

Firestone Liberia LLC.

Independent Auditor's Report and Annual Financial Statements
for the year ended December 31, 2023



Firestone Liberia LLC.

Independent Auditor's Report and
Annual Financial Statements for the year ended December 31, 2023



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Firestone Liberia LLC.

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General Information

Country of Incorporation and Domicile	Republic of Liberia
Nature of Business and Principal Activities	The principal activity of the Company is to cultivate, process and sell natural rubber
Management	Seamus Gunton - General Manager Peenak Kosandal - Controller
Business Address	Firestone Liberia, LLC Harbel, Margibi County Liberia
Bankers	International Bank (Liberia) Limited Ecobank (Liberia) Limited Liberia Bank for Development and Investment
Certified Public Accountants	Baker Tilly Liberia 21 st Street & Gibson Avenue Fiamah, Sinkor Monrovia, Liberia
Company Secretary	Pierre, Tweh & Associates, Inc. 3 rd Floor, Blue Plaza Building Benson Street P.O. Box 10-2536 Monrovia, Liberia Lex Group Liberia, Inc. Attorneys & Counsellors-at-Law Congo Town Monrovia, Liberia

Firestone Liberia LLC.

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Directors' Responsibilities and Approval

The directors are required by Title 5 of the Associations Law of Liberia to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the company.

The annual financial statements have been audited by the independent auditing firm, Baker Tilly Liberia, who have been given unrestricted access to all financial records and related data. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 6 to 9.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their unqualified audit report is presented on pages 6 to 9.

The annual financial statements set out on pages 10 to 13, and the accompanying information set out on pages 14 to 32 which have been prepared on the going concern basis, were approved by the directors and were signed on March 29, 2024 on their behalf by:

Seamus Gunton
Seamus Gunton (Apr 2, 2024 02:09 GMT)

Seamus Gunton

Peenak Kosandal
Peenak Kosandal (Apr 1, 2024 15:23 GMT)

Peenak Kosandal

Firestone Liberia LLC.

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Directors' Report

The directors present their report for the year ended December 31, 2023.

1. Review of activities

Main business and operations

The company, Firestone Liberia, LLC ("Company" or "FSLB") was incorporated in the Republic of Liberia as a private limited liability company and is domiciled in Liberia. The address of its registered office is Firestone Liberia, Inc., Harbel, Margibi County, Liberia. The principal activity of the Company is to cultivate, process and sell natural rubber. The Company's parent company is Firestone Natural Rubber Company, LLC incorporated in the United States of America, owning 100% of the Company's shares. There were no changes in shareholding during the year.

The operating results and statement of financial position of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

4. Directors' interest in contracts

To our knowledge, none of the directors had any interest in contracts entered into during the year under review.

5. Authorized and issued share capital

No changes were approved or made to the authorized or issued share capital of the company during the year under review.

6. Dividend

The dividend of US\$2,562,000 was accrued on preference shares Junior and Senior during the year.

7. Directors

The directors of the company during the year and up to the date of this report are as follows:

Seamus Gunton
Peenak Kosandal

Firestone Liberia LLC.

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Directors' Report

8. Shareholder

There have been no changes in ownership during the current financial year.

The shareholder and its interest at the end of the year were:

Firestone Natural Rubber Company, LLC	Holding 100.00%
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9. Independent Auditors

Baker Tilly Liberia were the independent auditors for the year under review.

Independent Auditor's Report

To the Shareholder of Firestone Liberia, LLC

Independent Auditor's Report

Opinion

We have audited the financial statements of Firestone Liberia, LLC ("FSLB" or "the Company"), which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year 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 Company as at December 31, 2023, and (of) its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with ethical requirements that are relevant to our audit of the financial statements in the Republic of Liberia, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter(s)	How matter was addressed in our audit
Biological assets The valuation of biological assets has been performed by management using significant judgment and assumptions. Management's determination includes estimates and forecasts on yield of biological assets as well as historical and projected cost-data.	We assessed managements assumptions used in the valuation of biological assets. We performed appropriate procedures on the transfer from development costs to biological assets, of amounts expended on land acquisition and replanting. We also reviewed management's assumptions and other judgmental factors that underpin management's valuation. Our audit procedures employed the use of forward-looking information in assessing the accuracy of management's determination of expected yields. Our conclusions are that management's valuation of biological assets is reasonable
Revenue/Sales The total revenue during the 2023 financial year amounted to US\$58,500,146. The entity's revenue is 94% related to sales of processed rubber to its shareholder. ASC 606 states that revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service. Firestone Liberia LLC recognizes sales revenue when control over promised goods (processed rubber based on sales orders) is transferred to its customer(s), which is consistent with ASC 606 (at a point of time). During the 2023 financial year, 88% of total revenue from processed rubber related to transactions between Firestone Liberia LLC and its parent, Firestone Natural Rubber Company, USA. Due to the entity's business relationship with its shareholder, as a customer, transactions could occur under non Arms-Length terms. Revenue is a key performance indicator relevant to internal and external stakeholders. Consequently, there could be pressure to achieve forecasted results. This could lead to increased audit risk relating to sales cut-off and the recording of revenue in the proper accounting period.	Our audit procedures included, among others, inquiries with management regarding any significant new contracts and relevant changes in existing contracts. The procedures also included reading significant contracts to understand the terms and conditions and their impact on revenue recognition. Walkthroughs were performed to gain an understanding of processes and internal controls, including management reviews with respect to revenue recognition. We inquired about and evaluated management's procedures relating to the sales price of raw rubber to its related party (customer). On a sample basis, we reconciled revenue to the supporting documentation, such as sales orders, weighbridge tickets and invoices. Specific emphasis was placed on verifying that revenue transactions at the end of the financial year and at the beginning of the new financial year were recognized in the proper accounting period, by comparing revenue close to the balance sheet date with the respective contractual terms and the Company's mode of recognition. Furthermore, we assessed the Company's disclosures relating to revenue recognition.

Key audit matter(s)	How matter was addressed in our audit
Right of Use Assets The Company initially adopted ASC 842 “Leases” with on January 1, 2022, with retrospective application as of January 1, 2019. This new standard superseded the requirements of ASC 840 “Leases”. ASC 842 Leases introduces a new lease accounting model, where lessees are required to recognize right-of-use (ROU) asset and a lease liability arising from a lease contract on its statement of financial position. ASC 842 Leases was adopted by the Company using the modified retrospective approach. Under the standard, the prepaid and accrued rentals are adjusted against the right-of-use assets. The Company has recognized lease liabilities amounting to US\$1,817,064 and right-of-use asset amounting to US\$1,817,064 as on the date of transition. Significant judgment is required in the assumptions and estimates used in order to apply the definition of a lease, application of the discount rate, and lease term for computation of ROU asset and lease liability. We considered this a key audit matter due to the inherently judgmental nature of the determination of the lease liabilities, and the significant impact arising from transition adjustments.	We performed the following procedures in relation to the implementation of ASC 842: • We evaluated the appropriateness of the selection of accounting policies based on the requirements of ASC 842 including factors such as transition approach, and practical expedients applied; • Assessed the design and implementation of the Company’s controls over the treatment of leases under ASC 842; • We evaluated the completeness of the lease population considered for transition adjustments; • We evaluated and challenged the reasonableness of assumptions and estimates used by management in the calculation of transition adjustment; • We obtained the Company’s quantification of ROU assets and lease liabilities. For a sample of leases, we agreed the inputs used in the quantification to the lease agreements and performed re-computation of lease liabilities. In addition, for the sample selected, we also re-computed the ROU asset in accordance with the transition adjustments considered by management. • We assessed and evaluated the reasonableness of lease terms used for computation of lease liabilities and right-of-use assets; • We assessed and challenged the appropriateness of the discount rates applied in determining lease liabilities; and • We assessed whether the related disclosures within the financial statements are appropriate in light of the requirements of ASC 842 “Leases”.

Responsibilities of the Directors for the Annual Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Company’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 Company or to cease operations, or has no realistic alternative but to do so.

The Directors and others charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s 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 auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 judgment 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

Title 5 of the Associations Law of Liberia requires that in carrying out our audit, we consider and report on the below matters. Accordingly, we confirm that:

- I. We have obtained all the information and explanations which to the best of our knowledge and belief were required for the purposes of our audit; and
- II. The Corporation's financial statements are properly drawn up, so as to exhibit a true and fair view of the state of the Corporation's affairs according to the best of the information and the explanations given to us and as shown by the books of the Corporation.

Baker Tilly Liberia
(Certified Public Accountants)
Monrovia
April 2, 2024

Firestone Liberia LLC.

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Statement of Financial Position

In United States \$	Note	2023	2022
Current assets			
Cash	10	4,361,589	5,261,150
Trade and other receivables	7	1,840,984	3,295,707
Inventory	6	41,968,805	39,461,774
Corporate tax assets	8	10,003,408	9,411,114
Total current assets		58,174,786	57,429,744
Non-current assets			
Property, plant and equipment	4	75,516,885	74,656,933
Biological assets	5	50,008,222	46,622,599
Capital work in progress	6	4,965,728	4,132,916
Right of use assets	7	868,380	1,747,476
Total non-current assets		131,359,215	127,159,924
Total assets		189,534,001	184,589,668
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	12	6,010,588	3,728,098
Intercompany payables	15	44,587,958	29,283,858
Finance lease obligation – current	13	193,995	258,733
Dividends payable - preference shares	14	8,967,000	6,405,000
Total current liabilities		59,759,541	39,675,689
Non-current liabilities			
Right of use assets obligations - long term		730,705	1,554,412
Total non-current liabilities		730,705	1,554,412
Total liabilities		60,490,246	41,230,101
Equity			
Capital stock – common	11	2,000,000	2,000,000
Additional paid in capita;		232,470,559	232,470,559
Preference shares		65,000,000	65,000,000
Accumulated loss		(170,426,804)	(156,110,992)
Total equity		129,043,755	143,359,567
Total liabilities and equity		189,534,001	184,589,668

Seamus Gunton

Seamus Gunton (Apr 2, 2024 02:09 GMT)

Seamus Gunton

Peenak Kosandal

Peenak Kosandal (Apr 1, 2024 15:23 GMT)

Peenak Kosandal

Firestone Liberia LLC.

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Statement of Comprehensive Income

In United States \$	Note	2023	2022
Revenue			
Sales (net)	16	58,500,146	77,744,056
Cost of sales	17	(67,820,602)	(77,950,949)
Gross profit		(9,320,457)	(206,893)
 Selling, general and administrative expenses	19	(1,938,152)	(3,205,754)
Other income/loss	18	(19,961)	(90,680)
Other expenses	20	(457,898)	(205,762)
Operating loss	21	(11,736,467)	(3,709,089)
 Finance costs	13	(17,346)	(49,999)
Loss for the year		<u>(11,753,813)</u>	<u>(3,759,088)</u>

Firestone Liberia LLC.

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Statement of Changes in Equity

	Capital stock - common	Additional paid in capital	Preference shares	Accumulated loss	Total
Balance at January 1, 2023	2,000,000	232,470,559	65,000,000	(156,110,991)	143,359,567
Changes in equity					
Loss for the year	-	-	-	(11,753,813)	(11,753,813)
	2,000,000	232,470,559	65,000,000	(167,864,804)	131,605,754
Dividends recognized during the year, preference shares at December 31, 2023	-	-	-	(2,562,000)	(2,562,000)
As at December 31, 2023	2,000,000	232,470,559	65,000,000	(170,426,804)	129,043,754
Balance at January 1, 2022	2,000,000	232,470,559	65,000,000	(149,584,543)	149,886,016
Changes in equity					
Loss for the year	-	-	-	(3,759,088)	(3,759,088)
	2,000,000	232,470,559	65,000,000	(153,343,631)	146,126,928
Dividends recognized during the year, preference shares December 31, 2022	-	-	-	(2,562,000)	(2,562,000)
Adjustment for the recognition of RoU assets	-	-	-	(51,296)	(51,297)
Provision on investment	-	-	-	(154,064)	(154,064)
As at December 31, 2022	2,000,000	232,470,559	65,000,000	(156,110,991)	143,359,567

Firestone Liberia LLC.

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Statement of Cash Flows

In United States \$	Note	2023	2022
Loss for the year		(11,753,813)	(3,759,088)
Adjustments to reconcile loss:			
Write-off of financial assets			60,001
(Increase) / decrease in inventories		(2,507,031)	(7,907,712)
Decrease / (increase) in Trade and other receivables		1,454,723	1,037,214
Increase in Intercompany payable		15,304,100	17,926,389
(decrease) / increase in Trade and other payables		2,282,490	(407,973)
Depreciation and amortisation expense		5,932,870	5,783,224
Finance costs		17,346	49,999
Currency loss		1,877	
Increase in lease liabilities			258,733
Total adjustments to reconcile loss		10,732,561	13,040,787
Net cash flows from operations			
Income taxes paid		(592,294)	(777,462)
Net cash flows from operating activities		10,140,267	12,263,325
Cash flows used in investing activities			
Purchase of property, plant and equipment		(11,059,975)	(7,099,732)
Right of Use assets		-	(2,583,822)
Adjustments for write off of Biological assets		-	45,062
Adjustments for write off/disposal of PPE – loss		22,142	(476,928)
Adjustments for write off of Biological assets - loss		73,613	(5,430,498)
Cash flows used in investing activities		(10,964,220)	(15,545,918)
Cash flows used in financing activities			
Prior period adjustment		-	51,297
Preference shares dividends			2,562,000
Adjustments - RoU assets		(744,904)	-
Cash flows used in financing activities		(744,904)	2,613,297
Net (decrease) / increase in cash and cash equivalents		(1,568,857)	(669,296)
Cash and cash equivalents at end of the year		5,930,446	5,930,446
		4,361,589	5,261,150

Firestone Liberia LLC.

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Accounting Policies

1. General information

Firestone Liberia LLC. ('the company') Firestone Liberia LLC was incorporated in the Republic of Liberia as a private limited liability company and is domiciled in Liberia. The address of its registered office is Firestone Liberia, Inc., Harbel - Margibi County, Liberia. The principal activity of the Company is to cultivate, process and sell natural rubber and rubber wood. The Company's parent company is Firestone Natural Rubber Company LLC, incorporated in the United States of America, which owns 100% of the Company's shares.

2. Basis of preparation and summary of significant accounting policies

Statement of Compliance

The financial statements have been prepared under the historical cost convention and in accordance with the accounting policies set out by Bridgestone Americas Holding Inc., the parent company of Firestone Natural Rubber Company LLC, which is the immediate parent company of Firestone Liberia LLC, and the requirements of Title 5 of the Associations Law of Liberia.

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Going Concern

The Corporation operates in an industry that is susceptible to changes in the global price of natural rubber. Owing to the sustained decline in the price of natural rubber on the world market over the last decade, the Corporation has experienced operating losses for more than five years.

The Company incurred a net loss of (US\$11,753,813) during the year ended December 31, 2023, and accumulated losses over the last three years total (US\$18,765,386). This operating history could impact the Company's going concern assumption. However, FSLB's parent company has issued a comfort letter in which they confirm their commitment to support the Company in the foreseeable future and not to request the repayment of intercompany liabilities due to them.

In light of the above, the Company's management has assessed FSLB's ability to continue as a going concern and is satisfied that the Corporation will continue to operate as a going concern for at least the next financial years. Consequently, the financial statements continue to be prepared on the going concern basis.

Principal Accounting Policies

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

Firestone Liberia LLC.

Annual Financial Statements for the year ended December 31, 2023

Accounting Policies

2.1 Foreign currency translation

Functional and presentation currencies

The financial statements have been presented in United States dollars. The functional currency of the company is the United States dollar.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs.' All other foreign exchange gains and losses are presented in profit or loss within 'other (losses)/gains – net'.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

2.2 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the directors.

The company adds to the carrying amount of an item of property, plant and equipment, the cost of replacing parts of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated range of useful lives is as follows:

Asset class	Useful life / depreciation rate
Buildings	40 years
Right of Use assets	Various
Machinery	5 to 10 years, as applicable
Motor vehicles	5 years
Office equipment	3 - 10 years
Capital work in progress	

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively, if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'other gains / (losses)' in the statement of comprehensive income.

2.3 Biological assets

Biological assets consist of mature rubber plantations and immature rubber plantations. Immature plantations are stated at cost. Costs comprise all direct purchases and direct expenses incurred in cultivating the trees until maturity. Subsequent measurement of the immature plantations is at cost. Immature trees are transferred to mature rubber plantations on maturity of individual rubber plantations when production commences

The residual values, useful lives and depreciation method of the company's biological assets are reviewed, and adjusted if appropriate, if there is an indication of a change since the last reporting date.

Details of the estimated useful life, depreciation rate and depreciation method for biological assets measured at cost is as follows:

Asset class	Useful life	Depreciation rate	Depreciation method
Immature rubber	N/A	N/A	N/A
Mature rubber	30 years	3.33%	Straight line

Firestone Liberia LLC.

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Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

2.4 Financial instruments

Loan to (from) group company

This can include loans between holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognized initially at fair value plus direct transaction costs.

The loan to group company is classified as a debt instrument, and is initially measured at transaction price including transaction costs and subsequently measured at amortized cost using the effective interest method.

The loan from group company is classified as a debt instrument, and is initially measured at transaction price including transaction costs and subsequently measured at amortized cost using the effective interest method.

Loan to (from) shareholder

The loan to shareholder is classified as a debt instrument, and is initially measured at transaction price including transaction costs and subsequently measured at amortized cost using the effective interest method.

The intercompany payable is classified as a debt instrument, and is initially measured at transaction price including transaction costs and subsequently measured at amortized cost using the effective interest method.

Trade and other receivables

Trade and other receivables are initially measured at fair value and, after initial recognition, at amortized cost less impairment losses for bad and doubtful debts, if any, except for the following receivables:

- Interest-free loans made to related parties without any fixed repayment terms or with the effect of discounting being immaterial, that are measured at cost less impairment losses for bad and doubtful debts, if any; and
- Short-term receivables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount less impairment losses for bad and doubtful debts, if any.

At each reporting date, the Corporation assesses whether there is any objective evidence that receivables are impaired. Impairment losses on trade and other receivables are recognized in profit or loss when there is objective evidence that an impairment loss has been incurred and are measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at its original effective interest rate, i.e., the effective interest rate computed at initial recognition. The impairment loss is reversed 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 recognized.

Other financial assets

Other financial assets are recognized initially at the transaction price, including transaction costs, except where the asset will subsequently be measured at fair value.

Where other financial assets relate to shares that are publicly traded, or where fair values can be measured reliably without undue cost or effort, these assets are subsequently measured at fair value with the changes in fair value being recognized in profit or loss. Other investments are subsequently measured at cost less impairment.

Debt instruments are subsequently stated at amortized cost. Interest income is recognized on the basis of the effective interest method and is included in finance income.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Trade and other payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest.

Trade payables denominated in a foreign currency are translated into Company's reporting currency, using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

Trade payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

Trade payables are obligations on the basis of normal credit terms and do not bear interest.

Other financial liabilities

Other financial liabilities are recognized initially at the transaction price, including transaction costs except where the liability will subsequently be measured at fair value.

Where the fair value of other financial liabilities can be measured reliably without undue cost or effort, these liabilities are subsequently measured at fair value with the changes in fair value being recognized in profit or loss.

Debt instruments are subsequently stated at amortized cost. Interest expense is recognized on the basis of the effective interest method and is included in finance costs.

Other financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Issued capital

Ordinary shares are classified as equity.

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

An additional sixty five thousand shares (35,000 Series A Senior preferred stock and 30,000 Junior preferred stock) were issued on January 8, 2020 at par value of US\$1,000 per share. There is an outstanding dividend liability of US\$8,967,000 on preferred shares as at December 31, 2023.

Additional paid in capital

This represents additional contribution made by Firestone Natural Rubber Company LLC in excess of their capital contribution, towards the promotion of the Company's business. A portion of the debt owed by FSLB to its parent company, Bridgestone Americas Holding Inc, was converted to additional paid in capital (on existing common stock) on January 8, 2020. The amount converted was US\$167,096,759.

2.5 Prepayments

Prepayments consist of various payments that have been made in advance for goods and services to be received in future. Prepayments are measured at amortized cost, and are derecognized when the goods and services to which the prepayment relate have been received.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

2.6 Inventories

Inventories are stated at the lower of cost **and** estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises packaging costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognized immediately in profit or loss.

2.7 Income taxes

The tax expense for the year comprises current and deferred tax. Tax is recognized in profit or loss, except that a change attributable to an item of income or expense recognized as other comprehensive income is also recognized directly in other comprehensive income

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the entity operates and generates taxable income.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and on unused tax losses or tax credits in the entity. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Under its concession agreement with the Government of the Republic of Liberia, the Company is liable to pay quarterly turnover tax on revenue generated during each quarter. The tax rate is 1% of revenue generated. Sums paid as turnover taxes are treated as a prepayment and a credit against income tax liability.

All tax payments made during the year were in respect of turnover taxes, as the Company incurred an tax loss (on operations) for the year.

2.8 Right-of-Use assets

Definition

Firestone Liberia LLC as a lessee

Classification

Right-of-use assets recognized by Firestone Liberia LLC are comprise of leased land with buildings. The corporation has elected not to recognize right-of-use use assets and lease liabilities for leases of low-value assets, and lease payments associated with those assets are recognized as an expense on a straight-line basis.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Leases under which Firestone Liberia LLC possesses a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration, are disclosed in Firestone Liberia LLC's statement of financial position and recognized as Right-of-use assets. The major lease transaction under which Firestone Liberia LLC is lessee, relates to the lease of land and building by FSLB. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, Firestone Liberia LLC assesses whether, throughout the period of use, it has both of the following:

- (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
- (b) the right to direct the use of the identified asset.

Firestone Liberia LLC presents right-of-use assets as a separate class under Property, Plant and Equipment. The Company presents lease liability as current and non-current liabilities in the statement of financial position. Firestone Liberia LLC recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Firestone Liberia LLC's incremental borrowing rate (IBR). Generally, Firestone Liberia LLC uses its incremental borrowing rate as the discount rate. The average incremental borrowing rate that has been applied to the lease liabilities since January 1, 2019 is 3.0679%.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by the lease payments made. It is remeasured when there is a change in future lease payments arising from a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised, or a termination option is reasonably certain not to be exercised. Firestone Liberia LLC has applied judgment to determine the lease term for some lease contracts in which the lessee has renewal options. The assessment of whether Firestone Liberia LLC is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

2.9 Provisions

Provisions for restructuring costs and legal claims are recognized when: the company has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.10 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of goods and service tax, returns, rebates and discounts.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Revenue from the sale of goods is recognized when:

- significant risks and rewards of ownership of the goods have been transferred to the buyer;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognized by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of transactions involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent of the expenses recognized that are recoverable.

The stage of completion of a transaction may be determined by a variety of methods, depending on the nature of the transaction:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed;
- the proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Interest income is recognized using the effective interest method.

Rental income from investment property that is leased to a third party under an operating lease is recognized in the statement of comprehensive income on a straight-line basis over the lease term and is included in 'other income'.

Firestone Liberia LLC recognizes sales revenue when its control over promised goods (processed rubber based on sales orders) is transferred to its customer(s).

2.11 Employee benefits

Short-term employee benefits

Compensation paid to employees for the rendering of services are recognized at the undiscounted amount paid or expected to be paid in the accounting period in which the services were rendered.

Where employees accumulate entitlement for paid absences, an expense is recognized as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. In the case of non-accumulating paid absences, the expense is recognized only when the absences occur.

The expected cost of profit-sharing and bonus payments are recognized when there is a present legal or constructive obligation to make such payments as a result of past events, and a reliable estimate of the obligation can be made. A present obligation exists when there is no realistic alternative but to make the payments.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to an entity during a period, the contribution payable to a defined contribution plan in exchange for that service is recognized. In this respect:

- a. All personnel retired by Firestone subsequent to March 1, 2019, are eligible to receive only pension payments from the National Social Security and Welfare Corporation (NASSCORP), payable at rates established by NASSCORP;
- b. All personnel retired prior to March 1, 2019, are eligible to receive a maximum pension payment of forty percent of the applicable final pay at the time of retirement, from either Firestone, NASSCORP or a combination of the two entities. If the pension amount received from NASSCORP by a current retiree totals less than 40% of the retiree's final pay at the time of retirement, Firestone Liberia pays the difference needed to achieve a 40% benefit;
- c. Firestone personnel not qualifying for payments under NASSCORP based on the Decent Work Act, are provided retirement benefits under a separate Firestone corporate pension plan.

Firestone conducts continual, routine verification of the Company's pensioners through monthly verification accomplished by an electronic biometric system.

The Company does not accrue for pension obligations. Actual pensions paid to retired employees are expensed by the Company as and when payments are due.

Concession agreement

By an agreement in August 1987 between Firestone and the Government of Liberia, the Company renegotiated its concession agreement and amended the agreement of 1976. The 1987 agreement was again renegotiated and a new concession agreement was signed on March 31, 2008. This agreement is scheduled to end on December 31, 2041.

Termination benefits

A liability for termination benefit is recognized at the earlier of when the offer can no longer be withdrawn and when the related restructuring costs are recognized.

2.12 Borrowing costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

2.13 Related parties

A related party is a person or entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person:
 - has control or joint control of the reporting entity;
 - has significant influence over the reporting entity; or
 - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - Both entities are joint ventures of the same third party;
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - The entity is controlled or jointly controlled by a person identified as a related party;
 - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Firestone Natural Rubber Company LLC incorporated in the United States of America owns 100% of the Company's shares and exercises management control. Rubber prices paid to the company are aligned to the world market prices and prescribed in the concession agreement. The following transactions were carried out with related parties

- Sales of goods: Firestone Natural Rubber Company LLC 2023 US\$58,288,071 (2022: US\$68,798,117)
- Purchase of goods/services: Firestone Natural Rubber Company LLC 2023 US\$67,959,634 (2022: US\$72,453,992)
- Due to Firestone Natural Rubber Company arising from purchases LLC 2023 US\$44,587,958 (2022: US\$29,283,858)

2.14 Impairment of non-financial assets other than inventories

Other non-financial assets consist of various payments that have been made in advance for goods and services to be received in future. Other non-financial assets are measured at amortized cost, and are derecognized when the goods and services to which the prepayment relate have been received.

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Accounting Policies

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant estimates and adjustments have been applied in the preparation of these annual financial statements.

3.1 Capital commitments

There were no capital commitments at the balance sheet data (2022: Nil).

3.1.1 Contingent liabilities

As at December 31, 2023, FSLB's retained legal counsel, Pierre Tweh & Associates Inc., confirmed handling a total of five (5) legal cases on behalf of FSLB. Of the Five (5) cases being litigated for and on behalf of Firestone Liberia LLC. by Pierre Tweh & Associates Inc., two (2) are pending before the full bench of the Supreme Court, two (2) are being heard at the Ministry of Labor, and one (1) at the 13th Judicial Circuit Court. The potential exposure in respect of two of these cases amounted to US\$897,943.91, while the exposure on the other three cases was undetermined up to the date of this report.

Firestone Liberia LLC's retained lawyer, Lex Group Liberia Inc., confirmed handling a total of 9 cases on behalf of FSLB as at December 31, 2023. These included 8 labor-related cases and 1 claim for possible wrongful death. Total potential exposure to FSLB on these legal matters amounted to US\$341,503.40.

A provision of US\$667,077 has been made in the financial statements in respect of the above potential financial exposure on pending legal matters as at December 31, 2023.

Accounting Policies

Critical accounting estimates and judgements continued...

3.1.1 Subsequent events

No events occurred between December 31, 2023 and the date the directors approved the financial statements that would have a material impact on the results as disclosed in the financial statements set out on pages 6 to 9, or on the continued existence of the company as a going concern.

Firestone Liberia LLC.

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Figures in \$

4. Property, plant and equipment

Costs	Buildings & bldg. fixt.	Machinery & equipment	Autos & trucks
At 1 January 2022	101,788,373	47,319,983	11,234,040
Additions	-	-	-
Transfers	6,129,542	1,686,960	622,087
Write off	(181,314)	(799,148)	(1,172,176)
At 31 December 2022	107,736,601	48,207,795	10,683,951
Adjusted balance at January 1, 2023	107,736,601	48,207,795	10,683,951
Additions	-	-	-
Transfers from capital work in process	2,216,570	2,108,619	1,021,558
Disposals	(37,706)	-	(292,469)
At 31 December 2023	109,915,464	50,316,414	11,413,040
Depreciation			
At 1 January 2022	38,909,890	41,585,816	9,525,145
Charge for the year	2,221,105	1,138,014	783,220
Write-off	(85,045)	(783,784)	(1,172,176)
At 31 December 2022	41,045,950	41,940,046	9,136,189
Adjusted balance at January 1, 2023	41,045,950	41,940,046	9,136,189
Charge for the year	2,380,351	1,404,864	702,568
Write-off	(21,780)	-	(286,254)
At 31 December 2023	43,404,521	43,344,910	9,552,504
Carrying amounts			
At 31 December 2022	66,690,651	6,267,748	1,547,762
At 31 December 2023	66,510,943	6,971,504	1,860,536

Firestone Liberia LLC.

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Figures in \$

Property, plant and equipment continued...

	Buildings	RoU assets	Machinery	Motor vehicle
Reconciliation for the year ended 31 December 2022				
Balance at 1 January 2022				
At cost	101,788,372	-	47,319,982	11,234,0
Accumulated depreciation	(38,909,890)	-	(41,585,816)	(9,525,14
Carrying amount	62,878,483	-	5,734,166	1,708,8
Movements for the year ended 31 December 2022				
Additions from acquisitions		2,583,822		
Accumulated depreciation-ROU assets	-	(569,414)	-	
Depreciation	(2,221,105)	(266,932)	(1,138,014)	(783,22
Transfer (to) from capital work in progress	6,129,542	-	1,686,960	622,0
Write-offs	(181,313)	-	(799,148)	(1,172,17
Accumulated depreciation – disposal	85,045	-	783,784	1,172,1
Property, plant and equipment at the end of the year	66,690,651	1,747,476	6,267,749	1,547,7
Closing balance at 31 December 2022				
At cost	107,736,601	2,583,821	48,207,795	10,683,9
Accumulated depreciation	(41,045,950)	(836,345)	(41,940,046)	(9,136,18
Carrying amount	66,690,651	1,747,476	6,267,749	1,547,7

Firestone Liberia LLC.

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Changes in accounting policies and disclosures

At the date of authorization of these financial statements for the year ended December 31, 2023, the following ASCs had been adopted:

ASC 842 Leases

As a lessee, ASC 842 removes distinctions between operating and finance leases and requires the recognition of a right-of-use asset and corresponding liability for future lease payables. The right-of-use asset will be subsequently depreciated on a straight-line basis over the life of the lease. Interest will be recognized on the lease liability. This will result in earlier recognition of expense for leases currently classified as operating leases, although over the life of a lease the total expense recognized will not change.

Right-of-use assets recognized by Firestone Liberia LLC are comprised land with buildings leased. The corporation has elected not to recognize right-of-use use assets and lease liabilities for leases of low-value assets, and lease payments associated with those assets will be recognized as an expense on a straight-line basis.

ASC 842 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e., lessors continue to classify leases as finance or operating leases. The standard became effective for annual periods beginning on or after January 1, 2022. Early adoption was permitted for ASC 842.

Firestone Liberia LLC adopted ASC 842 with an initial application date of January 1, 2019 using the modified retrospective approach. Therefore, the cumulative effect of adopting ASC 842 was recognized as an adjustment to the opening balance of retained earnings at January 1, 2019, with no restatement of comparative information.

The entity applied the practical expedient to grandfather the definition of the lease on transition. This means that ASC 842 was applied to contracts entered into before January 1, 2019 which had been identified as leases.

The company opted to, on a lease-by-lease basis, measure an ROU asset at either its carrying amount as if ASC 842 had been applied since the commencement date; or an amount equal to the lease liability arising from the capitalization of the present value of future lease payments.

Impact on Financial statements

The expenses related to leases are reported as depreciation expenses for ROU assets and finance charges on lease liabilities. In the context of the transition to ASC 842, Right-of-use assets of US\$ 1,817,064 and lease liabilities of \$ 1,817,064 were recognized on January 1, 2019. Accumulated Depreciation of \$948,684 had been recognized as at December 31, 2023. Finance costs of US\$ 17,346 were recognized during the 2023 year. On adoption of ASC 842, the prior year's figures were not adjusted in accordance with the transitional provision when applying the modified retrospective approach. The lease liabilities were discounted at a borrowing rate of 3.0679% at January 1, 2019. The incremental borrowing rate is 3.0679%.

Firestone Liberia LLC.

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5. Biological assets

	Mature rubber	Immature rubber	Total
Cost			
At January 1, 2023	53,353,801	19,424,363	72,778,163
Transfer from capital work in process		4,804,112	4,804,112
Write offs at cost	(4,626,559)		(4,626,559)
At December 31, 2023	48,727,242	24,228,475	72,955,716
At January 1, 2022	52,868,949	16,795,862	69,664,811
Additions		5,430,498	5,430,498
Transfers	2,801,998	(2,801,997)	-
Write offs at cost	(2,317,146)		(2,317,146)
At December 31, 2022	53,353,801	19,424,363	72,778,163
Amortisation			
At January 1, 2023	26,155,565	-	26,155,568
Charge for the year	1,344,876	-	1,344,876
Write offs at cost	(4,552,946)	-	(4,552,946)
At December 31, 2023	22,947,495		22,947,498
At January 1, 2022	27,099,793	-	27,099,793
Charge for the year	1,327,854	-	1,327,854
Write offs at cost	(2,272,079)	-	(2,272,079)
At December 31, 2022	26,155,565	-	26,155,568
At December 31, 2022	27,198,233	19,424,363	46,622,595
At December 31, 2023	25,779,745	24,228,475	50,008,222

Firestone Liberia LLC.

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In United States \$	2023	2022
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6 Inventory

Raw materials	12,021,946	15,983,740
Consumable stores	15,411,060	13,552,238
Work in progress	2,024,023	1,159,419
Finished goods	4,285,414	1,411,477
Spare parts	6,558,097	6,099,868
Material in transit	1,668,266	1,255,032
	41,968,805	39,461,774

7 Trade and other receivables

Trade receivables	36,066	1,327,835
Prepayment	522,767	265,476
Advances to staff	264,789	277,878
Other receivables	1,146,805	1,556,974
	1,970,427	3,428,163
Provision for impairment	-129,443	-132,456
	1,840,984	3,295,707

8 Current tax assets

Year of assessment	Balance at January 1,	Charge/Adjustments during the year	Payments during the year	Balance at December 31,
2023				
Up to 2022	9,411,114	-	-	9,411,114
2023	-	-	592,294	592,294
	9,411,114	-	592,294	10,003,408

9 Investment

Intercompany- RU160	94,062	94,062
Securities owned by subsidiary, L/STAR	60,000	60,000
Securities owned, LBDI	1	1
	154,063	154,063
Provision for impairment	(154,063)	(154,063)
	-	-

10 Cash and cash equivalents

Cash	2,834,662	4,034,394
Cash on hand	1,526,928	1,226,756
	4,361,589	5,261,150

Firestone Liberia LLC.

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2023

2022

11. Issued capital

Authorized and issued share capital

Authorized

Issued

Additional paid-in capital

Ordinary shares

234,470,559

234,470,559

65,000,000

65,000,000

299,470,559

299,470,559

12. Trade and other payables

12.1 Trade and other payables comprise:

Trade creditors

2,753,097

972,213

Miscellaneous deferred items

9,448

(5,465)

Trade payables and accruals

3,248,043

2,761,350

Total trade and other payables

6,010,588

3,728,098

12.2 Finance costs included in profit or loss:

Finance costs-RoU assets

17,346

49,999

13. Finance lease obligations

Right-of-use assets liabilities

Non-current liabilities

730,705

1,554,412

Current liabilities

193,995

258,733

924,700.46

1,813,145

14. Dividends payable - preference shares

Dividends payable - preference shares comprise:

Dividends payable

8,967,000

6,405,000

Current portion of dividends payable – preference
Shares

8,967,000

6,405,000

15. Intercompany payable

Intercompany payable comprises:

Intercompany payable

44,587,958

29,283,858

Firestone Liberia LLC.

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Notes to the Annual Financial Statements

15 Revenue	2023	2022
Sales-intercompany	56,288,071	68,798,117
Sales-Third party	3,729,260	8,975,938
	60,017,331	77,774,056
Sales returns	(1,517,185)	(30,000)
	58,500,146	77,744,056
16 Cost of sales		
Staff salaries	19,568,138	19,737,778
Depreciation expense	5,820,531	5,491,625
Materials consumed	10,872,825	10,577,527
Fuel costs	4,466,631	4,418,632
Pensions	892,395	1,037,040
Food subsidy	1,646,915	1,126,845
Stat & Supplies	156,589	134,043
Other Fixed & Variable Overheads	24,535,611	35,427,458
	67,959,634	77,950,949
17 Selling, general and administrative expenses		
Administrative salaries	1,139,422	1,115,195
Bank charges	246,794	367,882
Stationery & Comm.	154,790	95,174
Donation and scholarship	189,992	231,116
Legal fees	(19,159)	1,028,688
Audit fees	76,894	76,809
Depreciation Expense	149,420	290,890
Other professional charges		
	1,938,152	3,205,754
18 Other expenses		
Bad debt	3,216	-
License and maintenance	16,011	21,370
Gas and fuel	30,399	38,386
Travels	50,101	3,052
Rent expense	(127,032)	(290,560)
Service contracts	110,688	138,169
operating supplies – others	131,458	43,347
Other admin expenses	104,024	251,998
	318,866	205,762
19 Other income		
Rental income	54,282	50,367
Misc. Income	23,389	18,289
Currency gain or loss	(1,877)	(432)
Loss on disposal of Fixed Assets	(95,755)	(158,904)
	(19,961)	(90,680)