



Newmont Akyem Development Foundation (NAkDeF)



2015 Annual Report

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**Newmont Akyem
Development Foundation (NAkDeF)**

2015 Annual Report

Table of contents

	PAGE
FOREWARD	iv
Executive Summary	v
1.0 INTRODUCTION	1
2.0 RESULTS AND ACHIEVEMENTS	2
2.1 Construction of NAKDeF Office	2
2.2 Development and Signing of Foundation Agreement	2
2.3 Establishment of NAKDeF of Board of Trustees	3
2.4 Board Meetings	4
2.5 Registration of NAKDeF, Opening of Bank Account and Investments	4
2.6 Hiring of Staff	4
2.7 Establishment and Capacity Building for SDC Members	4
2.8 Preparation of Mid-term Development Plans	6
2.9 Development of Scholarship Processes and Criteria	6
2.10 Award of Scholarship	6
Table 1: Number of scholarship beneficiaries and amount spent	7
2.11 Commencement of Infrastructural Projects	8
3.0 PRIORITIES FOR 2016	9
4.0 PHOTO GALLERY	10
5.0 FINANCIAL AUDIT REPORT	14

List of Plates

PLATE	PAGE
NAKDeF OFFICE	2
SIGNING OF FOUNDATION AGREEMENT	3
INAUGURATION OF NAKDEF BOARD OF TRUSTEES	3
PICTURES OF SDC CAPACITY BUILDING SESSIONS	5
PUBLIC HEARING AT NEW ABIREM	6

Foreword



*Professor Emmanuel Gyimah-Boadi
Board Chair*

THE Foundation is on course towards the creation of sustainable value for our communities through social and economic transformation. This vision is being realized through the discrete activities undertaken by the Foundation on a daily basis, with the support of our stakeholders.

The Foundation, registered in June 2014 started its operations by establishing structures and systems necessary for its effective management. This involved the recruitment of Staff, constituting its Board of Trustees and establishing the Sustainable Development Committees (SDCs) of each of the ten (10) Communities.

The Foundation is fully cognisant of the fact that shared legacy can be created only through partnership with relevant stakeholders, notably the 7-member Sustainable Development Committees. As a first step to fostering this partnership, the Foundation organised capacity building programmes for the SDCs. This was designed to equip SDC members with the requisite knowledge and tools for the attainment of the goals and objectives of the Foundation. The programmes were specifically designed to enhance their understanding and ability to assess the needs of the communities, prepare project proposals and monitor projects. The SDCs were subsequently guided to prepare a 3-year (mid-term) development plan for their respective communities.

I would like to express my heartfelt thanks and appreciation to the SRF, The Board of Trustees, Secretariat, the SDCs and the communities for supporting the implementation of our successful scholarship programme and commencement of infrastructural projects. I look forward to working with you to create a shared legacy through this noble partnership.


Professor E. Gyimah-Boadi, Board Chairman, NAKDeF

Executive Summary

NEWMONT Akyem Development Foundation (NAkDeF) is a company, limited by guarantee, set up by Newmont Golden Ridge Limited and Akyem mine communities to establish and manage sustainable social investment projects and activities. The NAkDeF Agreement was signed on June 4 2014 as the vehicle through which Newmont will deliver its Corporate Social Responsibility. Prior to the signing of the Agreement, Newmont Golden Ridge Limited in its quest to advance the operations of the Foundation facilitated the construction of a modern Office which serves as Secretariat of the Foundation. NAkDeF was duly incorporated as a company limited by guarantee on June 30 2014 and also issued Certificate to Commence Business, effective, July 3 2014. Further to that, NAkDeF facilitated the opening of a bank account in August 2014 to ensure its smooth financial transactions.

Structures of the Foundation include the Board of Trustees, the Secretariat and Sustainable Development Committee (SDC). The Board of Trustees of NAkDeF was constituted in 2014. Job interviews were carried-out on September 26 2014 for five positions at the Secretariat, namely; Project Coordinator, Project Officer (Civil Works), Project Officer (Socio-economics), Communications Officer and Finance and Administrative Officer. The Finance and Administrative Officer commenced employment in December 2014, the Project Officers in January 2015 while the Communication Officer and the Driver commenced in June 2015.

The SDCs are local level development committees formed to initiate and oversee projects in their respective communities. In view of the important role the SDC members are expected to play, a capacity building was organized for them with the objective of helping members understand and appreciate various developmental concepts and tools used in planning.

Before the training, a Training Needs Assessment (TNA) was conducted with the objective of assessing trainee skill sets, knowledge, experiences and competence level at various stages in community development planning process. The training modules were then structured to meet the needs of the members. The Training workshop was scheduled for a period of 5 weeks, organized at four centres, with each week having four training days and two day contact period for each SDC. The training workshops were held simultaneously at two centres, with each centre having a facilitator, an assistant and a NAkDeF representative. After acquiring the knowledge, the SDC members led their communities in preparing their respective Medium Term Development Plans (2015-2017).

With the involvement of SDCs and community stakeholders, scholarship processes and criteria was developed for awarding scholarship to deserving post Junior High School students. Two set of scholarships, one for the 2014/2015 academic year and the second batch for the 2015/2016 academic year were awarded. As of December 2015, the programme had awarded scholarships to 928 students at both secondary and tertiary levels comprising of 340 tertiary students and 588 Senior High School students across the project affected communities. These culminated into a total of GHC 1,018,969 being spent as payments to scholarship beneficiaries.

A Ground Breaking Ceremony was organised in December 2015 to commemorate the commencement of Infrastructural Projects. The ground was broken for the construction of Old Abirem Junior High School Block as a symbolic representation of 15 prioritised infrastructural projects.

1.0 Introduction

NEWMONT Akyem Development Foundation (NAKDeF) is a company, limited by guarantee, set up by Newmont Golden Ridge Limited (NGRL) and its Akyem Mine communities to manage sustainable community development projects. NAKDeF seeks to promote the type of development, which responds to the people's needs and represents their goals, objectives and priorities.

The establishment of NAKDeF is in line with Newmont's purpose which is to create value and improve lives through sustainable and responsible mining.

NAKDeF's establishment followed the Social Responsibility Agreement (SRA) signed in July 2012 between NGRL and the Social Responsibility Forum (SRF). The SRF is a stakeholder's forum comprising representatives from the ten (10) Newmont Akyem mine communities and the Birim North District Assembly.

The Foundation agreement is the third leg of the SRA signed between Newmont and the 10 Newmont Akyem mine communities in July 2012. Under the SRA, the host citizens committed to ensuring a peaceful, enabling environment and NGRL committed to contribute towards the sustainable development of the area - NAKDeF is the vehicle to realise that goal. The Foundation agreement was signed on June 4, 2014 to launch the Foundation's operations as the social responsibility vehicle for the 10 Newmont Akyem mine communities, namely: Afosu, New Abirem, Mamanso, Old Abirem, Adausena, Hweakwae, Adjenua, Ntronang, Yayaaso and Yaw Tano (also called Resettlement Community).

The Foundation has a 9-member Board of Trustees, representing Newmont and Community. The Board supervises the work of a Secretariat headed by an Executive Secretary. The Foundation has a 7-member Sustainable Development Committee (SDC) for each of the 10 communities who work directly with the Foundation secretariat to plan, implement and manage developmental projects in their respective towns.

The Foundation is funded by Newmont's \$1 per ounce of gold sold and 1% of net pre-tax profit. These funds are used for Sustainable development projects including educational scholarships to secondary, vocational and tertiary training institutions, infrastructural and social amenities, youth development and promotion of culture, business development and economic empowerment.

Vision

Create sustainable value for our communities through social and economic transformation.

Mission

Mobilize and deploy resources, including partnerships, for the social and economic transformation of our communities.

Values

Integrity: We employ the highest ethical standards in dealing with our stakeholders, and conduct business in the sincerest and transparent manner.

Value Creation: We exist to enhance the lives of our communities through the delivery of quality socio-economic and infrastructural programmes/projects.

Passion: We have passion for excellence in all our dealings. This is what drives our innovation for improving the lives of our communities.

Dynamism: We keep up with trends and continuously improve our way of doing things.

Relationship: We aim to foster strategic relationships with stakeholders and development partners to enhance collaboration and obtain support and ownerships for programmes/projects.

2.0 Results and Achievements

2.1 Construction of NAKDeF Office

Newmont Golden Ridge Limited in its quest to advance the operations of the Foundation facilitated the construction of a modern Office which serves as Secretariat of the Foundation. A kick-off meeting was held for the construction of the Foundation Office in March 2014. The Office was duly completed at a cost of Three Hundred and Fifty Five Thousand, One Hundred and Nine Ghana Cedis (GHS 355,109.00) and officially handed over to NAKDeF Board of Trustees in March 2015.

Apropos to the payment of commitments made by



PLATE I: NAKDEF OFFICE

NGRL to the Foundation, the former also funded the initial activities of the Foundation by a grant (seed money) of Four Hundred and Eighty Eight Thousand and Six Hundred and Eighty Eight Cedis (GHS 488,688.00) paid to the Foundation in September 2014.

2.2 Development and Signing of Foundation Agreement

NEWMONT Akyem Development Foundation Agreement is the third leg of the Social Responsibility Agreement (SRA) signed between Newmont and the 10 Akyem mine communities in July 2012. Under the SRA, Newmont committed to contributing towards the sustainable development of the local Community. Newmont Akyem Development Foundation (NAKDeF) Agreement, signed June 4 2014 is the vehicle through which this commitment of the company towards its host communities is to be realized.

The drafting process of the Foundation Agreement commenced in quarter two (2) of 2013. Several meetings were held with the Social Responsibility Forum and a working group called Technical Subcommittee on Foundation Agreement.

The Technical Subcommittee held nine (9) meetings. The Caucus of all ten (10) community chiefs plus the Queen-mother and Abusua-panin of the Akyem Kotoku Traditional Area met five (5) times. Three (3) pre-caucus meetings were held with Newmont management and some selected traditional leaders. Awareness sessions were also held with Newmont management on the process and outcomes. Final draft was presented to relevant stakeholders (including Newmont, SRF, and Communities) for input and finalization of the draft agreement. Pictures of the signing ceremony are below.



PLATE 2: SIGNING OF FOUNDATION AGREEMENT



2.3 Establishment of NAKDeF of Board of Trustees

Section five (5) of the Foundation Agreement requires the composition of a Board of Trustees to direct the affairs of the Foundation. Accordingly, a Board of Trustees of NAKDeF was constituted by June 2014. This included:

- A Chairman nominated by Newmont in

consultation with Nananom and acknowledged by SRF Plenary

- Three (3) members representing Newmont
- Four (4) members representing the Community, two (2) each from Eastern and Western sides
- One (1) Non-Newmont female person nominated by Newmont



PLATE 3: INAUGURATION OF NAKDEF BOARD OF TRUSTEES

2.4 Board Meetings

The Board of Trustees of NAKDeF held seven (7) meetings – three and four in 2014 and 2015 respectively. The first Board meeting was held at Best Western Hotel in Accra on May 9 2014. The traditional authorities of Akyem Mine Communities including the Paramountcy were invited to this meeting. The objective of the Board meeting was to create awareness on the content of the Foundation Agreement and also usher the Board members into their roles and responsibilities.

The second Board Meeting was held at the office of Ghana Centre for Democratic Development (CDD-Ghana) on June 20 2014. Among the key items discussed was the status and the implementation of milestone activities including, registration of NAKDeF, hiring of staff, and establishment of SDCs and introduction of Board of Trustees to the Communities. The third Board meeting was meant to receive report/update on the hiring and set up modalities for appointment of secretariat staff. This meeting was held at African Regent Hotel on November 6 2014. The other four meetings held in 2015 were in fulfillment of scheduled Board meetings.

2.5 Registration of NAKDeF, Opening of Bank Account and Investments

NAKDeF was duly incorporated as a company limited by guarantee on June 30 2014 and also issued Certificate to Commence Business, effective, July 3 2014. Further to that, NAKDeF facilitated the opening of bank account in August 2014 to ensure its smooth financial transactions.

The Board of Trustees also decided to invest the funds received ahead of the commencement of project planning and implementation processes. Following a thorough assessment of bids submitted by various banks/financial institutions, EDC Investment Limited (EDL), a subsidiary of Ecobank, was appointed to manage the Foundation's Investment. Approximately three Million Ghana Cedis (GHS 3M) was invested at EDL in October 2014. As of the end of the year 2014 (within 3 months), the investment yielded a dividend of about One Hundred

and Eighty One Thousand Cedis (GHS 181,000.00).

2.6 Hiring of Staff

As enshrined in the Newmont Akyem Development Foundation Agreement, a secretariat is expected to be established to administer the activities of the Foundation. In fulfilment of this mandate, the process of recruitment of staff for the Secretariat commenced in September 2014 guided by the key principles such as selection of the best applicants, "local local" priority, and fairness and transparency.

A short list of applicants was developed and job interviews conducted on September 26 2014 for the following positions: Project Coordinator, Project Officer (Civil Works), Project Officer (Socio-economics), Communications Officer and Finance and Administrative Officer.

Offer letters were presented to successful applicants except for Project Coordinator and Communications Officer. This was because the other applicants did not meet the interview criteria. The Finance and Administrative Officer commenced employment in December 2014 whereas the Project Officer (Civil Works) and Project Officer (Socio-economic) commenced in January 2015. The Communications Officer and Driver also started work in 2015. There are two fixed-term members of staff, namely the Financial Controller and a Project Assistant who also began work in 2015. NGRL has also seconded a National Service Person to the Foundation.

2.7 Establishment and Capacity Building for SDC Members

Sustainable Development Committees (SDCs) were established in each of the ten Newmont Akyem mine-affected communities with the responsibility to lead their respective communities in the preparation of Medium Term Development Plans covering (2015-2017), from which annual plans and projects would be implemented. Elections, supervised by the District Electoral Commission were conducted for interested members of the communities from September to October 2014.

However, nearly all the individuals elected or nominated by the ten communities to serve on the SDCs lacked the expertise and experience necessary for the planning and development of their respective communities. This became evident in the Training Needs Assessment (TNA) conducted to assess the knowledge and experience of the new SDC members in community development planning process. The subsequent training was, therefore, designed to build the capacity of the SDCs in the basic skills required, and also, to enable them work towards addressing the other weakness identified during the TNA.

The training was structured to ensure that participants are able to grasp the knowledge and also gain some practical experience in development planning concepts and tools that they would use in their development agenda. The training modules were delivered through mini lectures, buzz group discussions and presentations, and assignments. The participants were also assigned tasks which were designed to ensure that they gain some practical experience in the implementation of the tools, and also to prepare the community members towards the budgeting and programming aspect of

the project, which is the Plan Preparation Activities (PPAs).

The training was delivered over a period of five weeks (within October to December 2014), based on the modules prepared. The first week focused on three modules, namely: Introductory session and Overview of NAKDeF; Stakeholder Identification and Decision Making; and Identification and Analysis of Community Problems and Needs, as well as prioritization of Community Needs. Modules five, which were, Goal and Objectives Setting and Strategies; and Identification of Resources and Potentials, Opportunities, Constraints and Challenges (POCC) Analysis respectively, were delivered in week two. During the third week, participants were taken through Identification of Actors in Project Implementation and Resources Mobilization (with emphasis on Proposal Writing); and Programming and Public Hearing. The fourth week was dedicated to modules in Monitoring and Evaluation. And in the final week of the training programme, the facilitators focused on Facility Management Planning and Data Collection.



PLATE 4: PICTURES OF SDC CAPACITY BUILDING SESSIONS

2.8 Preparation of Mid-term Development Plans

Having offered training to the SDCs, they were led to prepare mid-term development plans (three years) for their respective communities. The development plans for each of the ten communities were fashioned along the thematic areas as follows:

- Human Resource Development
- Provision of Infrastructure
- Socio-economic Empowerment
- Support for Cultural Heritage
- Sports, Youth Development & Voluntary organizations
- Natural Resource projects
- Other Sustainable Projects

The preparation of the Mid-term development plans were planned for January to March 2015 however the first draft was delivered in June 2015. This was due to the need to increase the communities' project budget as a result of the receipt of income of the 2014 1% net pre tax profit in June 2015. Extra rounds of public hearings were held in all the communities to communicate and receive approvals on the revised projects. After series of reviews, the final draft was delivered in July and August 2015.

2.9 Development of Scholarship Processes and Criteria

The scholarship programme was preceded by the development of four (4) documents, to serve as guidelines and mechanisms for the scholarship programme. These documents were developed by

April/May 2015.

The documents which were developed by the secretariat in consultation with the SDCs are: the General Guidelines, Application Forms, Scoring Table and the Validation Form. Discussions were further held with the various communities on the documents, which were then reviewed to capture the inputs, suggestions, and recommendations generated from the discussions.

2.10 Award of Scholarship

The award of scholarships started in June 2015. Two set of scholarships were awarded to deserving beneficiaries with the year 2015. The first batch started from the 2014/2015 academic year while the second batch started from the 2015/2016 academic year.

As at December 2015, the programme had awarded scholarships to 928 students at both secondary and tertiary levels. This comprises of 340 tertiary students and 588 Senior High School students across the project affected communities. A few post graduate students also received financial assistance from the Foundation as part of efforts to enhance human resource development within the designated mine communities.

These culminated into a total of GHC 1,018,969.00 being spent as payments to scholarship beneficiaries. It is worthy of note that all communities were well informed and participated accordingly in the scholarship programmes as seen in the table below.



PLATE 5: PUBLIC HEARING AT NEW ABIREM

Results and Achievements



(A cross section of scholarship beneficiaries from the New Abirem/Afosu Senior High School)



(Presentation of scholarship Cheques to a male and female beneficiary from Afosu)

Table 1: Number of scholarship beneficiaries and amount spent

Community	Gender	Tertiary	SHS/Vocational/Technical	Total	Grand total
Adausena	Male	38	75	113	197
	Female	31	53	84	
Adjenua	Male	31	24	55	105
	Female	16	34	50	
Afosu	Male	24	32	56	115
	Female	28	31	59	
Hweakwae	Male	18	60	78	166
	Female	24	64	88	
Mamanso	Male	15	23	38	57
	Female	8	11	19	
New Abirem	Male	35	40	75	133
	Female	24	34	58	
Ntronang	Male	13	23	36	66
	Female	10	20	30	
Old Abirem	Male	7	7	14	36
	Female	6	16	22	
Resettlement	Male	8	26	34	53
	Female	4	15	19	
Total		340	588	928	928

Source: NAKDeF, 2015

2.11 Commencement of Infrastructural Projects

A Ground Breaking Ceremony was organised in December 2015 to commemorate the commencement of Infrastructural Projects. The ground was broken for the construction of Old Abirem Junior High School Block as a symbolic representation of 15 prioritised infrastructural projects listed for construction.

Some of the projects included:

- Construction of 6 Unit Classroom Block including staff common room, store room and office at Old Abirem
- Construction of Market Shed at Mamanso
- Construction of Lorry Park at Mamanso
- Construction of Kindergarten School Block at New Abirem
- Completion of ongoing Durbar Ground/Community Centre at Afosu
- Construction of Six Unit Classroom Block at Afosu
- Expansion of Chief's Palace at Afosu
- Construction of Community Clinic at Afosu
- Continuation of market stores project at Afosu
- Construction of Community Centre at Hweakwae
- Construction of Durbar Grounds/Community Centre at Adausena
- Renovation of Kindergarten School Block at Adausena
- Renovation of Primary School Block at Adausena
- Renovation of Junior High School Block and Staff Common Room at Adausena
- Construction of Boreholes at Resettlement Community
- Construction of Chief's Palace at Resettlement Community
- Construction of 10-seater Vault Chamber at Ntronang



(Groundbreaking for the construction of six unit classroom block at Old Abirem)

3.0 Priorities for 2016

THE Foundation's priority areas for 2016 include:

- Orientation/Capacity building for Board of Trustees, Secretariat Staff and SDCs
- Reviewing staff conditions of service
- Review of development plans of the communities
- Complete the development of mechanisms for the execution of projects
- Accelerate the execution of projects and programmes
- Conduct review and improve upon delivery of the scholarship scheme
- Complete the development of a strategy map for NAKDeF (Purpose, Mission, Vision, Values)
- Conduct external audit of financial system
- Organise AGM to share financial and project reports
- Develop a monitoring and evaluation mechanism for NAKDeF
- Conduct baseline data collection on the status of community development
- Conduct value chain analysis/economic opportunity assessment to ascertain viable value chains under socio-economic empowerment thematic area
- Partner Newmont to undertake apprenticeship training program for selected skill areas

4.0 Photo Gallery

INAUGURATION OF NAKDEF SECRETARAIT



Nana Akua Asantewaa III (Queen mother for Akyem Kotoku Traditional Area) cut the sod and unveiled the plaque for the building in the company of other dignitaries at the event



The NAKDeF Secretariat Office



A cross section of dignitaries at the event: (from left to right) Kevin Moxham, GM, NGRL, Osabarima Owusu Gyamadu III Abuasapanyin of Akyem Kotoku Traditional Area, Nana Akua Asantewaa III, Queen mother Akyem Kotoku Traditional Area,

SIGNING OF NAKDEF AGREEMENT



Nananom take turns to sign the Agreement, in the company of Newmont Officials and NAKDeF Board of Trustees.



Hon. Paul Aboagye Dadzie (DCE, BNDA), Hon. Inusah Fuseini, Minister for Land and Natural Resources, Johan Ferreira, Senior Vice President Newmont Africa and Hon. Mavis Ama Frempong, Deputy Eastern Regional Minister, in a handshake with Nananom at the event.



Stakeholders in a group photograph after the ceremony



Queen mothers and linguists of the 10 communities also graced the occasion **GROUNDBREAKING CEREMONY**



Handing over of the contract document for the commencement of Old Abirem Primary School Building.

Mr. Oduro Kwarteng Marfo, Communications & External Relations Manager (NGRL) broke the ground, as he represented Kevin Moxham, GM, NGRL at the event.



Photo Gallery



Photo exhibition of NAKDeF activities at the Groundbreaking Ceremony

5.0 Financial Audit Report



NEWMONT AKYEM DEVELOPMENT FOUNDATION
(Company Limited by Guarantee)

REPORTS AND FINANCIAL STATEMENTS

31st DECEMBER 2015

**NEWMONT AKYEM DEVELOPMENT FOUNDATION
(Company Limited by Guarantee)**

REPORTS AND FINANCIAL STATEMENTS

CONTENTS

	PAGE
Corporate Information	2
Report of the Board of Trustees	3-4
Report of the Auditors	5-6
Statement of Income and Expenditure	7
Statement of Assets and Liabilities	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 – 15

NEWMONT AKYEM DEVELOPMENT FOUNDATION
(Company Limited by Guarantee)

CORPORATE INFORMATION

Board of Trustees:	Prof. Emmanuel Gyimah-Boadi (Chairman) Frank Appeageyi Fosuhene Elisha Asiedu-Amponsah Perpetua Joyce Naana Dontoh Baah Wadieh Dr. Peter Attafuah Felix Richard Kodzo Apoh Kevin Moxham Paul Sowley
Secretary:	Paul Suchmann Apenu CDZ/9, Salem Estate Adjiringanor East Legon - Accra
Registered Office:	NAkDeF Secretariat #1 Market Street New Abirem Eastern Region P.O. Box 251 Nkawkaw - Ghana
Independent Auditors:	Nexia Debrah & Co. Chartered Accountants BCB Legacy House #1 Nii Amugi Avenue, East Adabraka, Accra P. O. Box CT 1552, Cantonments - Accra, info@nexiadebrah.com
Bankers:	Ecobank Ghana Limited

REPORT OF THE BOARD OF TRUSTEES TO THE MEMBERS OF
NEWMONT AKYEM DEVELOPMENT FOUNDATION
(Company Limited by Guarantee)

The Board of Trustees of Newmont Akyem Development Foundation (NAkDeF) has pleasure in presenting its first report and Financial Statements for the 18-months period ending December 31, 2015.

RESPONSIBILITY OF THE BOARD MEMBERS FOR THE FINANCIAL STATEMENTS

We, the Board of Trustees of Newmont Akyem Development Foundation are responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards for Small and Medium Enterprises (IFRS-SME) and in the manner required by Ghana's Companies Act of 1963, (Act 179). As Board of Trustees, we are further responsible for establishing appropriate systems of accounting and internal controls that are requisite to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

INCORPORATION AND NATURE OF BUSINESS

NEWMONT AKYEM DEVELOPMENT FOUNDATION is a Private Company Limited by Guarantee. It was registered and incorporated under the Companies Act of Ghana 1963, (Act 179) on 30th June 2014 and was given certificate to Commence Business on 3rd July, 2014. The company is registered with Company Registration # CG112022014 and TIN C0003750728. The principal business objective of the Foundation is:

- To engage in sustainable community development projects in Akyem Mine Host Communities.

To ensure co-operation from the communities in carrying out its principal objective, the Foundation has caused to be established, Sustainable Development Committees (SDCs), for each community within the catchment area of its operations.

There was no change in the nature of operation of the Foundation during the period under review.

FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS

The first financial results for the 18 months of its incorporation are set out in the attached Financial Statements. The Board of Trustees considers the state of affairs of the Foundation to be satisfactory.

EXTERNAL AUDITORS

During the period under review, the Board of Trustees appointed Messrs Nexia Debrah & Co, a firm of Chartered Accountants of international repute based in Accra, as independent auditors of the Foundation. The Firm has indicated its willingness to continue in office as external auditors of the company in accordance with section 134(5) of the companies Act 1963, (Act 179). We therefore recommend their continued appointment.

NEWMONT AKYEM DEVELOPMENT FOUNDATION

(BOARD'S REPORT CONTINUED)

REPRESENTATION AND CERTIFICATION OF THE BOARD AND MANAGEMENT

We certify that the Statement of Assets and Liabilities (i.e. Balance Sheet) on page 8, the Statement of Income and Expenditure (i.e. Comprehensive Income) on page 7 and the Statement of Cash Flows on page 9 together with the notes thereon on pages 10 – 15 have been prepared from records, information and representations made by the Board of Trustees of Newmont Akyem Development Foundation.

We confirm that we have made available all relevant records and information for the purpose of preparing and examining the Financial Statements in reference. We approve the Financial Statement together with the notes thereon for the 18-months period ending December 31, 2015.

E. Gyimah-Boadi
.....)
.....)
.....)
.....)
ACCRA

E. Gyimah-Boadi
Board of Trustees

08 April
....., 2016



**REPORT OF THE AUDITORS
TO THE MEMBERS OF
NEWMONT AKYEM DEVELOPMENT FOUNDATION**

We have audited the Financial Statement of Newmont Akyem Development Foundation for the 18-months period ending December 31, 2015. These Financial Statements comprise the Statement of Financial Position as at December 31, 2015, the Statement of Income and Expenditure and the Statement of Cash flows for the period then ended together with the explanatory notes thereon. These are presented herein from pages 7 to 15. The principal accounting policies used in preparing these financial statements are set out on pages 10 to 12.

This report is made solely to the company's members, as a body, in accordance with section 133 of the Companies Act 1963 (Act 179). The purpose of our audit is to enable us to make a statement to the members of the company on those matters specifically required by law to be mentioned in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its members as a body for our audit work, our report, or the opinions we have expressed herein.

Board Members' Responsibility for the Financial Statement

The Board of Trustees acknowledge on page 3 their responsibility for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards for Small and Medium Enterprises (IFRS-SMEs), and in the manner required by the Companies Act 1963 (Act 179) and for such internal control as the Board of Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors Responsibility and Basis of Opinion

Our responsibility is to express an independent opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 controls relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness 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 reasonable basis for our audit opinion.

NEWMONT AKYEM DEVELOPMENT FOUNDATION

AUDITORS' REPORT CONTIN'D

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of Newmont Akyem Development Foundation (NAkDeF) as at 31st December 2015, and of its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards (SMEs) and the Companies Act, 1963 (Act 179).

Report on other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 and Fifth Schedule of the Companies Act 1963 (Act 179):

- We have obtained all the information and explanation which to the best of our knowledge and belief, were necessary for the purpose of our audit.
- In our opinion, proper books of account have been kept and the statement of financial position and statement of income and expenditure are in agreement with the books of accounts.



Kwame Manu - Debrah (ICAG/P/1264)

For and on behalf of
NEXIA DEBRAH & CO
Chartered Accountants
License # ICAG/F/069
BCB Legacy House
1 Nii Amugi Avenue
P. O. Box CT 1552
East Adabraka,
Accra - Ghana

11th April 2016

**NEWMONT AKYEM DEVELOPMENT FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE 18-MONTHS ENDING 31ST DECEMBER 2015**

	NOTES	2015 GH¢
INCOME		
Operating Revenue	4	14,555,237
Other Operating Income	5	1,650
Total Income		14,556,887
EXPENDITURE		
Project Cost	Sch.1	1,096,818
Personnel Costs	Sch.2	228,734
Contract Services	Sch.3	247,081
Other Operation Expenses	Sch.4	339,567
Total Expenditure		1,912,200
Surplus/(Deficit) of Income over Expenditure		12,644,687

**ACCUMULATED FUND
FOR THE 18-MONTHS ENDING 31ST DECEMBER 2015**

Balance at July 1 st 2014		-
Surplus/(Deficit) transferred from Income and Expenditure		12,644,687
Balance at December 31st 2015		12,644,687

**NEWMONT AKYEM DEVELOPMENT FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2015**

	NOTES	2015 GH¢
PROPERTY, PLANT & EQUIPMENT	11	661,003
PROJECT WORKS IN PROGRESS	12	46,675
		707,678
CURRENT ASSETS		
Cash and Bank		1,610,720
Short Term Investment	10	12,569,136
Accounts Receivable	7	3,125
		14,182,981
CURRENT LIABILITIES		
Accounts Payable	8	140,691
		140,691
NET CURRENT ASSETS		
		14,042,290
NET ASSETS		
		14,749,968
FINANCED BY:		
Accumulated Fund		12,644,687
Capital Grant	9	725,352
Revenue in Suspense	6	1,379,929
		14,749,968


 _____)
 _____) **Board of Trustees**
 _____)
 ACCRA

08 April, 2016

**NEWMONT AKYEM DEVELOPMENT FOUNDATION
STATEMENT OF CASHFLOW FOR THE
18-MONTHS ENDING 31ST DECEMBER 2015**

	GH¢	2015 GH¢
Cash Generated from Operations:		
Surplus from Operations		12,644,687
Add/(Less):		
Depreciation	43,879	
(Increased)/Decreased in Accounts Receivable	(3,125)	
Increased/(Decreased) in Accounts Payable	140,691	
	-----	181,445
Cash generated from operations		12,826,132
Cash flow from Investing Activities:		
Purchase of Property, Plant & Equipment	(704,882)	
Project Works in Progress	(46,675)	

Net Cash used in investing		(751,557)
Cash flow from Financing:		
Capital Grant Received	725,352	
Revenue in Suspense	1,379,929	

Net Cash Used in Financing		2,105,281
Net Increased in Cash and Cash Equivalents		14,179,856
Cash and Cash Equivalent at beginning of year		-

Cash and Cash Equivalents at end of year		14,179,856
		=====
Analysis of Cash and Cash Equivalents As shown in the Balance Sheet		
Cash and Bank Balances		1,610,720
Short Term Investments		12,569,136

		14,179,856
		=====

**NEWMONT AKYEM DEVELOPMENT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18-MONTHS ENDING 31ST DECEMBER 2015**

1. THE REPORTING ENTITY

1.1 The Company

Newmont Akyem Development Foundation is incorporated in Ghana under the Companies Act 1963 (Act 179) as a Private Limited Liability Company by Guarantee, and is domiciled New Aberim, in the Eastern Region of Ghana.

2. BASIS OF PREPARATION

a) Statement of Compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SME's) issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act 1963 (Act 179).

b) Basis of Accounting

The Financial Statements are prepared on the historical cost basis except for (when applicable) financial assets and liabilities that are stated at their fair value on initial recognition and subsequently measured at amortized cost.

c) Use of Estimates and Judgments

The preparation of the Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the Financial Statements.

a) Foreign Currency

Transactions in foreign currencies are translated to the Ghana Cedis which is the functional currency of the company at exchange rates on the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting period are retranslated to the Ghana Cedis at the exchange rate at that period. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the period that the fair value was determined. Foreign currency differences arising on retranslation are recognized in the statement of income and expenditure.

NEWMONT AKYEM DEVELOPMENT FOUNDATION

b) Operating Revenue

The Foundation recognizes its Operating revenue for its financial reporting from the sum of the levy of \$1.00 of every ounce of gold sold and 1% of the previous year's Profit before Tax (PBT) of Newmont Gold Ridge Limited (NGRL) in accordance with the terms of Agreement signed between the Newmont Akyem Development Foundation (NAkDeF) and NGRL.

c) Bank Balances

Bank balances comprise cash balances and call deposits with original maturities of six months or less. When applicable, bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

d) Short Term Investment

Funds received but not yet allocated and disbursed for projects are invested into short term investment.

e) Accounts Receivable

The fair value of accounts receivable is estimated as the present value of future cash flow, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

f) Accounts Payable

Trade and other payables are stated at cost.

g) Taxation

Activities of Newmont Akyem Development Foundation fall under the exempt organizations provisions of Section 94 of the Internal Revenue Act 2000, Act 592 due to the fact that they constitute activities that are of a religious, charitable, educational institution or public character nature. No tax is expected to be assessed on the activities of Newmont Akyem Development Foundation provided the operating objectives and orientation remain not-for-profit.

h) Property, Plant and Equipment

Owned assets

Items of property, plant and equipment are stated at historical cost less accumulated depreciation or impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

NEWMONT AKYEM DEVELOPMENT FOUNDATION

Depreciation

Depreciation is calculated on a straight – line basis to write off the cost of each asset to their residual values over their estimated useful lives as follows:

Building	2%
Furniture, Fixtures and Equipment	20%
Motor Vehicle	25%
Computers and Accessories	25%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in other income.

i) Short-term Employee Benefits

The cost of all short term employee benefits is recognized during the period in which the employee renders the related service. The provisions for employee entitlements to wages, salaries, annual and sick leave represent the amount which the company has a present obligation to pay as a result of employees’ services provided up to the reporting date.

The Company is required to contribute 12.5 - 13% of qualifying employee costs to an established Pension Schemes in Ghana and such contributions are chargeable to the Statement of Income and Expenditure as part of total Employee Benefit.

j) Provisions

A provision is recognized in the balance sheet when a legal or constructive obligation as a result of a past transaction or event exist at the balance sheet date and the amount of the obligation can be reliably estimated and also probable that an outflow of economic resource will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

k) Critical Accounting Estimates and Judgments

Estimates and judgments are continually required based on evaluative criteria including historical experience and those relating to future events that are believed to be reasonable under the circumstances. The following specific issues refer.

Property, Plant and Equipment

Critical estimates are made by the Board of Trustees in determining depreciation rates for property, plant and equipment. The rates used are set out in note 3h.

NEWMONT AKYEM DEVELOPMENT FOUNDATION

4. OPERATING REVENUE	2015 GH¢
Return on Investment	1,962,858
Wire transfer from Newmont	12,592,379
	<u>14,555,237</u>
5. OTHER OPERATING INCOME	
Sale of Tender Documents	1,650
	<u>1,650</u>
6. REVENUE IN SUSPENSE	
Received from NGRL for 2016	1,379,929
	<u>1,379,929</u>
<p>This represents Receipts from NGRL in respect of 1st, 2nd and 3rd Quarters per ounce of gold sold, awaiting the final determination of the 4th Quarter ounce sales and the 1% PBT for 2015 financial year before disbursement.</p>	
7. ACCOUNTS RECEIVABLE	
Insurance prepayment	3,125
	<u>3,125</u>
8. ACCOUNTS PAYABLE	
Trade Payables	9,960
Utilities & Sundries	7,274
Employee Provident Fund	17,957
Accrued Audit Fees	27,500
SDC's Expenses Accrued	78,000
	<u>140,691</u>
9. CAPITAL GRANTS RECEIVED	
Photocopier	11,664
Building	225,000
Seed Money	488,688
	<u>725,352</u>

NEWMONT AKYEM DEVELOPMENT FOUNDATION

	2015				
	GH¢				
10. SHORT TERM INVESTMENT					
Endowments fund					2,911,048
Unutilized Funds					9,658,088
					<u>12,569,136</u>
11. PROPERTY, PLANT & EQUIPMENT					
	Building	Motor	Furniture	Computers	Total
	GH¢	Vehicles	& Fittings	GH¢	GH¢
		GH¢	GH¢		
Cost					
As at 1/7/2014	-	-	-	-	-
Additions	355,109	130,673	56,875	162,225	704,882
	-----	-----	-----	-----	-----
At 31/12/2015	355,109	130,673	56,875	162,225	704,882
	-----	-----	-----	-----	-----
Depreciation					
At 1/7/2014	-	-	-	-	-
Charge for the year	6,763	5,445	10,850	20,822	43,879
	-----	-----	-----	-----	-----
At 31/12/2015	6,763	5,445	10,850	20,822	43,879
	-----	-----	-----	-----	-----
Net Book Value					
At 31/12/2015	348,346	125,228	46,025	141,403	661,003
	-----	-----	-----	-----	-----
At 1/7/2014	-	-	-	-	-
	=====	=====	=====	=====	=====

NEWMONT AKYEM DEVELOPMENT FOUNDATION

**2015
GH¢**

12. PROJECT WORKS IN PROGRESS

Advance Mobilization **46,675**

This represents 10% Advance Mobilization fees disbursed in respect of awarded project works ongoing in the various SDC communities at the end of the period.

13. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no contingent liabilities not provided for in the Financial Statements as at the reporting dates.

There were no commitments not provided for in the Financial Statements as at the reporting dates.

14. EXCHANGE CONTROL

All remittances from Ghana are subject to the agreement of the Exchange Control Authorities.

15. VALIDITY OF GOING CONCERN PRESUMPTION

The 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 realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The Board of Trustees of the company are not aware of any circumstances, event or situation at the reporting date that undermines the presumption of going concern.

16. AFTER DATE EVENTS

There were no material matters or circumstances arising since the reporting date up to the date of signing that will have material impact on the financial statements.

17. RELATED PARTY TRANSACTIONS

No party related to the entity either by appointment, mutual interest or otherwise had any interest in the routine transaction of the company.

NEWMONT AKYEM DEVELOPMENT FOUNDATION

**GH¢
2015**

SCHEDULE 1

Project Costs:

Non Infrastructural

Youth & Sport Developments	7,000
Educational Grants	70,849
Scholarship disbursed	1,018,969

	1,096,818
	=====

SCHEDULE 2

Personnel Costs:

Provident Fund	17,957
Wages & Salaries	210,777

	228,734
	=====

SCHEDULE 3

Contract Services:

Audit Fees	27,500
Consultancy, Training and Capacity Building	219,581

	247,081
	=====

NEWMONT AKYEM DEVELOPMENT FOUNDATION

**GHC₵
2015**

SCHEDULE 4

Other Operation Expenses:

Building Maintenance	390
Registration & License	600
Insurance	1,025
Transportation Cost	1,525
Water	2,046
Recruitments Cost	3,132
Internet Service	3,205
Electricity	4,039
Fuel & Motor Running Cost	4,860
Bank Charges	6,345
Office Provision & Refreshments	6,534
Stakeholder Engagements	14,201
Printing & stationery	16,739
Office Cleaning	18,323
Board Emoluments & Expenses	23,100
Office Expenses	25,320
Conference & Meeting Cost	36,750
Depreciation	43,879
SDC Expenses	127,554

	339,567
	=====

**NEWMONT AKYEM DEVELOPMENT FOUNDATION
INVESTMENTS ANALYSIS
FOR THE 18-MONTHS ENDING 31ST DECEMBER 2015**

APPENDIX I

	Operations Fund 10% GH¢	Endowment Fund 20% GH¢	Partnership/ Matching 2% GH¢	Paramountcy 2% GH¢	Near Mining 1% GH¢	Projects Fund 65% GH¢	Total Amount 100% GH¢
Return on Investments	196,286	392,571	39,257	39,257	19,629	1,275,858	1,962,859
Receipts from Newmont	1,259,238	2,518,476	251,848	251,848	125,923	8,185,046	12,592,378
Amounts Allocated	1,455,524	2,911,047	291,105	291,105	145,552	9,460,904	14,555,237
Add:							
Sale of Tender Documents	1,650	-	-	-	-	-	1,650
Utilities & Sundries	7,274	-	-	-	-	-	7,274
Staff PF	17,957	-	-	-	-	-	17,957
Audit fees	27,500	-	-	-	-	-	27,500
Depreciation	43,879	-	-	-	-	-	43,879
SDC's Expenses Accrued	78,000	-	-	-	-	-	78,000
Seed Money	488,688	-	-	-	-	-	488,688
Revenue in Suspense	137,993	275,986	27,598	27,598	13,799	896,954	1,379,929
	2,258,465	3,187,033	318,703	318,703	159,352	10,357,858	16,600,114
Less:							
Insurance Prepaid	(3,125)	-	-	-	-	-	(3,125)
Projects Work in Progress	-	-	-	-	-	(46,675)	(46,675)
Educational Grant	-	-	(70,849)	-	-	-	(70,849)
Personnel	(228,734)	-	-	-	-	-	(228,734)
Contract Services	(247,081)	-	-	-	-	-	(247,081)
Other Expenses	(339,567)	-	-	-	-	-	(339,567)
PPE	(458,258)	-	-	-	-	-	(458,258)
Scholarship & Youth & Sports Dev't	-	-	-	-	-	(1,025,969)	(1,025,969)
	981,699	3,187,033	247,854	318,703	159,352	9,285,214	14,179,856

**NEWMONT AKYEM DEVELOPMENT FOUNDATION
INVESTMENTS ANALYSIS CONTINUED**

APPENDIX I

	Operations Fund 10% GH¢	Endowment Fund 20% GH¢	Partnership/ Matching 2% GH¢	Paramountcy 2% GH¢	Near Mining 1% GH¢	Projects Fund 65% GH¢	Total Amount 100% GH¢
Analyzed By: Cash & Bank Balances	406,128	-	-	-	-	1,204,591	1,610,720
Investments Balance	575,571	3,187,033	247,854	318,703	159,352	8,080,623	12,569,136
	981,699	3,187,033	247,854	318,703	159,352	9,285,214	14,179,856

**NEWMONT AKYEM DEVELOPMENT FOUNDATION
PROJECTS FUND ALLOCATION ANALYSIS REPORT
FOR THE 18-MONTHS ENDING 31ST DECEMBER 2015**

APPENDIX II

	Total Project		Hweakwa GHC	YaYaaso GHC	Ntronang GHC	New Abirem		Adjenua GHC	Afosu GHC	Maamasa GHC	Old Abirem GHC
	Allocated Funds	GI%				Abirem GHC	GI%				
Return on Investments	1,275,858	344,482	216,896	122,610	87,652	117,379	117,379	167,393	68,896	33,172	
Receipts from Newmont	8,185,046	2,209,962	1,391,458	786,583	562,312	753,025	753,025	1,073,878	441,992	212,811	
Amounts Allocated	9,460,904	2,554,444	1,608,354	909,193	649,964	870,404	870,404	1,241,271	510,888	245,983	
Add:											
Revenue in suspense	896,954	242,178	152,482	86,197	61,621	82,520	82,520	117,680	48,436	23,321	
	10,357,858	2,796,622	1,760,836	995,390	711,585	952,924	952,924	1,358,951	559,324	269,304	
Less:											
Projects Work in Prog. Scholarships & Youth & Sports Dev't	(46,675)	(9,470)	-	-	(5,077)	(32,128)	-	-	-	-	
	(1,025,969)	(242,688)	(178,978)	(60,522)	(66,144)	(119,933)	(132,734)	(136,849)	(58,632)	(29,489)	
SDC'S Project Fund	9,285,214	2,544,462	1,581,858	934,868	640,364	800,863	820,190	1,222,102	500,692	239,815	



Newmont Akyem Development Foundation (NAkDeF)

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