873
Fuel allocation	235,660	196,543
Phone card top-up	65,155	50,985
Casual and contract staff	10,558	1,000
End of service benefits	731,101	38,274
Medical	209,136	154,929
Staff annual bonus	367,132	-
Uniforms and other staff costs	24,173	-
Staff rent allowance	677,866	573,708
Other salary allowances	118,565	110,444
	<u>7,348,101</u>	<u>5,605,128</u>

c) Board of Directors costs

<i>In thousands of Leones</i>	2019	2018
Fees and allowances	361,314	206,853
Sitting fees	-	3,000
Travel	-	20,285
	<u>361,314</u>	<u>230,138</u>

Notes to the financial statements *(continued)*

7. Administrative expenses *(continued)*

c) Other operating expenses

<i>In thousands of Leones</i>	2019	2018
Electricity	140,000	98,000
Generator repairs	8,045	8,625
Generator fuel	11,986	24,272
Rent & rates	562,550	560,000
Vehicle fuel	90,115	30,758
Vehicle maintenance costs	337,900	141,925
Cost of newspapers, bid adverts etc.	7,293	5,266
Recruitment expenses	27,855	5,970
Human resources expenses	64,236	14,857
Office stationery	45,798	12,636
General office supplies	39,990	39,433
Telephone and other communication expenses	220,274	178,119
Entertainment and hospitality	52,174	104,047
Statutory audit fee	92,000	95,000
Internal audit fee	-	79,623
Subscriptions and donations	171,390	101,850
Vehicle license and registration	295,552	83,561
Other property Insurance	13,177	3,713
Staff medical overseas	69,093	-
Local M&E Travel	600,195	383,293
Overseas travelling	676,889	1,092,189
Printing, newspaper, adverts, publications	36,297	50,953
Public relations	590,362	20,555
Security expenses	35,310	31,800
Cleaning costs	85,132	86,658
Networking and website hosting	3,450	1,190
Building repairs and maintenance	137,591	131,337
Legal retainership fees	50,000	125,000
Board secretary retainership fees	-	73,600
Computer running costs	63,975	17,360
Bank charges	-	99,379
Office furniture and equipment repairs	12,275	3,448
Staff training local	40,690	4,350
Staff training overseas	1,249,105	201,725
Examination fees and professional membership subscription	7,678	2,300
Professional membership fees – International	29,762	27,138
Workshops & Conferences	88,300	-
Non capitalised expenditure	3,519	2,150
Balance carried forward	<u>5,959,958</u>	<u>3,942,080</u>

Notes to the financial statements *(continued)*

7. Administrative expenses *(continued)*

c) Other operating expenses *(continued)*

<i>In thousands of Leones</i>	2019	2018
Balance brought forward	5,959,958	3,942,080
Other office expenses	497	1,500
Christmas hamper	78,412	-
Incentive/honorarium	1,000	250
Depreciation	574,362	646,062
Exchange rate difference	-	39,943
	<hr/> 6,614,229 <hr/>	<hr/> 4,629,835 <hr/>
Total administrative expenses	<hr/> 14,323,644 <hr/> <hr/>	<hr/> 10,465,101 <hr/> <hr/>

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 2019	214,442	447,285	1,828,220	955,922	91,995	3,537,864
Additions	26,239	48,300	938,043	471,941	-	1,484,523
Balance at 31 December 2019	<u>240,681</u>	<u>495,585</u>	<u>2,766,263</u>	<u>1,427,863</u>	<u>91,995</u>	<u>5,022,387</u>
Balance at 1 January 2018	183,049	374,260	1,828,220	901,421	91,995	3,378,945
Additions	31,393	73,025	-	54,501	-	158,919
Balance at 31 December 2018	<u>214,442</u>	<u>447,285</u>	<u>1,828,220</u>	<u>955,922</u>	<u>91,995</u>	<u>3,537,864</u>

Notes to the financial statements (continued)

8. Property and equipment (continued)

In thousands of Leones

Accumulated depreciation

Balance at 1 January 2019
Charge for the year

Balance at 31 December 2019

Balance at 1 January 2018
Charge for the year

Balance at 31 December 2018

Carrying value

At 31 December 2019

At 31 December 2018

	Office equipment	Office furniture and fittings	Motor vehicles	IT equipment	Generator	Total
Balance at 1 January 2019	157,567	198,536	1,477,586	823,935	52,899	2,710,523
Charge for the year	22,862	47,023	380,431	114,846	9,200	574,362
Balance at 31 December 2019	180,429	245,559	1,858,017	938,781	62,099	3,284,885
Balance at 1 January 2018	126,867	156,879	1,104,353	632,663	43,699	2,064,461
Charge for the year	30,700	41,657	373,233	191,272	9,200	646,062
Balance at 31 December 2018	157,567	198,536	1,477,586	823,935	52,899	2,710,523
Carrying value						
At 31 December 2019	60,252	250,026	908,246	489,082	29,896	1,737,502
At 31 December 2018	56,875	248,749	350,634	131,987	39,096	827,341

Notes to the financial statements *(continued)*

9. Receivables

<i>In thousands of Leones</i>	2019	2018
Advance payment to SLRA contractors	114,777,259	116,396,087
Receivable from OMCs	2,661,499	4,878,216
Receivable from utility companies	238,520	238,520
SLRTA receivable	1,820,437	1,268,519
Fuel prepayment	10,472	17,892
Advance payment to Beton Villa (as per MOU)	22,973,767	22,973,767
Staff travel contingencies	37,026	7,026
	142,518,980	145,780,027

10. Cash & cash equivalents

<i>In thousands of Leones</i>	2019	2018
Bank of Sierra Leone	72,000	679,351
Bank of Sierra Leone (Escrow a/c)	2,781	2,781
Sierra Leone Commercial Bank Ltd.	158,996	158,996
Bank of Sierra Leone (Revenue) a/c)	-	10,050,013
Bank of Sierra Leone (Disbursement a/c)	3,810,031	9,191,062
Cash-on-hand (Forex Cash in safe)	27,371	18,421
Petty cash (Imprest a/c)	10	10
	4,071,189	20,100,634

Notes to the financial statements (continued)

11. Payables

<i>In thousands of Leones</i>	2019	2018
PAYE payable	113,295	25
NASSIT payable	41	41
WHT payable	5,262	461,558
BOD fees payable	12,575	12,575
Other payables	4,679,631	17,503,055
Provision for audit fees	92,000	241,077
SLRA contractors	90,323,084	92,174,244
Retention fees payable	8,448,533	8,395,213
Payable to district councils	2,200,656	4,227,239
	105,875,077	123,015,027

12. End of service benefits

<i>In thousands of Leones</i>	2019	2018
Balance at 1 January	842,180.00	2,062,176
Service cost	731,101.00	38,274
Payments during the year	(408,898)	(1,258,270)
Balance at 31 December	1,164,383	842,180

The end of service benefits due to staff was revised in the 2018 Finance Act, which necessitated the revision of the end of service benefit provision accordingly.

13. Loans and borrowings

	Loan Amount	Rate (%)	Tenure (months)	Outstanding balance	Outstandin g balance
<i>In thousands of Leones</i>				2019	2018
Sierra Leone Commercial Bank	30,000,000	16	36	12,607,165	14,125,949
Rokel Commercial Bank	15,000,000	16	36	3,075,870	7,430,302
Commerce and Mortgage Bank (Revolving loan)	35,000,000	16.5	60	11,357,059	23,744,263
				27,040,094	45,300,514

Notes to the financial statements (continued)

13a) Loans and borrowings due after one year

<i>In thousands of Leones</i>	2019	2018
Sierra Leone Commercial Bank	7,246,298	3,160,300
Rokel Commercial Bank	-	1,845,015
Commerce and Mortgage Bank	-	16,625,172
	<u>7,246,298</u>	<u>21,630,487</u>

13b) Loans and borrowings due within one year

<i>In thousands of Leones</i>	2019	2018
Sierra Leone Commercial Bank	5,360,867	10,965,649
Rokel Commercial Bank	3,075,870	5,585,287
Commerce and Mortgage Bank	11,357,059	7,119,091
	<u>19,793,796</u>	<u>23,670,027</u>

14. Accumulated Fund

<i>In thousands of Leones</i>	2019	2018
Balance as at 1 January	(2,449,719)	(33,748,643)
Surplus for the year	16,697,836	31,298,924
	<u>14,248,117</u>	<u>(2,449,719)</u>

Notes to the financial statements *(continued)*

15. Net Cash inflow from operating activities

<i>In thousands of Leones</i>	2019	2018
Operating surplus	16,697,836	31,298,924
Depreciation	574,362	646,062
Interest received and other income	(1,122,280)	(8,874,883)
Decrease/ (increase) in receivables	3,261,047	(618,792)
(Decrease)/ increase in payables	(17,139,950)	5,719,017
Increase/(decrease) in end of service benefits	322,203	(1,219,996)
Exchange difference	-	39,943
Net cash inflow from operating activities	<u>2,593,218</u>	<u>26,990,275</u>

16. Related party transactions

As at 31 December 2019, total loans obtained from three commercial banks was Le 80 billion (Sierra Leone Commercial Bank, Rokel Commercial Bank, and Commerce and mortgage Bank). These institutions are largely owned by the Government of Sierra Leone.

17. Contingent Liabilities

There were no contingent liabilities at 31 December 2019. (31 December 2018: Nil)

18. Commitments

There were no commitments at the reporting date. (31 December 2018: Nil)

19. Events after the reporting date

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