



**GAMBIA
TELECOMMUNICATIONS
CELLULAR COMPANY
(GAMCEL) LIMITED**

**Annual report and financial statements
for the year ended 31 December 2020**

Gambia Telecommunications Cellular Company Ltd (GAMCEL)
Annual Reports and Financial Statements for The Year Ended 31st December 2020

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General Information

Members of the Gamtel/Gamcel Board of Directors from 1st Jan - 31st Dec 2020

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

Bankers :

Arab Gambia Islamic Bank	Guarantee Trust Bank Ltd	Trust Bank Ltd.
7 Ecowas Avenue	56 Ecowas Avenue	3-4 Ecowas Avenue
Banjul,	Banjul,	Banjul,
The Gambia	The Gambia	The Gambia

First Int'l. Bank (F.I.B.) Ltd.	Zenith Bank Ltd.	Access Bank (G) Ltd.
2 Kairaba Avenue	Kairaba Avenue	34 Kairaba Avenue
Serrekunda	Serrekunda	Serrekunda
The Gambia	The Gambia	The Gambia

Eco Bank (Gambia) Ltd.	FBN (Gambia) Ltd.	BSIC Ltd.
42 Kairaba Avenue	Kairaba Avenue	52 Kairaba Avenue
Serrekunda	Serrekunda	Serrekunda
The Gambia	The Gambia	The Gambia

External Auditors:

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

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Solicitors:

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

Attorney General Chambers
4 Marina Parade
Banjul, The Gambia

Registered Office:

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

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Financial Highlights

Revenue	31-Dec-20 GMD.000	31-Dec-19 GMD.000
Prepaid	196,823	276,110
Post-paid	30,910	31,931
Interconnection	10,971	20,722
International Incoming	27,455	-
Roaming	1,761	9,435
Other income	16,141	16,553
Total Revenue	284,061	354,751

Cost of sales	31-Dec-20 GMD.000	31-Dec-19 GMD.000
Material cost	103,141	85,215
Interconnection cost	11,834	55,667
Roamin cost	4,338	11,592
Total cost of sales	119,313	152,474

Distribution of Total Assets	31-Dec-20 GMD.000	%	31-Dec-19 GMD.000	%
Property, plant and equipment	206,887	57%	228,036	57%
Trade and other receivables	131,974	37%	145,225	36%
Inventories	17,778	5%	19,842	5%
Cash and bank balances	3,609	1%	6,132	2%
	360,248	100%	399,235	100%

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Distribution of Total Liabilities	31-Dec-20		Restated 31-Dec-19	
	D.000	%	D.000	%
Share capital	30,000	8%	30,000	8%
Share premium	64,345	18%	64,345	16%
Retained earnings	(863,843)	-240%	(801,831)	-201%
Revaluation Reserves	45,314	13%	44,655	11%
Long term debt	31,974	9%	31,803	8%
Other Long term Liabilities	525,428	146%	117,000	29%
Trade payables	521,154	145%	909,616	228%
Taxation	5,876	2%	3,340	1%
Bank overdraft	0	0%	307	0%
	360,248	100%	399,235	100%

Financial structure ratios

	31-Dec-20	31-Dec-19
Liquidity (%)	29%	19%
Debt to Asset ratio	3.01	2.66
Debt to Equity ratio	(1.50)	(1.60)
Gearing ratio	-150%	-160%
Return on Asset (ROA)	-2%	-23%
Return on Equity (ROE)	-1%	-14%
Operating Profit (D.000)	1,128	(79,088)
Profit after tax (D.000)	(7,634)	(93,001)

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Directors' Report for the year ended 31st December 2020

The Directors of the company present their report and the audited financial statements of The Gambia Telecommunications Cellular Company (Gamcel) Limited for the year ended 31st December 2020.

State of Affairs

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

Principal Activities

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

Statement of Directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make 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 which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Statement of Accounting Practices and The companies Act, 2013.

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

Dividends

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

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Property, plant and equipment

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

Directors and Directors' Interest

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

	Share holding %	No. shares held	
		31-Dec-20	31-Dec-19
Managing Director of Gamtel		1	1

Auditors

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

By order of the Board of Directors

.....
Secretary

Date:.....2021

Independent Auditors Report

To the Board Members of Gambia Telecommunications Cellular Company (Gamcel) Limited

Opinion

We have audited the financial statements of The Gambia Telecommunications Cellular Company (Gamcel) Limited set out on pages 10 to 27, which comprise the statement of financial position as at 31st December 2020, the income statement, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors* (IRBA Code), which is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Part A and B), together with other ethical requirements that are relevant to our audit of the financial statements in The Gambia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We drew attention to the fact that the entity has been making losses consistently over the years. We also drew attention to note 16 Retained earnings and page 10 (Income statement) and page 11 (Statement of financial position) which show that the current year's loss stands at D7.6 million. The cumulative losses as at 31 December 2020 stands at D864 millions. The total assets of the entity stands at D360 millions while the total liability stands at D1.08 billion. This means the liabilities are more than the assets by D724 millions. There is also a negative equity of D724 millions.

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

Key Audit Matters

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

Other Information

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

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

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

Responsibilities of the directors for the Financial Statements

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

In preparing the financial statements, the directors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Concluded on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicated with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Accord Associates
Accord Associates
Chartered Accountants
Registered Auditors
Banjul The Gambia

Date..... 30/12/ 2021

Gambia Telecommunications Cellular Company Ltd (GAMCEL)
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Income Statement

For the year ended 31 December 2020

	Notes	2020 GMD'000	2019 GMD'000
Revenue	2	284,061	354,751
Cost of sales	3	(119,313)	(152,474)
Gross Profit		164,748	202,277
Administrative Cost		(59,321)	(142,844)
Staff Cost	6	(68,799)	(70,915)
Depreciation & Amortization	8	(35,500)	(67,606)
Net Operating Expenses		(163,620)	(281,365)
Operating Profit		1,128	(79,088)
Other Interest Receivable & Similar Income	5	175	132
Profit before Interest & Tax		1,303	(78,956)
Interest Expense & Similar Charges		(6,095)	(10,496)
Loss before Tax		(4,792)	(89,452)
Taxation	7	(2,842)	(3,549)
Loss for the Year		(7,634)	(93,001)
Basic Loss Per Share (bututs)		(76.3)	(930.0)
Dividend Per Share (bututs)		Nil	Nil

The notes on page 14 to 27 form part of these financial statements

Statement of financial position

As at 31 December 2020

Assets	Notes	2020 GMD'000	2019 GMD'000
Non Current Assets			
Property, Plant and Equipment	8	191,074	212,223
Investment	18	15,813	15,813
		206,887	228,036
Current Assets			
Inventories	9	17,778	19,842
Trade and Other Receivables	10	131,974	145,225
Cash and Bank Balances	17	3,609	6,132
Total Current Assets		153,361	171,199
Total Assets		360,248	399,235
Equity and Liabilities			
Equity			
Share Capital	13	30,000	30,000
Share Premium	14	64,345	64,345
Retained Earnings	16	(863,843)	(801,831)
Revaluation Reserves	15	45,314	44,655
Total Equity		(724,184)	(662,831)
Non Current Liabilities			
Long Term Debt	12	31,974	31,803
Other Long Term Liabilities	12	525,428	117,000
		557,402	148,803
Current Liabilities			
Trade Payables	11	521,154	909,616
Taxation	7	5,876	3,340
Bank Overdraft	17	-	307
Total Current Liabilities		527,030	913,263
Total Equity and Liabilities		360,248	399,235

The financial statements were approved by the Board of Directors
on 30 December 2021 and signed on its behalf by :

..... Chairman
..... General Manager

The notes on page 14 to 27 form part of these financial statements

Statement of Changes in Equity

For the year ended 31 December 2020

	Share Capital GMD'000	Share Premium GMD'000	Retained Earnings GMD'000	Revaluation Reserve GMD'000	Total GMD'000
As At 1st January 2019	30,000	64,345	(692,737)	44,655	(553,737)
Revaluation Reserve					
Loss for the year	-	-	(93,001)	-	(93,001)
Prior Year Adjustment	-	-	(16,093)	-	(16,093)
As At 31st December 2019	30,000	64,345	(801,831)	44,655	(662,831)
As At 1st January 2020	30,000	64,345	(801,831)	44,655	(662,831)
Loss for the year					
Prior Year Adjustment	-	-	(7,634)	-	(7,634)
Revaluation Surplus	-	-	(54,378)	-	(54,378)
			-	659	659
As At 31st December 2020	30,000	64,345	(863,843)	45,314	(724,184)

The notes on page 14 to 27 form part of these financial statements

Statement of Cash Flows

For the year ended 31 December 2020

	2020 GMD'000	2019 GMD'000
Cash flows from operating activities		
Operating Profit before tax and interest	1,128	(79,088)
	<u>1,128</u>	<u>(79,088)</u>
Adjustments for:-		
Depreciation:	35,500	67,606
Other Adjustments (Fixed Assets)	-	(13,132)
Prior Year Adjustment (Net)	(54,378)	(16,093)
Bad Debts Written-off	-	-
Provision for stock, Disposals and Gain or Loss	-	(1,033)
Prior year Tax Adjustments	-	(1,058)
Operating Profit before Working Capital Changes	<u>(17,750)</u>	<u>(42,797)</u>
Increase / (Decrease) in Inventories	2,064	(174)
Increase / (Decrease) in Trade Receivables	13,251	26,169
Increase /(Decrease) in trade payables	(388,462)	88,493
Cash generated from operations	<u>(390,897)</u>	<u>71,691</u>
Interest Received	175	132
Interest Paid	(6,095)	(10,496)
Income Tax Paid	(306)	(6,165)
Net Cash generated from operating activities	<u>(397,124)</u>	<u>55,162</u>
Cash flows from investing activities		
Purchase of property, plant & equipment	(13,691)	(10,731)
Net cash used by investing activities	<u>(13,691)</u>	<u>(10,731)</u>
Cash flows from financing activities		
(Increase) / Decrease in Long-Term Borrowings	408,599	(40,003)
Net cash used by financing activities	<u>408,599</u>	<u>(40,003)</u>
Net increase/(decrease) in cash and cash equivalents	<u>(2,216)</u>	<u>4,428</u>
Net Cash and cash equivalents at beginning of the year	5,825	1,397
Net Cash and cash equivalents at the end of the year	<u><u>3,609</u></u>	<u><u>5,825</u></u>

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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 using an accruals basis of accounting and applicable provisions of the Companies Act 2013.

1.2 Revenue Recognition

interconnection revenue, international incoming, sale of SIM cards and roaming revenue

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

Bonus calls are excluded from the financial statements

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

1.3 Property, plant and equipment

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

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

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

Subsequent expenditures

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

Development expenditure

Capitalized development expenditure is stated at cost less accumulated amortization 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 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.

1.6 Pension scheme

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

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

1.7 Taxation

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

1.8 Impairments

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

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1.9 Provisions

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

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2 Revenue

		31-Dec-20	31-Dec-19
		GMD'000	GMD'000
Pre-paid Revenue		244,015	345,769
Less: Free Bonus Calls		(47,192)	(69,659)
Net Pre-paid Revenue		196,823	276,110
Post-paid Revenue		30,910	31,931
Interconnection Revenue		10,971	20,722
International Incoming		27,455	-
Roaming Revenue	2.1	1,761	9,435
Miscellaneous Income	2.2	16,141	16,553
		284,061	354,751

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 EDCH.

2.2 Miscellaneous Income

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

3 Cost of sales

	31-Dec-20	31-Dec-19
	GMD'000	GMD'000
Material Cost	103,141	85,215
Interconnection Cost	11,834	55,667
Roaming Cost	4,338	11,592
	119,313	152,474

4 Profit before taxation is stated

after charging:

Auditors' remuneration
 Depreciation & Amortization

	D'000	D'000
	375	350
	(35,500)	(67,606)
	(35,125)	(67,256)

5 Other operating income

Bank Interest Receivables
 Interest Received On Staff Loans

	31-Dec-20	31-Dec-19
	GMD'000	GMD'000
	7	3
	168	129
	175	132

6 Staff cost

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

	2020	2019
Management	47	18
Others	302	341
	349	359
Contractors	132	114

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

	31-Dec-20 GMD'000	31-Dec-19 GMD'000
Basic Salaries	18,976	19,525
Casuals	5,502	5,208
SSHFC contributions	8,535	7,760
Staff allowances	29,400	29,675
Staff Medical Expenses	4,327	4,781
Other Staff Cost	2,060	3,967
	68,799	70,915

7 Taxation

The tax charged in the financial statements is derived as follow

Income Statement

Provision for corporation tax is 1% on Turnover

Balance Sheet

	31-Dec-20 GMD'000	31-Dec-19 GMD'000
	2,842	3,549
	D'000	D'000
Balance brought forward	3,340	4,898
Adjustments	-	1,058
Current Tax Charged	2,842	3,549
Tax paid during the year	(306)	(6,165)
Tax Liability at the end of the year	5,876	3,340

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8 Property, Plant and Equipment

<u>Cost</u>	<u>Land & Building</u> GMD'000	<u>GSM Equipment</u> GMD'000	<u>Motor Vehicles & Cycles</u> GMD'000	<u>Generators</u> GMD'000	<u>Furniture Fittings and Office Equipment</u> GMD'000	<u>Access Accounting System</u> GMD'000	<u>W.I.P.</u> GMD'000	<u>Total</u> GMD'000
At 1st Jan 2020	67,755	1,627,115	33,995	19,340	102,226	6,249	59,714	1,916,394
Additions	-	-	2,780	75	9,242	-	1,594	13,691
Revaluation	-	-	-	-	-	-	-	-
Disposal	-	-	(367)	-	-	-	-	(367)
At 31st Dec 2020	67,755	1,627,115	36,408	19,415	111,468	6,249	61,308	1,929,718
<u>Depreciation</u>								
At 1st Jan 2020	13,724	1,558,125	27,295	14,227	84,550	6,249	0	1,704,170
Charge for the year	1,741	20,334	3,442	1,032	8,950	-	-	35,500
Revaluation	(659)	-	-	-	-	-	-	(659)
Disposal	-	-	(367)	-	-	-	-	(367)
At 31st Dec 2020	14,807	1,578,459	30,371	15,259	93,500	6,249	-	1,738,644
<u>Net Book Value</u>								
At 31st Dec 2020	52,949	48,655	6,037	4,156	17,968	-	61,308	191,074
At 31st Dec 2019	54,031	68,990	6,699	5,113	17,676	-	59,714	212,223

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9 Inventories

	<u>Notes</u>	31-Dec-20 GMD'000	31-Dec-19 GMD'000
Main Store (sim & scratch cards)		16,934	18,541
Stationery		1,207	1,706
		<u>18,141</u>	<u>20,247</u>
Less:- Provision for Obsolete Stock		(363)	(405)
		<u><u>17,778</u></u>	<u><u>19,842</u></u>

10 Receivables

	<u>Notes</u>	31-Dec-20 GMD'000	31-Dec-19 GMD'000
Trade Receivables	10.1	129,342	187,795
Other Receivables	10.2	32,045	27,580
less:			
Provision for doubtful debts	10.3	(29,413)	(70,150)
		<u><u>131,974</u></u>	<u><u>145,225</u></u>

10.1 Trade receivables

	<u>Notes</u>	31-Dec-20 GMD'000	31-Dec-19 GMD'000
Post paid Debtors	10.1a	71,297	132,329
Roaming Receivables	2.1	53,243	53,136
Interconnection (Qcell)	10.1b	-	145
Interconnection (Africell)	10.1b	-	-
International Receivables	10.1d	125	-
Gamtel/Gamcel inter company	10.1c	4,677	2,185
		<u><u>129,342</u></u>	<u><u>187,795</u></u>

10.2 Other receivables

	<u>Notes</u>	31-Dec-20 GMD'000	31-Dec-19 GMD'000
Staff Loans		14,627	17,038
GIA Loan	10.2a	8,476	8,976
Credit Union		42	-
Gamtel/Gamcel staff Assoc.		-	24
Gam Recoveries		1,148	964
Prepayments		-	113
Input VAT		7,752	466
		<u><u>32,045</u></u>	<u><u>27,580</u></u>

10.1a post- paid debtors

general provisions of 2% of the total balance excluding balances specifically provided for at the end of the year. Any increase or decrease in provision is accounted for through the income statement

10.1b interconnections

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

10.1c Gamtel/Gamcel inter company

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

10.1d International Receivables

International receivables relates to balance due from various international network carriers.

10.2a GIA Loan

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

10.3 Provision for doubtful debts

	31-Dec-20	31-Dec-19
	GMD'000	GMD'000
GIA Loan		
Post paid	8,476	8,976
Staff Loans	18,825	57,718
Other Debtors	2,112	2,394
Roaming Receivables	-	-
	-	1,063
	29,413	70,150

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Trade and Other payables: Amounts Falling Due Within 1Yr

	Notes	31-Dec-20 GMD'000	31-Dec-19 GMD'000
Trade Payables		76,477	76,828
Interconnection Payable - Comium	10.1b	2,958	2,510
Interconnection Payable - Africell	10.1b	1,269	78
Interconnection Payable - Qcell	10.1b	91	
Interconnection Payable - Gamtel	10.1b	12,000	459,016
Roaming Creditors	11.2	74,668	73,875
"Goods Received" Not Invoiced		-	7,671
Accruals and other payables	11.1	226,905	177,553
Deferred income from prepaid customers	11.3	10,802	2,169
GRA/Government/Gamcel Recon		96,000	72,000
Environmental Tax		-	-
Excise levy		-	9,204
GRTS/GSM Levy		-	5,895
Loan Repayments Within 1 Yr.	12	19,984	22,818
		521,154	909,616

11.1

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

11.2

This amount includes payments due to roaming partners.

11.3

Deferred income represents the portion of air time (nopal & scratch cards) sold and activated but not fully utilized as at the balance sheet date.

Long term debt

	Notes	31-Dec-20 GMD'000	31-Dec-19 GMD'000
SSHFC Loan	12.1	51,958	54,622
Due within 1 year		51,958	54,622
Due after 1 year		(19,984)	(22,818)
		31,974	31,803

Other long term liabilities

GRA/Government/Gamcel Recon	12.2	93,000	117,000
Interconnection Payable - Gamtel	12.3	432,428	-
		525,428	117,000

12.1 SSHFC Loan

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

12.2 GRA/Government/Gamcel Reconciliation

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

12.3 Interconnection Payable - Gamtel

Following the SOEs cross arrears bilateral meeting at the PPP unit of the Ministry of Finance and Economic Affairs regarding the payment of accumulated interconnection arrears of D430,765,167.99 owed to Gamtel by Gamcel, an agreement was made for Gamcel to start settling the arrears effective January 2020 by a monthly installment of D1 Million through net-off against Gamtel monthly credit consumption. Hence the reason for splitting the debt between current and non-current liabilities

13 Share Capital	No. Of Shares	31-Dec-20	31-Dec-19
		GMD'000	GMD'000
Authorised	100,000	30,000	30,000
Ordinary Shares @ D300 Each			
Issued and Fully Paid	Cost Per Share		
100,000 Ordinary Shares	D300	30,000	30,000

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

14 **Share Premium**

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

15 **Revaluation Reserve**

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

16 **Retained Earnings**

	Notes	31-Dec-20	31-Dec-19
		GMD'000	GMD'000
Balance b/f		(801,831)	(692,737)
Prior year adj.(Various items)	16.1	(54,378)	(16,093)
Retained profit /(Loss) Re-instated		(856,209)	(708,830)
Profit/(Loss) for the year		(7,634)	(93,001)
Balance c/f		(863,843)	(801,831)

16.1

This relates to the posting of 2019 invoices and beyond which were not captured in 2019 but had to be paid in 2020. The amount relate to previous years captured as prior year to ensure the complete liability can be recognised in 2020

17 Cash and Bank balances

Bank balances

Cash Balance

Bank Overdraft

31-Dec-20 GMD'000	31-Dec-19 GMD'000
3,599	6,132
10	0
3,609	6,132
-	(307)
3,609	5,825

18 Investments

GSC NVESTMENT (10%) 18.1

31-Dec-20 GMD'000	31-Dec-19 GMD'000
15,813	15,813

18.1 Africa Coast to Europe (ACE)

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

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

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Supplementary information

	31-Dec-20	31-Dec-19
	GMD'000	GMD'000
Net revenue		
Pre-paid Revenue	196,823	276,110
Post-paid Revenue	30,910	31,931
Interconnection Revenue	10,971	22,623
International Incoming	27,455	-
Roaming Revenue	1,761	9,435
Miscellaneous Income	16,193	15,126
Total Revenue	284,113	355,225
Cost of sales		
Material Cost	103,141	85,215
Interconnection Cost	11,834	55,667
Roaming Cost	4,338	11,592
Total cost of sales	119,313	152,473
Pre paid		
Prepaid Local calls	69,354	110,499
Prepaid international calls	20,368	42,871
Prepaid installation fees	296	428
Data traffic	105,167	120,068
SMS account	1,637	2,244
	196,823	276,110
Free Bonus Calls	47,192	69,659
Post-paid		
Postpaid local calls	21,475	22,405
Postpaid international calls	2,794	3,336
Postpaid line rental	6,641	6,191
	30,910	31,931
Interconnection		
Interconnection revenue - Africell	5,856	7,603
Interconnection revenue - Comium	272	670
Interconnection revenue- QCell	3,862	4,451
Interconnection revenue - Gamtel	981	7,998
Co-location	-	1,901
	10,971	22,623
Gateway Revenue		
International Incoming	27,455	-
Roaming		
International - Outbound Roaming	1,526	8,029
International - Inbound Roaming	235	1,405
	1,761	9,435
Other income		
Miscellaneous Income	16,193	15,126

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	31-Dec-20 GMD'000	31-Dec-19 GMD'000
Material Cost		
Material Refreshment	485	713
Material Scratch Cards	1,327	1,037
GSM Phone Sets	590	877
Material Sim Cards	1,280	2,340
Dealers Discount	21,267	29,097
GSM Licenses/spectrum Fees	40,000	51,150
International Out-going	19,818	-
Government Share of the Gateway	18,374	-
Co.-Location Cost	-	-
	103,141	85,215
Interconnection Cost		
Interconnection Cost - Africell	7,047	7,536
Interconnection Cost - Comium	720	1,068
Interconnection Cost - QCell	3,919	4,008
Interconnection Cost - Gamtel	148	43,055
	11,834	55,667
Roaming Cost		
International - Outbound Roaming	3,545	4,539
International - Inbound Roaming	793	7,053
	4,338	11,592
	31-Dec-20 GMD'000	31-Dec-19 GMD'000
Staff cost		
Staff basic salaries	18,976	19,525
Staff cost casuals/wages	5,502	5,208
SSHFC pensions contribution	8,453	7,693
Staff cost injury contribution	82	67
Staff cost extra duty allowance	7,394	7,120
Staff cost responsibility allowance	1,101	1,035
Staff cost telephone allowance	454	430
Staff cost transport allowance	4,843	4,715
Staff cost vehicle allowance	2,928	2,828
Staff cost acting allowance	82	172
Project allowance	4,089	3,941
Mileage allowance	1,177	1,111
Professional allowance	1,708	1,684
Provincial allowance	387	427
Residential allowance	4,201	4,370
Staff training allowance - local	74	89
other staff cost	2,060	2,742
Cashier allowance	657	701
Longevity allowance	47	-
Staff drawback	257	1,052
Staff Medical Expenses	4,327	4,781
Staff loan subsidies	-	1,225
	68,799	70,915

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	31-Dec-20 GMD'000	31-Dec-19 GMD'000
Administrative expenses		
MATERIALS UNIFORMS	287	-
STAFF TRAVEL INSURANCE	1	4
NATIONAL TRAVEL	1,169	1,131
LOCAL TRAINING	3,894	2,279
TRAINING OVERSEAS	646	5,528
PURA REGULATORY FEE	5,257	4,656
FREIGHT, HANDLING & INSURANCE	1,190	304
MATERIALS BUILDING MAINTENANCE	1,132	654
MATERIALS FFOE MAINTENANCE	256	325
MATERIALS PUBLICATION/JOURNALS	35	56
ELECTRICITY & WATER	13,091	16,195
INSURANCE-Building & Equipment	506	-
INSURANCE-Motor Vehicles	152	135
RENT/RATES	3,342	3,204
DIRECTORS FEE	176	271
CONFERENCE/MEETINGS	871	5,069
ENTERTAINMENT	621	474
ORGANISATION CONTRIBUTIONS	4,646	4,545
TELEPHONE,TELEX,FAX & INTERNET	-	-
STATIONERY	1,087	1,799
CONSUMABLES/CLEANING MATERIALS	318	774
SUNDRY EXPENSES	-	-
LICENCES	3,272	2,917
MATERIAL TOOLS	166	180
MATERIALS TECH.EQUIPMENT MAINTENANCE/IT TO	19,155	13,276
MATERIALS GENERATOR MAINTENANCE	1,114	403
MATERIALS VEHICLE MAINTENANCE	1,685	3,341
MATERIAL FUEL	10,427	13,493
MATERIAL GSM CELL SITE	1,213	995
OTHER MATERIALS/SCRATCH POWER	-	400
EXPENSES BELOW CAPITALIZED THRESHOLD	244	119
INTERNET/COMPUTER EXPENSES	118	304
AUDIT FEES	375	350
POSTAGES	21	14
PROFESSIONAL FEES/CONSULTANCY	701	192
LABOUR/WORKMANSHIP/TRANSPORTATION	119	63
EXPENSES MISCELLANEOUS	79	93
WRITEOFF/WRITE BACK A/C	-	-
ADVERTISING	9,028	7,459
SPONSORSHIP	1,140	2,944
DONATIONS	2,885	3,058
PROMOTION	520	3,119
NATIONAL EDUCATIONAL LEVY	100	100
BANK CHARGES	1,026	1,777
INC/DEC PROVISIONS OBSOLETE STOCK	(42)	(136)
INC/DEC PROVISIONS DOUBTFUL DEBTS	(40,737)	32,736
Gain/Loss on Asset Disposal	(61)	(822)
EXCHANGE GAIN/LOSS	7	(70)
TELECOMMUNICATION EXPENSES	8,090	9,139
TOTAL ADMINISTRATIVE EXPENSE AND STAFF COST	59,321	142,844
	128,120	213,759

