



GAMBIA NATIONAL PETROLEUM CORPORATION (GNPC)

**FINANCIAL STATEMENTS & REPORTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

**AUGUSTUS PROM (AP)
AUDIT. TAX. ADVISORY.
REGISTERED AUDITORS**

**OFF BERTIL HARDING HIGHWAY
KANIFING INSTITUTIONAL AREA - BAKAU
KSMD
P O BOX 587
THE GAMBIA**

MARCH 2022

General Information

Board of Directors

Mr. Saihou Omar Gigo	Chairman
Mr. Yaya F. Barrow	Managing Director
Mr. Bakary K. Jammeh	Member
Mr. Chernon Marena	Member
Mr. Mod K. Ceesay	Member
Mr. Jerreh Barrow	Member
Mr. Ebrima Ceesay	Member

Board Secretary

Mrs. Sarjo Sama – *Up to March 2020*
Mr. Kebba Saidykhan – *From March 2020 to September 2020*
Mrs. Aja Mariama Bah – *From September 2020*

Bankers

Trust Bank Limited 8 Ecowas Avenue, Banjul The Gambia	Central Bank of The Gambia 1-2 Ecowas Avenue, Banjul The Gambia
Standard Chartered Bank (G) Limited 8 Ecowas Avenue, Banjul The Gambia	Guaranty Trust Bank (G) Limited 56 Kairaba Avenue, KSMD The Gambia
Access Bank (G) Limited 47 Kairaba Avenue, KSMD The Gambia	Ecobank (G) Limited 42, Kairaba Avenue, KSMD, The Gambia
Zenith Bank (G) Limited 49 Kairaba Avenue, KSMD The Gambia	BSIC (G) Limited 52 Kairaba Avenue, KSMD The Gambia
Skye Bank (G) Limited 70 Kairaba Avenue, KSMD The Gambia	Reliance Financial Services Ltd Reliance Plaza 46A Kairaba Avenue, The Gambia

First Bank (G) Limited
8 Kairaba Avenue, Serrekunda
KSMD
The Gambia

Arab Gambian Islamic Bank Ltd
5 Liberation Avenue, Banjul
Banjul
The Gambia

Mega Bank Ltd
Kairaba Avenue, Fajara M Section,
KSMD
The Gambia

External Auditor

Augustus Prom (AP)
Audit.Tax.Advisory.
Registered Auditors

Kanifing Institutional Area - Bakau
Off Bertil Harding Highway
KSMD
P.O.Box 587
The Gambia

Solicitors

Solie Law Chambers
2nd Street East
Fajara M. Section
KSMD, The Gambia

Dandimayo Chambers
17A Picton Street
Banjul
The Gambia

Registered Office

Petroleum House
Brusubi Institutional Area
West Coast Region
The Gambia

Directors' Report for the year ended 31st December 2020

The Directors present their report and the audited financial statements of the Gambia National Petroleum Corporation (GNPC) for the year ended 31st December 2020.

1. State of Affairs

The financial results for the year ended 31st December 2020 are as set out in the accompanying financial statements on pages 10 to 33.

2. Principal Activities

The principal activity of the Corporation during the year was exploration and exploitation of the country's natural petroleum reserves in partnership with other multinational oil companies. The corporation also engages in downstream activities by marketing fuel and oil products.

3. Directors' & Directors' Interest

The members of the board of directors are as detailed on page 2. The composition of the Board of directors was formulated by the Government of The Gambia. None of the Directors who held office during the year had any beneficial financial interest in the shares of the Corporation.

4. Directors' Responsibilities for the Financial Statements

The Gambia National Petroleum Corporation Act, 2014 requires the Directors of the Corporation to prepare financial statements for each financial year which are gives a true and fair view of the state of affairs of the Corporation as at the end of the financial year and of its profit or loss for that period.

In preparing these financial statements, the Directors are required to:

- *Select suitable accounting policies and then apply them consistently;*
- *Make judgements 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 Corporation 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 corporation and to enable them to ensure that the financial statements comply with the relevant regulations. They are also responsible for safeguarding the assets of corporation.

5. Significant Changes in Fixed Assets

Additions, disposals and revaluation of fixed assets are detailed in Notes 3b and 11 of the financial statements. There has not been any permanent diminution in the value of the Property, Plant & Equipment and as a result a provision for impairment has not been deemed necessary.

6. Financial Results

The results of the corporation are as detailed in the accompanying financial statements. The corporation's profit for the year, after taxation, amounted to **D93.88million** against a profit of **D11.61 million** in year 2019.

7. Dividend

The Management and Board of Directors have proposed and approved for the payment of dividend amounting **GMD6.00 million Dalasis**. This is in line with the mandate of the Corporation to pay-out dividend to its shareholder (The Government of The Gambia). Therefore, we indeed thank the shareholder for the patience and unwavering support since the inception of this corporation for waiting to reap the benefits of their investment. We are convinced that this is the beginning of paying-out dividend for many years to come.

8. Going Concern

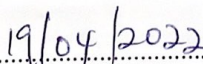
The Directors confirmed that it is appropriate to adopt the going concern basis in preparing the financial statements.

9. External Auditors

The Company's external auditor, Augustus Prom-Audit.Tax.Advisory (AP), has expressed their willingness to continue in office in line with the signed engagement letter covering the Financial Period years from 1st January 2020 to 31st December 2024. The Auditor General – National Audit Office is mandated to appoint the Corporation's auditors and Augustus Prom (AP) was appointed for the period as per the engagement letter.

BY ORDER OF THE BOARD OF DIRECTORS


.....
Board Secretary


.....
Date



Off Bertil Harding Highway, Bakau, P O Box 587, The Gambia - Telephone (220) 4378146/ 4392376 / 4378147
E-mail: admin@augustusprom.com www.augustus-prom.gm

Auditor's Opinion

We have audited the accompanying Financial Statements of the Gambia National Petroleum Corporation (GNPC), which comprises of the Statement of Financial Position, Income Statement, Statement of Changes in Equity, Cash Flow Statement and notes to the Financial Statements including a summary of significant Accounting Policies applicable to the Corporation.

In our opinion, the Financial Statements give a true and fair view of the Financial Position of the Corporation as at 31st December 2020 and of its Financial Performance and its Cash Flows for the year then ended in accordance with Generally Accepted Accounting Principles and in line with the requirements of the GNPC Act 2014.

Basis of 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 Corporation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in The Gambia and we have fulfilled our other 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.

Emphasis of Matters

We draw attention to Note 13 of the Financial Statements relating to Cash & Bank which included GMD129.9 million relating to monies received from data sales and rental licenses. As stated in note 13a and 13b, the Corporation received funds from data marketing companies as data sales (investment fund) on behalf of the Government of the Gambia and training and resources received from International Oil companies levied on the block license agreement to facilitate the technical capacity building and resources needed for the industry. These monies are under the custody of the Gambia National Petroleum Corporation. However, the usage is primarily dictated by the Ministry of Petroleum and Energy. These funds are also offset by corresponding obligations recorded in Note 19 – Other Payables. According to management, the Ministry of Petroleum and Energy dictates the primary use of this account. Furthermore, Management could not determine and account for the Corporation's share of the income from data sales and rental licenses as this was not established by the Government of The Gambia. Our opinion is not qualified in respect of this matter.

Other Matters

The comparative figures as at 31st December 2019 was audited by DT Associates, an audit firm registered in The Gambia.

Other Information

The Directors are responsible for the other information. The other information comprises the General information and the Directors Report as required by the GNPC Act, 2014. 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 an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and in the manner required by the GNPC Act, 2014 and for such internal controls 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, the Directors are responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditors Responsibilities for the Audit of 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. Misstatement 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:

- *Identify and assess the risk 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, intention omissions, misrepresentations, or the override of internal controls.*
- *Obtain an understanding of internal controls relevant to the audit in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation internal controls.*
- *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 relating 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 Corporation's 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.

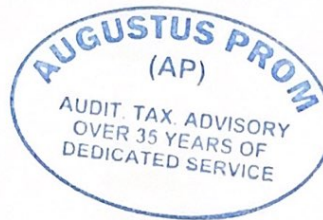
We also provide those charged with governance with a statement that we have complied with relevant ethical requirement regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The Engagement Partner on the audit resulting in this independent auditor's report is Mr Augustus F. Prom.

Augustus Prom

AUGUSTUS PROM (AP)
AUDIT. TAX. ADVISORY
REGISTERED AUDITORS

DATE: *20th April* 2022



Income Statement

For the year ended 31st December 2020

	Notes	31 st Dec 2020 GMD'000	31 st Dec 2019 GMD'000
Revenue	4	1,017,409	956,599
Less; Cost of Sales	5	(858,555)	(812,448)
Gross Profit		158,854	144,151
Other Income			
Other Operating Income	6	88,919	16,275
Exchange Gain or/ (Loss)		(6,254)	1,759
Operating Profit		241,519	162,185
Administrative Costs - See Page 33		(45,284)	(53,998)
Finance Cost	7	(5,922)	(1,898)
Staff Cost	8	(61,684)	(57,813)
Depreciation Charge	11	(26,957)	(26,981)
Total Expenses		(139,847)	(140,690)
Operating Profit before Tax		101,672	21,495
Taxation	10	(7,783)	(9,878)
Net Profit for the year		93,889	11,617

The notes on pages 14 to 33 form an integral part of these Financial Statements.

Statement of Financial Position

As at 31st December 2020

	Notes	31 st Dec. 2020 GMD'000	31 st Dec. 2019 GMD'000
Assets			
Non-Current Assets			
Property, Plant & Equipment	11	395,199	363,952
Equity Investment	12	179,173	128,173
Total Non-Current Assets		574,372	492,125
Current Assets			
Cash & Cash Equivalents	13	386,269	471,683
Trade, Other Receivables & Prepayment	14	418,180	376,235
Inventory	15	35,352	38,037
Total Current Assets		839,801	885,955
Total Assets		1,414,173	1,378,080
Equity & Liabilities			
Equity			
Share capital	16	20,000	20,000
Retained Earnings	17	646,287	579,992
Total Equity		666,287	599,992
Current Liabilities			
Trade Payables	18	293,961	360,297
Other Payables	19	359,206	320,220
Corporate Tax Payable	10	94,719	97,571
Total Current Liabilities		747,886	778,088
Total Equity & Liabilities		1,414,173	1,378,080

The Financial Statements were approved by the Board of Directors on

19TH APRIL 2022

and signed on its behalf by:

Director:

Director:

The notes on pages 14 to 33 form an integral part of these Financial Statements

Statement of Changes in Equity

For the year ended 31st December 2020

	Note	Share Capital GMD'000	Retained Earnings GMD'000	Total GMD'000
At 1 st January 2019		20,000	587,908	607,908
Profit Year Adjustments		-	(19,533)	(19,533)
Profit for the Period		-	11,617	11,617
At 31 st December 2019		<u>20,000</u>	<u>579,992</u>	<u>599,992</u>
At 31 st December 2020		20,000	579,992	599,992
Prior Year Adjustments	17	-	(21,594)	(21,594)
Profit for the Period		-	93,889	93,889
Dividend Declared	17	-	(6,000)	(6,000)
As at 31 st December 2020		<u>20,000</u>	<u>646,287</u>	<u>666,287</u>

The notes on pages 14 to 33 form an integral part of these Financial Statements.

Statement of Cash-Flow

For the year ended 31st December 2020

	Notes	31 st Dec 2020 GMD'000	31 st Dec 2019 GMD'000
Cash flows from Operating Activities			
Operating profit before tax		101,672	21,495
Depreciation Changes		26,957	26,981
Changes in Trade & other receivables		(41,945)	(87,645)
Changes Inventory		2,685	(24,754)
Changes in Payables		(33,350)	25,468
Prior year Adjustment	17	(21,594)	(19,533)
Dividend received		(12,478)	(10,500)
Cash Used in Operations		21,947	(68,488)
Corporation Income Tax Paid		(10,635)	(15,097)
Net Cash Generated from Operations		11,312	(83,555)
Cash Flow from Investing Activities			
Purchase of Plant, Property & Equipment	11	(58,204)	(20,000)
Dividend received	6	12,478	10,500
Investment in shares	12	(51,000)	-
Net Cash Used in Investing Activities		(96,726)	(9,500)
Net Decrease in Cash & Cash Equivalent		(85,414)	(93,055)
Cash & Cash Equivalents at the beginning of the Period		471,683	564,738
Cash and Equivalents at the End of the Period		386,269	471,683

The notes on pages 14 to 33 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. Reporting Entity

Gambia National Petroleum Corporation (GNPC) is a Corporation incorporated under the GNPC Act, 2014 and domiciled in The Gambia. The Address and registered office of the Company is at Petroleum House, Brusubi Institutional, The Gambia.

2. Basis of Preparation

A. Statement of Compliance

The Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Financial Statements were approved by the Corporation Directors in April 2022.

B. Basis of Measurement

The Financial Statements are prepared in Gambia Dalasis (GMD) Currency and presented in GMD Thousands and prepared on a historical cost basis and relevant sections of the Gambia National Petroleum Corporation Act, 2014.

C. Functional & Presentational Currency

The Financial Statements are prepared in Gambia Dalasis (GMD) which is the Corporation's functional and report presentation currency.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements by the Corporation.

- a. *Foreign Currency*
- b. *Property, Plant & Equipment*
- c. *Subsequent Events*
- d. *Dividend*
- e. *Provisions*
- f. *Pension Payment*
- g. *Finance Income & Expenses*
- h. *Revenue*
- i. *Operating Expenses*
- j. *Borrowing Costs*
- k. *Income Tax*
- l. *Equity Investments*
- m. *Other Financial Assets*

a. *Foreign Currency*

Functional & Presentation Currency

Items included in the financial statements of the Corporation are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in Gambian Dalasi, which is the Corporation's presentation and functional currency.

Transactions & 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 recognised in the Income Statement.

b. Property, Plant & Equipment

Fixed Assets in Operation

Items of fixed assets in operation are measured at cost less accumulated depreciation and impairment losses. The cost includes expenditures directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items as well as restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. As at 31st December 2020, there has been no revalued assets.

Any gain on disposal of an item of fixed assets in operating (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss as other income but any loss on disposal of an item of fixed assets in operation is recognised in profit or loss as other operating expenses.

Subsequent events

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. The costs of day-to-day servicing of fixed assets in operation are recognised in profit or loss when incurred.

Depreciation

Depreciation is recognised in the Profit or Loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant or equipment until the salvage value is reached. The estimated useful lives are as follows;

<i>Land and building</i>	<i>4%</i>
<i>Plant and machinery</i>	<i>10%</i>
<i>Computer equipment</i>	<i>33%</i>
<i>Office equipment</i>	<i>33%</i>
<i>Fixtures & fittings</i>	<i>15%</i>
<i>Motor vehicles</i>	<i>20%</i>
<i>Other Assets</i>	<i>20%</i>

c. Subsequent Events

Events subsequent to the Balance Sheet date are reflected in the Financial Statements only to the extent that they relate to the year under consideration and the effect is material.

d. Dividend

Dividend payable is recognised as a liability in the period in which they are declared.

e. Provisions

A provision is recognised if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured as the present value of management's best estimates of the expenditure required to settle the obligation at the reporting date. When the effect of discounting is material, provisions are discounted using pre-tax discount rates that reflect the current market assessment of the time value of money and, where appropriate, risks specific to the liability.

f. Employee Benefits

Defined Contribution Plan

The defined contribution plan is a retirement benefit plan under which the Corporation pays fixed contributions to a separate entity. The Corporation pension plan for the staff is the Defined Contribution plans in which The Corporation pays a contribution for part of its employees to defined contribution pension funds. The Corporation has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as an expense under salary and salary related expenses as incurred. The fund manager is the Social Security and Housing Finance Corporation (SSHFC).

g. Finance Income & Payments

Finance income comprises interest income on funds invested and foreign exchange rate differences recognised in profit or loss. Interest income is recognised as it accrues in profit or loss.

Finance expenses comprise interest expense on borrowings, foreign exchange losses and impairment losses recognised on Assets. Borrowing costs are recognised in Income Statement when due. Foreign currency gains and losses are reported on a net basis.

h. Revenue

The Corporation recognises revenue when performance obligations will be settled, a performance obligation has been settled when the customer has received all the benefits associated with the performance obligation. Rental Income represented the amounts received on the rentals of the licensed areas block A1, A4 and onshore including duties but net of value added tax. Turnover represents the amount invoiced for the sale of petroleum products, net off duties and value added tax.

i. Operating Expenses

Operating expenses are recognised in the Profit or Loss account upon utilisation of the service or as incurred.

j. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

k. Corporate Income Tax

Corporate Income Tax is provided at 1% of Turnover or 27% of taxable profits whichever is greater in accordance with the Income Tax Laws of The Gambia.

l. Equity Investments

Equity investments are valued at their nominal values as these investments are not publicly traded and there is no other reasonable basis to estimate their fair value. Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established.

m. Other Financial Assets

Other financial assets are recorded at market value which is the cost plus any interest accrued for the period.

	31 st Dec 2020 GMD'000	31 st Dec 2019 GMD'000
4. Revenue		
<i>The Revenue of the Corporation comprises of the following:</i>		
Petrol	226,447	252,482
Diesel	692,496	729,033
Oil and Lubricants	891	112
Spare parts	-	380
Heavy Fuel Oil (HFO)	137,481	-
Less; Trade Discount	(39,906)	(25,408)
	<u>1,017,409</u>	<u>956,599</u>

The trade discount relates to discounts granted to customers and duty waivers given by the Ministry of Finance and Economic Affairs (MOFEA) to entities entitled to the duty waiver from the Government of the Gambia.

5. Cost of Sales

Petrol	172,914	203,425
Diesel	508,257	572,339
Oil and Lubricants	663	-
Throughput	32,096	26,376
Fuel Transportation/Delivery	8,195	8,476
Coupon Purchase	1,363	1,832
Heavy Fuel Oil (HFO)	121,033	-
Throughput – HFO	10,565	-
Transport – HFO	3,469	-
	<u>858,555</u>	<u>812,448</u>

	31 st Dec 2020 GMD'000	31 st Dec 2019 GMD'000
6. Other Operating Income		
Other Income	788	3,066
Sale of Tender Documents	190	219
Dividend Income – See Note 6a	12,478	10,500
Rental Income	2,521	1,602
Grant Income – See Note 6b	51,000	-
Upstream Revenue – See Note 6c	21,431	-
Station Rentals	511	888
	<u>88,919</u>	<u>16,275</u>

6a. Dividend Income

This epitomizes the dividend income received from the equity investment on Gam Petroleum Storage Facility Ltd.

6b. Grant Income

This relates to the funds received to purchase an additional one million shares at Gam Petroleum Storage Facility Ltd. The funds are obtained from the MOPE/GNPC investment funds for which is financed from the International Oil Companies as surface rentals, data sales, signature bonuses etc.

6c. Upstream Revenue

This relates to the funds received from MOPE/GNPC Investment fund to finance the Corporations upstream activities eg Salaries of Upstream Staff, Upstream training and travels etc.

7. Finance Cost

Bank Charges	5,922	1,898
	<u>5,922</u>	<u>1,898</u>

The Increase in Bank Charges relates to the letter of credit charges for the procurement of fuel in the 2021 Financial Period.

8. Staff Numbers & Costs

The average number of staff employed during the year including Executive Directors, analyzed by category was as follows:

	31- Dec 2020	31- Dec 2019
Directors	5	3
General Staff	271	284
	<u>276</u>	<u>287</u>

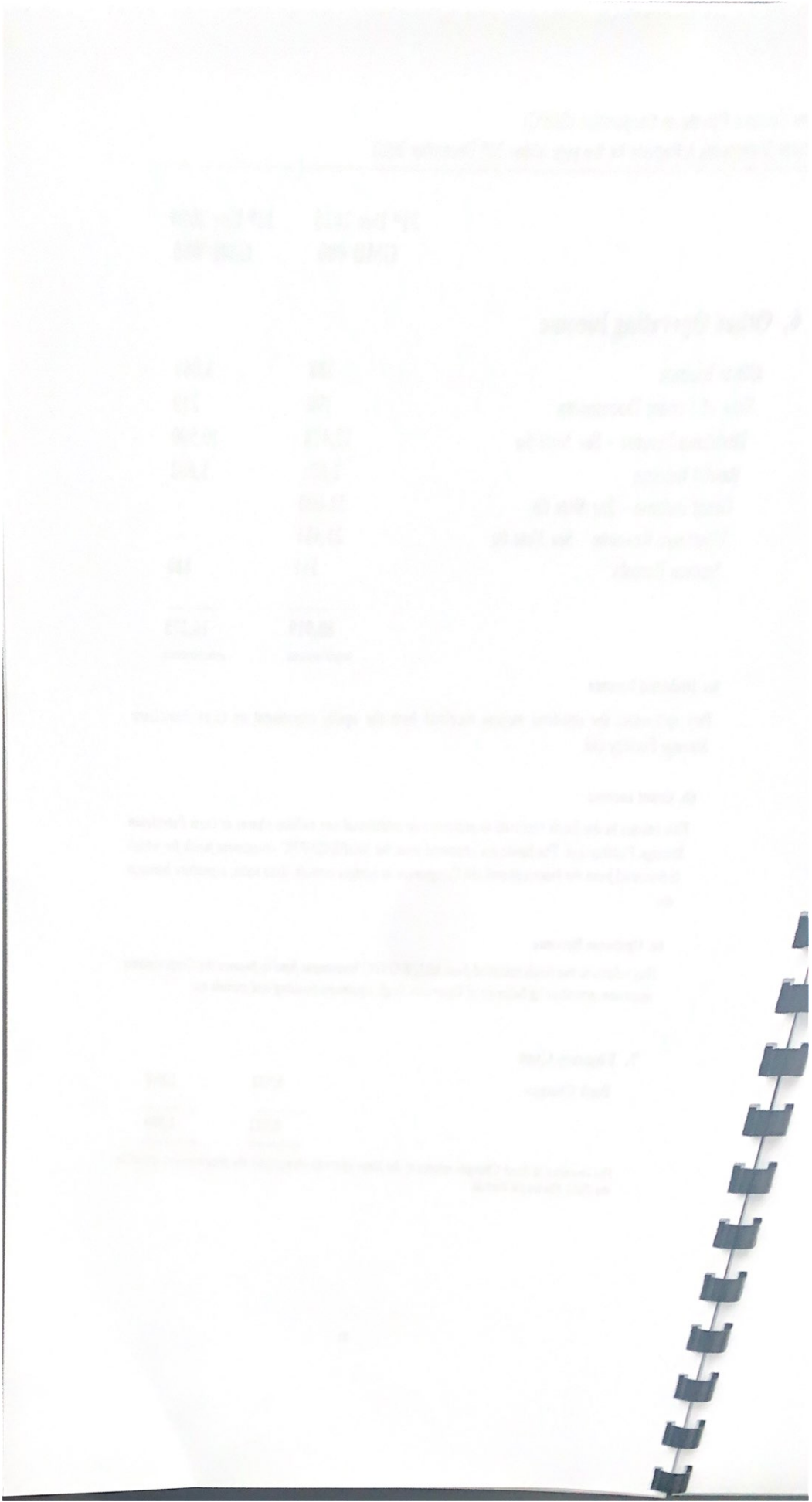
The aggregate payroll costs were as follows:

	31- Dec 2020 GMD'000	31- Dec 2019 GMD'000
Salaries and wages	20,987	20,412
Allowances	24,106	23,391
Federated Pension Scheme	6,704	5,602
Injury Compensation Fund	59	80
Other Staff Cost	-	193
Staff welfare	160	159
Local training	628	1,432
Overseas training	55	479
Staff medical cost	5,198	6,065
Bonus expenses	3,787	-
	<u>61,684</u>	<u>57,813</u>

9. Profit on Ordinary Activities before Tax

The profit on ordinary activities before taxation is stated after charging the following:

Auditors' remuneration	405	357
Depreciation	<u>26,957</u>	<u>26,981</u>



Gambia National Petroleum Corporation (GNPC)
Financial Statements & Reports for the year ended 31st December 2020

	31 st Dec 2020 D'000	31 st Dec 2019 D'000
10. Taxation – Corporate Income Tax		
Opening Balance	97,571	102,760
<i>Less; Amounts Paid During the Year</i>	(10,635)	(15,067)
Tax Charge for the Year (See Note 10a)	7,783	9,878
	<u>94,719</u>	<u>97,571</u>

10a. Tax Charge for the Year

Tax Charge	<u>7,783</u>	<u>9,878</u>
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The tax Charge for the year is based on the higher of 1% on Turnover or 27% on taxable profit. As at 31st December 2020, we noted lack of compliance on the computation of Corporate Tax which has been highlighted in the Management Letter Report.

11. Property, Plant & Equipment

Cost	Land & Building GMD'000	Plant Mach. & Equipment GMD'000	Furniture & Fittings GMD'000	Motor Vehicles GMD'000	Computer Equip. GMD'000	Other Assets GMD'000	Work-in-progress GMD'000	Total GMD'000
Cost at 01.01.20	386,438	47,532	5,026	37,150	16,139	4,331	38,449	535,065
Additions	-	397	254	210	1,687	352	55,304	58,204
Cost as at 31/12/20	<u>386,438</u>	<u>47,929</u>	<u>5,280</u>	<u>37,360</u>	<u>17,826</u>	<u>4,683</u>	<u>93,753</u>	<u>593,269</u>
Depreciation								
At 01.01.20	82,209	43,345	3,899	24,582	13,132	3,946	-	(171,113)
Charge for the year	15,458	4,079	411	3,484	3,280	245	-	(26,957)
31/12/2020	<u>97,667</u>	<u>47,424</u>	<u>4,310</u>	<u>28,066</u>	<u>16,412</u>	<u>4,191</u>	<u>-</u>	<u>198,070</u>
Net Book Value - NBV								
NBV as at 31/12/20	<u>288,771</u>	<u>505</u>	<u>970</u>	<u>9,294</u>	<u>1,414</u>	<u>492</u>	<u>93,753</u>	<u>395,199</u>
NBV as at 30/12/19	<u>304,229</u>	<u>4,187</u>	<u>1,127</u>	<u>12,568</u>	<u>3,007</u>	<u>385</u>	<u>38,449</u>	<u>363,952</u>

	31 st Dec 2020 GMD'000	31 st Dec 2019 GMD'000
12. Equity Investment		
Equity Investment in Gam Petroleum	179,173	128,173
	<u>179,173</u>	<u>128,173</u>

The increase represent an investment of GMD 51 Million as additional shares. GNPC's Shareholding in Gam Petroleum Storage Facility Ltd has now increase from 10% to 12.86% as at 31st December 2020.

13. Cash and Bank

Cash in Hand	35	222
Cash at Bank	259,284	234,996
Training & Resource Fund – See Note 13a	33,790	4,656
GNPC/MOPE Investment fund – See Note 13b	93,160	231,809
	<u>386,269</u>	<u>471,683</u>

The Training and Resource fund and the GNPC/MOPE Investment Fund are recognized in a corresponding liability account to mirror the reserve cash balance as these funds are not primarily controlled by GNPC.

13a. Training & Resource Fund

The upstream funds are classified as Training and resources are funds received from the International Oil companies as part of the block license agreements to facilitate the technical building and resources needed across the industry e.g. Ministry of Petroleum and Energy, Ministry of Justice, Gambia Revenue authority, national Audit Office, Gambia Investment & Export Promotion Agency, Gambia National Petroleum Corporation, Ministry of Finance and Gambia Maritime Administration etc. Below is the summary of T & R inflows and outflows for the year under review.

Opening balance	4,656	20,907
Inflows	134,064	72,858
Less; Expenses		
Training of Industry Players	(17,277)	(28,714)
ITFC Payments	(12,798)	-
Court case with African Petroleum	(43,408)	(28,310)
License Negotiations & Other	(27,401)	(21,494)
International conferences	(4,046)	(10,591)
	<u>33,790</u>	<u>4,656</u>

The court fees relates to legal fees incurred in relation to African Petroleum Court Case with the Government of The Gambia on their exit on block A1 and A4.

	31 st Dec 2020 D'000	31 st Dec 2019 D'000
13b.GNPC/MOPE Investment Fund		
Opening balance	231,809	299,097
Inflows	124,644	47,987
<i>Less; Expenses</i>		
African Petroleum Arbitration & Others	(151,738)	(75,573)
Capital Asset Acquisitions	(111,555)	(39,702)
	<u>93,160</u>	<u>231,809</u>

The Investment funds are received from data marketing companies and international Oil Companies as data sales and block license fees respectively. The expenditures from these funds are primary on capital expenses (building of new petrol stations, purchasing pumps etc) and African Petroleum arbitration cost as disclosed under note 13A.

14. Trade & Other Receivables

Trade Receivables – See Note 14a	380,171	268,676
Staff Loans – See Note 14b	20,761	23,230
Other Receivable – See Note 14c	17,248	84,329
	<u>418,180</u>	<u>376,235</u>

14a. Trade Receivables

Trade Receivable	1,123,889	1,033,824
Other trade receivable – See Note 14a.1	99,758	78,328
Less; Provision – See Note 14a.2	(843,476)	(843,476)
	<u>380,171</u>	<u>268,676</u>

14.A1 Other Trade Receivable

This amount includes of the residue of funds remitted to the Central Bank of The Gambia (CBG) in 2014, 2015 and 2016 to source foreign currency for the settlement of ITFC obligations amounting GMD76million and D2million pre-financing of lands for staff. The former is receivable from CBG.

14.A2 Provision for Bad Debt

This comprises of impairment recognised on the NAWEC receivable of GMD757 million and GMD87 million from office of the President and GOTG.

	31 st Dec 2020 D'000	31 st Dec 2019 D'000
14b. Staff Loans		
Land and Building	8,357	8,682
Vehicle/Motor Cycle	9,619	11,295
Personal	874	474
Miscellaneous	956	866
1x6 advance	41	311
Staff shortage	(277)	21
Salary advance	16	15
Emergency loan	1,175	1,566
	<u>20,761</u>	<u>23,230</u>
14c. Other Receivables		
President's Office & GOG – See Note 14.C1	57,873	57,873
Others – See Note 14.C2	2,368	2,378
Input VAT Credit	11,688	10,207
Prepayment car loan contribution	2,092	2,392
Training & Resource – See Note 14.C3	-	68,480
Qatari Joint Venture – See Note 14.C4	29,085	29,085
Other debtors	1,100	872
Provision on Joint Venture	(29,085)	(29,085)
Provision of President's office	(57,873)	(57,873)
	<u>17,248</u>	<u>84,329</u>

14.C1 President Office & Government of The Gambia (GOG)

This amount relates to receivable from the Office of the former President and Government of the Gambia relating to Payments to MA Kharafi of GMD24m, Cash Withdrawal by Office of the President of GMD21m, Loan to OP for Prison refurbishment amounting to GMD10m and University Sponsorship sanctioned by OP amounting to GMD2.9million. A 100% Provision for doubtful debt has been raised on the amount.

14.C2 Others

This amount relates to Salaries and Audit evaluation contributions to the Gambia Food and Feeding Industry project.

14.C3 Training & Resource

This amount relates to activities which were settled from the Corporation's operational funds, thus resulted to amount owed by the Training and Resource Fund.

14.C4 Qatari Joint Venture

The Qatari joint venture is an investment in the industrial, commercial and agricultural projects such as rice processing plants and feed mills which was commissioned by the former regime. This amount has been fully provided for as a doubtful debt since recovery is not probable.

	31 st Dec 2020 GMD'000	31 st Dec 2019 GMD'000
15. Inventory		
Petrol	8,061	5,175
Gas/Diesel	22,745	30,909
Oil & Lubricant	4,546	1,953
	<u>35,352</u>	<u>38,037</u>

16. Share Capital

Issued and fully paid	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

The Corporation was established by the Government of The Gambia under the GNPC Act 2014, a related party that owns 100% of the share capital. Prior to the registration and Executive validation of GNPC Act 2014, the Corporation operated as a Company Limited with shareholding owned 100% by the Government of The Gambia.

17. Statement of Movement in Retained Earnings

Opening Balance	579,992	587,908
Profit for the year	93,889	11,617
Prior Year Adjustment – See Note 17a	(21,594)	(19,543)
Dividend Declared – See Note 17b	(6,000)	-
	<u>646,287</u>	<u>579,992</u>

17a. Prior Year Adjustment

The prior year adjustment of GMD21.5million relates to an estimation of coupons in circulation amounting to GMD21.5million which was inadvertently credited in the retained earnings due to over estimation of coupon sales in 2016. This was adjusted to ensure the Unused coupons under the payable section gives a fair estimate by management on the amount to recognize in the Financial Statements of the Corporation as at 31st December 2020.

17b. Dividend Declared

This relates to dividend declared by the Board to be paid to the Shareholders which is the Government of The Gambia.

18. Trade Payable

Trade Payable	293,355	359,771
Input VAT	606	526
	<u>293,961</u>	<u>360,297</u>

	31 st Dec 2020 GMD'000	31 st Dec 2019 GMD'000
19. Other Payables		
GRA – Income tax	685	1,090
Credit Union	33	34
Training & Resource Fund – <i>See Note 19a</i>	33,796	4,656
GNPC/MOPE Investment Fund – <i>See Note 19a</i>	93,160	231,809
GRA Environmental Tax	2	2
SSHFC Pension Contribution	1,760	1,263
Withholding Tax	6,732	4,062
Net Pay	-	282
Accrued Audit Fee	583	357
Other Account Payables – <i>See Note 19b</i>	139,535	49,721
Coupons Sold – <i>See Note 19c</i>	3,698	4,106
Investment Grant – <i>See Note 19d</i>	63,295	8,325
Accrued Expenses	138	512
Sales Receipt – <i>See Note 19e</i>	6,002	14,001
Dividend Payable	6,000	-
Bonus Payable	3,787	-
	359,206	320,220

19a. Training & Resource Fun and MOPE Investment Fund

This balance is recognised as a liability to mirror the cash balances not controlled by GNPC as disclosed under note 13 under Cash & Cash Equivalent.

19b. Other Account Payable

This relates to balances owed to AMRC for the purchase of Land for Staff and deferred income on rental properties and amounts borrowed from the investment fund to settle ITFC Obligations.

19c. Coupons Sold

This relates to unretired coupons as at year end. However, management at its best judgement and historical understanding of the business estimates the coupons in circulation yet to be utilized.

19d – Investment Grant

The grant is received from the investment fund to settle the capital investment expenditures of the Corporation.

19e – Sales Receipts

The Sales receipt relates to unclassified payments and receipts realised during the bank reconciliations. This will be cleared once the correct classification are obtained.

20. Contingent Liability

As at reporting date, the Directors are not aware of any pending filed cases against the Corporation and do not expect any liability arising from legal actions to have a material effect on the Financial Situation or the results of the future operations of the Corporation.

21. Events After the Reporting Period

The Company had no events after the Financial Position date which would materially impact on its Financial Position or results.

22. Fuel Shortage at Gam Petroleum and the impact on GNPC

In mid-October 2021, the country had experienced unexpected nationwide fuel shortages from the National Fuel Depot Storage in the country. The Government swiftly instituted a taskforce to investigate the causes of the fuel shortage and recommend solutions to avert reoccurrence of such national security threats.

The taskforce reported that four out of the five gasoline tanks at the Gam Petroleum Depot in Mandinary were totally empty. The fifth tank, in fact, contained only 50,000 litres consisting of a mixture of gas oil and water. The stock of petrol as of 1st November, 2021 was 910 metric tons and that of JET Fuel was 4,209 metric tons. Stocks entrusted to the National Depot by International Traders (Addax, Trafigura and PSTV) and local Oil Marketing Companies (OMCs) were equally missing. The total volume of products missing was 10,753 metric tons of petrol and 20,245 metric tons of gas oil with a cumulative value of approximately USD20,968,100.

Given the fact that GNPC has a contract with GACH on the basis of monthly nominations, there was no material impact on the reported stock and the operations of the Corporation as at the reporting date.

23. Related Party Transactions

Related party receivable balances as at 31st December 2020 are as listed below:

Details	Amount (GMD)	Details	Amount (GMD)
NAWEC (HFO & LFO)	793,492,535.15	National Youth Council	479,913.22
Office of The President	77,067,772.49	Gambia International Airline (Gia)	495,000.00
GTSC	48,210,923.24	Directorate of Internal Audit	485,000.00
Gamtel	7,703,894.86	University of The Gambia	560,000.00
Gambia Ports Authority	10,865,221.54	Prisons Department	600,000.00
State Intelligence Services	7,298,598.00	Ministry of Defence	353,500.00
Gambia Fire and Rescue Services	5,329,443.94	Office of The Vice President	323,229.88
GAF	15,353,801.72	Ministry of Environment	46,003.28
GAMCEL	2,710,533.09	Gambia Printing & Publishing Corporation	318,520.00
Ministry of Justice	4,097,580.65	Gambia Growth & Competitive Project/NEDI	282,748.50
Department of Agriculture	5,345,040.00	NRA	295,019.58
SSHFC	1,744,658.16	Ministry of Petroleum	267,688.66
GRTS	2,486,573.75	Gambia Submarine Cable Co Ltd	0.00
Gambia Civil Aviation Authority	1,873,850.00	Ministry of Foreign Affairs	250,000.00
Gamworks Agency	2,491,622.27	Gambia Social Development Fund	247,623.51
Gampetroleum Storage Facility	92,692.45	GPPA	245,050.00
Kanifing Municipal Council	1,678,141.65	Ministry of Energy	233,677.48
Department of Livestock Services	228,750.00	Ministry of Finance	279,000.00
Ministry of Agriculture	1,467,630.90	Gambia Immigration Department	651,805.38
Judiciary	1,131,425.00	Office of the Ombudsman	211,050.00
National Seed Secretariat	487,744.33	Ministry of Basic & Secondary Education	200,050.00
National Assembly	750,000.00	Gambia Livestock Marketing Agency	228,750.00
Ministry of youths and sports/GSI	924,100.00	Ministry of Health PCU	130,500.00
Womens' Bureau	739,489.80	A.M.R.C	56,350.00
Ministry of Health & Social Welfare	495,463.73	Gambia Commission for Refugee	110,000.00
GBoS	580,238.41	Department of Parks & Wildlife	229,750.00
Ministry of Youth and Sports	533,776.92	GPA Ferries	122,695.09
		DLEAG	710,000.00
Total Amount			1,003,594,426.63

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	31 st Dec 2020 GMD'000	31 st Dec 2019 GMD'000
Administrative Expenses		
Overseas	646	1,909
Local travel	652	606
Donation	270	337
Staff Entertainment	-	474
Board Allowance	540	569
Board Expenses	846	916
Office Provisions	1,487	1,253
Admin/General Expenses	4,180	7,161
Stationary	863	1,440
Computer Supplies & Expenses	772	953
Newspaper & Magazines	62	20
Honorarium	1,160	1,598
Promotions & Adverts	2,883	2,383
Trade License	846	1,080
Station Insurance	140	812
Consultancy Services	1,008	330
Audit Fees	405	357
Legal Fees	105	-
Membership Subscription	38	15
Uniforms	-	622
Cleaning Materials	319	204
Water	1,053	1,094
Electricity	4,479	2,729
Other Insurance	600	56
Other Department Support	514	500
National Education Levy	100	100
Corporate Social Responsibility	1,712	-
Computer Repairs & Maintenance	157	548
Landscaping/Garden	3	15
Building Repairs	2,362	938
Equipment Maintenance & Repairs	424	3,597
Furniture Repair & Maintenance	5	4
Internet	3,213	3,680
Posting & handling	3	12
Telephone & faxes	497	1,199
Fuel	2,218	2,478
Gen. Repairs & maintenance	442	494
Insurance	482	309
Repairs and Maintenance	711	799
License	12	14
Other Tax Expense	1,872	-
Stock Losses	7,155	6,882
Write – off	-	5,511
	<u>45,284</u>	<u>53,998</u>