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**ROAD MAINTENANCE FUND ADMINISTRATION
(RFMA)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023**



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GENERAL INFORMATION

Board of Directors:	Mr. Andrew K. Fatorma -	Chairman
	Ing. Jacob Anthony Lahai-Tarlowoh-	Member
	Mr. Raymond Koroma -	Member
	Haja Seibatu Conteh -	Member
	Mr. Joseph B. Lahai -	Member
	Mr Paul S.H. Bockarie -	Member
	Mr. Tasima Ahmed Jah -	Member
	Rev. Joe Bob Amara -	Member
	Mr. Mohamed Kallon-	Member & CEO

Chief Executive Officer: Mr. Mohamed Kallon

Company Secretary: KMK Solicitors
Top Floor
28 John Street
Freetown

Solicitors: KMK Solicitors
Top Floor
28 John Street
Freetown

Bankers: Bank of Sierra Leone

Auditors: Audit Service Sierra Leone
11th & 12th Floor, Freetown City Council Building
Wallace Johnson Street
Freetown

Registered office: 3rd & 4th Floors
Maritime House
Government Wharf
Freetown

REPORT OF THE AUDITORS – AUDIT SERVICE SIERRA LEONE TO THE BOARD OF DIRECTORS

Addressee: *The Chief Executive Director*

Date: 20th September 2024

Dear *Sir*

Opinion

We have audited the financial statements of the Road Maintenance Fund Administration for the year ended 31st December, 2023. These financial statements comprise a statement of financial position, statement of comprehensive income, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respect, the financial position of the Road maintenance Fund Administration as at 31st December, 2023, and (of) its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with the International Standards of Supreme Audit Institutions (ISSAI). 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 Road Maintenance Fund Administration 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.

Emphasis of Matter

We draw attention to Note 16 of the financial statements, which describes a request made by an oil marketing company (receivable) to settle their outstanding debt by paying 50% and having the remaining balance written off. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. **For the period under review, there were no key audit matters identified.**

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards 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.

In preparing the financial statements, management is responsible for assessing the Entity'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 either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible of overseeing the entity's financial reporting process.

Auditor's Responsibility 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 International Standards for Supreme Audit Institutions 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 for Supreme Audit Institutions, we exercise 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 controls.

- 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 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 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 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 Entity 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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



F/ACTING AUDITOR GENERAL

Date: 26th September, 2024

REPORT OF THE DIRECTORS

The Directors present their annual report and the audited financial statements for the year ended 31st December 2023.

Directors' Responsibility Statement

The Directors are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Administration and of its surplus or deficit for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Administration will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Administration and to enable them to ensure that the financial statements comply with International Accounting Standards and the requirements of the Sierra Leone Companies Act 2009. They are also responsible for safeguarding the assets of the Administration and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal Activity

The principal activity of the Administration is the proper, efficient, economical and sustainable management and administration of the Fund to finance the maintenance of the core road network.

Results

The results for the year and the state of the Administration's affairs are as shown in the attached financial statements.

Dividend

The directors do not recommend the payment of dividends.

Going Concern

The directors have made an assessment of the Administration's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

REPORT OF THE DIRECTORS (Continued)

Directors and their interests

The following Directors served during the year:

Mr. Andrew K. Fatorma	Chairman
Ing. Jacob Anthony Lahai-Tarlowoh	Member
Mr. Raymond Koroma	Member
Haja Seibatu Conteh	Member
Mr. Joseph B. Lahai	Member
Mr Paul S.H. Bockarie	Member
Mr. Tasima Ahmed Jah	Member
Rev. Joe Bob Amara	Member
Mr. Mohamed Kallon	Member & CEO

The Chairman and other members of the Board, had no interest in any contract or arrangement of significance to which the Administration is or was a party.

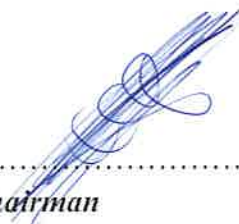
No Director had, during the year, or has a material interest in any contract or arrangement of significance to which the Administration is or was a party.

Approval of the financial statements

The financial statements of the Administration as indicated above were approved by the Board of Directors

On the 24th September 2024 and are signed on their behalf by:

By order of the Board


.....
Chairman


.....
Chief Executive Officer

**STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2023**

		2023	2022
	<i>Notes</i>	NLe	NLe
NON-CURRENT ASSETS:			
Property, plant and equipment	6	3,648,533.28	4,867,489.15
Goods - in - Transit		-	-
Total Non- Current Assets		<u>3,648,533.28</u>	<u>4,867,489.15</u>
CURRENT ASSETS:			
Receivables	7	117,972,126.37	114,789,856.81
Cash and cash equivalents	8	5,651,656.79	410,136.54
Total Current Assets		<u>123,623,783.16</u>	<u>115,199,993.35</u>
Total Assets		<u>127,272,316.44</u>	<u>120,067,482.50</u>
CURRENT LIABILITIES:			
Payables: amounts falling due within one year	9	36,469,254.06	43,885,181.51
		<u>36,469,254.06</u>	<u>43,885,181.51</u>
NON-CURRENT LIABILITIES			
Payables falling due after one year	10	3,815,044.15	3,193,010.78
		<u>3,815,044.15</u>	<u>3,193,010.78</u>
FINANCED BY:			
Capital Grant	11	-	-
Accumulated fund	12	86,988,018.23	72,989,290.21
		<u>86,988,018.23</u>	<u>72,989,290.21</u>
Total Liabilities and Financed By		<u>127,272,316.44</u>	<u>120,067,482.50</u>

These Financial Statements were approved on the 24th September.....2024

.....Chairman

.....Chief Executive Officer



**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2023**

	<i>Notes</i>	2023 NLe	2022 NLe
Operating income	2	149,661,755.90	187,311,537.92
Other operating income	3	3,384.99	204,698.07
Road maintenance expenses	4	(112,621,438.30)	(196,855,747.16)
Administrative expenses	5	(21,761,330.83)	(20,641,389.45)
Surplus/(deficit) for the year		<u>15,282,371.76</u>	<u>(29,980,900.62)</u>

These Financial Statements were approved on the 24th September.....2024

.....**Chairman**

.....**Chief Executive Officer**

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2023**

		2023	2022
	Notes	NLe	NLe
Operating surplus/(deficit)		15,282,371.76	(29,980,900.62)
Depreciation	6	1,928,594.87	2,032,134.50
Interest received	3	(3,384.99)	(204,698.07)
Loss on sale of Fixed Assets		-	-
Prior year adjustment (not involving cash movement)		-	689,694.86
Assets Adjustments (Goods in Transit)			
Increase in receivables		(3,182,269.56)	(6,502,143.40)
Decrease/ Increase in payables		(7,415,927.45)	22,399,336.27
End of Service Benefit		(622,033.37)	-
Net cash outflow/inflow from operating activities		<u>5,987,351.26</u>	<u>(11,566,576.46)</u>
Cash flow from Investing Activities:			
Payments to acquire property, plant and equipment	6	(749,216.00)	(2,736,885.70)
Interest received & other income	3	3,384.99	204,698.07
Net cash flow from investing activities		<u>(745,831.01)</u>	<u>(2,532,187.63)</u>
Cash flow from Financing Activities		-	-
Net cash flow from Financing Activities		<u>-</u>	<u>-</u>
Increase/(decrease) in cash and cash equivalents		5,241,520.25	(14,098,764.09)
Balance at the beginning of the period		410,136.54	14,508,900.63
Balance at the end of the year	8	<u>5,651,656.79</u>	<u>410,136.54</u>

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Administration's affairs.

(a) Accounting Convention

The financial statements set out on pages 8 to 17 are prepared under the historical cost convention. The financial statements also comply with applicable International Accounting Standards.

(b) Depreciation

Depreciation is provided on all non-current assets at the appropriate rates to write off the cost of each asset over its estimated useful life on the straight-line basis at the following rates:

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

(c) Operating Income

Operating Income represents receipts from Oil Marketing companies by way of fuel levies and registration & licencing fees from SLRSA.

(d) 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.

NOTES TO THE FINANCIAL STATEMENTS (Contd)

2 OPERATING INCOME

The analysis of Operating Income by class is as follows:

	2023	2022
	NLe	NLe
Fuel Levy	145,639,203.34	178,699,095.32
Sierra Leone Road Safety Authority	4,022,552.56	8,612,442.60
	149,661,755.90	187,311,537.92

3 OTHER OPERATING INCOME

Other Operating Income is as follows:

Other income	3,384.99	204,698.07
	3,384.99	204,698.07

4 ROAD MAINTENANCE EXPENSES

Direct payments to SLRA	6,394,482.68	5,177,020.46
Indirect costs - SLRA contractors	53,623,144.51	107,462,515.40
SLRA operational expenses	13,500,000.00	10,000,000.00
District Councils	38,201,615.11	74,056,211.30
Other road maintenance expenses	902,196.00	160,000.00
	112,621,438.30	196,855,747.16

NOTES TO THE FINANCIAL STATEMENTS (Contd)

5. ADMINISTRATIVE EXPENSES

	2023	2022
	NLe	NLe
Staff Costs:		
Gross salaries & allowances	5,619,661.60	5,639,462.06
Employers' 10% Nassit	561,966.66	563,929.24
Leave allowances	1,604,907.86	1,119,479.27
Fuel Allocation	1,320,662.42	1,082,947.12
Phone card top-up	85,860.00	85,860.00
Casual & contract staff	2,700.00	8,036.36
End of service benefits	631,066.00	838,518.73
Medical	406,962.64	283,113.75
Staff Annual Bonus	465,421.25	447,845.47
Overtime (Drivers & Office Assistants only)	430.44	702.71
Uniforms & other staff costs	32,360.00	26,800.00
Staff Rent Allowance	1,404,916.68	1,319,035.21
Other Salary Allowances	111,150.00	126,864.78
	12,248,065.55	11,542,594.70
Board of Directors Costs:		
Fees & allowances	622,100.00	602,500.00
Sitting fees	5,000.00	12,165.00
Entertainment	42,970.00	23,637.00
Travel	216,310.00	277,195.89
	886,380.00	915,497.89
Other operating expenses:		
Water Rates and Charges	-	18,480.00
Electricity	235,500.00	180,000.00
Generator Repairs	20,947.25	10,050.00
Generator Fuel	50,850.00	26,900.00
Rent & rates	700,000.00	600,000.00
Vehicle Fuel	19,624.50	72,165.99
Vehicle maintenance costs	639,800.93	310,210.55
Cost of newspapers, bid adverts etc.	79,880.00	2,870.00
Recruitment expenses	-	11,350.00
Human Resource Expenses	23,035.00	12,417.00
Office Stationary	32,020.00	22,559.00
General Office supplies	220,216.96	78,554.00
Telephone & other Communication Expenses	313,799.83	304,862.88
Entertainment & Hospitality	27,393.25	122,659.00
Statutory Audit fee	100,000.00	148,875.00
Internal Audit	-	77,500.00
Subscriptions & Donations	15,000.00	50,000.00
Vehicle license & registration	340,931.43	376,778.56
Other Property Insurance	57,160.69	27,798.78
Staff Medical Overseas	267,105.00	-

Local M&E Travel	551,777.94	569,927.44
Overseas travelling	1,110,536.91	804,502.80
Printing, newspaper, adverts,, publications	45,210.00	28,073.00
Public Relations	165,197.62	215,608.24
Security expenses	50,075.00	57,970.00
Cleaning costs	109,950.00	85,250.00
Building Repairs & Maintenance	68,785.00	201,570.09
Legal retainership fees	90,000.00	50,000.00
Board secretary retainership fees	15,000.00	25,000.00
Computer Running Costs	160,502.00	48,920.00
Office Furniture & Equipment repairs	1,800.00	5,200.00
Staff Training Local	31,525.00	19,450.00
Staff Training Overseas	567,491.02	631,322.39
Examination Fees & Professional Membership Subs	18,632.28	16,917.70
Professional Membership Fees - International	223,118.80	588,388.51
Workshops & Conferences	4,500.00	-
Management Staf Retreat	53,923.00	-
Non capitalised expenditure	80,317.50	700.00
Other office expenses	6,181.00	4,189.43
Transportation	2,067.00	903.00
Christmas hamper	148,102.00	176,789.00
Local Travel	50,333.50	166,450.00
Depreciation	1,928,594.87	2,032,134.50
	8,626,885.28	8,183,296.86
Grand Total	21,761,330.83	20,641,389.45

NOTES TO THE FINANCIAL STATEMENTS (Contd)

6. PROPERTY, PLANT AND EQUIPMENT

The movement on these accounts during the year was as follows:

	Office Equipment	Office Furniture & Fittings	Motor Vehicles	IT equipment	Generator	Total
	NLe	NLe	NLe	NLe	NLe	NLe
Cost:						
At 31st December 2022	462,332.62	519,835.00	6,161,387.05	2,605,990.53	91,995.00	9,841,540.19
Additions	11,600.00	75,170.00	25,208.00	637,238.00	-	749,216.00
Disposals	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-
At 31st December 2023	473,932.62	595,005.00	6,186,595.05	3,243,228.53	91,995.00	10,590,756.19
Accumulated Depreciation						
At 31st December 2022	202,216.50	258,363.58	2,859,428.69	1,564,347.16	89,695.13	4,974,051.05
Charge for the year	69,191.25	24,909.91	1,362,488.04	469,705.79	2,299.88	1,928,594.87
Disposals	-	-	-	-	-	-
Adjustments	-	39,577.00	-	-	-	39,577.00
At 31st December 2023	271,407.75	322,850.49	4,221,916.73	2,034,052.95	91,995.01	6,942,222.92
NBV at 31st December 2023	202,524.87	272,154.51	1,964,678.32	1,209,175.58	- 0.01	3,648,533.28
IBV at 31st December 2022	260,116.12	261,471.42	3,301,958.36	1,041,643.37	2,299.88	4,867,489.15

NOTES TO THE FINANCIAL STATEMENTS (Contd)

	2023	2022
	NLe	NLe
7 RECEIVABLES		
Advance Payment to SLRA Contractors	80,116,248.89	80,116,248.89
Receivable from OMCs	14,499,682.12	11,325,779.05
Receivable from Utility Companies	238,520.06	238,520.06
SLRSA Receivable	95,117.73	95,117.73
Fuel Prepayment	48,790.48	40,423.99
Advance Payment to Beton Villa (as per MOU)	22,973,767.09	22,973,767.09
	117,972,126.37	114,789,856.81
8 CASH & CASH EQUIVALENTS		
Bank of Sierra Leone	72,000.00	72,000.00
Bank of Sierra Leone (Escrow a/c)	2,781.46	2,781.46
Forex Account	-	396.68
Cash Imprest	1,065.00	1,976.00
Bank of Sierra Leone (Disbursement a/c)	5,575,818.97	332,982.39
Bank of Sierra Leone (Revenue) a/c)	(8.64)	0.01
	5,651,656.79	410,136.54
9 CURRENT LIABILITIES		
PAYE Payable	5,712.00	4,342.85
Nassit Payable	41.00	41.00
WHT Payable	468,692.74	1,166,312.14
Other Payables	3,612,561.41	1,711,938.53
Provision for audit fees	100,000.00	100,000.00
SLRA Contractors	10,401,511.07	24,125,662.21
Retention Fees Payable	11,102,502.08	10,197,178.69
Payable to District Councils	10,778,233.76	6,579,706.09
	36,469,254.06	43,885,181.51
10 LONG TERM LIABILITIES		
End of service benefits	3,815,044.15	3,193,010.78
	3,815,044.15	3,193,010.78
11 Capital Grant		
Ministry of Finance - AG Department	-	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS (Contd)

12. ACCUMULATED FUND

Balance b/f	72,989,290.21	102,280,495.97
Prior Year Adjustment	(1,283,643.75)	689,694.98
P & L a/c	15,282,371.77	(29,980,900.70)
	86,988,018.23	72,989,290.21

13 SHARE CAPITAL

The Administration was set up exclusively for the management of the Fund and, accordingly, has no share capital.

14 RELATED PARTY TRANSACTIONS

There were no capital commitments at 31st December 2023.

15 CONTINGENT LIABILITIES

There were no contingent liabilities at 31st December 2023.

16 EVENTS AFTER REPORTING PERIOD

All Petroleum Products SL Ltd, one of our Oil Marketing Companies - Receivables, have made a proposal to reduce its liability by 50%, RMFA did not agree to that proposal and communicated that to the OMC via our letter of 16th April 2024.