



Promoting Accountability of Public Resources

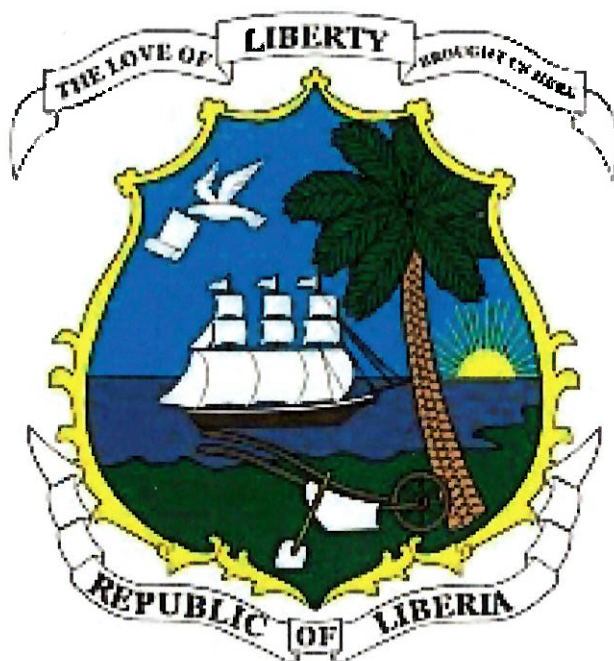
## AUDITOR GENERAL'S REPORT

**ON THE FINANCIAL STATEMENTS AUDIT  
OF THE LIBERIA MARITIME AUTHORITY  
(LIMA)**

**FOR THE YEAR ENDED DECEMBER 31,  
2024**

**December 2025**

**P. Garswa Jackson, Jr., FCCA, CFIP, CFC  
Auditor General, R.L.**



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## **ACRONYMS**

<b>Acronyms/Abbreviations/Symbol</b>	<b>Meaning</b>
AG	Auditor General
CBL	Central Bank of Liberia
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigative Professional
FCCA	Fellow of the Chartered Certified Accountant
GAC	General Auditing Commission
GOL	Government of Liberia
HR	Human Resources
IAS	International Accounting Standards
ICT	Information and Communications Technology
INTOSAI	International Organization of Supreme Audit Institutions
ISSAIs	International Standards of Supreme Audit Institutions
IFRS	International Financial Reporting Standards
LIMA	Liberia Maritime Authority
LRA	Liberia Revenue Authority
NASSCORP	National Social Security and Welfare Corporation
PFM Act	Public Finance Management Act
PPCC	Public Procurement and Concession Commission
RL	Republic of Liberia
US\$	United States Dollar



**Republic of Liberia**



**TRANSMITTAL LETTER**

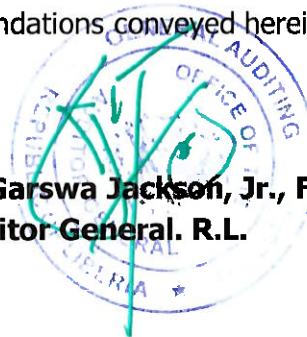
**THE HONORABLE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE  
HONORABLE PRESIDENT PRO- TEMPORE OF THE HOUSE OF SENATE**

We have undertaken a financial statements audit of the Liberia Maritime Authority (LiMA) for the financial year ended December 31, 2024. The audit was conducted under the Auditor General's statutory mandate, as provided for under section 2.1.3 of the GAC Act of 2014.

Findings conveyed in this report have been formally communicated to the Management of the Liberia Maritime Authority (LiMA). Where responses have been provided by the Management on the audit findings, these have been evaluated and incorporated in this report.

Given the significance of the matters raised in this report, we urge the Hon. Speaker and the members of the House of Representatives and Hon. Pro Tempore and members of the Liberian Senate to consider the implementation of the recommendations conveyed herein with urgency.

**P. Garswa Jackson, Jr., FCCA, CFIP, CFC  
Auditor General. R.L.**



**Monrovia, Liberia**  
March 2026



March 18, 2026

Hon. Cllr. Neto Zarzar Lighe, Sr  
**Commissioner/CEO**  
Liberia Maritime Authority (LiMA)  
Monrovia, Liberia

**AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF THE  
LIBERIA MARITIME AUTHORITY (LiMA) FOR THE PERIOD ENDED DECEMBER 31, 2024**

**Opinion**

We have audited the financial statements of the Liberia Maritime Authority (LiMA) for the period ended December 31, 2024. These financial statements comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, and Cash Flows Statement for the fiscal period then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Liberia Maritime Authority as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Basis for Opinion**

We conducted our audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). 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 Authority in accordance with the ethical requirements relevant to our audit of LiMA's financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Auditor General's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require us to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness

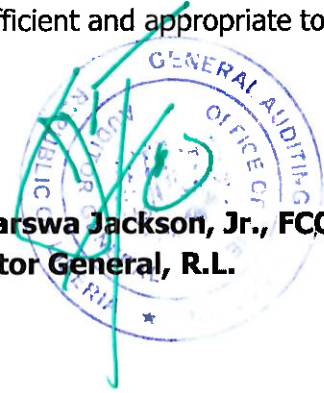


*Auditor General's Report on the  
Financial Statements Audit of the Liberia Maritime Authority (LiMA)  
For the period ended December 31, 2024*

of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**P. Garswa Jackson, Jr., FCCA, FCIP, CFC  
Auditor General, R.L.**



**Monrovia, Liberia**  
March 2026





# Liberia Maritime Authority

P. O. BOX10-9042  
1000 Monrovia, 10 Liberia  
1948 Maritime Drive  
Congo Town



January 20, 2026

**Transmittal of Liberia Maritime Authority's Adjusted Financial Statements for the  
Year ended December 31, 2024**

This is to herewith submit the Adjusted Financial Statements of the Liberia Maritime Authority for the fiscal year January 1, 2024- December 31, 2024.

Sincerely,

  
Desire S. Satia  
Deputy Chief Financial Officer



APPROVED:

  
Cllr. Neto Zarzar Lighe, Sr.  
COMMISSIONER/CEO



<b>Statement of Management Responsibility and Financial Performance Summary (2023-2024)</b>	
<b>Revenue Growth</b>	<p><b>Total Revenue: Increased by 26%, (\$6,133,442 to \$7,722,818)</b></p> <ul style="list-style-type: none"> <li>• International Registry Funds: 62% of total revenue, grew by 18.7%.</li> <li>• Domestic Vessel Registration: Increased by 56.8%</li> <li>• Marine Safety Charges: Grew by 45.9%</li> <li>• Other Revenue Streams: Growth was also recorded in documentation fees, seafarers' permits, and miscellaneous income.</li> </ul>
<b>Expenses</b>	<p><b>Total Expenses: Increased by 4.3%, rising from \$7,008,778 to \$7,310,721)</b></p> <ul style="list-style-type: none"> <li>• Employee Salaries and Benefits: The largest expense category, increased by 12.1%</li> <li>• Administrative Expenses: Decreased by 16.9% to \$1,388,855</li> <li>• Non-Administrative Expenses: Remained relatively stable at \$604,319.</li> </ul>
<b>Profitability</b>	<ul style="list-style-type: none"> <li>• Net Profit: LiMA reported a profit of \$396,959 compared with loss \$875,336 in previous year.</li> <li>• Operating Profit: Improved to \$412,097, reversing the \$875,336 loss recorded in 2023.</li> </ul>
<b>Financial Position Summary</b>	
<b>Asset</b>	<p><b>Total Assets: Increased by 9.8%, (\$8,765,804 to \$9,614,618)</b></p> <ul style="list-style-type: none"> <li>• Non-Current Assets: Increase of 0.5%</li> <li>• Current Assets: Grew significantly by 91.5% driven by: <ul style="list-style-type: none"> <li>▪ Cash and cash equivalents: Increased to \$258,796 (up from \$11,825).</li> <li>▪ Trade and other receivables: Increased to \$1,441,908 (up from \$873,787).</li> </ul> </li> </ul>
<b>Liabilities</b>	<p><b>Total Liabilities: Increased by 6%, from \$7,587,359 to \$8,039,214.</b></p> <ul style="list-style-type: none"> <li>• Current Liabilities: Rose by 6%, mainly due to: <ul style="list-style-type: none"> <li>▪ Higher trade payables: Increased to \$650,877 (up from \$359,210).</li> <li>▪ Other current liabilities: Increased to \$7,288,337 (up from \$7,178,149).</li> </ul> </li> <li>• Non-Current Liabilities: Remained at \$0, indicating no long-term debt.</li> </ul>
<b>Equity</b>	<p><b>Total Equity: Increased by 34%, rising from \$1,178,445 in 2023 to \$1,575,404 in 2024.</b></p> <ul style="list-style-type: none"> <li>• Retained Earnings: Increased significantly to \$662,723 (up from \$256,529), Revaluation Surplus: Remained unchanged from \$921,916 to 827,826</li> </ul>
<b>Liquidity and Cash Flow</b>	
<b>Current Ratio</b>	<ul style="list-style-type: none"> <li>• Improved from 0.12 in 2023 to 0.21 in 2024, indicating better short-term liquidity but still below the ideal ratio of 1.0. This suggests LiMA may face challenges in meeting short-term obligations without additional cash inflows. <ul style="list-style-type: none"> <li>▪ Current Assets: \$1,700,704</li> <li>▪ Current Liabilities: \$8,039,214</li> </ul> </li> </ul>
<b>Cash Flow Summary</b>	
	<ul style="list-style-type: none"> <li>• Net Cash from Operating Activities: \$474,485, a significant increase from \$141,950 in 2023, driven by higher profitability and improved management of receivables and payables.</li> <li>• Net Cash Used in Investing Activities: (\$277,514), mainly due to investments in fixed assets and ongoing construction projects.</li> <li>• Net Cash from Financing Activities: \$50,000, reflecting an increase in short-term bank facilities.</li> <li>• Net Increase in Cash: \$246,971, leading to a year-end cash balance of \$258,796.</li> </ul>

Management's conclusion on its Performance and Financial Health according to its operational outcomes as prepared by Management:

- LiMA demonstrated a strong financial recovery in 2024, turning a significant loss in 2023 into a net profit of \$396,959. This turnaround was driven by robust revenue growth (26%), particularly in International Registry Funds (18.7%) and Marine Safety Charges (45.9%), while expenses increased at a much slower pace (4.3%).
- The balance sheet reflects overall financial improvement, with total assets growing by 9.8% and equity increasing by 34%, indicating stronger financial stability. However, liabilities also increased by 6%, mainly due to higher trade payables and other current liabilities. The absence of non-current liabilities suggests that LiMA is operating without long-term debt, which is a positive sign for financial sustainability.
- While cash flow improved, with net cash from operations rising over threefold, LiMA's current ratio of 0.21 remains a concern, signalling ongoing challenges in meeting short-term obligations. The significant increase in current assets (91.5%), particularly in cash and trade receivables, is encouraging, but further liquidity improvements are needed.
- Overall, LiMA's financial health has improved significantly, marked by higher profitability, asset growth, and better cash flow management. However, liquidity constraints remain a key area for focus to ensure long-term financial resilience.

Management herewith certifies that it is responsible for the final output of its accounts for the year 2024. It further states that the preparation of these accounts was in compliance with the International Financial Reporting Standards (IFRS) as enshrined in the Amended Public Financial Management Act of 2019.

Signed: \_\_\_\_\_

Cllr. Noto Zanzar Lighe, Sr.



**Liberia Maritime Authority**  
**Adjusted Statement of Financial Position**  
**As at December 31, 2024**

<b>ASSETS</b>	<b>NOTES</b>	<b>31-Dec-24</b>	<b>31-Dec-23</b>
		<b>US\$</b>	<b>US\$</b>
<b>Non-Current Assets</b>			
Plant Property and Equipment	<b>1</b>	7,913,913	7,877,793
		<u><b>7,913,913</b></u>	<u><b>7,877,793</b></u>
<b>Current Assets</b>			
Inventories		0	0
Prepaid Rent		0	2,400
Cash and Cash Equivalent	<b>2</b>	258,796	11,825
Trade and Other Receivables	<b>3</b>	1,446,759	873,787
<b>Total Current Assets</b>		<u><b>1,700,704</b></u>	<u><b>888,012</b></u>
<b>TOTAL ASSETS</b>		<u><b>9,614,618</b></u>	<u><b>8,765,804</b></u>
 <b>EQUITY AND LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Long-Term Ecobank Restructured Loan		0	0
<b>Total Non-Current Liabilities</b>		<b>0</b>	<b>0</b>
 <b>Equity Attributed to Owners or Parent</b>			
Retained Earnings	<b>4</b>	747,577	256,529
Revaluation Surplus		827,826	921,916
<b>Total Equity to Owner or Parent</b>		<u><b>1,575,404</b></u>	<u><b>1,178,445</b></u>
 <b>Current Liabilities</b>			
Short-Term Bank Facility	<b>5</b>	100,000	50,000
Trade Payables		650,877	359,210
Other Current Liabilities	<b>6</b>	7,288,337	7,178,149
<b>Total Current Liabilities</b>		<u><b>8,039,214</b></u>	<u><b>7,587,359</b></u>
<b>Total Equity and Liabilities</b>		<u><b>9,614,618</b></u>	<u><b>8,765,804</b></u>



**Liberia Maritime Authority  
Adjusted Statement of Comprehensive Income  
For the Period December 31, 2024**

	NOTES	31-Dec-24 US\$	31-Dec-23 US\$
Revenue	7	7,722,818	6,133,442
		<b>7,722,818</b>	<b>6,133,442</b>
Employees Salaries and Benefits	8	4,853,304	4,329,555
Depreciation and Amortization Expense		241,394	260,720
Bad Debts Expense		161,390	98,960
Severance Benefits		61,459	48,651
Administrative Expenses	9	1,388,855	1,671,814
Non-Administrative Expenses	10	604,319	599,078
		<b>7,310,721</b>	<b>7,008,778</b>
<b>Profit (Loss) from Operations</b>		<b>412,097</b>	<b>(875,336)</b>
Finance Cost		<b>15,138</b>	<b>0</b>
<b>Profit (Loss) for the Year</b>		<b>396,959</b>	<b>(875,336)</b>



**Liberia Maritime Authority**  
**Adjusted Statement of Cash Flows**  
**For the year ended December 31, 2024**

NOTES	31-Dec-24 US\$	31-Dec-23 US\$
<b>Cash Flow from Operating Activities</b>		
<b>Profit (Loss) for the year</b>	<b>396,959</b>	<b>(875,336)</b>
<b>Adjustments to reconcile Surplus to Net Cash Provided by Operating Activities:</b>		
Depreciation	241,394	260,720
Allowance for Bad Debts	161,390	98,960
Changes in Payables and Accruals	401,855	779,358
Changes in Receivables and Prepayments	(727,113)	(121,752)
<b>Net Cash from Operating Activities</b>	<b>77,526</b>	<b>1,017,286</b>
<b>Net Cash Provided by Operating Activities</b>	<b>474,485</b>	<b>141,950</b>
<b>Cash Flow from Investing Activities</b>		
Acquisition of Fixed Assets	(237,514)	(91,325)
Building and Improvements	0	0
Land Revaluation Gain	0	0
Leasehold Improvements	0	0
Construction in Progress	(40,000)	0
<b>Net cash from Investing Activities</b>	<b>(277,514)</b>	<b>(91,325)</b>
<b>Cash flow from Financing Activities</b>		
Ecobank Facility/ Short Term	0	0
GT Bank Facility/ Short Term	50,000	(60,000)
<b>Net cash from Financing Activities</b>	<b>50,000</b>	<b>(60,000)</b>
Net Cash increase for the period	246,971	(9,375)
Cash at the Beginning at the Period	11,825	21,201
<b>Cash at the End of the Period</b>	<b>258,796</b>	<b>11,825</b>



**Liberia Maritime Authority**  
**Adjusted Statement of Changes in Equity**  
**As at December 31, 2024**

	Share capital	Retained Earnings	Revaluation Surplus	Total Equity
<b>Balance at January 31, 2023</b>	-	<b>1,037,775</b>	<b>1,016,006</b>	<b>2,053,781</b>
<b>Restated balance</b>	-	<b>1,037,775</b>	<b>1,016,006</b>	<b>2,053,781</b>
<b>Changes in equity for the year</b>				
<b>Jan-Dec. 2023</b>				
Issue of share capital	-			
Income for the period		(875,336)	0	(875,336)
Revaluation gain		0	0	0
Transfer to Retained Earnings		94,090	(94,090)	0
<b>Balance at Dec. 31, 2023</b>	-	<b>256,528</b>	<b>921,916</b>	<b>1,178,445</b>
<b>Balance at January 31, 2024</b>		<b>256,528</b>	<b>921,916</b>	<b>1,178,445</b>
Issue of share capital	-			
Income for the period		396,959	0	396,959
Revaluation gain		0	0	0
Transfers to Retained Earnings		94,090	(94,090)	0
<b>Balance at Dec 31, 2024</b>	-	<b>747,577</b>	<b>827,826</b>	<b>1,575,404</b>



**Liberia Maritime Authority**  
**Notes to the Adjusted Financial Statements**  
**For the Period ended December 31, 2024**

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>US\$</b>	<b>US\$</b>
<b>1.0 Property, Plant, and Equipment</b>		
Fixed Assets (Appendix I)	761,368	631,854
Land	522,500	522,500
Buildings and Improvements	4,938,607	5,072,000
Construction in Progress	1,691,439	1,651,439
	<b>7,913,913</b>	<b>7,877,793</b>
<b>2.0 Cash and Cash Equivalent</b>		
Cash in Ecobank/Small Watercraft	11,800	8,492
Cash in Ecobank/Small Watercraft (LD)	0	4,385
Cash in Ecobank/ Operation	1,259	4,378
Cash in GT Bank/LiMA Operations	242,915	(7,281)
Cash on Prepaid Card	1,822	1,822
Petty Cash	1,000	29
<b>Total Cash and Cash Equivalent</b>	<b>258,796</b>	<b>11,825</b>
<b>3.0 Trade and Other Receivables</b>		
Account Receivables	1,911,188	1,179,324
Allowance for Bad Debts	(469,280)	(307,890)
Staff Receivables	0	2,353
	<b>1,441,908</b>	<b>873,787</b>
<b>4.0 Retained Earnings</b>		
Retained Earnings Brought Forward	<b>256,528</b>	1,037,775
<b>Adjustments for:</b>		
Revaluation Gain	94,090	94,090
Profit for the year	396,959	(875,336)
<b>Retained Earnings Carried Forward</b>	<b>747,577</b>	<b>256,529</b>
<b>5.0 Short-Term Bank Facility</b>		
Ecobank Short-Term Facility	0	0
GT Bank Financing Gap Facility	100,000	50,000
	<b>100,000</b>	<b>50,000</b>
	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>US\$</b>	<b>US\$</b>
<b>6.0 Other Current Liabilities</b>		
Board Fees Payable	1,125	0



*Auditor General's Report on the  
Financial Statements Audit of the Liberia Maritime Authority (LiMA)  
For the period ended December 31, 2024*

Foreign Travel Per Diem Payable	12,746	2,840
Salaries Payable	13,936	16,303
Income Tax Payable	4,824,202	4,712,565
NASSCORP Payable	2,320,255	2,420,213
Interagency Payable (DCFA)	25,000	(40,000)
Audit Fees Payable	40,000	0
Other Benefits Payable	51,073	66,228
	<b>7,288,337</b>	<b>7,178,149</b>
<b>7.0 Revenue</b>		
International Registry Funds	4,812,413	4,055,910
<b>Total International Registry Funds</b>	<b>4,812,413</b>	<b>4,055,910</b>
Domestic Vessel Registration	562,516	358,818
Documentation and Inspection Fees	243,967	207,320
Marine Safety Charges	1,618,990	1,109,290
Seafarers Permit Fees	111,000	84,300
Casualty Investigation Fees	28,000	17,150
Donation/ Gifts	57,833	70,500
Miscellaneous Income	287,649	204,681
Other Income	450	25,473
Internally Generated(Total)	<b>2,910,405</b>	<b>2,077,532</b>
	<b>7,722,818</b>	<b>6,133,442</b>
<b>8.0 Employees Salaries and Benefits</b>		
Salaries and Wages	3,908,126	3,429,439
Social Security Management Contribution	271,831	237,302
Medical	0	0
Other Benefits	673,347	662,814
	<b>4,853,304</b>	<b>4,329,555</b>



**Liberia Maritime Authority**  
**Notes to the Adjusted Financial Statements**  
**For the Period ended December 31, 2024**

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>US\$</b>	<b>US\$</b>
<b>9.0 Administrative Expenses</b>		
Insurance	33,050	3,247
Allowances (Relocation and Incidental)	33,240	10,780
Special Project	0	0
Board Related Expenses	78,111	0
Communications	101,960	115,511
Gas, Fuel, and Lubricant	218,705	176,354
Stationeries, Supplies and Printing	97,214	569,711
Utilities	39,926	24,820
Repairs and Maintenance	101,290	185,608
Bank Charges	35,877	27,681
Interest and Other Charges	307	16,513
Income Tax Expense	0	0
Audit Fees	55,000	0
Transfer to GoL	60,000	25,194
Travel and Transportation	523,136	511,655
Rent	11,040	4,740
	<b>1,388,855</b>	<b>1,671,814</b>
<b>10.0 Non-Administrative Expenses</b>		
International Obligations	4,600	183,972
Corporate Social Responsibility	82,431	39,008
Miscellaneous, Freight, and Others	135,300	137,348
Scholarship	1,910	0
Conferences	133,123	4,750
Entertainment and Accommodation	28,805	2,750
Contract Services	169,650	198,750
Professional Services	48,500	32,500
	<b>604,319</b>	<b>599,078</b>



**Liberia Maritime Authority**  
**Adjusted Statement of Cash Flows**  
**For the year ended December 31, 2024**

NOTES	31-Dec-24 US\$	31-Dec-23 US\$
<b>Cash Flow from Operating Activities</b>		
<b>Profit (Loss) for the year</b>	<b>396,959</b>	<b>(875,336)</b>
<b>Adjustments to reconcile Surplus to Net Cash Provided by Operating Activities:</b>		
Depreciation	241,394	260,720
Allowance for Bad Debts	161,390	98,960
Changes in Payables and Accruals	401,855	779,358
Changes in Receivables and Prepayments	(727,113)	(121,752)
<b>Net Cash from Operating Activities</b>	<b>77,526</b>	<b>1,017,286</b>
<b>Net Cash Provided by Operating Activities</b>	<b>474,485</b>	<b>141,950</b>
<b>Cash Flow from Investing Activities</b>		
Acquisition of Fixed Assets	(237,514)	(91,325)
Building and Improvements	0	0
Land Revaluation Gain	0	0
Leasehold Improvements	0	0
Construction in Progress	(40,000)	0
<b>Net cash from Investing Activities</b>	<b>(277,514)</b>	<b>(91,325)</b>
<b>Cash flow from Financing Activities</b>		
Ecobank Facility/ Short Term	0	0
GT Bank Facility/ Short Term	50,000	(60,000)
<b>Net cash from Financing Activities</b>	<b>50,000</b>	<b>(60,000)</b>
Net Cash increase for the period	246,971	(9,375)
Cash at the Beginning at the Period	11,825	21,201
<b>Cash at the End of the Period</b>	<b>258,796</b>	<b>11,825</b>



**Liberia Maritime Authority**  
**Adjusted Statement of Changes in Equity**  
**As at December 31, 2024**

	Share capital	Retained Earnings	Revaluation Surplus	Total Equity
<b>Balance at January 31, 2023</b>	-	<b>1,037,775</b>	<b>1,016,006</b>	<b>2,053,781</b>
<b>Restated balance</b>	-	<b>1,037,775</b>	<b>1,016,006</b>	<b>2,053,781</b>
<b>Changes in equity for the year Jan-Dec. 2023</b>				
Issue of share capital	-			
Income for the period		(875,336)	0	(875,336)
Revaluation gain				0
Transfer to Retained Earnings		94,090	(94,090)	0
<b>Balance at Dec. 31, 2023</b>	-	<b>256,528</b>	<b>921,916</b>	<b>1,178,445</b>
<b>Balance at January 31 2024</b>		<b>256,528</b>	<b>921,916</b>	<b>1,178,445</b>
Issue of share capital	-			
Income for the period		396,959	0	396,959
Revaluation gain		0	0	0
Transfers to Retained Earnings		94,090	(94,090)	0
<b>Balance at Dec 31, 2024</b>	-	<b>747,577</b>	<b>827,826</b>	<b>1,575,404</b>



**Liberia Maritime Authority**  
**Notes to the Adjusted Financial Statements**  
**For the Period ended December 31, 2024**

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>US\$</b>	<b>US\$</b>
<b>1.0 Property Plant and Equipment</b>		
Fixed Assets (Appendix I)	761,368	631,854
Land	522,500	522,500
Buildings and Improvements	4,938,607	5,072,000
Construction in Progress	1,691,439	1,651,439
	<b>7,913,913</b>	<b>7,877,793</b>
<b>2.0 Cash and Cash Equivalent</b>		
Cash in Ecobank/Small Watercraft	11,800	8,492
Cash in Ecobank/Small Watercraft (LD)	0	4,385
Cash in Ecobank/ Operation	1,259	4,378
Cash in GT Bank/LiMA Operations	242,915	(7,281)
Cash on Prepaid Card	1,822	1,822
Petty Cash	1,000	29
<b>Total Cash and Cash Equivalent</b>	<b>258,796</b>	<b>11,825</b>
<b>3.0 Trade and Other Receivables</b>		
Account Receivables	1,911,188	1,179,324
Allowance for Bad Debts	(469,280)	(307,890)
Staff Receivables	0	2,353
	<b>1,441,908</b>	<b>873,787</b>
<b>4.0 Retained Earnings</b>		
Retained Earnings Brought Forward	<b>256,528</b>	1,037,775
<b>Adjustments for:</b>		
Revaluation Gain	94,090	94,090
Profit for the year	396,959	(875,336)
<b>Retained Earnings Carried Forward</b>	<b>747,577</b>	<b>256,529</b>
<b>5.0 Short Term Bank Facility</b>		
Ecobank Short Term Facility	0	0
GT Bank Financing Gap Facility	100,000	50,000
	<b>100,000</b>	<b>50,000</b>



**Liberia Maritime Authority**  
**Notes to the Adjusted Financial Statements**  
**For the Period ended December 31, 2024**

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>US\$</b>	<b>US\$</b>
<b>6.0 Other Current Liabilities</b>		
Board Fees Payable	1,125	0
Foreign Travel Per Diem Payable	12,746	2,840
Salaries Payable	13,936	16,303
Income Tax Payable	4,824,202	4,712,565
NASSCORP Payable	2,320,255	2,420,213
Interagency Payable (DCFA)	25,000	(40,000)
Audit Fees Payable	40,000	0
Other Benefits Payable	51,073	66,228
	<b>7,288,337</b>	<b>7,178,149</b>
<b>7.0 Revenue</b>		
International Registry Funds	4,812,413	4,055,910
<b>Total International Registry Funds</b>	<b>4,812,413</b>	<b>4,055,910</b>
Domestic Vessel Registration	562,516	358,818
Documentation and Inspection Fees	243,967	207,320
Marine Safety Charges	1,618,990	1,109,290
Seafarers Permit Fees	111,000	84,300
Casualty Investigation Fees	28,000	17,150
Donation/ Gifts	57,833	70,500
Miscellaneous Income	287,649	204,681
Other Income	450	25,473
Internally Generated(Total)	<b>2,910,405</b>	<b>2,077,532</b>
	<b>7,722,818</b>	<b>6,133,442</b>
<b>8.0 Employees Salaries and Benefits</b>		
Salaries and Wages	3,908,126	3,429,439
Social Security Management Contribution	271,831	237,302
Medical	0	0
Other Benefits	673,347	662,814
	<b>4,853,304</b>	<b>4,329,555</b>



**Liberia Maritime Authority**  
**Notes to the Adjusted Financial Statements**  
**For the Period ended December 31, 2024**

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>US\$</b>	<b>US\$</b>
<b>9.0 Administrative Expenses</b>		
Insurance	33,050	3,247
Allowances (Relocation and Incidental)	33,240	10,780
Special Project	0	0
Board Related Expenses	78,111	0
Communications	101,960	115,511
Gas, Fuel and Lubricant	218,705	176,354
Stationeries, Supplies and Printing	97,214	569,711
Utilities	39,926	24,820
Repairs and Maintenance	101,290	185,608
Bank Charges	35,877	27,681
Interest and Other Charges	307	16,513
Income Tax Expense	0	0
Audit Fees	55,000	0
Transfer to GoL	60,000	25,194
Travel and Transportation	523,136	511,655
Rent	11,040	4,740
	<b><u>1,388,855</u></b>	<b><u>1,671,814</u></b>
<b>10.0 Non Administrative Expenses</b>		
International Obligations	4,600	183,972
Corporate Social Responsibility	82,431	39,008
Miscellaneous, Freight and Others	135,300	137,348
Scholarship	1,910	0
Conferences	133,123	4,750
Entertainment and Accommodation	28,805	2,750
Contract Services	169,650	198,750
Professional Services	48,500	32,500
	<b><u>604,319</u></b>	<b><u>599,078</u></b>

**A. Corporation Information**

The Liberia Maritime Program was established in 1948 with a launch of its registry during the post-World War II period, when there was tremendous international demand for ships to transport various goods and raw materials. Today, it is the second largest ship registry in the world. The signing into law of the Liberia Maritime Authority Act of 2010 transformed Liberia's Maritime Legacy from the one-dimensional Bureau of Maritime Affairs responsible for the administration of Liberia's Maritime Program into a new, dynamic and vibrant 21<sup>st</sup> Century Liberia Maritime Authority (LiMA), which is empowered by law to harness the full potential of Liberia's



Maritime sector and ensure that the national economy is the ultimate beneficiary of its program activities.

LiMA's agent that currently manages the Liberian Registry is the Liberian International Ship and Corporate Registry (LISCR), a US owned company, which provides the day-to-day operations for the Republic of Liberia Ship and Corporate Registry. The Liberia Maritime Authority implements Liberia's Maritime Laws, which include provision for the registration of ships, licensing of crews, certification of ships for safety, and other essential factors, and Policies promulgated by the office of the Commissioner of the Liberia Maritime Authority on the domestic front. The Liberia Maritime Authority has its headquarters in Congotown, Monrovia.

### **B. Basis of preparation**

The financial statements of LiMA have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Authority applies the accrual basis of accounting, in compliance with IFRS and the Amended Public Finance Management (PFM) Law as revised in October 2019. Where any provisions of the PFM Act differ from IFRS, IFRS requirements take precedence to ensure full compliance with international accounting standards.

This is the third set of financial statements prepared on a calendar-year basis, following the Government of Liberia's fiscal authority mandate to change from a fiscal-year to a calendar-year reporting basis. The financial statements have been prepared on a historical cost basis, except for land, buildings, and certain financial instruments, which are measured at fair value in accordance with IFRS 13 (Fair Value Measurement). The financial statements are presented in US Dollars, with all amounts rounded to the nearest thousand (US\$ 000), unless otherwise stated.

LiMA conducted a revaluation exercise of its land, buildings, and improvements in 2020, following a previous exercise in 2016. These revaluations were performed by independent qualified valuers, applying recognized valuation techniques under IFRS 13.

The resulting revaluation gains or losses were recognized in accordance with **IAS 16 (Property, Plant, and Equipment)**, with gains recorded in **Other Comprehensive Income (OCI)** and losses in **Profit or Loss**, where applicable. The Authority reviews the fair value of these assets periodically to ensure that their carrying amounts do not materially differ from their fair values.

### **C. Summary of significant accounting policies**

#### **i) Financial and Presentation Currency:**

The Authority's financial statements are prepared in compliance with **International Financial Reporting Standards (IFRS)**, specifically **IAS 21 (The Effects of Changes in Foreign Exchange Rates)**. In accordance with IFRS, the **functional currency** is determined based on the primary economic environment in which LiMA operates.



The **functional and presentation currency** of LiMA is **United States Dollars (USD)**, as a significant portion of its transactions, including revenue, expenditures, and financing activities are conducted in USD. The financial statements are therefore presented in USD, with all amounts rounded to the nearest thousand (US\$ 000), unless otherwise stated.

**Transactions and Balances:**

In compliance with IAS 21 (The Effects of Changes in Foreign Exchange Rates), foreign currency transactions are recorded at the exchange rate on the transaction date. Furthermore, at each reporting date the following are observed:

- monetary items (cash, receivables, payables) are retranslated at the closing exchange rate, with exchange differences recognized in profit or loss.
- Non-monetary items (property, inventory) measured at historical cost remain at the exchange rate on the transaction date.
- Non-monetary items at fair value use the exchange rate at the date of revaluation.
- Exchange differences on net investments in foreign operations, if applicable, are recognized in other comprehensive income (OCI).

**ii) Cash and cash equivalent**

**Statement of Cash Flows Presentation:**

For the statement of cash flows, cash includes cash balances and deposits held with banks. Cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. These include short-term deposits and certain money market instruments, provided they have original maturities of three months or less. Bank overdrafts, if repayable on demand, are considered part of cash equivalents.

**Carrying Value in the Statement of Financial Position:**

***Recognition and Measurement***

Cash and cash equivalents are carried at face value in the statement of financial position. They include cash on hand, bank balances, and short-term, highly liquid investments with original maturities of three months or less, which are subject to insignificant risk of changes in value.

***Presentation in Financial Statements***

Cash and cash equivalents are classified as current assets in the statement of financial position. For the statement of cash flows, cash equivalents include short-term deposits and other liquid investments that meet the criteria of IAS 7. Bank overdrafts that are repayable on demand and form an integral part of cash management are included in cash and cash equivalents.

**Treatment of Short-Term Deposits:**

Short-term deposits are initially recognized at fair value. If they meet the criteria for amortized cost under IFRS 9, they are subsequently measured at amortized cost using the effective interest method. Interest income is recognized in profit or loss on a time-proportioned basis, considering the effective yield on the deposits.



Note: Short-term deposits with original maturities of three (3) months or less, which are highly liquid and subject to insignificant risk of value changes, may be classified as cash equivalents under IAS 7 rather than financial instruments measured at amortized cost.

### **iii) Financial Instruments**

#### **I. Financial Assets:**

In adherence to IFRS 9 (Financial Instruments), the Authority classifies its financial assets based on the business model for managing the assets and the contractual cash flow characteristics.

Financial assets are categorized as:

- Amortized Cost – Financial assets held to collect contractual cash flows that are solely payments of principal and interest (SPPI). These assets are measured at amortized cost using the Effective Interest Rate (EIR) method, net of impairment.
- Fair Value Through Other Comprehensive Income (FVOCI) – Financial assets held both to collect contractual cash flows and for sale, with gains and losses recorded in OCI until derecognition.
- Fair Value Through Profit or Loss (FVTPL) – Financial assets not classified under amortized cost or FVOCI are measured at fair value through profit or loss.

All financial assets are initially recognized at fair value, with directly attributable transaction costs added except for assets classified at FVTPL. Regular-way purchases and sales of financial assets are recognized on the trade date—the date on which LiMA commits to the transaction.

#### **II. Impairment of Financial Assets**

LiMA assesses expected credit losses (ECL) on financial assets measured at amortized cost or FVOCI. The expected credit losses model is applied using a 12-month ECL for performing assets and a lifetime ECL for credit-impaired assets.

#### **III. Financial Liabilities:**

LiMA classifies its financial liabilities as financial liabilities measured at amortized cost, in accordance with IFRS 9 – Financial Instruments. These liabilities include:

- Loans and borrowings
- Trade and other payables
- Bank overdrafts

#### **Initial Recognition and Measurement**

Financial liabilities are initially recognized at fair value, with directly attributable transaction costs added for liabilities measured at amortized cost.

#### **Subsequent Measurement**

Interest-bearing loans and borrowings are carried at amortized cost using the Effective Interest Rate (EIR) method. Interest expenses are recognized in profit or loss as finance costs.



Trade and other payables are measured at amortized cost but are typically not subject to EIR amortization, as they are short-term and non-interest-bearing.

**Derecognition of Financial Liabilities.**

The Authority derecognizes a financial liability when it is discharged, canceled, or expires, as required by IFRS 9. Any difference between the carrying amount of the extinguished liability and the consideration paid is recognized in profit or loss.

**iv) Determination of Fair Value**

In accordance with the latest International Financial Reporting Standards (IFRS):

**Financial Instruments Traded in Active Markets:**

LiMA measures financial instruments at fair value in accordance with IFRS 13 – Fair Value Measurement. When an active market exists, fair value is based on quoted market prices (Level 1 inputs) in the principal market. If quoted prices are unavailable, fair value is determined using observable market data (Level 2 inputs), such as dealer quotations for similar instruments.

**Fair Value Measurement of Financial Instruments Not Traded in Active Markets**

When quoted market prices are unavailable, LiMA determines fair value using valuation techniques in accordance with IFRS 13 – Fair Value Measurement. These techniques prioritize observable inputs (Level 2), such as market data for comparable instruments. If observable inputs are insufficient, unobservable inputs (Level 3), including discounted cash flow models and other valuation methodologies, may be applied. The estimation process incorporates inputs available at the reporting date, ensuring a robust, fair value assessment.

**v) Impairment of financial asset**

**a) Financial assets carried at amortized cost**

At each reporting date, LiMA assesses whether a financial asset or a group of financial assets measured at amortized cost is impaired using the Expected Credit Loss (ECL) model, as required under IFRS 9.

Impairment Assessment Approach:

LiMA applies the three-stage model for impairment assessment, based on changes in credit risk since initial recognition:

1. Stage 1 – Performing Assets
  - LiMA recognizes 12-month Expected Credit Losses (ECLs) for assets where credit risk has not significantly increased since initial recognition.
  - Interest revenue is recognized based on the gross carrying amount of the asset.
2. Stage 2 – Underperforming Assets (Significant Credit Risk Increase)
  - If credit risk has significantly increased, LiMA recognizes lifetime ECLs (i.e., expected losses over the remaining life of the asset).
  - Interest revenue continues to be recognized on the gross carrying amount.



### 3. Stage 3 – Credit-Impaired Assets

- If an asset is credit-impaired, LiMA recognizes lifetime ECLs and interest revenue is calculated based on the net carrying amount (i.e., after deducting the loss allowance).

#### Indicators of Increased Credit Risk:

LiMA considers a financial asset to have increased credit risk if any of the following occur:

- Default or delinquency by a debtor (e.g., missed payments).
- Restructuring of a financial asset on unfavorable terms.
- Deterioration in the credit rating of a counterparty.
- Significant financial difficulties of the borrower or issuer.
- Other observable data indicating increased risk.

#### Measurement of ECLs:

- 12-month ECLs are calculated for Stage 1 assets.
- Lifetime ECLs are recognized for Stage 2 and 3 assets.
- The ECL model incorporates forward-looking information, including macroeconomic factors and historical loss rates.

### (b) Financial Liabilities

Financial liabilities are initially recognized at fair value, net of directly attributable transaction costs. After the initial recognition, these liabilities are measured at amortized cost using the effective interest rate (EIR) method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the borrowing period as finance costs.

### (c) De-recognition of Financial Assets and Financial Liabilities

A financial asset is derecognized when the contractual rights to receive cash flows from the asset expire, or when the asset is transferred, and substantially all risks and rewards of ownership are relinquished. If the company retains substantially all risks and rewards associated with the financial asset, it continues to be recognized.

A financial liability is derecognized when the obligation is discharged, canceled, or expires.

### vi) Foreign Currency Reporting:

The financial statements are presented in **United States dollars (USD)**, which has been determined as the **functional currency** of the entity based on the primary economic environment in which it operates. Transactions in other currencies are translated into USD using the exchange rate at the date of the transaction.

At the reporting date, **monetary assets and liabilities** denominated in foreign currencies are retranslated at the closing exchange rate. Non-monetary items measured at historical cost are recorded using the exchange rate at the date of the transaction. Exchange differences arising from retranslation are recognized in the income statement in accordance with IFRS requirements.

This version improves compliance by explicitly stating USD as the functional currency and addressing the treatment of monetary and non-monetary items per IFRS 21.



**vii) Taxation:**

In accordance with IAS 12 – Income Taxes, LiMA applies the comprehensive balance sheet method in accounting for income taxes.

**Current Tax**

LiMA, as a State-Owned Enterprise, is exempt from corporate income tax. However, the Authority complies with tax regulations by recognizing and disclosing applicable statutory tax obligations, including:

- Withholding tax on employee salaries and benefits
- Board remuneration taxes
- Taxes on contractor payments
- Statutory contributions to the National Social Security Scheme
- These amounts are recognized as liabilities until remitted to the tax authorities.

**Deferred Tax**

As LiMA is not subject to corporate income tax, no deferred tax assets or liabilities are recognized in the financial statements. However, should future tax obligations arise due to changes in tax laws or LiMA's activities, deferred tax positions will be assessed and accounted for accordingly.

**Real Estate and Lease-Related Taxes**

LiMA assumes real estate tax obligations related to leased properties in compliance with IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets.

Lease-related withholding tax (10%) is deducted and remitted to the Liberia Revenue Authority (LRA). This amount is recorded as a liability under "Taxes Payable" until settlement. Real estate taxes paid by LiMA are recognized as an operating expense in the financial statements.

**Recognition and Measurement**

Taxes are measured at the amount expected to be paid to tax authorities based on applicable tax laws enacted or substantively enacted tax rates as of the reporting date. Furthermore, the authority ensures full compliance with Liberia's Revenue Code of 2011 along with its accompanying revisions and amendments and IFRS disclosure requirements for taxation.

**Income Tax Expense and Lease-Related Taxes**

The income tax expense recognized in these financial statements is accounted for in accordance with IAS 12 (Income Taxes) and excludes lease-related tax obligations.

LiMA is obligated under its lease agreements to pay Real Estate Tax on leased buildings, in accordance with applicable tax laws. This tax is classified as an operating expense under IFRS 16 (Leases) rather than an income tax expense.

In accordance with the lease agreement, LiMA remits the full lease payment to the property owner and separately pays a statutory withholding tax of 10% to the Liberia Revenue Authority (LRA). LiMA



acts as a withholding agent, deducting and remitting the tax as required by law. This withholding tax is recognized as a liability when incurred and settled upon payment.

This approach ensures compliance with IFRS 16 for lease-related obligations and IAS 12 for income tax reporting, maintaining transparency in financial disclosures.

### **viii) Revenue recognition**

The Authority recognizes revenue in accordance with IFRS 15 – Revenue from Contracts with Customers, using the five-step model to determine when and how revenue is recognized.

Revenue is recognized when LiMA satisfies a performance obligation by transferring control of a service to a customer. The amount recognized is based on the transaction price, which represents the consideration LiMA expects to receive in exchange for the service, excluding any taxes and statutory levies.

### **Revenue Streams & Recognition Timing**

#### **1. International Registry Fund**

- Revenue from the share of net proceeds generated by the registration of vessels under the **Liberian flag** by the International Registry based in the United States is recognized **at a point in time** when the net proceeds from the registry are distributed in compliance with the Amended Agreement between the Republic of Liberia and the Liberia International Ship and Corporate Registry (LISCR)

#### **2. Vessel Registration Fees (Tonnage Fees)**

- Recognized **at a point in time** upon completion of vessel registration and issuance of documentation.

#### **3. Inspection & Documentation Fees**

- Recognized **over time** as inspections or certification services are performed.

#### **4. Seafarers Permit Fees**

- Recognized **at a point in time** when the permit is issued.

#### **5. Casualty Investigation Fees**

- Recognized **over time** as investigations are conducted and completed.

#### **6. Maritime Safety Charges**

- Imposed on vessels docking at Monrovia and other seaports.
- Recognized **at a point in time** when the vessel enters the port and becomes liable for the charge.

### **Variable Consideration & Refunds**

- If revenue includes **variable components** (e.g., penalties, adjustments, refunds), LiMA applies IFRS 15's constraint to **only recognize amounts that are highly probable not to reverse**.
- Refunds, if applicable, are estimated using historical data and recognized as a reduction in revenue.

### **Contract Assets & Liabilities**

- **Contract assets** (unbilled revenue for services performed) are recorded as receivables.



- **Contract liabilities** (deferred revenue from prepayments) are recognized and released when the related service is delivered.

#### **ix) Fixed Assets (Property, Plant and Equipment)**

##### **Recognition and Measurement**

LiMA recognizes property, plant, and equipment (PPE) in accordance with IAS 16 – Property, Plant, and Equipment. PPE is initially measured at cost, including all directly attributable costs necessary to bring the asset to its intended use. If applicable, borrowing costs for qualifying assets are capitalized in accordance with IAS 23 – Borrowing Costs. Subsequent to initial recognition:

- Land and Buildings are measured at fair value, less accumulated depreciation (for buildings) and impairment losses. Revaluations are conducted regularly to ensure that the carrying amount remains aligned with fair value. Revaluation gains are recorded in Other Comprehensive Income (OCI) and accumulated in the Revaluation Reserve, unless they reverse a previous revaluation decrease, in which case they are recognized in profit or loss.
- Other PPE is measured at cost, less accumulated depreciation and impairment losses.

##### **Depreciation and Componentization**

Depreciation is recognized systematically over an asset's useful life using a method that reflects its consumption of economic benefits. Significant components of an asset with different useful lives are depreciated separately. When a component is replaced or undergoes major inspections, the old component is derecognized, and the new one is capitalized and depreciated over its useful life.

##### **Repairs and Maintenance**

Routine repairs and maintenance are expensed as incurred. Major replacements or refurbishments that enhance the asset's value or extend its useful life are capitalized.

##### **Asset Retirement Obligations**

If LiMA has a legal or constructive obligation to dismantle or remove an asset, the present value of expected decommissioning costs is recognized as part of the asset's cost in accordance with **IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets**.

##### **Disposals and Subsequent Costs:**

Gains or losses arising from the disposal or scrapping of assets are determined by comparing the disposal proceeds with the asset's carrying amount. These gains or losses are recognized in profit or loss under "Other Income", in accordance with IAS 16.68-71. If an asset meets the criteria for classification as held for sale under IFRS 5, it is measured at the lower of carrying amount and fair value less costs to sell.

When a part of an asset is replaced, the carrying amount of the replaced part is **derecognized**, and the cost of the new part is capitalized if future economic benefits are probable and can be reliably measured (**IAS 16.7**). Routine repairs and maintenance costs are expensed in the profit or loss statement as incurred.



**Recent Loan and Headquarters Construction:**

LiMA secured and fully repaid a short-term loan for the maintenance of the MR-MRCC premises and Port State Control premises in Monrovia. The costs incurred were capitalized in accordance with IAS 16.15, as they were directly attributable to maintaining the asset in a condition necessary for its intended use.

The construction of LiMA's new global headquarters in Congo Town was completed, with operations commencing on July 1, 2021. The costs incurred during the construction phase were capitalized at cost, in compliance with IAS 16.16, which requires the inclusion of all directly attributable costs in the asset's carrying amount.

Borrowing costs (if any) were incurred for the construction; their treatment follows IAS 23, where eligible borrowing costs are capitalized, while non-qualifying costs are expensed.

**Land and Buildings Revaluation:**

Land and buildings, including real property hosting the Liberia Maritime Training Institute (LMTI), are subject to revaluation in 2024 to ensure their carrying amounts reflect fair value, as required under IAS 16.31. Revaluation is conducted at sufficient intervals to avoid material differences between fair value and carrying amount.

Revaluation gains are recognized in Other Comprehensive Income (OCI) and accumulated in the Revaluation Reserve, except to the extent that they reverse a previous revaluation decrease, in which case the gain is recognized in profit or loss (IAS 16.39-40). Revaluation losses are recognized in profit or loss unless they offset a previous revaluation surplus recorded in equity.

**x) Depreciation**

Depreciation is recognized in the profit or loss statement using the declining balance method, reflecting the pattern of economic benefits derived from the asset (IAS 16.60). The appropriateness of this method is reviewed periodically to ensure it remains suitable.

- Leasehold assets are depreciated over the shorter of the lease term and their useful life (IAS 16.56).
- Land is not depreciated as it has an indefinite useful life (IAS 16.58).
- The **estimated useful lives of assets** are reassessed at the end of each reporting period, with adjustments made as necessary to reflect changes in economic conditions and expected usage.
- **Impairment reviews** are conducted whenever indicators suggest that an asset's carrying amount **may not be recoverable**, in line with **IAS 36 (Impairment of Assets)**.

**Depreciation Matrix Support**

The depreciation values presented in the financial statements are supported by the **Depreciation Matrix**, included as **Appendix I (Page 29)**. This matrix provides detailed insights into the depreciation rates and useful lives applied to various asset categories, ensuring transparency and consistency in financial reporting.



#### Impairment and Disposals:

If an asset's carrying amount exceeds its recoverable amount, it is written down to the recoverable amount, which is the higher of fair value less costs to sell and value in use, in accordance with IAS 36 (Impairment of Assets). Impairment losses are recognized in profit or loss unless they relate to a previously revalued asset, in which case the loss reduces any revaluation surplus recorded in Other Comprehensive Income (OCI) before being recognized in profit or loss (IAS 36.60-61).

If conditions change and an asset's recoverable amount increases, impairment losses—except for goodwill—may be reversed in accordance with IAS 36.110-117. The revised carrying amount must not exceed what it would have been had no impairment been recognized.

When an asset is disposed of, or when no future economic benefits are expected from its use, it is derecognized per IAS 16.67. Gains or losses on disposal are determined as the difference between the proceeds and the carrying amount, recognized in profit or loss (IAS 16.68-71).

#### Revision of Useful Life:

In accordance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), the useful life of an asset is reviewed periodically. Any changes are considered changes in accounting estimates and are applied prospectively from the period of revision onward (IAS 8.32-36). These adjustments do not require retrospective restatement.

#### Accumulated Depreciation Calculation:

For the last fiscal year, accumulated depreciation for buildings and improvements was recorded based on total revalued and added assets of **US\$3,087,361**, depreciated over a remaining useful life of **38 years**. If the revaluation model is applied, depreciation is based on the revalued amount, and any revaluation adjustments are recognized in **OCI** unless reversing a previous deficit (**IAS 16.39-40**).

#### Revaluation of Property, Plant, and Equipment:

Under IAS 16.35, accumulated depreciation during revaluation may be:

- Restated proportionally with the change in the asset's gross carrying amount, or
- Eliminated against the gross carrying amount, with only the net amount revalued.

Any increase in value from revaluation is recognized in Other Comprehensive Income (OCI) and accumulated in equity under revaluation surplus. If a prior revaluation decrease was recognized in profit or loss, a reversal is recognized in profit or loss to the extent of the previous impairment (IAS 16.39-40).

#### Revaluation Surplus and Transfers:

When an asset is derecognized (disposed of or retired), any remaining revaluation surplus is transferred to retained earnings (IAS 16.41). Alternatively, entities may choose to incrementally



transfer a portion of the revaluation surplus over time, representing the difference between depreciation based on the revalued amount and depreciation based on historical cost.

**Transfer to Retained Earnings:**

During the reporting period, LiMA transferred US\$94,090 from revaluation surplus to retained earnings. This reflects the difference between depreciation on revalued amounts and original cost, in line with the entity's chosen accounting policy under IAS 16.41 (Refer to Appendices II and III on pages 30 and 31).

**xi) Intangible assets**

Intangible assets acquired separately are initially measured at cost, including purchase price and directly attributable costs (IAS 38.27). Intangible assets acquired in a business combination are measured at fair value at the acquisition date in accordance with IFRS 3.

Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any. Internally generated intangible assets (excluding capitalized development costs meeting IAS 38.57 criteria) are not capitalized, and expenditure is recognized in the income statement when incurred.

Intangible assets with a finite useful life are amortized using the straight-line method over their estimated useful economic life, generally not exceeding three (3) years. The useful life, amortization method, and residual value are reviewed at least annually and adjusted as necessary (IAS 38.104).

Intangible assets with an indefinite useful life are not amortized but must undergo annual impairment testing (IAS 36.10). All intangible assets are reviewed at the end of each reporting period for indicators of impairment. If such indications exist, or if required for indefinite-life assets, an impairment test is conducted. An impairment loss is recognized in profit or loss if the carrying amount exceeds the recoverable amount, defined as the higher of fair value less costs to sell and value in use (IAS 36.9).

**xii) Research and development**

Research and development costs are expensed as incurred, in accordance with IAS 38.54.

Development expenditures for an individual project are recognized as an intangible asset when LiMA can demonstrate:

- Technical feasibility of completing the asset so that it will be available for use or sale.
- Intention and ability to complete, use, or sell the asset.
- How the asset will generate future economic benefits.
- Availability of resources to complete the asset.
- Ability to reliably measure expenditure during development (IAS 38.57).

Once capitalized, development costs are carried at cost less accumulated amortization and impairment losses (IAS 38.74). Borrowing costs directly attributable to the development of the asset may be capitalized, if applicable, under IAS 23.8.



Amortization begins when the asset is available for use and is recognized in cost of sales. The amortization method reflects the pattern of future economic benefits; if this pattern cannot be reliably determined, the straight-line method is applied (IAS 38.97-98).

During the development phase, the asset is tested for impairment annually (IAS 36.10).

After development is complete, impairment testing is required only if indicators of impairment exist, unless the asset has an indefinite useful life (IAS 36.9).

### **xiii) Employment benefits**

LiMA operates a defined contribution plan for its employees. Contributions to this plan are recognized as an expense in the period in which employees render service, with no further legal or constructive obligation beyond payment of the contributions, in accordance with IAS 19.51.

Short-term employee benefits, including wages, salaries, social security contributions, paid annual leave, and paid sick leave, are recognized when the related service is received and measured at the accrued amount expected to be paid, on an undiscounted basis, in line with IAS 19.11-13.

A provision is recognized for short-term bonuses when LiMA has a present legal or constructive obligation to pay the amount due to past service provided by the employee, and the amount can be reliably estimated, in compliance with IAS 19.19 and IAS 37.

### **xiv) Inventories**

Inventories are carried at the lower of cost or net realizable value (NRV), in accordance with IAS 2.9. NRV is defined as the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make a sale, in line with IAS 2.6.

The cost of inventories includes purchase price, import duties, transport, and handling costs incurred in bringing the inventory to its present location and condition, as required by IAS 2.10-16. Inventories are measured using the [FIFO/weighted average/specific identification] method, in compliance with IAS 2.25.

Inventories in this financial statement relate to materials purchased for the establishment of a marine store at the Search and Rescue Center. If a public-private partnership (PPP) arrangement is finalized, its accounting treatment will be assessed under relevant IFRS standards, such as IFRS 11 or IFRS 15, to determine whether the inventory remains under LiMA's control or falls under joint arrangement accounting.

### **xv) Financial risk management objectives and policies**

LiMA's principal financial liabilities comprise loans, borrowings, and trade and other payables, which finance operations and provide guarantees. Financial assets include loans, trade receivables, and cash deposits. LiMA is exposed to financial risks, which are managed under its financial risk governance framework, overseen by Senior Management and the Finance Department.



**a) Currency Risk**

LiMA's functional currency is the US Dollar, and currency exposure arises from transactions and balances in other currencies. Currency risk includes:

- Transactional exposure from non-functional currency expenditures and revenues.
- Translation exposure from non-functional currency monetary items.

Risk Mitigation: LiMA manages currency risk through hedging strategies, currency diversification, and monitoring exchange rate fluctuations.

**b) Interest Rate Risk**

LiMA is exposed to fluctuations in interest rates affecting bank balances and loans. Interest rate sensitivity is assessed periodically to mitigate risks.

Risk Mitigation: LiMA balances fixed and floating interest rate instruments and may use interest rate swaps when necessary.

**c) Liquidity Risk**

Liquidity risk arises from the need to fund ongoing operations and refinance obligations.

Risk Mitigation: LiMA ensures liquidity through:

- Maintaining minimum cash reserves.
- Diversifying funding sources (e.g., credit lines, retained earnings).
- Regular cash flow forecasting.

**d) Market Risk**

Market risk includes foreign exchange rates, interest rates, and equity price fluctuations affecting LiMA's financial instruments.

Risk Mitigation: LiMA sets market risk limits, monitors asset performance, and optimizes returns within acceptable risk parameters.

Internal Controls & Compliance:

LiMA ensures compliance through:

- Regular financial risk reporting.
- Internal audits and control measures.
- Adherence to relevant regulatory and financial policies.

**xvi) Provision**

LiMA recognizes a provision when:

- A present obligation (legal or constructive) arises from a past event;
- It is probable that an outflow of economic resources will be required to settle the obligation; and
- The amount can be reliably estimated.

If these conditions are not met, no provision is recognized, and the obligation is disclosed as a contingent liability, unless the probability of an outflow is remote.



#### Measurement of Provisions

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date. This estimate is based on:

- Historical experience;
- Current market conditions; and
- Expert assessments, where applicable.

If the time value of money is material, the provision is discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the liability. The unwinding of the discount is recognized as a finance cost in the income statement.

#### Reimbursement of Provisions

If LiMA expects some or all of a provision to be reimbursed (e.g., under an insurance contract), the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense related to the provision is recognized net of any expected reimbursement.

Warranty Provisions LiMA recognizes a provision for warranty-related costs at the time of sale or service delivery, based on:

- Historical warranty claim rates;
- Expected repair and replacement costs; and
- Future service obligations.

The initial estimate of warranty-related costs is reviewed annually and adjusted if necessary.

#### **xvii) Borrowing cost**

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of that asset. A qualifying asset is one that necessarily takes a substantial period to be ready for its intended use or sale.

LiMA has secured a loan for the ongoing construction of its headquarters, which qualifies for capitalization under this standard.

Borrowing costs include:

- Interest expenses calculated using the effective interest method.
- Finance charges related to lease liabilities.
- Other costs incurred in connection with borrowing funds.

#### Commencement, Suspension, and Cessation of Capitalization

Capitalization begins when:

- Expenditures for the qualifying asset are incurred.
- Borrowing costs are incurred.
- Activities necessary to prepare the asset for use or sale are in progress.



Capitalization is suspended if active development is interrupted and ceases when the asset is substantially complete, even if minor finishing work remains.

#### Attribution of Borrowing Costs

- If a loan is specifically for the qualifying asset, only borrowing costs related to that loan are capitalized.
- If borrowings are from general funds, capitalization is based on a weighted average cost of borrowings applied to the expenditures on the qualifying asset.

#### **xviii) Government Grant**

Government grants are recognized when there is reasonable assurance that:

- LiMA will comply with the conditions attached to the grant.
- The grant will be received.
- Grants related to expenses are recognized as income systematically over the period necessary to match them to the related costs.

Grants related to assets are recognized as deferred income and systematically released to income over the asset's expected useful life. Alternatively, the grant may be deducted from the carrying amount of the asset, reducing future depreciation expenses.

#### Non-Monetary Grants

Non-monetary grants, such as assets received at no cost or below market value, are recognized at their nominal value and systematically released to income over the useful life of the asset in line with the pattern of benefits derived.

#### Below-Market Interest Loans as Grants

When LiMA receives loans or financial assistance from governments or related institutions at an interest rate lower than the market rate, the benefit from the lower interest is treated as an additional government grant. This benefit is measured as the difference between the fair value of the loan and the amount received and recognized as income over the period of the loan.

This policy adheres to IFRS (IAS 20 – Government Grants and Disclosure of Government Assistance) and ensures a consistent and appropriate treatment of government grants and assistance in LiMA's financial reporting.

#### **xix) Leases**

LiMA accounts for leases under IFRS 16 (Leases), which requires lessees to recognize a right-of-use (ROU) asset and a lease liability for nearly all lease agreements.

##### Lease Recognition and Measurement

At the commencement date, LiMA recognizes:

1. A right-of-use asset, measured at the lease liability amount plus initial direct costs and restoration costs.
2. A lease liability, measured at the present value of future lease payments, discounted using the incremental borrowing rate if the implicit rate is not readily determinable.



### Subsequent Measurement

- The right-of-use asset is depreciated over the shorter of the lease term or the asset's useful life.
- The lease liability is reduced through lease payments and increased by interest expense.

### Short-Term and Low-Value Leases

LiMA applies the short-term lease exemption (leases  $\leq 12$  months) and the low-value asset exemption (e.g., office equipment), recognizing lease payments as expenses on a straight-line basis.

This policy ensures compliance with IFRS 16 (Leases) and provides a transparent representation of LiMA's lease obligations.

### **xx) Finance cost**

LiMA recognizes finance costs in accordance with IFRS 9 (Financial Instruments) and IAS 23 (Borrowing Costs).

#### 1. Recognition of Finance Costs

- Finance costs include interest expenses on loans and borrowings, unwinding of discounts on provisions, and other costs incurred in connection with financing arrangements.
- Finance costs that do not qualify for capitalization are recognized as an expense in the period incurred under IFRS 9.

#### 2. Capitalization of Borrowing Costs (IAS 23)

- Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the asset's cost.
- A qualifying asset is an asset that necessarily takes a substantial period to be ready for use or sale.
- Capitalization ceases when the asset is ready for its intended use or sale.

#### 3. Disclosure

- Finance costs are disclosed separately in the financial statements, ensuring transparency in financial reporting.

### **xxi) Disclosures of current long-term liability and contingent liabilities**

LiMA follows IAS 1, IAS 37, and IFRS 16 in presenting liabilities in its financial statements.

#### 1. Classification of Liabilities (IAS 1)

- Current liabilities include obligations due within 12 months from the reporting date, such as short-term loans and the portion of long-term debt due within the next year.
- Non-current liabilities include obligations payable beyond 12 months, such as long-term borrowings and lease liabilities with extended payment terms.

#### 2. Lease Obligations (IFRS 16)

- LiMA recognizes lease liabilities under IFRS 16, distinguishing between short-term (due within 12 months) and long-term (due beyond 12 months) lease obligations.

#### 3. Contingent Liabilities (IAS 37)

- Contingent liabilities are disclosed but not recognized in the financial statements if:



- The obligation is possible but not probable, or
  - The amount cannot be reliably estimated.
  - If the outflow of resources is probable and can be measured reliably, a provision is recognized instead of a contingent liability.
4. Financial Statement Disclosure
- Liabilities are clearly separated in the financial statements under current and non-current sections, ensuring transparency in financial reporting.
  - Contingent liabilities are disclosed in the notes with sufficient detail on the nature, timing, and uncertainties associated with the obligation.

It is important to note that the accrued amount of Thirty Thousand United States Dollars (US\$30,000) as termination benefits to Balniel Stewart, awarded by the Labor Court has not been paid. The amount is still outstanding, and the legal team for Mr. Stewart had prayed upon the court to enforce said ruling. Furthermore, adjustments were made to reflect the closure of a dormant Liberian Dollar (LD) account at Ecobank while also creating a line on the Statement of Cash Flows to reflect the allowance (provisions) for bad debts for 2024 and 2023. The same was previously included in the Changes in Receivables and Prepayments caption. The External Auditors recommended a line be created as an add-back to the Net Income in compliance with the International Financial Reporting Standards.



**APPENDIX I. Depreciation Analysis for Fiscal Year 2024**

	<b>B &amp; I</b>	<b>Land</b>	<b>OFF. F/F</b>	<b>OFF. EQUIP.</b>	<b>COMP. &amp; ACC.</b>	<b>OFF. GEN</b>	<b>CONSTRU. IN PROGRESS</b>	<b>VEHICLES</b>	<b>TOTAL</b>
<b>Rates</b>	<b>2.63%</b>	<b>0.00%</b>	<b>10%</b>	<b>16.67%</b>	<b>16.67%</b>	<b>16.67%</b>	<b>0.00%</b>	<b>33.33%</b>	
At Jan 1 2024	5,580,675.95	522,500.00	577,632.91	375,978.24	370,182.52	398,850.00	1,651,438.60	1,493,337.97	10,970,596.19
Additions	0.00	0.00	32,276.00	83,653.40	77,584.98	0.00	40,000.00	44,000.00	277,514.38
Amount moved to from									
Construction in Progress	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount to align asset with Market Value	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>At Dec 31, 2024</b>	<b>5,580,675.95</b>	<b>522,500.00</b>	<b>609,908.91</b>	<b>459,631.64</b>	<b>447,767.50</b>	<b>398,850.00</b>	<b>1,691,438.60</b>	<b>1,537,337.97</b>	<b>11,248,110.57</b>

**Depreciation:**

Accum.									
Depreciation at Dec 31, 2024	508,675.46	0.00	250,528.17	278,412.31	303,231.63	340,290.50	0.00	1,411,664.67	3,092,802.74
Adj. to eliminate									
Accum. Due to Revaluation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Charge for the Year (Asset acquired during the period)	0.00	0.00	1,006.65	3,613.90	6,261.16	0.00	0.00	0.00	10,881.71



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Charge for the year (existing Assets)	133,393.61	0.00	32,710.47	16,264.24	11,160.71	9,761.87	0.00	27,221.71	230,512.62
<b>Total Charge as at Dec. 31, 2024</b>	<b>133,393.61</b>	<b>0.00</b>	<b>33,717.12</b>	<b>19,878.14</b>	<b>17,421.87</b>	<b>9,761.87</b>	<b>0.00</b>	<b>27,221.71</b>	<b>241,394.33</b>
<b>At Dec 31, 2024</b>	<b>642,069.07</b>	<b>0.00</b>	<b>284,245.29</b>	<b>298,290.45</b>	<b>320,653.50</b>	<b>350,052.37</b>	<b>0.00</b>	<b>438,886.38</b>	<b>3,334,197.07</b>
<b>Net Book Amount Dec 31, 2024</b>	<b>4,938,606.88</b>	<b>522,500.00</b>	<b>325,663.62</b>	<b>161,341.19</b>	<b>127,114.00</b>	<b>48,797.63</b>	<b>1,691,438.60</b>	<b>98,451.59</b>	<b>7,913,913.50</b>
									<b>7,913,913</b>

**Appendix II: Revaluation Surplus**

Item	Revaluation Surplus			Land	Total
	Revaluation Surplus	Improvement			
Revalued amount as at the revaluation date	3,075,500	522,500			3,598,000
Less the book per revaluation date	(1,901,720)	(350,960)			(2,252,680)
<b>Surplus as at Revaluation Date</b>	<b>1,173,780</b>	<b>171,540</b>			<b>1,345,320</b>
Less transfer to retained earnings for the year to 30 June 2020	(94,090)	0			(94,090)
<b>Carrying Revaluation Surplus as at 1 July 2020</b>	<b>1,079,690</b>	<b>171,540</b>			<b>1,251,230</b>
Less transfer to retained earnings for the year to 30 June 2021	(94,090)	0			(94,090)
<b>Carrying Revaluation Surplus as at 1 July 2021</b>	<b>985,601</b>	<b>171,540</b>			<b>1,157,140</b>
Less transfer to retained earnings year ended 31 Dec. 2021	(47,045)	0			(47,045)
<b>Carrying Revaluation Surplus at 1 Jan 2022</b>	<b>938,556</b>	<b>171,540</b>			<b>1,110,096</b>
Less transfer to retained earnings year ended 31 Dec, 2022	(94,090)	0			(94,090)
<b>Carrying Revaluation Surplus for 1 Jan 2023</b>	<b>844,466</b>	<b>171,540</b>			<b>1,016,006</b>
Less transfer to retained earnings year ended 31 Dec, 2023	(94,090)	0			(94,090)
<b>Carrying Revaluation Surplus for 31 Dec. 2023</b>	<b>750,376</b>	<b>171,540</b>			<b>921,916</b>



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Less transfer to retained earnings year ended December 31, 2024	(94,090)	0	(94,090)
<b>Carrying Revaluation surplus as at 31 December 2024</b>	<b>656,286</b>	<b>171,540</b>	<b>827,826</b>

**Appendix III: Calculation of Annual Transfers to Retained Earnings**

Item	Calculation for the revaluation gain transfer to retained earnings	Outcome (US\$)
A	Initial cost (Building and Improvement)	3,562,157
B	Fair value of land	522,500
D	Life span of asset (years) @ 4% on a straight-line basis	25
E	Accumulated depreciation to date	1,660,438
F	Revalued amount	3,597,986
G=F-B	Net fair value of depreciation aspect of B&I (i.e., total less fair value of land)	3,075,486
H=(A/D)	Annual depreciation before revaluation	142,486
I=(E/H)	Useful life consumed years	12
J=(D-I)	Useful life remaining years	13
K=G/J	Annual depreciation for revalued asset	236,576
<b>L=k-H</b>	<b>Revaluation surplus realized during the year (236,575.8-142,486.3) =</b>	<b>94,090</b>



**Appendix IV: Expected Credit Losses in line with IFRS 9**

No.	Age	%Allocation of aged amount to ARB	Amount	Historical Loss Rate	Expected Credit Loss Amount
1	1-30days	6.5%	124,227.22	0.50%	621.14
2	31-60days	2.5%	47,779.70	2%	955.59
3	61-90days	1.1%	49,690.89	3%	1,490.73
4	91-180days	2.6%	49,690.89	4%	1,987.64
5	181-365days	11.0%	210,230.68	5%	10,511.53
6	365days above	76.3%	1,458,236.47	10%	145,823.65
		100.0%	1,911,188.04		<b>161,390.27</b>

