

Gambia Telecommunications Cellular Company (Gamcel) Limited

Annual report and financial statements
For the year ended 31 December 2013

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General information

Directors	Muhammed Jammeh	Chairman (up to 12 May 2014)
	Alhaji Tafsir Samba Alieu Njie	Chairman (from 13 May 2014)
	Bai Matarr Drammeh	Vice Chairman (from 13 May 2013)
	Baboucarr Sanyang	Managing Director
	Momodou Badjie	Member
	Modou Lamin Gibba	Member (up to 12 May 2014)
	The Permanent Secretary - Ministry of Finance and Economic Affairs	Member
	The Permanent Secretary - Ministry of Communication, Information & Technology	Member
	The Permanent Secretary - Office of the President	Member (from 28 August 2014)
	Kebba Bojang – Staff representative	Member (up to 24 September 2014)
Secretary	Sarjo A. S. Ceesay	
Bankers	Trust Bank Limited 3/4 Ecowas Avenue, Banjul	Access Bank (Gambia) Limited 34 Kairaba Avenue, Serekunda
	Guaranty Trust Bank (Gambia) Limited 56 Kairaba Avenue, Serrekunda	Arab Gambian Islamic Bank Limited 7 Ecowas Avenue, Banjul
	Keystone Bank (Gambia) Limited 11a Liberation Avenue, Banjul	First International Bank (Gambia) Limited 2 Kairaba Avenue, Serekunda
	Ecobank (Gambia) Limited 42 Kairaba Avenue, Serekunda	International Commercial Bank (Gambia) Ltd 48 Kairaba Avenue, Serekunda
	BSIC (Gambia) Limited 52 Kairaba Avenue, Serrekunda	
Auditors	DT Associates - The Gambia Audit, Tax, Advisory 1 Paradise Beach Place P.O Box 268 Banjul, The Gambia	
Solicitors	Amie Bensouda & Co Kanifing P.O. Box 907 Banjul, The Gambia	Attorney General Chambers 4 Marina Parade Banjul, The Gambia

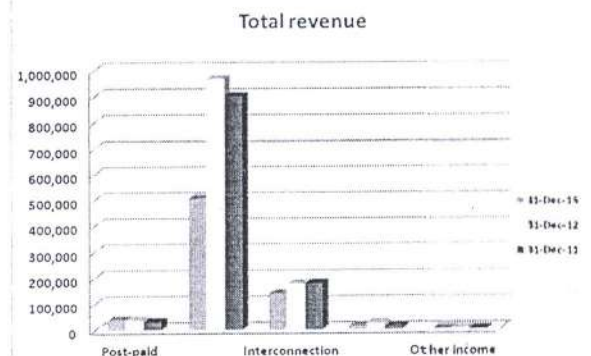


Registered
Office

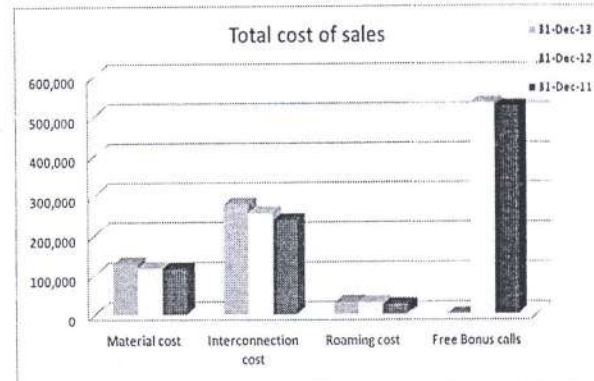
Gambia Telecommunication Cellular
Company (Gamcel) Limited
59 Mamadi Maniyang Highway
Kanifing, The Gambia

Financial highlights

Revenue	31-Dec-13 D.000	Restated 31-Dec-12 D.000	Restated 31-Dec-11 D.000
Post-paid	38,675	37,850	31,782
Prepaid	505,353	435,601	378,869
Interconnection	139,411	177,119	179,052
Roaming	13,786	27,099	11,474
Other income	4,653	5,695	2,729
Total revenue	701,878	683,364	603,906

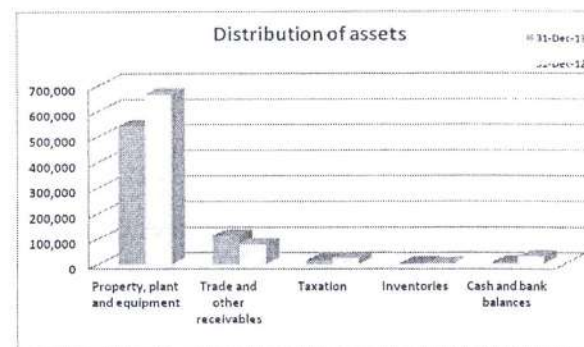


Cost of sales	31-Dec-13 D.000	Restated 31-Dec-12 D.000	Restated 31-Dec-11 D.000
Material cost	128,526	116,686	115,552
Interconnection cost	277,417	254,709	237,447
Roaming cost	29,494	28,955	24,432
Total cost of sales	435,437	400,350	377,431



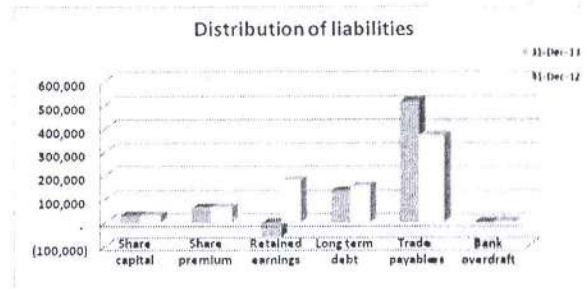
Distribution of Total Assets

	31-Dec-13		31-Dec-12	
	D.000	%	D.000	%
Property, plant and equipment	540,050	76%	666,798	83%
Trade and other receivables	111,677	20%	77,663	10%
Taxation	13,633	2%	24,163	3%
Inventories	4,077	1%	2,754	0%
Cash and bank balances	6,857	1%	28,812	4%
Total	676,295	100%	800,190	100%



Distribution of Total Liabilities

	31-Dec-13		31-Dec-12	
	D.000	%	D.000	%
Share capital	30,000	4%	30,000	4%
Share premium	64,344	10%	64,344	8%
Retained earnings	(64,418)	-10%	179,290	22%
Long term debt	132,673	20%	153,455	19%
Trade payables	512,684	76%	369,224	46%
Bank overdraft	1,011	0%	3,877	1%
	676,295	100%	800,190	100%



Financial structure ratios

	31-Dec-13	31-Dec-12
Capital adequacy ratio (%)	96%	66%
Gearing ratio (%)	2,160%	192%
Liquidity (%)	27%	36%
Aggregate provisioning level (%)	26%	5%
Debt to Asset ratio	0.96	0.66
Debt to Equity ratio	21.60	1.92
Return on Assets (ROA)	0.00%	0.00%
Return on Equity (ROE)	0.00%	0.00%
Operating Loss (D.000)	(233,938)	(157,409)
Loss post tax (D.000)	(243,708)	(166,798)

Directors' report

The Directors of the company present their report and the audited financial statements of **Gambia Telecommunications Cellular Company (Gamcel) Limited** for the year ended 31 December 2013.

Statement of directors' responsibilities

The Companies Act 2013 requires the directors to prepare the financial statements for the financial period which give a true and fair view of the state of affairs of the Company and of its profit or 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 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.

Principal activities

The principal activity of the company is to provide Global Systems Mobile (GSM) services to customers.

Results and dividends

The results of the company are as detailed in the accompanying financial statements. The directors do not recommend the payment of dividend.

Property, plant and equipment

The Company's property, plant and equipment are detailed in note 8 of the financial statements. There has not been any permanent diminution in the value of the Company's property, plant and equipment as disclosed in note 8 of the financial statements.

Directors and directors' interests

The directors who held office during the year are as detailed on page 3. The following director who held office had beneficial financial interest in the company's shares:

	% Shareholding	No. of shares held	
		31-Dec-13	31-Dec-12
Managing Director of Gamtel	1%	1	1
		<u>1</u>	<u>1</u>



In fulfillment of one of the provisions of Company Laws in registering a company in The Gambia, Gamtel, in establishing Gambia Telecommunications Cellular Company (Gamcel) Limited, registered Gambia Telecommunication Company Limited (Gamtel) and the office of the Managing Director as shareholders representing 1% ownership by Gamtel.

No payment (in monetary terms) is made to the Managing Director.

Auditors

The auditors, DT Associates – The Gambia, were appointed by the National Audit Office for the period of five years ending 31 December 2013.

By Order of the Directors

Secretary

Date: 23rd December 2014

DT Associates ▲

DT Associates - The Gambia
Audit | Tax | Advisory
1 Paradise Beach Place
Bertil Harding Highway
Kololi
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Banjul
The Gambia

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Report of the Independent Auditors

To the members of Gambia Telecommunications Cellular Company (Gamcel) Limited

We have audited the accompanying financial statements of Gambia Telecommunications Cellular Company (Gamcel) Limited, set out on pages 10 to 24, which comprise the balance sheet as at 31 December 2013, the income statement, statement of cash flows and statement of changes in equity for the year then ended, and significant accounting policies, financial summary and other explanatory information.

Directors' responsibility for the financial statements

The directors of the company are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies Act 2013, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgments, including the assessment of risk of material misstatements of the financial statements, whether due to fraud or error. In making those assessments, the auditors consider 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 the basis for our audit opinion.

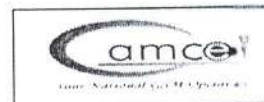
Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Gambia Telecommunications Cellular Company (Gamcel) Limited as at December 31, 2013, and of its financial performance and its cash flows for the year then ended; the company has kept proper books of account, which are in agreement with the balance sheet and income statement, in the manner required by the Companies Act 2013.

DT Associate

DT Associates
Chartered Accountants
Registered Auditors

Date *23rd December* 2014



Income Statement

For the year ended 31 December 2013
(In thousands of Gambian Dalasi)

	Notes	31-Dec-13 D.000	Restated 31-Dec-12 D.000
Revenue	1.2, 2	701,878	683,364
Cost of sales	3	(435,437)	(400,350)
Gross profit		266,441	283,014
Administration costs		(287,009)	(254,097)
Depreciation and amortization	1.3,8	(213,370)	(186,326)
Net operating expenses		(500,379)	(440,423)
Operating loss		(233,938)	(157,409)
Other interest receivable and similar income	5	760	875
Loss before tax		(233,178)	(156,534)
Taxation	1.5,7	(10,530)	(10,264)
Loss for the financial year		(243,708)	(166,798)
Basic Loss per share (bututs)	16	(2,437)	(1,668)
Dividend per share (bututs)	16.1	Nil	Nil

The notes on pages 14 to 24 form part of these financial statements.

Balance Sheet

as at 31 December 2013
(In thousands of Gambian Dalasi)

	Notes	31-Dec-13 D.000	31-Dec-12 D.000
Assets			
Noncurrent assets			
Property, plant and equipment	1.3, 1.7, 8	540,050	666,798
Current assets			
Trade and other receivables	1.8, 10	111,677	77,663
Taxation	1.5, 7	13,633	24,163
Inventories	1.8, 9	4,078	2,754
Cash and bank balances	1.4, 15	6,857	28,812
Total current assets		136,245	133,392
Total assets		<u>676,295</u>	<u>800,190</u>
Equity and liabilities			
Capital and reserves			
Share capital	13	30,000	30,000
Share premium	13	64,344	64,344
Retained earnings	14	(64,418)	179,290
Total equity		29,926	273,634
Noncurrent liabilities			
Long term debt	12	132,673	153,455
Current liabilities			
Trade payables	11	512,684	369,224
Bank overdraft		1,011	3,877
Total current liabilities		513,695	373,101
Total Equity and liabilities		<u>676,295</u>	<u>800,190</u>

These financial statements were approved by the Board of Directors on 23rd Dec. 2014 and signed on its behalf by:

 Chairman

 Managing Director

 Director

The notes on pages 14 to 24 form part of these financial statements.

Statement of changes in equity

for the year ended 31 December 2013
(in thousands of Gambian Dalasi)

	Share capital D.000	Share premium D.000	Profit & Loss account D.000	Total D.000
At 1 January 2013	30,000	64,344	179,290	273,634
	30,000	64,344	179,290	273,634
Loss for the year	-	-	(243,708)	(243,708)
At 31 December 2013	30,000	64,344	(64,418)	29,926

The notes on pages 14 to 24 form part of these financial statements.

Statement of cash flows

for the year ended 31 December 2013
(in thousands of Gambian Dalasi)

	31-Dec-13 D.000	31-Dec-12 D.000
Cash flows from operating activities		
Loss from operations	(233,938)	(157,409)
Adjustment for:		
Depreciation and amortization	213,370	186,326
Loss on disposal	1,357	-
Dividend	-	(9,600)
Operating profit before working capital changes	(19,211)	19,317
(Increase) decrease in inventories	(1,324)	16,034
Increase in trade receivable	(34,014)	(57,654)
Increase in trade payables	143,460	257,045
Cash generated from operations	88,911	234,742
Interest received	760	875
Income taxes paid	-	-
Net cash from operating activities	89,671	235,617
Cash flows from investing activities		
Purchase of property, plant and equipment	(87,978)	(300,575)
Net cash used by investing activities	(87,978)	(300,575)
Cash flows from financing activities		
(Decrease) Increase in Long-term Borrowing	(20,782)	87,621
Net cash used by financing activities	(20,782)	87,621
Net (decrease) increase in cash and cash equivalents	15 (19,089)	22,663
Cash and cash equivalents at the beginning of the year	15 24,935	2,272
Cash and cash equivalents at the end of the year	15 5,846	24,935

The notes on pages 14 to 24 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 Accounting convention

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

1.2 Revenue recognition

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

Prepaid revenue from recharge cards represents the actual minutes consumed by customers. The unutilized portions of recharge cards are charged as deferred revenue.

Bonus calls are excluded from the financial statements. [FY2012: The full amount of bonus calls previously recognized both in revenue and cost of sales, having no effect on profit was reversed in the current year due to the change in accounting policy].

Revenue is recognized net, after deducting Value Added Tax of 15% and excise tax of 5%. A GRTS user fee of 1.25% is charged on post-paid and prepaid revenue.

1.3 Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all costs 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

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.

	%
▪ Leasehold land and building	5
▪ Technical equipment	15
▪ Motor vehicles	25
▪ Furniture & fittings	15
▪ Computer hardware and software	33.3

Subsequent expenditure

Expenditure incurred to replace a component of an 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 increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognized in the income statement as an expense as incurred.

Development expenditure

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

1.4 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.

1.5 Taxation

Tax is charged on the basis of the higher of 1.5% of gross income and 32% of tax adjusted accounting profits in accordance with sections 79 (3a,b) and first schedule of the Income and Sales Tax Act 2004.

1.6 Pension scheme

The company is registered with the Social Security and Housing Finance Corporation under the Federated Pension Scheme in which the Employer 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.

1.7 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 may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

1.8 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of a 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.

2. Revenue

Revenue comprises of:		31-Dec-13	Restated 31-Dec-12
		D.000	D.000
Post paid revenue		38,675	37,850
Pre paid revenue		505,353	435,601
Interconnection revenue		139,411	177,119
Roaming revenue	2.1	13,786	27,099
Miscellaneous income	2.2	4,653	5,695
Total revenue		701,878	683,364

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 MACH.

2.2 Miscellaneous (sundry) income

Miscellaneous income comprises of revenue from additional services given to existing customers e.g. SIM card replacements.

6.1 Directors' remuneration

The number of Directors with gross emoluments within the band stated below was:

	31-Dec-13	31-Dec-12
Executive Directors		
D0 - D170,000	Nil	Nil
D170,001 - D180,000	1	1
Non-executive Directors		
D0 - D150,000	2	2
D150,000 - D170,000	Nil	Nil

7. Taxation

The tax charge in the financial statements is derived as follows:

	31-Dec-13	31-Dec-12
Income statement	D.000	D.000
Tax provision at 1.5% of adjusted turnover	<u>10,264</u>	<u>10,284</u>
Balance sheet	D.000	D.000
Balance brought forward	24,163	34,427
Current tax charge	(10,530)	10,264
Tax paid during the year	-	-
	<u>-</u>	<u>-</u>
Tax asset at the end of the year	<u>13,633</u>	<u>24,163</u>



10.1.1 The Intercompany loan balance relates to payments made on behalf of Gamtel to acquire Fixed Assets, meet supplier repayment commitments and other recurring expenses.

10.1.2 In 2006, the Ministry of Finance and Economic Affairs issued a directive to the company to grant a loan of D15m to the Gambia International Airlines (GIA) to purchase airport handling equipment. The terms and conditions of this loan was finalized. The balance has already been fully provided, however, recoveries of D2 million was made up to December 2013.

10.1.3 Post paid balances which are also included within 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.

10.1.4 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.

10.1.5 As part of the company's operations, Gamcel engages five individuals to distribute its products including SIM cards, prepaid recharge cards and e-voucher transactions.

10.1.6 Due to systems limitations, inbound revenue derived from International Roaming services were not accounted for resulting to the Qualification of the 2009 Accounts. In that effect, Management engaged the services of a consultant (Sonatel) to investigate and recommend for a corrective action which efforts had yielded dividend resulting to the generation of revenue from such services. As the revenue is aged over 10 years, 100% of the amount was provided for [D51.9 million]. Having established the amount, a recovery plan is being negotiated with the respective operators.

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 Economic Affairs with six companies namely Africell, Gamtel/Gamcel, Comium, Qcell, Netpage and Unique Solutions to establish a Public - Private Partnership (PPP) financing agreement worth US\$25 million. The purpose of the partnership is to jointly contribute to the cost of financing the Africa Coast to Europe Submarine Cable (ACE) landing station in The Gambia. The project is to provide a branch landing station for the country by connecting from a submarine fibre 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 of their contributions to the PPP financing agreement. Funds contributed through the PPP would go towards financing The Gambia Submarine Cable Company Limited established to coordinate the activities of the landing station.

Gamcel contributed \$550,000 to the Ace Project Translating to D15, 813,250. This was paid on the 13th of December 2010 and it's accounted for in the intercompany account in our books

10.2 Provision for doubtful debts

	Notes	31-Dec-13 D.000	31-Dec-12 D.000
GIA loan		13,226	13,690
Post paid		113,713	102,805
Staff loans		1,336	344
Other debtors (hire purchase and sundry debtors)		116	116
General provision		87	87
Dealers		21,463	-
Roaming	10.1.6	51,902	-
		<u>201,843</u>	<u>117,042</u>

11. Trade Payables: amounts falling due within one year

	Notes	31-Dec-13 D.000	31-Dec-12 D.000
Trade payables		185,082	188,488
Accruals and other payables	11.2	16,504	29,690
Accounts payable - interconnection (Gamtel)	10.1.4	216,727	78,207
Accounts payable - interconnection (Comium)	10.1.4	247	-
Accounts payable - roaming partners	11.1	36,692	25,322
Deferred revenue from prepaid customers	11.4	456	3,207
GRTS Levy tax		1,388	978
Current portion of long term debt	12	55,588	43,332
		<u>512,684</u>	<u>369,224</u>

11.1 This amount includes amounts due to Roaming suppliers MACH, Tatacom, France telecom and Sonatel for roaming invoices due.

11.2 Accruals and other payables include GSM license.

11.3 Deferred revenue represents the portion of prepaid phone cards sold and activated but not fully utilized as at the balance sheet date. This is estimated at 1% of total prepaid phone cards sold during the financial year.

12. Long term debt

	Notes	31-Dec-13 D.000	31-Dec-12 D.000
Guaranty trust bank loan	12.1	20,015	41,883
Trust bank loan	12.1	79,800	74,458
SSHFC Loan	12.1	88,446	80,446
		<u>188,261</u>	<u>196,787</u>
Due within 1 year		(55,588)	(43,332)
		<u>132,673</u>	<u>153,455</u>
Due after more than 1 year			

- 12.1 A syndicated medium term loan facility of D100 million was obtained jointly from Guaranty Trust Bank and Trust Bank Limited, Guaranty Trust Bank being the lead bank to partly finance the expansion of the Company's GSM network. The facility is repayable over 60 months at a rate of interest of 17% with a monthly repayment of D1.3 million respectively. A moratorium was granted for the first 6 months with only interest payments with the balance including the principal payable over the remaining 54 months. The balance would be settled by 2016. The facility is secured by a corporate guarantee from Gambia Telecommunications Company Limited (Gamtel) with 11 properties valued at D141 million in total, and a letter of pledge and trust receipts on the GSM equipments financed.

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 is repayable over five years at an interest rate of 15% per annum. The Project has been completed and is fully operational.



The total project budget is estimated at US\$21 million. Funding and implementation was in phases and commenced upon the payment of an advance of US\$1.5 million. The first phase of the project cost US\$6.5 million. Gamcel signed a supplier financing agreement with Huawei for US\$5.5 million for part-funding the project. The amount will be repaid within three years in six equal and consecutive semi-annual installments.

The project has been completed and is currently being trialed among the company's network of customers.

13. Share Capital

		31-Dec-13 D.000	31-Dec-12 D.000
<u>Authorised</u>			
At the beginning of the year			
Ordinary shares of £10 each	100,000	30,000	30,000
At the end of the year	100,000	30,000	30,000

	Dalasi cost per share	31-Dec-13 D.000	31-Dec-12 D.000
Issued and fully paid			
100,000 Ordinary shares at £10 each	300 [D30/£]	30,000	30,000
At the end of the year		30,000	30,000

13.1 The company was incorporated in November 2000 with a paid up capital amount of £1 million, made up of 100,000 ordinary shares at £10 each. The rate to Dalasi for £1 was D30. The difference between the Dalasi equivalent of the amount paid and the amount converted was accounted for as share premium.

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

13.2 The amount in share premium represents the excess of the price paid by the parent company over the nominal share value of £10 per share at D30 per £1.

14. Statement of movement in reserves

	31-Dec-13 D.000	31-Dec-12 D.000
At the beginning of the year	188,890	355,688
Loss for the financial year	(243,708)	(166,798)
At the end of the period	(54,818)	188,890

15. Analysis of the balances of cash as shown on the balance sheet

	31-Dec-13 D.000	31-Dec-12 D.000	Changes D.000
Cash Balance	-	-	-
Bank balances	6,857	28,812	(21,955)
	6,857	28,812	(21,955)
Bank overdraft	(1,011)	(3,877)	2,866
	5,846	24,935	(19,089)

16. Loss per share

	31-Dec-13	31-Dec-12
Basic loss per share (Dalasis)	(2,437)	(1,668)
Weighted average number of shares used in calculating LPS	100,000	100,000
Loss for the financial year (Dalasi)	(243,708,000)	(166,798,000)

Loss per share was arrived at by dividing loss after tax by the weighted average number of shares.

16.1 Dividends per share

The results of the company are as detailed in the accompanying financial statements. There was no dividend payment in 2013 [2012: Nil].

	31-Dec-13	31-Dec-12
Dividends per share (bututs)	Nil	Nil
Weighted average number of shares used in calculating DPS	100,000	100,000
Dividend paid during the year (Dalasis)	Nil	Nil

17. Contingent liability

Result of Tax Commission enquiry

Following the publishing of the report of the Tax Commission set up by the Government of The Gambia to investigate taxation matters in the country, Gamcel had been reported to owe D967.3 million in unpaid sales tax liabilities.

Following a successful appeal against the Commission's findings by the company, a Government Task Force set up to reassess the findings against appellants, established that Gamcel owes a revised amount of D93.9 millions in tax liabilities. Gamcel's own internal assessment estimates the liability at D13.94 million which in 2012, the company settled in full.

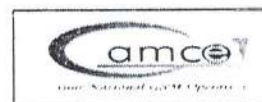
The company is currently in the process of appealing against the new findings by the Task Force. However, in 2013, as a condition for further appeal, Gamcel was ordered to make an advance payment equivalent to D39.98 million (being 50% of the Task Force's finding of D93.9 million less the D13.94 million paid by the company).

In 2014, the Company received a letter from the courts being summoned to appear to answer to issues pertaining to the payment of tax liability of D263 million. This increase in liability is disputed by Gamcel and management is currently working with the legal counsel to address the matter.

Interconnection disputes

Interconnection agreements exist between telecommunications operators for managing of other operators' calls other than their main traffic. In light of these agreements operators charged each other interconnection fees for receiving and passing such calls designed for another operators' network. In such a process, operators exchange at end of each month Call Detail Reports (CDRs) for reconciliation; having established who the net receiver or payer would be then settles the other.

		31-Dec-13 D'000	31-Dec-12 D'000
Roaming			
In bound	2.1	6,433	15,812
Out bound		7,353	11,287
		<u>13,786</u>	<u>27,099</u>
Other income			
Miscellaneous income		4,653	5,695
		<u>4,653</u>	<u>5,695</u>
Material cost			
Material refreshment		1,152	1,080
Material scratch cards		3,392	6,927
GSM phone set		1,412	2,921
Material sim cards		8,612	5,668
Dealers commission		82,958	68,472
GSM licenses/spectrum fees		31,000	31,194
Co-location cost		-	424
		<u>128,526</u>	<u>116,686</u>
Cost of roaming services			
International - outbound roaming		18,124	14,897
International - inbound roaming		11,370	14,058
		<u>29,494</u>	<u>28,955</u>
Cost of interconnection			
Interconnection cost - Africell		9,605	9,777
Interconnection cost - Comium		3,719	3,877
Interconnection cost - Qcell		2,428	2,375
Interconnection cost - Gamtel		261,665	238,680
		<u>277,417</u>	<u>254,709</u>



Administrative expenses	31-Dec-13 D.000	31- Dec-12 D.000
Materials - uniforms	610	541
Medical	2,232	5,573
Staff travel insurance	38	171
National travel	2,141	1,393
Local training	2,594	2,648
Training overseas	3,986	7,606
Electricity & water	13,147	11,027
Insurance - buildings & equipment	633	1,445
Insurance - motor vehicles	985	565
Rent/rates	3,488	3,429
Conferences/meetings	1,200	1,152
Entertainment	1,148	1,031
Organisation contributions	560	472
Telephone telex fax & internet	2,713	758
Stationery	3,397	1,785
Consumables/cleaning materials	903	559
Sundry expenses	22	113
Licenses	6,537	1,315
Material tools	1	54
Materials tech. equip. maintenance/IT	12,809	18,783
Materials generator maintenance	1,227	1,551
Materials vehicle maintenance	4,752	4,194
Materials fuel	16,782	20,893
Materials GSM cell site	1,825	1,049
Materials spares	55	42
Materials lubricant	10	93
Other materials	1	5
Expenses below capitalisation amount	684	330
Internet/computer expenses	665	591
Audit fees	732	605
Postages	79	149
Professional fees/consultancy	391	3,622
Car wash	14	11
Labour/workmanship	90	114
Expenses miscellaneous	-	8
Advertising	23,942	22,358
Sponsorship	15,703	10,268
Donations	17,148	5,277
Promotion	3,054	7,630
Contribution to national development	-	500
Bank interest loan	26,721	25,550
Bank charges	9,689	6,762
Provision for doubtful debts	32,901	5,427
Bad debts written off	-	10,994
Stock adjustment (write off)	-	8,683
Loan subsidies account	2,367	700
PURA regulatory fee	9,386	8,045
Freight handling & insurance	12,329	2,547
Materials building maintenance	2,638	626



Materials for maintenance	250	772
Materials publications/journals	81	142
Cashier allowance	192	-
	<u>242,852</u>	<u>209,958</u>

Staff Cost	31-Dec-13 D.000	31-Dec-12 D.000
Staff basic salaries	14,010	14,274
Staff cost casuals/wages	2,370	2,527
SSHFC pensions contribution	4,660	4,128
Staff cost injury contribution	83	55
Staff cost extra duty allowance	5,352	4,955
Staff cost responsibility allowance	785	703
Staff cost telephone allowance	324	299
Staff cost transport allowance	3,350	3,165
Staff cost vehicle allowance	2,080	1,910
Staff cost acting allowance	209	116
Project allowance	3,472	3,255
Mileage allowance	989	911
Professional allowance	1,066	985
Provincial allowance	97	10
Residential allowance	1,672	1,573
Staff training allowance - local	196	274
Other staff cost	3,303	4,734
Staff drawback	139	265
	<u>44,157</u>	<u>44,139</u>
Total admin and staff cost	<u>287,009</u>	<u>254,097</u>