



GAMBIA TELECOMMUNICATIONS COMPANY LIMITED

(GAMTEL)

FINANCIAL STATEMENTS & REPORTS

FOR THE YEAR ENDED 31st DECEMBER 2015

**AUGUSTUS PROM
AUDIT. TAX. ADVISORY.
REGISTERED AUDITORS**

**3 KAIRABA AVENUE
3RD FLOOR CENTENARY HOUSE
SERREKUNDA, KMC
THE GAMBIA**

JUNE 2015

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General Information

Board of Directors

Mr. Alhajie Tamsirr Samba Aliou Njie	Chairman
Mr. Bai Matarr Drammeh	Vice Chairman
Mr. Baboucarr Sanyang	Managing Director
Mr. Momodou Badjie	Member
Permanant Secratary – Ministry of Communication, Information & Technology	Member
Mr. Edrisa Mass Jobe - Staff Representative	Member

Board Secretary

Mr. Sarjo A S Ceesay

Bankers

Trust Bank Limited
 3/4 Ecowas Avenue
 Banjul, The Gambia

Zenith Bank (Gambia) Limited
 49 Kairaba Avenue, Serrekunda
 Banjul, The Gambia

Arab Gambian Islamic Bank Limited
 Ecowas Avenue
 Banjul, The Gambia

FBN Bank
 48 Kairaba Avenue
 Serrekunda, The Gambia.

Guaranty Trust bank (Gambia) Limited
 Limited
 56 Kairaba Avenue
 KSMD, The Gambia

Platinum Habib Bank (Gambia)
 11 Liberation Avenue
 Banjul, The Gambia

Standard Chartered Bank (Gambia) Limited
 8 Ecowas Avenue
 Banjul, The Gambia

First International Bank Limited
 Kairaba Avenue
 KSMD, The Gambia

Access Bank (Gambia) Limited
 Kairaba Avenue
 KSMD, The Gambia

Eco Bank (Gambia) Limited
 Kairaba Avenue
 KSMD, The Gambia

Skye Bank (Gambia) Limited
 Kairaba Avenue
 KSMD, The Gambia

External Auditor

Augustus Prom
Audit. Tax. Advisory.
Registered Auditors
3 Kairaba Avenue,
3rd Floor Centenary House
Serrekunda, KMC
The Gambia

Solicitors

Amie Bensouda & Co
Kanifing, KMC
The Gambia

Attorney General's Chambers
4 Marina Parade
Banjul, The Gambia.

Registered Office

GAMTEL House
3 Nelson Mandela Street
Banjul, The Gambia

GAMTEL

DIRECTORS REPORT

1. The Directors present the audited financial statements of the Company for the year ended 31st December 2015.
2. **State of Affairs**
The results for the year ended 31st December 2015 are as set out in the attached financial statements.
3. **Principal Activities**
The principal activity of the Company is to provide voice and data services to its customers.
4. **Directors & Director's Interest**
The Directors who held office during the year are as detailed on page 2. None of the Directors who held office at the end of the financial year had beneficial financial interest in the shares of the company.
5. **Directors Responsibilities to the Financial Statements**
The Companies (Gambia) Act, 2013 requires the Company's Directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the company 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 Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any given time, the financial position of the Company and to enable them to ensure that the financial statements comply with the provisions of the Companies (Gambia) 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.

6. **Significant Changes in Fixed Assets**

Additions, disposals and revaluation of fixed assets are detailed in Note 8 of the financial statements.

7. **Dividend**

The Directors do not propose the payment of dividend for the year (Nil for 2014).

8. **External Auditors**

The Company's external auditor, Augustus Prom - Audit. Tax. Advisory, as appointed through the National Audit Office has expressed willingness to continue office.

**BY ORDER OF THE
GAMTEL BOARD OF DIRECTORS**



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COMPANY SECRETARY

DATE: 23/12/16

REGISTERED OFFICE
3 Nelson Mandela Street
Banjul, The Gambia.



AUGUSTUS PROM
AUDIT. TAX. ADVISORY.



3 Kairaba Avenue – P O Box 587, The Gambia - Telephone (220) 4378146/ 4392376 / 4378147 – Fax (220) 4378148
E-mail : admin@augustusprom.com www.augustus-prom.gm

AUDITOR'S REPORT TO THE MEMBERS OF THE
GAMBIA TELECOMMUNICATIONS COMPANY LIMITED (GAMTEL)

We have audited the Company's financial statements and notes thereto for the year ended 31st December 2015 set out on pages 8 to 25. The financial statements have been prepared under the historical cost convention.

DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS:

The Directors are responsible for the preparation and the fair presentation of these financial statements in accordance with the Companies (Gambia) Act, 2013 and Generally Accepted Accounting Principles (GAAP). These responsibilities also include maintaining adequate internal controls relevant to the preparation of financial statements that are to be free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies that are consistent with Generally Accepted Accounting Principles and making reasonable accounting estimates.

AUDITOR'S RESPONSIBILITIES:

Our objective is to express an independent opinion on the Company's financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) as promulgated by the International Federation of Accountants (IFAC). These standards require that we comply with ethical requirements, plan and perform the audit in-order 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

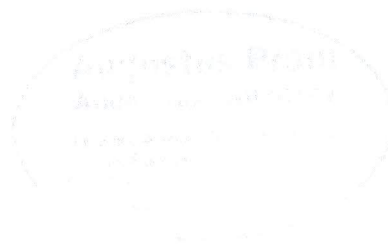
AUDITOR'S OPINION:

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st December 2015 and of its financial performance and its cash flows for the year then ended and has been prepared in accordance with Generally Accepted Accounting Principles and adhere to the Companies Act 2013.

Augustus Prom

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**AUGUSTUS PROM
AUDIT. TAX. ADVISORY
REGISTERED AUDITORS**

DATE: 23rd / 12 / 2016



Income Statement

For the year ended 31st December 2015

	<i>Notes</i>	2015 GMD'000	2014 GMD'000
Revenue	2	1,321,874	906,038
Cost of sales	3	(884,548)	(503,076)
Gross Profit		437,326	402,962
Operating Expenses			
Administration and Other expenses (<i>Page 26</i>)		(254,350)	(301,644)
Depreciation & Amortisation	8	(162,054)	(263,891)
Net Operating Expenses		(416,404)	(565,535)
Operating Profit/(Loss)		20,922	(162,573)
Other Income	5	40,607	38,712
Loss before interest and tax		61,529	(123,861)
Interest expense and similar charges		(28,765)	(11,473)
Profit/(Loss)before Tax		32,764	(135,334)
Taxation	7	(20,437)	(14,762)
Profit/(Loss) after Tax		12,327	(150,096)
		=====	=====

The notes on pages 12 to 25 form an integral part of these financial statements.

Balance Sheet

As at 31st December 2015

<u>Assets</u>	<u>Notes</u>	2015 GMD'000	2014 GMD'000
Non Current Assets			
Property, Plant and Equipment	8	773,143	403,655
Investments	9	163,981	163,980
		<u>937,124</u>	<u>567,636</u>
Current Assets			
Inventories	10	17,510	29,660
Receivables	11	690,267	561,788
Cash and cash equivalents	15	41,500	723
Total Current Assets		<u>749,277</u>	<u>592,171</u>
Total Assets		<u><u>1,686,401</u></u>	<u><u>1,159,807</u></u>
<u>Equity & Liabilities</u>			
Capital and Reserves			
Share capital (Page 10)		60,000	60,000
General reserve (Page 10)		10,000	10,000
Retained earnings (Page 10)		553,668	559,389
Revaluation reserve (Page 10)		404,107	-
Total Equity		<u>1,027,775</u>	<u>629,389</u>
Non-Current Liabilities			
Borrowings	12	137,662	163,394
Total Non Current Liabilities		<u>137,662</u>	<u>163,394</u>
Current Liabilities			
Borrowings within 1 year	12	40,952	9,281
Trade and other payables	13	384,692	258,334
Bank overdraft	15	13,901	27,867
Taxation	7	81,419	71,542
Total Current Liabilities		<u>520,964</u>	<u>367,024</u>
Total Equity & Liabilities		<u><u>1,686,401</u></u>	<u><u>1,159,807</u></u>

The Financial Statements were approved by the Board of Directors on

23/12/2015 and signed on its behalf by:

DIRECTOR:  DIRECTOR: 

The notes on pages 12 to 25 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31st December 2015

	Share Capital GMD'000	General Reserve GMD'000	Retained Earnings GMD'000	Revaluation Res. GMD'000	Total GMD'000
At 1 st January 2014	60,000	10,000	668,738	-	738,738
Prior Year Adjustment	-	-	40,745	-	40,747
Loss for the year	-	-	(150,096)	-	(150,096)
At 31 st December 2014	60,000	10,000	559,389	-	629,389
At 1 st January 2015	60,000	10,000	559,389	-	629,389
Revaluation Reserve	-	-	-	404,107	404,107
Profit for the year (See page 8)	-	-	12,326	-	12,326
Prior Year Adjustment (See note 16)	-	-	(18,047)	-	(18,047)
At 31 st December 2015	60,000	10,000	553,668	404,107	1,027,775

Note: For the year under review, the land and building's of the company were revalued by a qualified valuer and the gain has been recognised as a revaluation gain. This has been reflected in the Fixed Asset Schedule of the company as at 31st December 2015.

Cash Flow Statement

As at 31st December 2015

	Notes	2015 GMD'000	2014 GMD'000
<u>Operating Activities</u>			
Operating Profit/(Loss) before tax and interest		20,922	(162,573)
Adjustments for:			
Depreciation	8	162,054	263,891
Increase in Provision for Bad Debt		1,558	-
Increase in Provision – Stock		11,473	-
Prior Year Adjustments – Tax Adjustments		4,561	-
Prior Year Adjustments – Retained Earnings		(18,515)	40,747
Prior year adjustment- Fixed assets	18	-	9,060
Stock Take Adjustments		175	-
Operating profit before working capital changes		181,878	151,125
(Increase) /Decrease in inventory		12,150	(4,420)
(Increase) /Decrease in receivables		(128,479)	(144,243)
Increase in payables		126,236	20,112
Cash generated from operations		191,785	22,574
Interest paid		(28,765)	(11,473)
Interest received		40,607	38,712
Income tax paid		(6,000)	-
Net Cash from operating activities		197,627	49,813
<u>Investing Activities</u>			
Acquisition of tangible fixed assets	8	(148,824)	(136,932)
Net Cash used by investing activities		(148,824)	(136,932)
<u>Financing Activities</u>			
(Decrease)/Increase in long term borrowings		(25,732)	78,908
Increase in Short Term Borrowings		31,671	1,600
Net Cash from financing activities		5,939	80,508
Net (decrease)/ increase in cash & cash equivalents		54,742	(6,611)
Cash and cash equivalent at 1st January 2015		(27,144)	(20,533)
Cash and cash equivalent at 31st December 2015		27,598	(27,144)

The notes on pages 12 to 25 form an integral part of these financial statements

Notes to the Financial Statements

For the year ended 31st December 2015

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 historic cost convention in accordance with Generally Accepted Accounting Principles using an accruals basis of accounting and relevant provisions of the Companies (Gambia) Act, 2013.

1.2 Revenue Recognition

Revenue represents the invoiced amount to local and international billing customers, prepaid revenue arising from recharge cards, interconnection revenue and sale of data services.

Revenue is recognised net after deducting Value Added Tax of 15%, Excise Duty of 5% and GRTS user fees of 1.25%.

1.3 Property, plant and equipment

Items of property, plant and 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 on property, plant and equipment, excluding land, at annual rates calculated to write off the cost of each asset over its estimated useful life on a straight line basis as follows:

Buildings	5%
Technical equipment	15%
Furniture and equipment & office equipment	15%
Motor Vehicles	25%
Computer hard ware and software	33.3%

Subsequent measurement

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 capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the income statement as incurred.

Development expenditure

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment loss.

1.4 Inventories

Inventories are valued at the lower of cost and net realisable 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 realisable value is based on estimated selling price less all cost to be incurred in marketing and selling.

1.5 Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are converted at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Gains and losses on exchange are transferred to the income statement in the period in which they arise.

1.6 Pension scheme

Effective 1st January 2004, the company contributes 15% of employees' gross salaries to the Social Security and Housing and Finance Corporation Pension Fund. Obligations for contributions to the pension plan are recognised as expense in the income statement when incurred.

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 1.5% of turnover or 31% of taxable profits. Current tax is the expected tax payable on the taxable income for the year and is recognised in the income statement.

1.8 Impairment

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

1.9 Provisions

A provision is recognised in the balance sheet when the company has a legal or constructive obligation as a result of a past event, and which is probable that resources embodying economic benefits will be required to settle the obligations. A general provision of 2% on receivables and inventory.

2. Revenue

	31- Dec 2015 GMD'000	31- Dec 2014 GMD'000
International revenue	592,387	237,095
Interconnection revenue	554,068	514,069
Local revenue	47,600	39,203
Telephone rentals	14,706	20,189
Leased lines	85,143	65,142
Prepaid card sales	1,217	1,618
3G Internet Services	21,169	19,493
Other services	5,584	9,229
Total revenue	1,321,874	906,038
	=====	=====

3. Cost of sales

Material cost	51,033	42,863
Interconnection cost	255,922	322,417
International cost	577,593	137,796
Total cost of sales	884,548	503,076
	=====	=====

4. Profit on ordinary activities before tax

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

Auditors' remuneration	844	844
Depreciation	162,054	263,891
Directors' remuneration	568	536
	=====	=====

5. Other interest receivable and similar income

Insurance recoveries	9	-
Training income	4,505	4,077
Internet services	7,507	11,010
Exchange loss	2,900	4,137
Co- locations & E1 Link	24,423	18,079
Miscellaneous income	1,263	1,409
	40,607	38,712
	=====	=====

6. Staff numbers and costs

The average number of staff employed (including directors) during the year, analyzed by category was as follows:

	31- Dec 2015	31- Dec 2014
Management	17	17
General Staff	1068	1051
	<u>1,085</u>	<u>1,068</u>

The aggregate payroll costs were as follows:

	31- Dec 2015 GMD'000	31- Dec 2014 GMD'000
Salaries	50,080	52,578
Pensions	15,333	18,054
Casuals	1,912	1,955
Allowances	59,312	58,474
Others	5,812	5,421
	<u>132,449</u>	<u>136,482</u>
	=====	=====

7. Taxation

Income Statement

Tax charged at 31% on <u>Assessable</u> Profit	20,437	14,762
based on adding back disallowed expenses to the loss before tax and then deducting allowable tax deductions.	=====	=====

Balance Sheet

At beginning of the year	71,542	56,780
Charge for the year	20,437	14,762
Less Tax Paid during the year	(6,000)	-
Less Tax Adjustment (See Note 16)	(4,560)	-
	<u>81,419</u>	<u>71,542</u>
	=====	=====

Gambia Telecommunications Company Ltd. (GAMTEL)
Financial Statements & Reports for The Year Ended 31st December 2015

8. Property, Plant and Equipment

	Land & Building GMD	Work in Progress GMD	Plant, equipment distribution network GMD	Motor Vehicle GMD	Furniture & office equipment GMD	Total GMD
<u>COST</u>						
At 1st Jan 2015	100,450	80,175	2,383,609	65,179	399,396	3,028,812
Reclassification			-	-	-	-
Additions	30	14,662	123,312	5,836	4,982	148,824
Revaluation	402,046	2,060	-	-		404,106
Disposal	-	-	-	(20,998)	(19)	(21,017)
At 31 Dec 2015	502,527	96,899	2,506,922	50,017	404,359	3,560,725
<u>DEPRECIATION</u>						
At 1st January 2015	60,939	-	2,306,443	61,688	217,474	2,646,545
Charge for the year	29,092	-	125,822	4,503	2,635	162,054
Disposal	-	-	-	(20,998)	(19)	(21,017)
At 31 Dec 2015	90,032	-	2,432,265	45,194	220,090	2,787,582
<u>NET BOOK VALUE</u>						
At 31 Dec 2015	412,494	96,899	74,656	4,823	184,268	773,143
At 31 Dec 2014	39,511	80,175	77,166	24,879	181,921	403,655

9. Investments

	Notes	31- Dec 2015 GMD'000	31- Dec 2014 GMD'000
RASCOM	9.1	25,593	25,593
GAMCEL	9.2	93,833	93,833
GAMCO	9.3	15,600	15,600
GIA	9.4	166	166
GSC	9.5	44,389	44,389
		<u>179,581</u>	<u>179,581</u>
Provision for GAMCO impairment		(15,600)	(15,600)
		<u>163,981</u>	<u>163,981</u>

9.1 RASCOM

Rascom is an inter-governmental Regional African Satellites Communications Organisation with a membership of 45 African states. Gamtel currently holds 1,113,594 shares in Rascom at \$1 each out of a total share capital of \$63 million.

9.2 GAMCEL

The investment represents the amount spent in the setting up of Gamcel, 99% subsidiary of Gamtel which was incorporated in November 2002 with share capital of £1 million.

9.3 GAMCO

This investment represents the total advances made to the Gambia Agricultural Marketing Company Limited (GAMCO) during the period 2004 to 2005 following Gambia Government's directives issued by the Ministry of Agriculture to facilitate the groundnut trade. GAMCO is now liquidated and the amount has been fully provided for as part of the company's impairment review procedures.

9.4 GIA

This represents a 1% stake in Gambia International Airlines valued at D16,600,000 divided into 1,660,000 shares of D10 each.

9.5 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 Solutions 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 African 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 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 to their contributions 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.

10. Inventories

	31- Dec 2015 GMD'000	31- Dec 2014 GMD'000
Technical materials	36,012	48,660
Stationery	3,716	3,521
Mini store prepaid stock card	-	431
Stock take adjustment	2,074	2,073
	<u>41,802</u>	<u>54,685</u>
Provision for obsolescence	(24,292)	(25,025)
	<u>17,510</u>	<u>29,660</u>

11. Receivables

Trade Debtors (<i>See Note 11.1</i>)	1,298,030	1,267,449
Less: provision for doubtful debts	(607,763)	(705,661)
	<u>690,267</u>	<u>561,788</u>

11.1 Trade receivables

Interconnection (Gamcel)	11.1a	264,346	199,878
Interconnection (Qcell)	11.1a	10,417	5,228
Interconnection (Africell)	11.1a	132,850	104,673
Overseas receivables	11.1b	-	37,522
Post-paid receivables	11.1c,	816,362	761,527
Intercompany receivable- GRTS	11.1d	40,181	22,197
		<u>1,264,156</u>	<u>1,131,025</u>
Advances to related parties:			
GPTC	11.1e	500	500
GRTS	11.1e	500	500
Gamtel staff association	11.1e	800	800
Gamtel credit union	11.1e	500	500
		<u>2,300</u>	<u>2,300</u>
Advances to BEFAG	11.1f	-	80,000
Staff loans		31,574	34,074
Unreconciled receivables	11.1g	-	19,450
ACE Project		-	594
G2G Fraud recovery		-	6
		<u>31,574</u>	<u>134,124</u>
		<u>1,298,030</u>	<u>1,267,449</u>

11.1a Interconnections

The interconnections receivables represent net movements between incoming termination calls from other network operators and outgoing originating calls from Gamtel. Settlement is done after netting off as dictated in the provisions of the interconnection agreements between the operators.

11.1b Overseas receivables

Overseas receivables relates to balances due to various international network carriers. They are managed by an international partner called MGI.

11.1c Post paid receivables

These relates to revenue received from customers based on various products lines offered. Any increase or decrease in provision is accounted for through the income statement.

11.1d Intercompany receivables- GRTS

This balance relates to payments made on behalf of GRTS in the form of property, plant and equipment, supplier repayment commitment and other recurring expenses.

11.1e Advances to related parties

These are advances made to related party institutions which have been outstanding for several years, and have been fully provided for in these financial statements.

11.1f Advances to BEFAG

In 2002, BEFAG, a purported financier, was issued a Standard Chartered Bank guarantee bond by Gamtel of \$3 million to partly finance the Basse- Barra fibre link and Wireless Local Loop Project. In 2002, BEFAG encashed the guarantee bond without fulfilling its financial obligations. Gamtel repaid the amount as a loan from Standard Chartered Bank Gambia Limited and fully provided for the balance.

11.1g Un-reconciled receivables

Included in this balance are receivables dating back several years. A detailed breakdown of these balances is unavailable and is therefore provided for in full.

11.2 Provision for doubtful debts

	31- Dec 2015	31- Dec 2014
	GMD'000	GMD'000
Post paid receivables	442,015	539,913
BEFAG Loan	80,000	80,000
Other receivables	26,162	26,162
Un-reconciled receivables	19,450	19,450
Intercompany receivables	22,197	22,197
Related parties	2,743	2,743
Ex. Staff loans	15,196	15,196
	<u>607,763</u>	<u>705,661</u>

12. Borrowings: Amount falling due after one year

<u>Bank loans</u>	Notes	31- Dec 2015 GMD'000	31- Dec 2014 GMD'000
CFD loan	12.1	30,429	38,570
Trust Bank Loan	12.2	23,443	15,059
AFREXIM bank Loan	12.3	39,910	65,885
Gambia Government Loan	12.4	43,880	43,880
		<u>137,662</u>	<u>163,394</u>
<u>Due within one year</u>			
CFD Loan		(3,512)	(3,512)
Trust bank Loan		(37,440)	(3,942)
AFREXIM bank Loan		-	(1,827)
		<u>40,952</u>	<u>9,281</u>
		<u><u>178,614</u></u>	<u><u>172,675</u></u>
Total Borrowings			

12.1 Caisse Centrale De Cooperation Economique

A loan of 21.5 million French francs was obtained from CFD in July 1988 to improve and develop the telecommunications network for the Greater Banjul region, repayable over 16 years at a rate of 5%. In December 1994, the balance of the loan was settled and a new loan obtained in 1995 of 21.5 million French Francs. The loan is repayable over 30 years at a rate of interest of 1.5% to 2% repayable half yearly on 30th April and 31st October each year.

12.2 Trust Bank Loan

A loan of GMD 80 million was obtained from Trust Bank Limited in July 2009 to finance capital projects. This loan is repayable over 36 months at a rate of interest of 18.5% per annum. The facility was extended to July 2015 with an additional loan of GMD 45.996 million in July 2012. This facility is secured on a fixed charged over the company's head office properties. The loan is secured by title deeds of four properties.

12.3 AFREXIM Bank Loan

Due to obsolesce condition of the network infrastructure posing high risk to service delivery, Gamtel sought approval from the Government for replacement of exchange areas that are vulnerable to occurrence of such risk. In preventing such a risk occurring, the company embarked on replacing some of the switching equipment through vendor financing from Huawei International. For the vendor to be certain of servicing of the facility, Gamtel decided to enter into a facility agreement in relation to the receivable purchase agreement with African Export-Import Bank (AFREXIM Bank). The facility was for USD \$3 million payable over 3 years to end of December, 2015.

12.4 Gambia Government Loan

The above loan represents a refund to Ministry of Finance and Economic Affairs for payment on behalf of Gamtel on over-due installments from the Afrexim bank loan.

13. Trade and Other Payables

	Notes	31- Dec 2015 GMD'000	31- Dec 2014 GMD'000
Trade Payables		12,417	12,001
Inter-Company Payables- Gamcel	13.1	-	63
Inter-Connection Fees – Comium	13.2	92,118	108,668
Deposit by Subscribers		10,267	10,256
Accruals & Other payables		53,909	57,232
Sales Tax		31,142	31,142
VAT & Excise Payable		29,687	30,762
GRTS Tax		7,185	6,067
Staff Association		(250)	17
GTMI Tuition Arrears		1,343	2,126
MGI Tawa Advance		10,000	-
CDMA Network		119,936	-
Foreign Admin		16,938	-
		<u>384,692</u>	<u>258,334</u>

13.1 Inter-company payable : Gamcel

The amount relates to payments made by Gamcel on behalf of Gamtel to acquire fixed assets, and meet supplier repayment commitments and other recurring expenses.

13.2 Interconnection - Comium

Operators charge each other interconnection fees for receiving and passing calls for other operator's network. In such a process, operators exchange at the end of each month Call detail reports (CDR's) for reconciliation purposes. Over the years, Gamtel/Comium as a result of the above process had disputes relating to the interconnection rate charges to Gamtel from Comium in which Gamtel management and the board of directors have reservations about. The matter was arbitrated by the Public Utility Regulatory Authority (PURA) and concluded with a determination in favour of Comium. However, Gamtel management and the Board of Directors continue to review and investigate the matter to find a proper resolution.

14. Share Capital

<u>Authorised</u>	No. Of shares	31- Dec 2015 GMD'000	31- Dec 2014 GMD'000
At the beginning of the year			
Ordinary shares at D10 each	6,000,000	60,000	60,000
At the end of the year	6,000,000	60,000	60,000
<u>Issued and fully paid</u>			
At the beginning of the year			
Ordinary shares at D10 each	6,000,000	60,000	60,000
At the end of the year	6,000,000	60,000	60,000

Holding Company

Gambia Telecommunications Company Limited (Gamtel) is 99% owned by The Government of the Gambia and 1% owned by The Gambia Ports Authority which is also owned by The Government of The Gambia.

15. Cash and Cash Equivalents

	Notes	31- Dec 2015 GMD'000	31- Dec 2014 GMD'000
Cash at bank		41,198	334
Cash in hand		302	389
		41,500	723
Bank Overdraft		(13,902)	(27,867)
		27,598	(27,144)

16. Prior Year Adjustments

For the year under review, the following were raised as prior year adjustments as at 31st December 2015;

1. Adjustment on the Receivables due from Internet Leased Lines

During the period under review, we noted that differences between the outstanding amount maintained by the Finance department and the amount maintained by the Internet billing department. This was looked into and the billing system was erroneously billing since 2013. This has been adjusted as a prior year to ensure that the receivable balance reflected in the Financial statement is not overstated. An amount of D23,076m has been debited as Prior Year Adjustment.

2. Corporate Tax Adjustment

During the period under review, an amount of D4,561m has been credited as Prior Year Adjustment due to difference in the Tax Liability balance between the amount recognised in the Financial Statements and the amount outstanding by GRA. This adjustment has been done to ensure that the outstanding balance maintained by GAMTEL reconciles to the GRA Figure.

3. Opening Balance Difference

During the period under review, an amount of D466,000 has been credited as Prior Year Adjustment due to difference in the opening balance in retained earnings compared to the opening balance as per audit report. This adjustment has been done to ensure that the balances in the Financial Statement reconciles to the signed audit report.

17. Contingencies

As at 31st December 2015, the contingencies were as follows;

1. BABADI BALDEH VS GAMTEL TELECOMMUNICATIONS COMPANY LIMITED (GAMTEL) & 1 OTHER – CIVIL SUIT NO: HC 529/09/CO/137/C1

Judgement was entered in favour of Babadi Baldeh on 20th May 2013 for the sum of:-

- *D1,350,000.00 (One Million Three Hundred and Fifty Thousand Dalasis) as contributory negligence;*
- *D9,715.00 (Nine Thousand Seven Hundred and Fifteen Thousand Dalasis) and CFA francs 40,715.00 as special damages;*
- *Interest of 25% per annum from 5th June 2008 to 20th May 2013 and thereafter 4% till payment; and,*
- *Cost of D50,000.00 (Fifty Thousand Dalasis).*

GAMTEL has appealed against the said judgement. A partial consent terms was agreed and filed in the sum of GMD350,000 to be paid to Babadi Baldeh plus cost awarded in the High Court in the sum of D65,000.

The Court of appeal on 11th February 2016 dismissed the appeal filed by GAMTEL. GAMTEL has appealed to the Supreme Court and the appeal is pending.

Ruling on the application for stay of execution of the judgement is also pending.

2. MUSTAPHA JADAMA VS GAMTEL TELECOMMUNICATION COMPANY LIMITED (GAMTEL) & 1 OTHER – CIVIL SUIT NO: HC 310/06/CO/038/C1

Judgement was entered in favour of Mustapha Jadama on the 21st January 2009 for the sum of:-

- *D3,000,000.00 (Three Million Dalasis) for pain and suffering, loss of amenities and inconvenience for life;*
- *D30,275.00 (Thirty Thousand Two Hundred and Seventy Five Dalasis) as special damages;*
- *Interest for the periods claimed at the prevailing rate to be determined, (i.e. Interest at the rate of 25% on the award from the 2nd day of October, 2003 to date of payment and thereafter 4% to date of payment); and,*
- *Cost of D20,000.00 (Twenty Thousand Dalasis).*

GAMTEL appealed against the said judgement. On 18th April 2013, the Court of Appeal allowed GAMTEL's appeal and set aside the awards made in the judgement of the High Court dated 21st January 2009.

Mustapha Jadama has appealed to the Supreme Court and the appeal is pending as at 31st December 2015.

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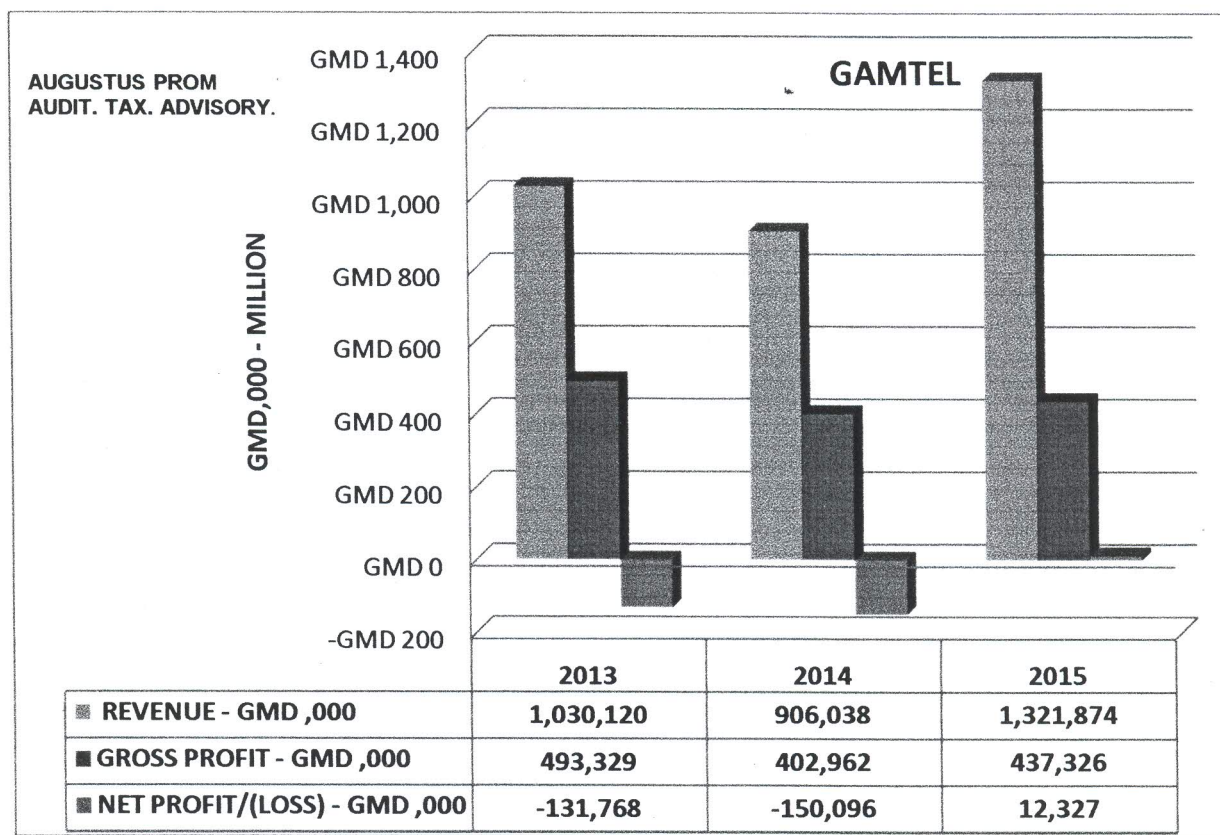
Supplementary Information

	31- Dec 2015 GMD'000	31- Dec 2014 GMD'000
Net revenue		
International revenue	592,387	237,095
Interconnection revenue	554,068	514,068
Local revenue	47,600	39,203
Telephone rentals	14,706	20,189
Leased lines	85,143	65,142
Prepaid card sales	1,217	1,618
3G Internet Services	21,169	19,493
Other services	5,584	9,229
Total revenue	1,321,874	906,038
Cost of sales		
Material cost	51,033	42,863
Interconnection cost	255,922	322,417
International cost	577,593	137,796
Total cost of sales	884,548	503,076
Gross operating profit	437,326	402,962
Administrative expenses		
Staff cost		
Salaries	50,080	52,578
Pensions	15,333	18,054
Casuals	1,912	1,955
Allowances	59,312	58,474
Others	5,812	5,421
	132,449	136,482

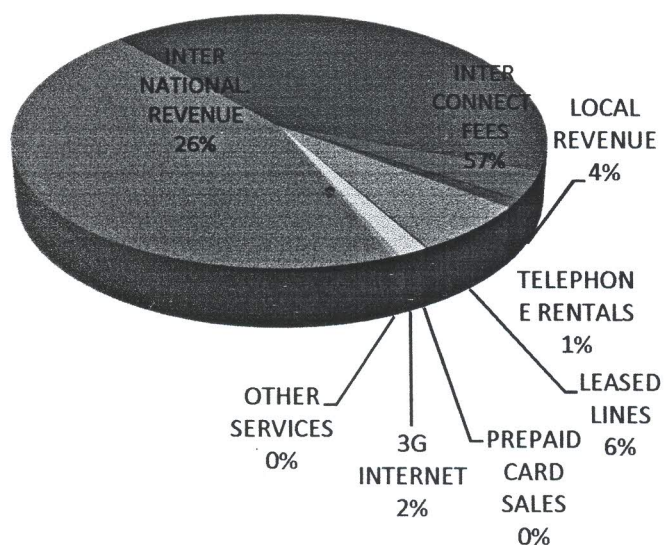
Supplementary Information (Cont'd)

	31- Dec 2015 GMD'000	31- Dec 2014 GMD'000
Other expenses		
Electricity and water	13,961	28,693
Licences/ insurance	3,041	1,624
Freight	310	1,018
Rent / rates	1,705	1,929
Directors' fees	568	536
Space segment rental	993	9,082
Training	13,410	14,541
Conferences/ meetings	2,989	4,220
National travel	1,351	2,664
Consultation fees	679	989
Audit fee	844	971
Entertainments	24	31
Advertisements	2,937	3,754
Maintenance	3,674	11,308
International contributions	-	22,218
Medical	11,113	9,817
Telecommunications	293	67
Bank charges	4,765	2,959
Donations	3,489	4,864
Computer expenses	498	132
Internet services	19,688	31,982
Miscellaneous expenses	180	450
Other contracts	1,673	988
Other COT contributions	1,126	985
Social development expenses	607	795
Write offs account	-	(107)
Provision for bad and doubtful debts	1,558	2,270
Increase in stock provision	11,473	382
Prepaid card expenses	2,728	766
Fixed line operator licence	3,040	2,955
FAD ACT other loan interest	2,460	2,279
Repair 3 rd party	28	-
CTO Contribution	70	-
PURA Regulatory fee	10,301	-
Postage	94	-
Cleaning material	398	-
Stock take adjustment	(175)	(32)
TAWA Expenses	7	-
	<u>121,900</u>	<u>165,162</u>
Total administrative expenses	<u><u>254,350</u></u>	<u><u>301,644</u></u>

GAMTEL – FINANCIAL HIGHLIGHTS



GAMTEL - 2015 REVENUE



GAMTEL -2015 EXPENDITURE

