



Gambia Telecommunications Cellular Company (Gamcel) Limited

Annual report and financial statements
For the year ended 31 December 2019

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General Information

Members of the Gamtel/Gamcel Board of Directors from 1st Jan - 5th Sept 2019

Mr. Shola Mahoney	Chairman
Mrs. Janet Sallah Njie	Vice Chairman
Mr. Seedy Jaiteh	Managing Director Gamtel
Miss Niania Darboe Touray	Member Resign 31 July 2019
Ms. Amie Njie	PS MOICI
Mr. Mod Secka	PS MOFEA
Mr. Njundu Fatty	Member
Mr. Ousman Jobarteh	Managing Director GPA
Mr. Hafigy Sisawo- Staff Representative	Member

Board Secretary :

Mr. Sarjo .S.A. Ceesay

In-Attendance :

Mrs. Elizabeth Mendy- Johnson	General Manager Gamcel
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Members of the Gamtel/Gamcel Board of Directors from 5th Sept 2019 - 31st Dec.2019

Mr. Ahmad Tijan Jallow	Chairman
Mr. Lamin Saidy	Vice Chairman
Mr. Seedy Jaiteh	Managing Director Gamtel
Mrs. Elizabeth Mendy Johnson	General Manager Gamcel
Mrs. Fatou Sinyan-Mergan	Independent
Ms. Amie Njie	PS MOICI
Mr. Mod K.Secka	PS MOFEA
Mrs. Agnes Macaulay	Independent
Mr. Ousman Jobarteh	Managing Director GPA
Mr. Mustapha Darboe	Independent
Mr.Sarjo S.A Ceesay	Board Secretary
Mr. Yusupha Saidy	Office of the President

Bankers :

Arab Gambia Islamic Bank
Ltd.

7 Ecowas Avenue
Banjul,
The Gambia

Guarantee Trust Bank Ltd.

56 Ecowas Avenue
Banjul,
The
Gambia

Trust Bank Ltd.
3-4 Ecowas
Avenue
Banjul,
The Gambia

First Int'l. Bank (F.I.B.) Ltd.

2 Kairaba Avenue
Serrekunda
The Gambia

Zenith Bank
Ltd.
Kairaba
Avenue
Serrekunda
The
Gambia

Access Bank
(G) Ltd.
34 Kairaba
Avenue
Serrekunda
The Gambia

Eco Bank (Gambia) Ltd.

42 Kairaba Avenue
Serrekunda
The Gambia

FBN (Gambia) Ltd.
Kairaba
Avenue
Serrekunda
The
Gambia

BSIC Ltd.
52 Kairaba
Avenue
Serrekunda
The Gambia

Deutsche Bank
Switzerland
Europe

External Auditors:

Accord Associates
Manjonka House
Kanifing Estate Block A6
Jimpex Road (Opp. NEA Office)
P.O Box 2124 Serrekunda
KMC. The Gambia

Solicitors:

Amie Bensouda & co
Kanifing
P.O.Box 907
Banjul, The Gambia

Attorney General Chambers
4 Marina Parade
Banjul
The Gambia

Registered Office:

59 Franklin D. Roosevelt Highway
P.O.Box 541
Banjul
The Gambia

Financial Highlights

Revenue	31-Dec-19 GMD.000	31-Dec-18 GMD.000
Prepaid	276,110	309,375
Post-paid	31,931	33,862
Interconnection	20,722	28,982
Roaming	9,435	11,435
Other income	16,553	15,287
Total Revenue	354,751	398,940

Cost of sales	31-Dec-19 GMD.000	31-Dec-18 GMD.000
Material cost	85,215	93,252
Interconnection cost	55,667	73,307
Roaming cost	11,592	13,338
Total cost of sales	152,473	179,897

Distribution of Total Assets	31-Dec-19 GMD.000	%	31-Dec-18 GMD.000	%
Property, plant and equipment	228,036	53%	269,098	58%
Trade and other receivables	145,224	41%	170,926	37%
Inventories	19,842	5%	19,668	4%
Cash and bank balances	6,132	1%	2,879	1%
	399,235	100%	462,572	100%

Distribution of Total Liabilities	31-Dec-19		31-Dec-18	
	D.000	%	D.000	%
Share capital	30,000	7%	30,000	6%
Share premium	64,345	15%	64,345	14%
Retained earnings	(801,831)	-177%	(692,737)	-150%
Revaluation Reserves	44,655	10%	44,655	10%
Long term debt	31,803	7%	47,806	10%
Other Long term Liabilities	117,000	27%	141,000	30%
Trade payables	909,616	210%	821,123	178%
Taxation	3,340	1%	4,898	1%
Bank overdraft	307	0%	1,481	0%
	399,235	100%	462,571	100%

Financial structure ratios

	31-Dec-19	31-Dec-18
Liquidity (%)	19%	23%
Debt to Asset ratio	2.66	2.20
Debt to Equity ratio	(1.60)	(1.84)
Gearing ratio	-160%	-184%
Return on Asset (ROA)	-23%	-15%
Return on Equity (ROE)	-14%	-12%
Operating Loss (D.000)	-79,088	-43,499
Loss after tax (D.000)	-93,001	-69,095

Directors' Report for the year ended 31st December 2019

The Directors of the company present their report and the audited financial statements of The Gambia Telecommunications Cellular Company (Gamcel) Limited for the year ended 31st December 2019.

State of Affairs

The results of the company are as detailed in the accompanying financial statements

Principal Activities

The principal activity of Company is to provide Global Systems Mobile (GSM) Services to customers.

Statement of Directors' responsibilities

The Company's Act 2013 requires the Directors to prepare the financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of its Profit and Loss for that period. In preparing the financial statements, the directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Statement of Accounting Practices and The companies Act, 2013.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Dividends

The Directors do not recommend the payment of dividend for the year.

Property, plant and equipment

The company's property, plant and equipment are detailed in note 8 of the financial statements.

Directors and Directors' Interest

The Directors in office as at the date of this report are as detailed on page 3. The following director who held office had beneficial interest in the company's shares:

	Share holding	No. shares held	
		31 Dec- 19	31- Dec-18
Managing Director of Gamtel	%	1	1

Auditors

The Auditors, Accord Associates, were appointed by the National Audit Office for a term of five (5) years ending 31 December 2023.

By order of the Board of Directors

.....

Secretary

Date: 22/10/2020

Independent Auditors Report

To the Share Holders of Gambia Telecommunications Cellular Company (Gamcel) Limited

Opinion

We have audited the financial statements of The Gambia Telecommunications Cellular Company (Gamcel) Limited set out on pages 13 to 35, which comprise the statement of financial position as at 31st December 2019, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Entity and its financial performance and its cash flows for the year then ended in accordance with the requirements of the Companies Act 2013.

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 Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors* (IRBA Code), which is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Part A and B), together with other ethical requirements that are relevant to our audit of the financial statements in The Gambia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We drew attention to the fact that the entity has been making losses consistently over the years. We also drew attention to note 16 Retained earnings and page 13 (Statement of profit or loss) and page 14 (Statement of financial position) which shows that the current year's loss stands at D93 million. The cumulative losses as at December 2019 stands at D802 millions. The total assets of the entity stands at D399 millions while the total liability stands at 1.06 billion. This means the liabilities are more than the assets by D663 millions. There is also a negative equity of D662.8 millions

This situation indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. Our opinion is not qualified in this respect.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. The key audit matters have been mentioned in the Management Letter.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report in the Financial Report which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the Companies Act 2013 and for such internal control as the directors determine 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, the directors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

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 scepticism throughout the audit. We also:

- Identified and assessed 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.
- Obtained 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 Company's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Concluded on the appropriateness of the directors' 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 Company'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.
- Evaluated 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.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicated with management 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.

Accord Associates

Accord Associates

Chartered Accountants

Registered Auditors

Banjul The Gambia

Date 22 October 2020

Statement of profit or loss

For the year ended 31 December 2019

	Notes	2019 GMD'000	2018 GMD'000
Revenue	2	354,751	398,940
Cost of sales	3	(152,473)	(179,897)
Gross Profit		202,278	219,043
Administrative Cost		(142,845)	(118,688)
Staff Cost	6	(70,915)	(65,012)
Depreciation & Amortization	8	(67,606)	(78,842)
Net Operating Expenses		(281,366)	(262,542)
Operating Loss		(79,088)	(43,499)
Other Interest Receivable & Similar Income	5	132	93
Loss before Interest & Tax		(78,956)	(43,405)
Interest Expense & Similar Charges		(10,496)	(21,700)
Loss before Tax		(89,452)	(65,106)
Taxation	7	(3,549)	(3,989)
Loss after Tax		(93,001)	(69,095)
Basic Loss Per Share (bututs)		(930)	(691)
Dividend Per Share (bututs)		Nil	Nil

The notes on pages 15 to 27 form part of these financial statements

Statement of financial position

As at 31 December 2019

Assets	Notes	2019 GMD'000	2018 GMD'000
Non-Current Assets			
Property, Plant and Equipment	8	212,223	269,098
GSC Investment	18	15,813	0
		<u>228,036</u>	<u>269,098</u>
Current Assets			
Inventories	9	19,843	19,668
Trade and other receivables	10	144,758	170,926
VAT (input debit)		466	0
Cash and Bank Balances	17	6,132	2,879
Total Current Assets		<u>171,199</u>	<u>193,473</u>
Total Assets		<u>399,235</u>	<u>462,572</u>
Equity and Liabilities			
Share Capital	13	30,000	30,000
Share Premium	14	64,345	64,345
Retained Earnings	16	(801,831)	(692,737)
Revaluation Reserves	15	44,655	44,655
Total Equity		<u>(662,831)</u>	<u>(553,737)</u>
Non-Current Liabilities			
Long term debt	12	31,803	47,806
Other Long term Liabilities	12	117,000	141,000
		<u>148,803</u>	<u>188,806</u>
Current Liabilities			
Trade Payables	11	909,616	821,123
Taxation	7	3,340	4,898
Bank Overdraft	17	307	1,481
Total Current Liabilities		<u>913,263</u>	<u>827,502</u>
Total Liabilities		<u>1,062,066</u>	<u>1,016,308</u>
Total Equity and Liabilities		<u>399,235</u>	<u>462,572</u>

The financial statements were approved by the Board of Directors in 22 October 2020 and signed on its behalf by:

..... Chairman
 General Manager

The notes on pages 15 to 27 form part of these financial statements

Statement of Changes in Equity

For the year ended 31 December 2019

	Share Capital GMD'000	Share Premium GMD'000	Accumulated Profit/(Loss) GMD'000	Revaluation Reserve GMD'000	Total GMD'000
As At 1st January 2018	30,000	64,345	(625,489)	44,655	-486,489
Revaluation Reserve					
Loss for the year	0	0	(69,095)	0	(69,095)
Prior Year Adjustment	0	0	1,847	0	1,847
As At 31st December 2018	30,000	64,345	(692,736)	44,655	(553,736)
As At 1st January 2019	30,000	64,345	(692,737)	44,655	(553,737)
Loss for the year	0	0	(93,001)	0	(59,005)
Prior Year Adjustment	0	0	(16,093)	0	(16,093)
As At 31st December 2019	30,000	64,345	(801,831)	44,655	(662,831)

The notes on pages 15 to 27 form part of these financial statements

Cash Flow Statement

As at 31 December 2019

	2019 GMD'000	2018 GMD'000
Cash flows from operating activities		
Operating Loss before tax and interest	(79,088)	(43,499)
	(79,088)	(43,499)
Adjustments for:-		
Depreciation:	67,606	71,971
Other Adjustments (Fixed Assets)	(13,132)	88,643
Prior Year Adjustment (Net)	(16,093)	1,847
Bad Debts Written-off	0	259
Provision for stock, disposals and Gain or Loss	(1,033)	(261)
Prior year Tax Adjustments	(1,058)	0
Operating Profit before Working Capital Changes	(42,798)	118,960
Increase / (Decrease) in Inventories	(174)	3,831
(Increase) / Decrease in Trade Receivables	26,169	(38,601)
(Increase) / Decrease in trade payables	88,493	47,243
	71,690	131,431
Cash generated from operations	132	93
Interest Received	(10,496)	(21,700)
Interest Paid	(6,165)	(6,003)
Income Tax Paid	55,162	103,821
Net Cash generated from operating activities		
Cash flows from investing activities		
Purchase of property, plant & equipment	(10,731)	(42,138)
Net cash used by investing activities	(10,731)	(42,138)
Cash flows from financing activities		
Increase / (Decrease) in Long-Term Borrowings	(40,003)	(61,130)
Net cash used by financing activities	(40,003)	(61,130)
Net increase/(decrease) in cash and cash equivalents	4,428	553
Net Cash and cash equivalents at beginning of the year	1,397	844
Net Cash and cash equivalents at the end of the year	5,825	1,397

The notes on pages 15 to 27 form part of these financial statements

Notes - forming part of the financial statements

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are material in relation to the Company's financial statements.

1. 1.1 Accounting convention

The financial statements have been prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles using an accruals basis of accounting and applicable provisions of the Companies Act 2013.

2. 1.2 Revenue Recognition

Revenue represents the amount invoiced to post-paid billing customers, interconnection revenue, sale of SIM cards and roaming revenue

Prepaid revenue arising from the sale of airtime (Nopal & scratch cards) represents the actual minutes consumed by customers while the unutilized portion of the airtime are charged as deferred revenue.

Bonus calls are excluded from the financial statements

Revenue is recognized net after deducting Value Added Tax of 15%, Excise Tax of 5% and GRTS user fees of 2.25%

3. 1.3 Property, plant and equipment

Items of Property, Plant & Equipment are stated at cost less accumulated depreciation. Cost includes all cost incurred in acquiring the asset plus all directly attributable costs incurred in bringing the asset to its present location and condition for the asset to become operational.

Depreciation is provided at the following annual rates in order to write off the cost of each asset on a straight line basis over its estimated useful life as follows:

Land	0%
Buildings	5%
GSM/Technical Equipment	15%
Motor Vehicles / Motor Cycles	25%
Furniture, Fixtures & Office Equipment	15%
Generators	10%
Computer hardware and software	33.33%

Subsequent expenditures

Expenditure incurred to replace a component of item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increase the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognized in the income statement as incurred.

Development expenditure

Capitalized development expenditure is stated at cost less accumulated amortization and impairment loss

4. 1.4 Inventories

Inventories are valued at the lower of cost and net realizable value where cost is the purchase cost together with the related duty, freight, insurance and commission charges on a first in first out basis. Net realizable value is based on estimated selling price less all cost to be incurred in marketing and selling.

5. 1.5 Foreign Currencies

Monetary assets and liabilities denominated in foreign currency are converted to Dalasi at the period end exchange rate ruling on the Balance Sheet date. Transactions in foreign currencies are recorded at the rates ruling on the date of the transaction. All gains or losses arising are transferred to the income statement.

6. 1.6 Pension scheme

The company is registered with the Social Security and Housing Finance Corporation under the federated pension scheme in which the company contributes 15% of the employees' basic salaries to the national provident fund.

Under the scheme, employees are entitled to lump sum payments in addition to a monthly pension upon attaining the retirement age of 60 and 55 for men and women respectively

7. 1.7 Taxation

Tax charged in the income statement is calculated in accordance with the income tax laws of the Gambia. This is based on the higher of 1% of turnover or 27% of taxable profits. Current tax is the expected tax payable on the taxable income for the year and is recognized in the income statement

8. 1.8 Impairments

Assets that have an indefinite useful life are not subject to amortization and are tested for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount is greater than the recoverable amount. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

9. 1.9 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past event, and when it is probable that an outflow of economic benefits will be required to settle the obligation. A general provision of 2% is applied on receivables and inventory.

		31-Dec-19	31-Dec-18
		GMD'000	GMD'000
2. Revenue			
Pre-paid Revenue		345,769	436,164
Less: Free Bonus Calls		(69,659)	(126,789)
Net Pre-paid Revenue		276,110	309,375
Post-paid Revenue		31,931	33,862
Interconnection Revenue		20,722	28,982
Roaming Revenue	2.1	9,435	11,435
Miscellaneous Income	2.2	16,553	15,287
		354,751	398,940

2.1 Roaming Revenue

Inbound revenue derived from international roaming partners is accounted for under roaming revenue. This accounts for revenue from customers of international network operators roaming in the Gambia and calling through the Gamcel network. Roaming collection was outsourced to an international managing company called STARHOME MACH.

2.2 Miscellaneous Income

Miscellaneous Income comprises of revenue realized from other services provided such as replacement of SIM Cards, Sale of bidding documents, 3G USB Dongles, 3G Routers, 3G Wi-Fi, Subscriptions, CUG, co-location etc.

	31-Dec-19	31-Dec-18
	GMD'000	GMD'000
3. Cost of sales		
Material Cost	85,215	93,252
Interconnection Cost	55,667	73,307
Roaming Cost	11,592	13,338
	152,474	179,897

4. Profit before taxation is stated

	D'000	D'000
after charging:		
Auditors' remuneration	350	18
Depreciation & Amortization	(67,606)	(78,842)
	(67,256)	(78,824)

	31-Dec-19 GMD'000	31-Dec-18 GMD'000
5. Other operating income		
Bank Interest Receivables	3	6
Interest Received On Staff Loans	129	88
	132	93

6. Staff cost

The total number of persons (including executive directors) employed by the company during the period were as follows:

	2019	2018
Management	18	18
Others	341	359
	359	377
Contractors	114	118

The total remuneration of the staff employed by the company is as detailed below:

	31-Dec-19 GMD'000	31-Dec-18 GMD'000
Basic Salaries	19,525	20,205
Casuals	5,208	4,514
SSHFC contributions	7,760	7,769
Staff allowances	29,675	26,650
Staff Medical Expenses	4,781	3,680
Other Staff Cost	3,967	2,194
	70,915	65,012

7. Taxation

The tax charged in the financial statements is derived as follows:-

Income Statement

	31-Dec-19	31-Dec-18
	GMD'000	GMD'000
Provision for corporation tax is 1% on Turnover	3,549	3,989

Balance Sheet

	D'000	D'000
Balance brought forward	4,898	6,912
Adjustments	1,058	-
Current Tax Charged	3,549	3,989
Tax paid during the year	(6,165)	(6,003)
Tax Liability at the end of the year	<u>3,340</u>	<u>4,898</u>

8. Property, Plant and Equipment

	Land & Building GMD'000	GSM Equipment GMD'000	Motor Vehicles & Cycles GMD'000	Generators GMD'000	Furniture Fittings and Office Equipment GMD'000	Access Accounting System GMD'000	W.I.P. GMD'000	Total GMD'000
Cost								
At 1st Jan 2019	67,755	1,627,115	43,588	19,340	97,502	6,249	57,245	1,918,794
Additions	0	0	3,538	0	4,724	0	2,469	10,731
Reversals	0	0	0	0	0	0	0	0
Disposal	0	0	(13,132)	0	0	0	0	-13,132
At 31st Dec 2019	67,755	1,627,115	33,995	19,340	102,226	6,249	59,714	1,916,394
Depreciation								
At 1st Jan 2019	11,328	1,504,637	37,640	13,128	76,715	6,249	0	1,649,696
Charge for the year	2,396	53,487	2,788	1,100	7,835	0	0	67,606
Reversals	0	0	0	0	0	0	0	0
Disposal	0	0	(13,132)	0	0	0	0	(13,132)
At 31st Dec 2019	13,724	1,558,125	27,296	14,227	84,550	6,249	0	1,704,171
Net Book Value								
At 31st Dec 2019	54,031	68,990	6,699	5,113	17,676	0	59,714	212,223
At 31st Dec 2018	56,428	122,477	5,948	6,212	20,787	0	57,245	269,097

9. Inventories	<u>Notes</u>	31-Dec-19 GMD'000	31-Dec-18 GMD'000
Main Store (sim & scratch cards)		18,542	18,642
Stationery		1,706	1,567
		<u>20,248</u>	<u>20,209</u>
Less:- Provision for Obsolete Stock		<u>(405)</u>	<u>(541)</u>
		<u>19,843</u>	<u>19,668</u>

10. Receivables	<u>Notes</u>	31-Dec-19 GMD'000	31-Dec-18 GMD'000
Trade Receivables	10.1	187,794	178,769
Other Receivables	10.2	27,114	29,572
less:			
Provision for doubtful debts	10.3	<u>(70,150)</u>	<u>(37,415)</u>
		<u>144,758</u>	<u>170,926</u>

10.1 Trade receivables

	<u>Notes</u>	31-Dec-19 GMD'000	31-Dec-18 GMD'000
Postpaid Debtors	10.1a	132,329	111,027
Roaming Receivables	2.1	53,135	52,224
Interconnection (Qcell)	10.1b	145	169
Interconnection (Africell)	10.1b	-	538
Gamtel/Gamcel inter company	10.1c	<u>2,185</u>	<u>14,811</u>
		<u>187,794</u>	<u>178,769</u>

		31-Dec-19	31-Dec-18
		GMD'000	GMD'000
10.2 Other receivables	<u>Notes</u>		
Staff Loans		17,038	17,110
GIA Loan	10.2a	8,976	11,298
Hire purchase debtors		-	-
sundry debtors		-	-
Gamtel/Gamcel staff Assoc.		24	-
Others including dormant loans		963	902
Prepayments		113	263
		27,114	29,572

10.1a post- paid debtors

Post- paid balances which are also included within the trade receivables are shown net of general provisions of 2% of the total balance excluding balances specifically provided for at the end of the year. Any increase or decrease in provision is accounted for through the income statement

10.1b interconnections

The interconnection receivables represent net movements between incoming terminating calls from other network operators and outgoing originating calls from Gamcel. Settlement is done after netting off as stated in the provisions of the interconnection agreement

10.1c Gamtel/Gamcel inter company

The intercompany balance relates to Gamtel prepaid & post- post credit allocation and other recurring expenses

10.2a GIA Loan

In 2006, the ministry of Finance and Economic Affairs issued a directive to the company to grant a loan of 15M to the Gambia International Airlines (GIA) to purchase airport handling equipment. The terms and conditions of this loan was finalized. The balance has been fully provided.

	31-Dec-19 GMD'000	31-Dec-18 GMD'000
10.3 PROVISION FOR DOUBTFUL DEBTS		
GIA Loan	8,976	11,298
Post paid	57,718	23,297
Staff Loans	2,393	2,820
Other Debtors	-	-
Roaming Receivables	1,063	-
	70,150	37,415

11. Trade and Other payables: Amounts Falling Due within 1 Yr.		31-Dec-19 GMD'000	31-Dec-18 GMD'000
	Notes	0	0
Trade Payables		76,828	84,817
Interconnection Payable - Comium	10.1b	2,510	2,112
Interconnection Payable - Africell	10.1b	78	-
Interconnection Payable - Gamtel	10.1b	459,016	423,959
Roaming Creditors	11.2	73,875	66,822
"Goods Received" Not Invoiced		7,670	7,332
Accruals and other payables	11.1	177,553	126,680
Deferred income from prepaid customers	11.3	2,169	5,139
GRA/Government/Gamcel Recon		72,000	48,000
VAT		-	1,873
Excise levy		9,204	8,942
GRTS/GSM Levy		5,895	5,656
Loan Repayments Within 1 Yr.	12	22,818	39,790
		909,616	821,123

11.1 Accruals and other payables includes; spectrum fees, Nawec bills, Medicals, national educational fee, audit fees and social security loan interest payment.

11.2 This amount includes payments due to roaming partners.

11.3 Deferred income represents the portion of air time (nopal & scratch cards) sold and activated but not fully utilized as at the balance sheet date. This is estimated at 1% of total prepaid nopal and scratch card sold during the financial year.

12. Long term debt		31-Dec-19	31-Dec-18
	Notes	GMD'000	GMD'000
Guaranty trust bank loan	21.1	0	-
Trust bank loan	21.1	-	20,985
SSHFC Loan	21.1	54,622	66,612
		54,622	87,597
Due within 1 year		(22,819)	(39,790)
Due after 1 year		31,803	47,806
Other long term liabilities			
GRA/Government/Gamcel Recon	21.2	117,000	141,000

12.1 Trust Bank Loan

Gamcel obtained a loan of D80 Million in July 2016 from trust bank to finance the first phase of its network upgrade of 25 sites from 2G to 3G. The loan is to be repaid in 36 equal monthly installments at an interest rate of 24% p.a. This facility is secured by a corporate guarantee from Gambia Telecommunication Company Limited (Gamtel) with 11 properties valued at D141 million in total as collateral, and a letter of pledge and trust receipts on the GSM equipment financed. The Project (first Phase) has now been completed and is fully operational.

12.2 SSHFC Loan

Gamcel obtained a D100 million loan from SSHFC (Social Security and Housing Finance Corporation) towards the funding of its 3G project. A contract was signed with Huawei International Pte. Limited on 16th March 2012 for the supply and installation of the 3G facilities. The SSHFC loan was repayable over five years at an interest rate of 15% per annum but due to some financial difficulties the loan was rescheduled the second time with effect from January 2018 to December 2022 with monthly Principal payment of D1, 332,347.07. The Project (first Phase) has now been completed and is fully operational.

12.3 GRA/Government/Gamcel Reconciliation

Following the termination of the partnership contract between spectrum and the Government of the Gambia in June 2014, the latter has decided that Gamcel pays for all its outstanding tax liabilities to Gambia Revenue Authority (GRA) from this relationship. The reconciliation exercise between MOFEA and Gamcel which indicated a total of D294,423,203 for various taxes such as corporation tax, VAT, Excise tax and GSM license & spectrum fees including penalties and interest charge owed by Gamcel as at 31st December 2014 was finalized with outstanding balance of D195,102,518.79. Having agreed to make a down payment of D102, 518.79 and the balance to be paid in 8years by monthly instalment of 2Million with effect from January 2017.

13. Share Capital

	No. Of Shares	31-Dec-19 GMD'000	31-Dec-18 GMD'000
Authorized	100,000	30,000	30,000
Ordinary Shares @ D300 Each			
Issued and Fully Paid	Cost Per Share		
100,000 Ordinary Shares	D300	30,000	30,000

Gambia Telecommunication Company (Gamtel) Limited, the parent company, holds 99% of the paid up share capital and The office of the Managing Director Gamtel 1%.

14. Share Premium

The amount for share premium represents the excess of the price paid by the parent company over the nominal share value of D300.00 per share.

15. Revaluation Reserve

The company conducted an independent revaluation exercise of its Land and Buildings in 2015 and approved by its board in 2016. The net value increase for the Land and Buildings were D19, 829,055 and D24, 826,439 respectively resulting to a total net increase of D44, 655,494 as shown in the accounts as at 31st December 2016.

16. Retained Earnings	Notes	31-Dec-19	31-Dec-18
		GMD'000	GMD'000
Balance b/f		(692,737)	(625,489)
Prior year adj.(Various items)	16.1	(16,093)	1,847
Retained profit /(Loss) Re-instated		(708,830)	(623,642)
Profit/(Loss) for the year		(93,001)	(69,095)
Balance c/f		(801,831)	(692,737)

16.1

This relates to the posting of 2018 invoices and beyond which were not captured in 2018 but had to be paid in 2019. The amount relate to previous years captured as prior year to ensure the complete liability can be recognized in 2019

	31-Dec-19	31-Dec-18
	GMD'000	GMD'000
17. Cash and Bank balances	6,132	2,879
Bank balances	0	0
Cash Balance	6,132	2,879
Bank Overdraft	(306)	(1,481)
	5,826	1,397

	31-Dec-19	31-Dec-18
	GMD'000	GMD'000
18. Investments		
GSC NVESTMENT (10%) 18.1	15,813	0

18.1 Africa Coast to Europe (ACE)

On 12 July 2011, a joint agreement was signed between The Government of the Gambia through the ministry of Finance and Economics Affairs with six companies namely: Africell, Gamtel/Gamcel, Comium, Qcell, Netpage and Unique Solution to establish a public - private partnership (PPP) financing agreement worth USD \$25 Million . The purpose of the partnership was to jointly contribute towards the cost of financing the Africa coast to Europe submarine cable (ACE) landing station in The Gambia. The project was to provide a branch landing station for the country by connecting from submarine fiber cable laid from France through the coast of Africa to south Africa.

In the agreement, Gamtel and Gamcel are allocated 20% and 10% respectively of the capacity allocated to the Gambia representing the equivalent to their contribution to PPP financing agreement. Funds contributed through the PPP went towards the financing The Gambia submarine cable company limited (GSC Ltd) established to coordinate the activities of the landing station. The ACE landing station was completed and inaugurated in December 2012. The payment made by Gamcel towards this investment was treated through intercompany instead of investment now corrected.

Supplementary information

	31-Dec-19 GMD'000	31-Dec-18 GMD'000
Net revenue		
Pre-paid Revenue	276,110	309,375
Post-paid Revenue	31,931	33,862
Interconnection Revenue	20,722	28,982
Roaming Revenue	9,435	11,435
Miscellaneous Income	17,027	15,456
Total Revenue	355,225	399,109
Cost of sales		
Material Cost	85,215	93,252
Interconnection Cost	55,667	73,307
Roaming Cost	11,591	13,338
Total cost of sales	152,473	179,897
Pre-paid		
Prepaid Local calls	110,499	131,740
Prepaid international calls	42,871	56,927
Prepaid installation fees	428	618
Data traffic	120,068	116,828
SMS account	2,244	3,262
	276,110	309,375
Free Bonus Calls	69,659	126,789
Post-paid		
Postpaid local calls	22,405	22,085
Postpaid international calls	3,336	4,720
Postpaid line rental	6,190	7,057
	31,931	33,862



Interconnection

Interconnection revenue - Africell	7,603	8,871
Interconnection revenue - Comium	670	1,275
Interconnection revenue- QCell	4,451	4,951
Interconnection revenue - Gamtel	7,998	11,309
Co-location	-	2,576
	20,722	28,982

Roaming

International - Outbound Roaming	8,030	8,734
International - Inbound Roaming	1,405	2,700
	9,435	11,435

Other income

Miscellaneous Income	17,027	15,456
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	31-Dec-19 GMD'000	31-Dec-18 GMD'000
Material Cost		
Material Refreshment	713	769
Material Scratch Cards	1,037	1,421
GSM Phone Sets	878	985
Material Sim Cards	2,340	4,577
Dealers Discount	29,097	36,293
GSM Licenses/spectrum Fees	51,150	49,207
Co.-Location Cost	-	
	85,215	93,252

Interconnection Cost

Interconnection Cost - Africell	7,536	8,332
Interconnection Cost - Comium	1,068	1,517
Interconnection Cost - QCell	4,008	4,122
Interconnection Cost - Gamtel	43,055	59,335
	55,667	73,307

Roaming Cost

International - Outbound Roaming	4,539	5,088
International - Inbound Roaming	7,053	8,250
	11,592	13,338

	31-Dec-19 GMD'000	31-Dec-18 GMD'000
Staff cost		
Staff basic salaries	19,525	20,205
Staff cost casuals/wages	5,208	4,514
SSHFC pensions contribution	7,693	7,700
Staff cost injury contribution	67	69
Staff cost extra duty allowance	7,120	5,876
Staff cost responsibility allowance	1,035	998
Staff cost telephone allowance	430	419
Staff cost transport allowance	4,715	3,679
Staff cost vehicle allowance	2,828	2,555
Staff cost acting allowance	172	165
Project allowance	3,941	4,019
Mileage allowance	1,111	1,028
Professional allowance	1,684	1,652
Provincial allowance	427	457
Residential allowance	4,370	4,512
Staff training allowance - local	89	200
other staff cost	2,742	619
Cashier allowance	701	762
Longevity allowance	-	4
Staff drawback	1,052	324
Staff Medical Expenses	4,780	3,680
Staff loan subsidies	1,225	1,575
	70,915	65,012

	31-Dec-19 GMD'000	31-Dec-18 GMD'000
Administrative expenses	-	60
MATERIALS UNIFORMS	4	7
STAFF TRAVEL INSURANCE	1,131	1,217
NATIONAL TRAVEL	2,279	1,256
LOCAL TRAINING	5,528	6,870
TRAINING OVERSEAS	4,656	4,827
PURA REGULATORY FEE	304	388
FREIGHT, HANDLING & INSURANCE	654	954
MATERIALS BUILDING MAINTENANCE	325	487
MATERIALS FFOE MAINTENANCE	56	110
MATERIALS PUBLICATION/JOURNALS	16,195	15,242
ELECTRICITY & WATER	-	511
INSURANCE-Building & Equipment	135	26
INSURANCE-Motor Vehicles	3,204	3,759
RENT/RATES	271	-
DIRECTORS FEE	5,069	4,272
CONFERENCE/MEETINGS	474	553
ENTERTAINMENT	4,545	2,453
ORGANISATION CONTRIBUTIONS	-	34
TELEPHONE,TELEX,FAX & INTERNET	1,799	1,449
STATIONERY	774	610
CONSUMABLES/CLEANING MATERIALS	-	24
SUNDRY EXPENSES	2,917	3,285
LICENCES	180	176
MATERIAL TOOLS	13,276	13,874
MATERIALS TECH.EQUIPMENT MAINTENANCE/IT TO	403	1,679
MATERIALS GENERATOR MAINTENANCE	3,341	2,103
MATERIALS VEHICLE MAINTENANCE	13,493	13,249
MATERIAL FUEL	995	215
MATERIAL GSM CELL SITE	400	-
OTHER MATERIALS/SCRATCH POWER	119	204
EXPENSES BELOW CAPITALIZED THRESHOLD	304	151
INTERNET/COMPUTER EXPENSES	350	500
AUDIT FEES	14	18
POSTAGES	192	436
PROFESSIONAL FEES/CONSULTANCY	-	-
CAR WASH	63	57
LABOUR/WORKMANSHIP/TRANSPORTATION	93	36
EXPENSES MISCELLANEOUS	-	259
WRITEOFF/WRITE BACK A/C	-	-

EXPENSES OTHER CONTRACT	-	22
ADVERTISING	7,459	11,600
SPONSORSHIP	2,944	5,563
DONATIONS	3,058	2,425
PROMOTION	3,119	4,664
NATIONAL EDUCATIONAL LEVY	100	100
BANK CHARGES	1,777	2,052
INC/DEC PROVISIONS OBSOLETE STOCK	(136)	(135)
INC/DEC PROVISIONS DOUBTFUL DEBTS	32,736	2,363
Gain/Loss on Asset Disposal	(822)	(4)
EXCHANGE GAIN/LOSS	(70)	(166)
TELECOMMUNICATION EXPENSES	9,140	8,855
	<u>142,845</u>	<u>118,688</u>
TOTAL ADMINISTRATIVE EXPENSE AND STAFF COST	213,760	183,700