KRESTON SIERRA LEONE

SIERRA LEONE MINES AND MINERALS DEVELOPMENT AND MANAGEMENT CORPORATION

FINANCIAL STATEMENTS

FOR THE FOURTEEN - MONTH PERIOD ENDED 31 DECEMBER 2024

2025

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GENERAL INFORMATION

REGISTERED OFFICE	: 4 Dream Atlantic Garden Villa Lumley Beach Road Freetown
BOARD OF DIRECTORS	: Sheku Ahmed Fantamadi Bangura - Chairman Karefa Ansumana Kargbo - Secretary Julius Daniel Mattai - Member Alpha Sesay, Esq - Member Jiwoh Abdulai - Member Turad Senesie - Member Ibrahim Stevens - Member
EXECUTIVE DIRECTOR	: Karefa Ansumana Kargbo
BANKER	: Rokel Commercial Bank 27 Siaka Stevens Street Freetown
AUDITORS	: Kreston SL Regent House 12 Wilberforce Street Freetown

REPORT OF THE BOARD MEMBERS

The Board presents their report and audited financial statements for the fourteen - month period ended 31 December 2024.

Director's Responsibility Statement

The Directors are responsible for the preparation and presentation of the financial statements, comprising the statement of financial position at 31 December 2024, the statement of income and expenditure, the statement of changes in net assets and statement of cash flows for the period then ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as described in pages 12 to 24 of this report.

The Directors' responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Principal Activities

The Sierra Leone Mines and Mineral Development and Management Corporation is committed to carrying out minerals and mining development, management and associated activities through a project company on behalf of the Republic of Sierra Leone.

Going Concern

The financial statements have been prepared on a going concern basis of accounting, which assumes that the Institution will and can continue to exist as a going concern. Assets and liabilities are therefore included at values in the Corporation's Statement of Financial Position which assume that the assets will be turned into cash in the normal course of the Corporation's business for at least the values contained in the financial statements and the cash realised will be sufficient to settle the Corporation's outstanding liabilities.

Directors

The following have served during the period:

Sheku Ahmed Fantamadi Bangura	-	Chairman
Julius Daniel Mattai	-	Member
Alpha Sesay, Esq	-	Member
Jiwoh Abdulai	-	Member
Turad Senesie	-	Member
Ibrahim Stevens	-	Member

The present Directors having been appointed by the President of the Republic of Sierra Leone will continue in office until such time that they become ineligible or as determined by the President.

REPORT OF THE BOARD MEMBERS (Contd)

Result for the year

The results for the year are shown in the attached Financial Statements.

Property and Equipment

Details of the Sierra Leone Mines and Minerals Development and Management Corporation's property and equipment are shown in note 11 of these financial statements.

Approval of the Financial Statements

The Board of Directors approved the financial statements on 14/11 2025 and were signed on their behalf by:

Chairman

Director

Secretary

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Opinion

We have audited the financial statements of Sierra Leone Mines and Minerals Development and Management Corporation set out on pages 8 to 24 which comprise the statement of financial position as at 31 December 2024 the statement of comprehensive income, statement of changes in equity and statement of cashflows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Sierra Leone Mines and Minerals Development and Managmenent Corporation as at 31 December 2024 and its financial performance and its cashflows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Constitution of Sierra Leone 1991, the Sierra Leone Mines and Minerals Development and Management Corporation Act 2023, and the requirements of the Companies Act 2009.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no such matters to report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS (Contd)

Responsibilities of Management 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 IFRSs, in accordance with the Constitution of Sierra Leone 1991, the Anti-Money Laundering Act 2012 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 Corporation'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 Corporation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our Objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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 controls 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 Corporation's internal control.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS (Contd)

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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Corporation 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.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Corporation'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.

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 auditors' 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS (Contd)

Report on Other Legal and Regulatory Requirements

There are no other legal and regulatory requirements.

The engagement partner on the audit resulting in this independent auditors' report is Ivan Jones.

Freetown, Sierra Leone

26th February **2026**

STATEMENT OF INCOME AND EXPENDITURE

All amounts are expressed in New Leones

	Notes	Fourteen-month period ended 31 December 2024
Revenue	5	40,000,000
		40,000,000
Staff costs	6	(4,814,921)
Occupancy costs	7	(311,458)
Administrative expenses	8	(10,014,689)
Governance costs	9	(2,639,408)
Total operating expenses		(17,780,476)
Surplus for the period		22,219,524

The notes on pages 12 to 24 are an integral part of financial statements

STATEMENT OF FINANCIAL POSITION

All amounts are expressed in New Leones

	Notes	Fourteen-month period ended 31 December 2024
Assets		
Non-Current Assets		
Property, plant and equipment	12	11,957,200
Rental Security Deposit	13	127,730
Total non-current assets		12,084,930
Current Assets		
Receivables	10	3,043,943
Cash and cash equivalents	11	8,925,265
Total current assets		11,969,208
Total assets		24,054,138
Equity and Liabilities		
Accumulated fund	16	22,219,524
Total equity		22,219,524
Non-current liabilities		
End of service benefits	14	280,860
Total non-current liabilities		280,860
Current liabilities		
Trade and other payables	15	1,553,754
Total current liabilities		1,553,754
Total liabilities		1,834,614
Total liabilities and equity		24,054,138

The financial statements were approved by the Board of Directors on 2025

_____) **Chairman**

_____) **Director**

_____) **Director**

The notes on pages 12 to 24 are an integral part of financial statements

STATEMENT OF ACCUMULATED FUND

All amounts are expressed in New Leones

	Fourteen-month period ended 31 December 2024
Balance at the beginning of the period	-
Surplus for the year	22,219,524
Balance at 31 December 2024	22,219,524

The notes on pages 12 to 24 are an integral part of these financial statements

STATEMENT OF CASHFLOWS

All amounts are expressed in New Leones

	Notes	Fourteen-month period ended 31 December 2024
Cashflows from operating activities		
Surplus for the year		22,219,524
Adjustment for:		
Depreciation	12	124,525
Provision for end of service benefit	14	280,860
Net cash flow from operating activities		22,624,909
Changes in operating activities		
Changes in receivables	10	(3,043,943)
Changes in payables	15	1,553,754
		(1,490,189)
Net cash from operating activities		21,134,720
Cash flows from investing activities		
Rental Security Deposit		(127,730)
Acquisition of property and equipment	12	(12,081,725)
Net cash used in investing activities		(12,209,455)
Cash flows from financing activities		
cash used in financing activities		-
Net cash flows from financing activities		-
Net (decrease)/increase in cash and cash equivalents		8,925,265
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period		8,925,265

The notes on pages 12 to 24 are an integral part of financial statements

NOTES TO THE FINANCIAL STATEMENTS

1 REPORTING ENTITY

The Sierra Leone Mines and Minerals Development and Management Corporation (SLMMDMC), established by an Act of Parliament in 2023 as a state-owned enterprise. The Corporation's mandate is to manage Sierra Leone's minerals wealth for enhanced national revenue moblisation and sustinable economic development. Its primary functions include the regulation, development and management of mineral resources, the administration of minerals right and licence, and the promotion of value addition and investment in the mining sector. The Corporation operate under the supervision of the Ministry of Finance and is headquatered at Lumley Beach Road, Freetown, Sierra Leone.

2 BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standard Board (IASB) and in the manner required by the Sierra Leone Mines and Minerals Development and Mnagement Corporation Act 2023. The Corporation also applies relevant principles from Internatipnal Public Sector Accounting Standard (IPSAS) where appropriate.

b) Functional and presentation currency

The financial statements are presented in Sierra Leone New Leones (Nle), which is the Corporation's functional and presentation currency and all amounts are rounded to the nearest thousand, unless otherwise stated.

c) Use of estimates and judgments

The presentation of the financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgement in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following note.

d) New standards, Interpretations and amendments effective from 1 January 2024

The following amendments are effective for the period beginning 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2024. See the applicable notes for further details on how the amendments affected the Corporation.

NOTES TO THE FINANCIAL STATEMENTS (Contd)

Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of cash flows and IFRS 7 Financial Instruments: Disclosures.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);

On the 22 September 2022, the IASB issued amendments to IFRS 16 Lease Liability in a Sale and Leaseback (the Amendments)

Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the lessee.

The amendments clarify the following:

These amendments have no effect on the measurement of any items in the financial statements of the Corporation. However, the classification of certain borrowings has changed from non-current to current as a result of the application of the amendments for the current financial year as well as the comparative period.

a) A Corporation's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.

b) If a Corporation's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.

c) The classification of a liability as current or non-current is unaffected by the likelihood that the Corporation will exercise its right to defer settlement.

d) In case of a liability that can be settled, at the option of the counterparty, by the transfer of the Corporation own instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

NOTES TO THE FINANCIAL STATEMENTS (Contd)

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Revenue

The Corporation's primary source of revenue for the period under review is government subvention or grant, which is recognised as income when received. Future revenue streams will include royalties and fees from mineral rights and related services, which will be recognised as revenue when the underlying transaction or events occur (i.e. the revenue is measurable, and it is probable that the economic benefits will flow to the Corporation). Where conditions are attached to funding or grants that may require repayment if not fulfilled, such amounts are recognised as deferred income and released to revenue as and when the conditions are met.

b) Expenses

Expenses are accounted for on an accrual basis of accounting.

c) Property, plant and equipment (operating assets)

(i) Recognition and measurement

Property, plant and equipment are recognised as assets when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the asset can be reliably measured. Property, plant and equipment is initially measured at cost, including expenditures directly attributable to bringing the asset to working condition for its intended use. Cost includes purchase price, delivery and handling, installation, professional fees, and the estimated cost of dismantling and site restoration where applicable. Subsequent to initial recognition, property, plant and equipment is carried at cost less accumulated depreciation and impairment losses.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the organisation's and its cost can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognised in the statement of income and expenditure as incurred.

(iii) Depreciation

Depreciation is recognised in income and expenditure on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

	Useful life
Motor Vehicle	5 years
Funiture & Fittings	3 years
Office Equipment	8 years

Assets residual value and useful lives are reviewed and adjusted, if appropriate at each balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (Contd)

d) Impairment of non-financial assets

(i) Impairment of cash-generating assets

At each reporting date, the Corporation assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's or cash-generating unit's fair value less costs to sell and it value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or institution of assets. Where the carrying amount of an asset or the cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of financial performance in those expense categories consistent with the nature of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Institution estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

(ii) Impairment of non-cash-generating assets

The Corporation assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash generating asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds it recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

In assessing value in use, the Corporation has adopted the depreciation replacement cost approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

NOTES TO THE FINANCIAL STATEMENTS (Contd)

In determining fair value less costs to sell, the price of the assets in a binding agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset is used. If there is no binding agreement, but the asset is traded on an active market, fair value less cost to sell is the asset's market price less cost of disposal. If there is no binding sale agreement or active market for an asset, the organisation determines fair value less cost to sell based on the best available information.

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Corporation estimates the asset's recoverable service amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determined the asset's recoverable service amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount the would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

e) **Financial assets**

Financial assets are categorised as loans and receivables; available-for-sale financial assets, and held-to-maturity investments. They are assigned by management to these different categories on initial recognition, depending on the purpose for which they were acquired.

All financial asses are recognised when the institution becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value plus transaction costs. There are no financial assets categorised as at fair value through the income and expenditure account.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables and current asset investments (cash deposits) are classified as loans and receivables. Loans and receivable and measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income and expenditure account.

Provision against trade receivables is made when there is objective evidence that the institution will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

f) **Impairment of Non-financial assets**

Available-for-sale financial assets include non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. All financial assets within this category are measured subsequently at fair value, with changes in value recognised in reserves, through the consolidated statement of total recognised gains and losses. Gains and losses arising from investments classified as available-for-sale are recognised in the income and expenditure account when they are sold or when the investment impaired.

NOTES TO THE FINANCIAL STATEMENTS (Contd)

An assessment for impairment is undertaken at each balance sheet date.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

g) Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Board becomes a party to the contractual provisions of the instrument. Financial liabilities categorised as at fair value through the income and expenditure account are recorded initially at fair value, with transaction costs recognised in the income and expenditure account. All other financial liabilities are recorded initially at fair value, net of transaction costs.

Financial liabilities are recorded at amortised cost using the effective interest method, with interest-related charges recognised as a finance expense in the income and expenditure account. Finance charges, including premiums payable on settlement or redemption and transaction costs, are charged o the income and expenditure account on an accruals basis using the effective interest method and the added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

h) Provisions

Provisions for legal claims are recognised when the institution has a present legal or constructive obligation as a result of past events; and it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

i) Employee benefit

(i) Short term benefits
Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services provided.

A provision is recognised for the amount expected to be paid under a short term benefit or other obligations such as cash bonus or profit sharing plans if the institution has a present legal and constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be reliably estimated.

NOTES TO THE FINANCIAL STATEMENTS (Contd)

(ii) Defined contribution plans

The Corporation operates a defined contribution plan that is generally funded through payments of fixed monthly contributions to the National Social Security and Insurance Trust. The institution has no legal or constructive obligations to pay further amounts. Obligations for contribution to this defines contributions plan and recognised as an employee benefit expenses in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Institution provides end of service benefits to its employees. End of service benefit is a post-

amount payable to the staff based on a number of days pay for every completed year of service in accordance with the provisions of the Finance and Accounting Manual.

The Agreement is supplementary to the Regulation of wages and Industrial Relations Act (Act No. 18 of 10th December 1971). The calculation is performed for each employee based on the number of years worked to the reporting date assuming that the separation date is the year end reporting date.

The rates applicable at the year-end are:

Years of service	Applicable rate
1 - 3	25 days pay for each completed year of service
Over '3 - 5	30 days pay for each completed year of service
Over '5 - 10	35 days pay for each completed year of service
Over 10 - 15	40 days pay for each completed year of service
Over 15	45 days pay for each completed year of service

(iii) Termination benefits

Termination benefits are recognised as an expense when the institution is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made encourage voluntary redundancy. Termination benefits of voluntary redundancy. It is probable that the offer will be accepted and the number of acceptances can be estimated reliably.

(iv) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to know amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits are defined above, net of outstand bank overdrafts.

(v) Administrative expenses

Administrative expenses comprise expenses relating to administrative staff and management, including office expenses, salaries and other expenses.

(iv) Income tax

As a Government Institution, Sierra Leone Mines and Minerals Development and Management Corporation is exempted from corporate income taxes under the tax laws of Sierra Leone.

NOTES TO THE FINANCIAL STATEMENTS (Contd)

4 FINANCIAL RISK FACTORS

The financial risks the corporation is exposed to are minimal. Nevertheless management keeps a keen focus on these risk factors so that preventive action can be taken when the situation demands.

(a) Market risk

(i) Foreign exchange risk

SLMMDMC manages its bank accounts in Leones, which is the official currency of Sierra Leone. The Corporation's exposure to the risk of changes in foreign exchange rates is remote as the Corporation is being funded mainly by the Government of Sierra Leone. All foreign exchange transactions are managed directly by the Ministry of Finance Sierra Leone.

(ii) Price risk
The Corporation has limited competitors and thus no significant price risk.

(iii) Cash flow and fair value interest rate risk
As the Corporation has no significant interest-bearing assets, the Corporation's income and operating cash flows are substantially independent of changes in market interest rates.

(b) *Credit risk*

The Corporation does not ordinarily grants credits. There is limited risk of default.

(c) Liquidity risk

Liquidity risk is the risk of the Corporation not being able to meet its obligations as they fall due. The Corporation's does not have significant exposure to liquidity risk as it has substantial unrestricted cash resources which are replenished by the Ministry of Finance Sierra Leone.

5 REVENUE

All amounts are expressd in New Leones

	2024
Government Grant	40,000,000

6 STAFF COST

Basic Salary	2,962,189
NASSIT 10%	296,219
Terminal Benefit Expense	280,860
Entertainment	148,118
Medical	296,224
Transportation	6,259
Leave Allowance	296,869
Rent Allowance	418,968
Staff fuel allowance	100,915
Top Up allowance	8,300
	4,814,921

NOTES TO THE FINANCIAL STATEMENTS (Contd)

All amounts are expressed in New Leones

7 OCCUPANCY COST

	2024
Utilities	2,282
Rent expense	263,226
Electricity expense	45,950
	311,458

8 ADMINISTRATIVE EXPENSE

Bank charges	171,380
Printing and stationery expense	291,509
Transportation	12,957
Accountancy fees	130,427
Depreciation and amortization	124,524
Office and general expense	518,330
Recruitment and advertising expenses	83,000
Generator fuel and lubricant expense	201,954
Pool fuel and oil expense	53,796
Gazetting expenses	29,250
Computer and internet expense	39,715
Generator running cost	173,761
SATCON subscription	1,100
Vehicle rental	84,100
Security fee	12,000
International travel	7,245,649
Local travel	149,581
IT supplies	41,595
Building repairs	341,250
Generator repairs and maintenance	19,090
Repairs and maintenance general	12,799
	10,014,689

NOTES TO THE FINANCIAL STATEMENTS (Contd)

All amounts are expressed in New Leones

9 GOVERNANCE COST

	2024
Honorarium	976,000
Board Retreat and sitting expenses	720,915
Board sitting fees	921,493
Technical staff sitting fees	21,000
	2,639,408

10 RECEIVABLES

Prepaid Lease Obligation	2,895,487
Generator Maintenance	148,456
	3,043,943

11 CASH AND CASH EQUIVALENTS

Bank balance	8,925,265

NOTES TO THE FINANCIAL STATEMENTS (Contd)

12 PROPERTY, PLANT AND EQUIPMENT

All amounts are expressed in New Leones

	Motor Vehicles	Funiture & Fittings	Office Equipment	Total
Cost				
Opening balance	-	-	-	-
Acquistions during the period	5,885,100	2,742,000	3,454,625	12,081,725
As at 31 December 2024	**5,885,100**	**2,742,000**	**3,454,625**	**12,081,725**
Accumulated Depreciation				
Opening balance	-	-	-	-
Charge for the year	-	28,563	95,962	124,525
At 31 December 2024	-	28,563	95,962	124,525
Carrying amount				
At 31 December 2024	**5,885,100**	**2,713,437**	**3,358,663**	**11,957,200**

NOTES TO THE FINANCIAL STATEMENTS (Contd)

13 RENTAL SECURITY DEPOSIT

All amounts are expressed in New Leones	2024
Rental Security Deposit	127,730

In October 2024, the Corporation paid a rental security deposit of USD 5,300 (equivalent to NLe127,730) as part of its lease agreement. This deposit is refundable at the end of the lease term and is classified as a non-current asset in the Statement of Financial Position.

14 END OF SERVICE BENEFITS

Balance at beginning of the period	-
Provisions made during the period	280,860
Payment during the period	-
Balance at end of the period	280,860

15 TRADE AND OTHER PAYABLES

Withholding tax payable	859,757
NASSIT Payable	444,334
PAYE	162,280
Leave Payable	87,383
	1,553,754

16 ACCUMULATED FUND

Balance at beginning of the period	-
Surplus for the year	22,219,524
Balance at end of the period	22,219,524

NOTES TO THE FINANCIAL STATEMENTS (Contd)

17 RELATED PARTY

The Corporation is wholly owned and controlled by the Government of Sierra Leone.

Key management compensation

Salaries and other short-term employee benefits	2,848,469
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18 CONTINGENCIES

There were no contingent assets or liabilities at 31 December 2024.

19 CAPITAL COMMITMENTS

There were no capital commitment as at 31 December 2024.

20 EVENTS AFTER THE REPORTING PERIOD

Events subsequent to the reporting date are reflected only to the extent that they relate directly to the financial statements and their effect is material.