Gambia Printing and Publishing Corporation (GPPC)

Auditor's Report and Financial Statements

for the year ended 31st December 2019

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Five Year Financial Summary

Year ended 31 December 2019

All amounts in the nearest Gambian Dalasi unless otherwise stated

Balance sheet	**2019** **D**	2018 D	2017 D	2016 D	2015 D
Assets					
Non-current assets					
Property, plant and equipment	**106,782,536**	95,777,756	91,610,546	92,776,647	90,479,130
Intangible assets	**161,460**	-	20,000	20,000	20,000
Total non-current assets	**106,943,996**	95,777,756	91,630,546	92,796,647	90,499,130
Current assets					
Inventory	**8,603,732**	8,498,240	7,323,514	7,409,643	5,733,415
Other receivables	**10,138,721**	4,406,801	4,406,801	-	-
Trade and staff debtors	**18,320,589**	32,920,808	25,337,508	20,376,359	33,869,537
Cash and cash equivalents	**8,032,414**	260,504	7,503	92,164	61,537
Total current assets	**45,095,457**	46,086,353	37,075,326	27,878,166	39,664,489
Total assets	**152,039,453**	141,864,109	128,705,872	120,674,813	130,163,619
Equity and liabilities					
Share capital	**10,000,000**	10,000,000	10,000,000	10,000,000	10,000,000
Retained earnings	**487,082**	2,856,596	5,560,991	9,806,173	21,939,472
Revaluation reserve	**75,338,719**	75,494,942	75,651,165	75,807,388	76,119,834
Total capital and reserves	**85,825,801**	88,351,538	91,212,156	95,613,561	108,059,306
Liabilities					
Non-current liabilities					
Loans	**10,453,319**	-	-	-	-
Total Non-current Liabilities	**10,453,319**	-	-	-	-
Current liabilities					
Bank overdraft	**2,700,241**	1,620,859	3,706,065	2,270,479	619,747
Other payables	**17,058,902**	13,653,071	10,447,761	7,861,715	5,050,792
Corporation tax	**0**	4,933,796	5,144,088	5,083,403	8,305,984
Value Added Tax	**18,428,905**	15,928,821	13,128,455	9,845,655	8,127,790
Loans	**17,572,284**	17,376,024	5,067,347		
Total current liabilities	**55,760,332**	53,512,571	37,493,716	25,061,252	22,104,313
Total liabilities	**66,213,651**	53,512,571	37,493,716	25,061,252	22,104,313
Total equity and liabilities	**152,039,453**	141,864,109	128,705,872	120,674,813	130,163,619
		FALSE	TRUE	TRUE	TRUE

Income Statement					
Revenue	**41,042,831**	41,903,665	34,007,655	27,717,699	39,846,854
Cost of sales	**(12,990,445)**	(12,535,139)	(10,146,582)	(10,439,845)	(8,545,200)
Gross profit	**28,052,386**	29,368,526	23,861,073	17,277,854	31,301,654
Personnel costs	**(15,755,142)**	(14,600,513)	(12,469,141)	(12,556,799)	(11,645,010)
General and administrative expenses	**(12,638,433)**	(11,937,168)	(10,986,229)	(11,927,196)	(11,616,999)
Depreciation	**(3,263,867)**	(2,788,175)	(2,675,443)	(2,928,673)	(2,190,451)
Amortisation	-	(20,000)	-	-	-
Operating (loss)/ profit	**(3,605,056)**	22,670	(2,269,740)	(10,134,814)	5,849,194
Net financing cost	**(3,563,314)**	(1,749,513)	(1,037,040)	(1,184,332)	(552,965)
(Loss)/ profit before taxation	**(7,168,370)**	(1,726,843)	(3,306,780)	(11,319,146)	5,296,229
Income tax expense	**(410,428)**	(419,037)	(510,115)	(415,765)	(1,641,830)
(Loss)/ profit for the financial year	**(7,578,798)**	(2,145,880)	(3,816,895)	(11,734,911)	3,654,399

Financial Highlights

	31-Dec-19	31-Dec-18
Post tax loss (GMD)	**(7,578,798)**	(2,145,880)
Unimpaired capital (GMD)	**85,825,801**	88,351,538
Net current assets (GMD)	**(10,664,876)**	(7,426,218)
Management expenses to income ratio (%)	**31%**	28%
Staff/personnel costs to income ratio (%)	**38%**	35%
Liquidity Rations		
Quick Ratio/Acid Test Ratio (GMD)	**0.65**	0.70
Current Ratio (GMD)	**0.81**	0.86
Times Interest Earned Ratio (times)	**(1.01)**	(0.01)
Solvency Ratios		
Debt to Equity Ratio	**77%**	61%
Equity Ratio	**56%**	62%
Debt Ratio	**44%**	38%
Efficiency Ratios		
Accounts Receivables Turnover (times)	**2**	1
Asset Turnover Ratio (%)	**27%**	30%
Inventory Turnover Ratio (Times)	**2**	1
Days' Sales in Inventory (days)	**239**	247
Profitability Ratios		
Gross Margin Ratio (%)	**68%**	70%
Profit Margin ratio (%)	**-18.47%**	-5%
Return on Assets (%)	**-5%**	-2%
Return on Capital Employed (%)	**-4.20%**	0.03%
Return on Equity (%)	**-9%**	-2%
Market Prospect Ratios		
Earnings per share (GMD)	**(0.76)**	(0.21)
Price Earnings P/E Ratio	**(20.06)**	(66.11)
Dividend Payout Ratio	**-**	-
Dividend Yield	**-**	-

General Information

Directors

Mr. Kawsu K. Darboe (Chairman)
Mrs. Sukai Mbye Bojang (Vice Chairperson)
Mr. Theophilus George (Member, deceased May 2019)
Mrs. Amie Njie Joof (Ex-Officio, representative of MOICI)
Mrs. Toulie Jawara (Ex-Officio, representative of Solicitor General)
Mr. Ismaila Bah (Ex-Officio, representative of MoFEA)

Managing Director and Board Secretary

Mr. Momodou Ceesay

Registered Office

Manadi Manyang Highway
Kanifing Industrial Estate
KMC
The Gambia

Auditors

HAD&Co
Audit. Tax. Advisory
Registered Auditors
Senegambia Highway
The Gambia

Solicitors

Mr Abdoulie Fatty

Bankers

Trust Bank Limited
3/4 Ecowas Avenue
Banjul
The Gambia

Arab Gambia Islamic Bank Limited
Becca Plaza
Ecowas Avenue
Banjul,The Gambia

Skye Bank (Gambia) Limited
Kairaba Avenue
KSMD
The Gambia

Ecobank Bank (Gambia) Limited
Kairaba Avenue
KSMD
The Gambia

Zenith Bank (Gambia) Limited
Kairaba Avenue
KSMD
The Gambia

FIB Bank (Gambia) Limited
Kairaba Avenue
KSMD
The Gambia

Directors' Report

The Directors present their report and financial statements for the year ended 31st December 2019.

State of Affairs

The state of the Company's affairs at 31st December 2019 is set out in the attached financial statements.

Statement of Directors' responsibilities

Company law requires the directors to prepare 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 or loss for that period. In preparing those 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 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 GPPC is the provision of printing and publishing services at an affordable cost to the Government, Private Sector and general public at large. Also, involved in the distribution of text books and other materials to schools, especially primary and junior secondary schools throughout the country and provide support services to education, assisting schools and non-formal education sector.

Employees

The number of employees and the cost associated with these employees is as detailed in note 5.

Results for the year and dividend

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

The Directors did not recommend the payment of dividend (2018: D Nil).

Fixed Assets

Fixed assets are as detailed in note 10 of the financial statements. The directors are of the opinion that there has not been any permanent diminution in the value of the fixed assets. As a result, a provision for impairment has not been deemed necessary.

Post balance sheet events

There were no significant events since the year-end, which could affect the results or financial position of the company.

Going concern

The Directors have assessed the company's ability to continue as a going concern and have no reason to believe the company will not remain a going concern in the year ahead.

Directors and their interest

The members of the board are detailed on page 3. None of the director had interest in the shares of the company.

Auditors

The Corporation's external auditors, HAD & Co - Audit. Taxation. Advisory, as appointed through the National Audit Office The Gambia, and this is their first year of the Audit.

By order of the Board

Secretary..

Date 25th | 02 ....**2021**

Report of the Independent Auditor's

To the Members of Gambia Printing and Publishing Corporation (GPPC)

Opinion

We have audited the financial statements of Gambia Printing and Publishing Corporation (GPPC), which comprise the Statement of Financial Position as at 31st December 2019, the Income Statement, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles (GAAP) and have been properly prepared in accordance with 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 Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in The Gambia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 26 in the financial statements, which indicates that the Corporation incurred an operating loss before tax of D 7,168,370 and D1,726,843 during the years ended 31st December 2019 and 31st December 2018 respectively. Also, as of that date, the Company is in a net current liability position of D10,664,876 and a marginal retained earnings of D487,082. As stated in Note 26, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Bertil Harding Highway, Senegambia, PMB 434, Serrekunda, The Gambia. Tel: (+220) 4466020 / 7989164 / 9093748
Email: a.joof@hadcharteredaccountants.com / h.jatta@hadcharteredaccountants.com

Report of the Independent Auditor's

Other Information

Management is responsible for the other information. The other information comprises the General Information and Report of the Directors as required by the Companies Act 2013. 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 and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report.

Other Matter

The financial statements for GPPC for the year ended 31 December 2018, were audited by another auditor who expressed an unmodified opinion on those statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Corporation'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for 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 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 skepticism throughout the audit. We also:

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Report of the Independent Auditor's

- Identify and assess 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.

- Obtain 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 Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

HAD & CO
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HAD & Co
Chartered Accountants and Business Advisers
Registered Auditors
Kerr Serigne, The Gambia

Date: 25th February 2021

Income Statement

for the year ended 31 st December 2019

	Notes	31st Dec. 2019 D	31st Dec. 2018 D
Revenue	3	**41,042,831**	41,903,665
Cost of sales	4	**(12,990,445)**	(12,535,139)
Gross profit		**28,052,386**	29,368,526
Personnel costs	5	**(15,755,142)**	(14,600,513)
General and administrative expenses	6	**(12,638,433)**	(11,937,168)
Depreciation	10	**(3,263,867)**	(2,788,175)
Amortisation	11	-	(20,000)
Operating Loss/ (Profit)		**(3,605,056)**	22,670
Net financing cost	7	**(3,563,314)**	(1,749,513)
Loss before taxation	8	**(7,168,370)**	(1,726,843)
Income tax expense	9	**(410,428)**	(419,037)
Loss for the financial year		**(7,578,798)**	(2,145,880)

The attached notes form part of these financial statements.

Balance sheet

as at 31 st December 2019

	Notes	31st Dec. 2019 D	31st Dec. 2018 D
Assets			
Non-current assets			
Property, plant and equipment	10	**106,782,536**	95,777,756
Intangible assets		**161,460**	-
Total non-current assets		**106,943,996**	95,777,756
Current assets			
Inventory	12	**8,603,732**	8,498,240
Other receivables	13	**10,138,721**	4,406,801
Trade and staff Receivables	14	**18,320,589**	32,920,808
Cash and cash equivalents	15	**8,032,414**	260,504
Total current assets		**45,095,457**	46,086,353
Total assets		**152,039,453**	141,864,109
Equity and liabilities			
Share capital	16	**10,000,000**	10,000,000
Retained earnings		**487,082**	2,856,596
Revaluation reserve	17	**75,338,719**	75,494,942
Total capital and reserves		**85,825,801**	88,351,538
Liabilities			
Non-current liabilities	18	**10,453,319**	0
Total Non-current Liabilities		**10,453,319**	-

The attached notes form part of these financial statements.

Balance sheet cont.

as at 31stDecember 2019

	Notes	31st Dec. 2019 D	31st Dec. 2018 D
Current liabilities			
Bank overdraft	15	**2,700,241**	1,620,859
Other payables	19	**17,058,902**	13,653,071
Corporation tax	9	**0**	4,933,796
Value Added Tax	20	**18,428,905**	15,928,821
Loans	18b	**17,572,284**	17,376,024
Total current liabilities		**55,760,332**	53,512,571
Total liabilities		**66,213,651**	53,512,571
Total equity and liabilities		**152,039,453**	141,864,109

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

....Director ....Director

The attached notes form part of these financial statements.

Statement of changes in equity

for the year ended 31st December 2019

	Share Capital D	Revaluation Reserve D	Retained Earnings D	Total D
Balance as at 1st January 2018	10,000,000	75,651,165	5,560,992	91,212,157
Prior Year Adjustments (Note 25a)	-	-	(714,740)	(714,740)
Loss for the year	-	-	(2,145,879)	(2,145,879)
Transfers (Note 17)	-	(156,223)	156,223	-
Balance as at 31st December 2018	10,000,000	75,494,942	2,856,596	88,351,538
Balance as at 1st January 2019	**10,000,000**	**75,494,942**	**2,856,596**	**88,351,538**
Correction of 2018 omission/ System adjustment (Note 25a)	**-**	**-**	**(2,193,661)**	**(2,193,661)**
Prior Year Adjustments - Tax related (Note 25b)	**-**	**-**	**7,246,722**	**7,246,722**
Loss for the year	**-**	**-**	**(7,578,798)**	**(7,578,798)**
Transfers (Note 17)	**-**	**(156,223)**	**156,223**	**-**
Balance as at 31st December 2019	**10,000,000**	**75,338,719**	**487,082**	**85,825,801**

The attached notes form part of these financial statements

Cash flow statement

for the year ended 31 st December 2019

	Notes	31st December 2019 D	31st December 2018 D
Reconciliation of operating profit to cash flow from operating activities			
Operating loss before tax		**(7,168,370)**	(1,726,843)
Adjust for non-cash items			
Add: Depreciation charges	10	**3,263,867**	2,788,175
Add: Amortisation charges	10	-	20,000
Add: Finance costs		**3,563,314**	1,749,513
Correction of 2018 omission/ System adjustment (Note 25a)		**(2,193,661)**	
Prior Year Adjustments - Tax related (Note 25b)		**7,246,722**	(714,740)
		4,711,872	2,116,105
Increase in inventory		**(105,493)**	(1,153,478)
Increase in Other receivables & Advance payments		**(5,731,920)**	-
Decrease in Trade and staff Receivable		**14,600,220**	(7,604,549)
Increase in Trade payables		**3,405,831**	6,005,676
Increase in Tax payable & VAT		**2,500,084**	-
		19,380,594	(636,246)
Income tax paid	9	**(5,344,224)**	(629,328)
Interest paid		**(3,563,314)**	(1,749,513)
Cash flows from operating activities		**10,473,056**	(3,015,087)
Investing activities			
Purchase of property, plant and equipment	10	**(14,268,647)**	(6,955,385)
Purchase of intangible assets		**(161,460)**	-
Cash flows from investing activities		**(14,430,107)**	(6,955,385)
Financing activities			
Increase in Long Term Loan	18	**10,649,579**	12,308,677
Cash flows from financing activities		**10,649,579**	12,308,677
Net increase in cash and cash equivalents		**6,692,528**	2,338,205
Cash and cash equivalents at 1 January		**(1,360,355)**	(3,698,560)
Cash and cash equivalents at 31 December	15	**5,332,173**	(1,360,355)

The attached notes form part of these financial statements.

Notes to the financial statements (forming part of the accounts)

1 Corporate information

The Gambia Printing and Publishing Corporation was Established by an act of parliament as a public enterprise in 2006. The corporation is the result of a merger of former Book Production and Material Resources Unit (BPMRU) under the Ministry of Basic and Secondary Education charged with the responsibility of providing educational materials (i.e. teachers guide, pupils texts books etc.) for the ministry and National Printing and Publishing Corporation (NPSC) under the central government responsible of providing all necessary printing materials such as Government Tax receipts (GTR), other revenue materials for both central, local and other government department and agencies. The registered address of the office is Mamadi Manjang Highway, Kanifing Indutrial Area, Kanifing, KMC.

The principal activities of the GPPC is the provision of printing and publishing services at an affordable cost to the Government, Private sector and general public at large. Also, involved in the distribution of text books and other materials to schools, especially primary and junior secondary schools throughout the country and provide support services to education, assisting schools and non- formal education sector.

2 Principal Accounting Policies

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

(a) Statement of compliance and Basis of Preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles and the GPPC Act 2006.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

The Corporation recognised revenue when it is probable that the economic benefits from the sale will flow to the Corporation, the revenue and costs can be measured reliably and significant risks and rewards of ownership of the goods have been transferred to the buyer.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Corporation and the amount of income can be measured reliably. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Notes to the financial statements (forming part of the accounts)

(c) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation

Depreciation of fixed assets is calculated and charged to the income statement on a straight-line basis by reference to the expected useful lives of the assets at the following rates:

Buildings	2.50%
Plant & Machinery	5%
Motor Vehicles	20%
Computers & Other office equipment	20%
Furniture, fixtures & Fittings	20%
Generators	10%

Land is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Subsequent expenditure

Expenditure incurred to replace a component of an item of property 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 and equipment. All other expenditures are recognised in the income statement.

Revaluation

Revaluation of property and equipment is not compulsory. Assets which are carried at revalued amounts are revalued at most every five years. Any revaluation gain is taken to a revaluation reserve in equity except when there is a revaluation loss which has been taken to the income statement. The surplus is charged to the income statement to the extent of reserving the previous loss. However, revaluation loss is charge to the income statement except if there is a surplus which was taken to equity. The revaluation loss is charged to equity to the extent of the surplus.

(d) Intangible assets - quickbooks software

Software acquired by the Corporation is classified as an intangible asset and is measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognized in net income and is provided on a straight-line basis over the estimated useful life of the assets as follows:

Software	25%

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if necessary.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Software is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other operating income in the income statement in the year the asset is derecognised.

(e) Impairment of tangible assets

At each reporting date, the Corporation reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit, typically the development project, to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(f) Inventory

Inventory is measured at the lower of cost and net realisable value. The cost of inventory is based on the first-in, first-out principle.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the financial statements (forming part of the accounts)

(g) Trade and other receivables

Trade and other receivables are recognised at their original invoiced value except where the time value of money is material, in which case receivables are recognised at fair value and subsequently measured at amortised cost. A provision is made when there is objective evidence that the Corporation will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

(h) Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash at bank and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Corporation's cash management.

(i) Interest bearing loans

Interest bearing loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequent to initial recognition, interest bearing borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(j) Other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

(k) Employee benefits

Obligations for contributions to Social Security Housing Finance Corporation administered retirement benefit plan are recognised as expense in the income statement as incurred.

(l) Provisions

A provision is recognised in the balance sheet when the Corporation has a legal or constructive obligation as a result of a past events, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(m) Foreign currency

Transactions in foreign currencies are translated to Dalasi at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Dalasi at the exchange rate ruling at that date. Exchange differences arising on translation are recognised in the income statement.

Notes to the financial statements (forming part of the accounts)

(n) Income tax

Income tax on the profit or turnover for the year comprises current tax and is recognised in the income statement.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(o) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required, or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

(p) Related parties

For the purposes of these financial statements all fellow subsidiaries and associated companies, key management personnel and Board members, together with the close members of their families in each case and with companies controlled by them, are considered and referred to as related parties. A number of transactions are entered into with related parties in the normal course of business. A detailed breakdown of related party transactions and balances outstanding at the year-end is provided in Note 23.

3 Revenue

	31st December 2019 D	31st December 2018 D
Government	**29,569,455**	28,089,512
Area Councils	**3,801,690**	2,682,775
Private	**1,496,908**	4,603,014
Parastatal	**4,093,950**	5,065,910
Sales of Publications	**1,902,248**	1,460,904
Others	**178,580**	1,551
	41,042,831	41,903,665

4 Cost of Sales

Opening Stocks of Printing Materials	**8,498,240**	7,323,514
Add: Purchases of Printing Materials	**13,095,937**	13,709,865
Less: Closing Stocks of Printing Materials	**(8,603,732)**	(8,498,240)
	12,990,445	12,535,139

5 Personnel costs

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

Numbers

Directors	**3**	3
Management	**7**	7
General	**123**	112
	133	122

Costs

Basic Salary	**6,203,681**	5,707,703
Residential Allowance	**2,669,000**	2,434,000
Responsibility Allowance	**725,500**	661,835
Professional Allowance	**544,000**	481,750
Car Allowance	**178,000**	116,000
Telephone Allowance	**288,750**	262,000
Transport Allowance	**2,193,500**	2,037,800
HD Allowance	**411,000**	387,000
Employer's Social Security Con.	**1,988,924**	1,834,387
Acting/Charge Allowances/drawback	**103,418**	257,333
Gratituty	**85,168**	53,292
Staff Overtime	**364,201**	367,413
	15,755,142	14,600,513

		31st December 2019 D	31st December 2018 D
6	**Administrative expense**		
	Water & Electricity	**1,564,649**	1,300,931
	Fuel & Lubricants	**1,314,446**	1,819,075
	Repairs & Maintenance	**1,570,977**	1,941,365
	Office stationery/Pinting/Photocopying	**36,710**	18,055
	Local/overseas Travel	**622,242**	1,492,096
	Telecommunication Cost/mobile	**348,787**	468,119
	Publicity/ Promotion & Advertising Cost	**620,291**	664,391
	Staff Training	**525,506**	394,355
	Donation & Contribution (Corporate Social Resp.)	**11,340**	200,500
	Board Incentives	**335,400**	323,100
	General office expenses	**350,725**	894,358
	Audit fee	**156,000**	156,000
	Medical Welfare	**1,190,892**	1,308,523
	May Day	**448,595**	423,700
	NISA Football	-	82,500
	Consultancy/Other Fees	**531,350**	450,100
	Staff Uniform	**100,515**	-
	Freight and Shipping Costs	**302,425**	-
	Provision for irrecoverable debt	**1,687,282**	-
	Write off	**284,016**	-
	Internet Services	**228,960**	-
	Council Rate and Trade Licence	**154,136**	-
	Insurance/Road Tax and Licence	**253,191**	-
		12,638,433	11,937,168
6.1	**Board Incentives**		
	Chairman	**60,000**	60,000
	Vice Chairman	**48,000**	48,000
	Managing Director	**36,000**	36,000
	Other Members	**191,400**	179,100
		335,400	323,100
7	**Finance costs**		
	Interest on Lease/Bank Interest on purchase of Vehicle	-	180,000
	Bank Service Charges:		1,569,513
	AGIB	**1,520,860**	-
	ECO Bank	**10,619**	-
	Trust Bank	**536,563**	-
	Zenith Bank	**44,286**	-
	Skye Bank	**345,535**	-
	FiBank	**1,000**	-
	Interest charge on Paper for exercise bk/Cover printing machine	**1,104,452**	-
		3,563,314	1,749,513
8	**Profit before taxation**		
	Profit before taxation is stated after charging:		
	Auditors' remuneration	**156,000**	156,000
	Directors' remuneration	**335,400**	323,100
		491,400	479,100

		31st December 2019 D	31st December 2018 D
9	**Income tax**		

Expense/charge

	31st December 2019 D	31st December 2018 D
Taxation at 1% of total revenue (2018: 1% of total revenue)	**41,042,831**	41,903,665

Tax on the corporation's total revenue for the year ended agrees with the theoretical amount that would arise using the basic tax rate as follows:

	31st December 2019 D	31st December 2018 D
Turnover and other income	**41,042,831**	41,903,665
Tax calculated at a rate of 1% of turnover (2018: 1%of turnover)	**410,428**	419,037

Reconciliation of effective tax rate	**31st December 2019 %**	31st December 2018 %
Income tax using the domestic tax rate	**1**	1

Corporate tax payable

	31st December 2019 D	31st December 2018 D
Balance at the beginning of the year	**4,933,796**	5,144,087
Provision for Corporation Tax	**410,428.31**	419,037
Less: Amount paid during the year	**(5,344,224)**	(629,328)
Balance at the end of the year	**0**	4,933,796

10. Property, plant and equipment

	Land D	Buildings D	Plant & Machinery D	Motors Vehicle D	Generator D	Computer Equipment D	Furniture & fittings D	Total D
Cost:								
As at 1st January 2018	50,000,000	28,846,112	21,890,433	8,877,100	1,049,365	6,590,080	1,866,820	119,119,910
Additions - 2018	-	6,850	6,294,150	8,000	-	528,385	118,000	6,955,385
At 31st December 2018	**50,000,000**	**28,852,962**	**28,184,583**	**8,885,100**	**1,049,365**	**7,118,465**	**1,984,820**	**126,075,295**
Additions - 2019	-	2,000,000	11,414,062	-	-	683,800	170,785	14,268,647
At 31st December 2019	**50,000,000**	**30,852,962**	**39,598,645**	**8,885,100**	**1,049,365**	**7,802,265**	**2,155,605**	**140,343,942**
Depreciation								
As at 1st January 2018	-	4,497,961	10,699,875	5,706,724	647,573	4,472,778	1,484,453	27,509,364
Charge for the year 2018	-	608,875	874,235	635,675	40,179	529,137	100,074	2,788,175
At 31st December 2018	-	**5,106,836**	**11,574,110**	**6,342,399**	**687,752**	**5,001,915**	**1,584,527**	**30,297,539**
Charge for the year - 2019	-	**643,653**	**1,401,227**	**508,540**	**36,161**	**560,070**	**114,216**	3,263,867
At 31st December 2019	-	**5,750,489**	**12,975,337**	**6,850,939**	**723,913**	**5,561,985**	**1,698,743**	**33,561,406**
Net Book Value								
As at 31st December 2019	**50,000,000**	**25,102,473**	**26,623,308**	**2,034,161**	**325,452**	**2,240,280**	**456,862**	**106,782,536**
As at 31st December 2018	50,000,000	23,746,126	16,610,473	2,542,701	361,613	2,116,550	400,293	95,777,756

Land and buildings of the corporation are use to secure its loans in Note 18.

		31st December 2019 D	31st December 2018 D
12	**Inventory**		
	Materials	**6,888,277**	7,099,210
	Publications	**1,715,455**	1,399,030
		8,603,732	8,498,240
	Provision for slow moving & damaged stock	**-**	-
		8,603,732	8,498,240
13	**Other receivables**		
	Payment in advance- Printing Materials (note 13a)	**4,406,801**	4,406,801
	Payment in advance- White Paper Rolls (note 13b)	**5,731,920**	-
		10,138,721	4,406,801

13a ***Payment in advance- Printing Materials***

The Corporation entered in to a contract with Procurevis International (UK) Ltd in 2016 to procure printing materials.The corporation paid 75% of the invoice in advance but the supplier defaulted in supplying the materials as per contract terms and conditions. Management terminated the contract after consultation and approval of the board of directors. Legal action has been initiated by the Corporation's solicitor to recover the amount. The supplier provided collateral in the form of landed property with title documents deposited with the Corporation. Management is confident that the market value of the collateral is in excess of the the advance paid.

13b Payment in advance- White Paper Rolls

The Corporation entered into a contract to procure 100 metric tons of white paper roll 70/80gsm from Penta International Trading Limited based in Turkey in September 2019. An advance payment of D5,731,920 was made in accordance with the contract terms and conditions. However, these consigment of papers were not delivered by the supplier as at the end of the financial year.

14	**Trade Receivables**		
	Trade receivables	**19,351,825**	25,295,724
	Staff debtors	**940,061**	899,399
	Loan Repayment Control A/C	**-**	6,725,685
		20,291,886	32,920,808
	Write off	**(284,015)**	-
	Provision for doubtful debts	**(1,687,282)**	-
		18,320,589	32,920,808

The provision in respect of trade receivables of D 1,687,282 relates largely to non-government institutions' related jobs which have been outstanding for more than 3 years and recovery continues to be a challenge. However, we have not made any significant provision in respect of government related institutions' debts since management is engaging its line Ministry and Ministry of Finance to ensure that these debts are recovered as soon as possible by proposing some offsetting arrangement, which if accepted will lead to the gradual repayment of all these debts.

The write off relates to cancelled jobs relating to prior periods of whch revenue was recognised.

15	**Cash and cash equivalents**		
	Bank balances	**8,029,404**	256,544
	Cash in hand	**3,010**	3,960
		8,032,414	260,504
	Bank overdrafts	**(2,700,241)**	(1,620,859)
	Cash and cash equivalents in the Statement of cash flows	**5,332,173**	(1,360,355)

16 **Share capital**

The total authorised number of ordinary shares at year end was 10,000,000 (2018: 10,000,000) with a par value of D1 per share (2018: D 1 per share).

All issued shares are fully paid.

17 Revaluation reserve

Cityscape Associate, an independent appraiser, valued the Mamadi Manjang complex and MDI Road Annex land, buildings, plant and machinery and other equipment as of October 2011. Their revaluation was based on the observed asset conditions and asset replacement cost by reference to market evidence of recent transactions for similar properties and replacement cost estimation methodologies. Replacement cost estimates are based on estimated cost of Equivalent Assets (EA) and estimating the residual asset value from the EA cost, useful life and age of existing assets (Depreciated Replacement Cost Methodology).

Annually the corporation transferred excess depreciation from revaluation reserve to retained earnings, which is the difference between the depreciation of the original amount and the depreciation of the revalued amount, being the annual transferred amount of D156,226.

18 Loans

	31st December 2019 D	31st December 2018 D
Purchase of Exercise Book Printing Machine- **Agib loan**	**11,526,734**	17,376,024
Paper for Exercise Book Printing Machine- **Sky bank loan**	**13,571,428**	-
Short Term Bank Facility	**2,927,441**	-
	28,025,603	17,376,024

Maturity profile

2019

	up to 1 year D	between 2 and 5 years D	over 5 years D	Total D
Purchase of Exercise Book Printing Machine- **Agib loan**	**6,073,415**	**5,453,319**	-	**11,526,734**
Paper for Exercise Book Printing Machine- **Sky bank loan**	**8,571,429**	**5,000,000**	-	**13,571,428**
Short Term Bank Facility	**2,927,441**	-	-	**2,927,441**
	17,572,284	**10,453,319**	-	**28,025,603**

2018

	up to 1 year D	between 2 and 5 years D	over 5 years D	Total D
Purchase of Exercise Book Printing Machine- **Agib loan**	17,376,024	-	-	17,376,024
Paper for Exercise Book Printing Machine- **Sky bank loan**	-	-	-	-
Short Term Bank Facility	-	-	-	-
	17,376,024	-	-	17,376,024

Purchase of Exercise Book Printing Machine

The corporation obtained a bank loan of D18,000,000 in 16th October,2018 to finance the acquisition of an exercise book printing machine. The loan has a tenor of 3 years with a fixed interest rate of 15%. The corporation's land and buildings has been pledged as security for the loan.

Purchase of Paper and Cover Machine for Exercise Book Printing Machine

The corporation obtained a bank loan of D15,000,000 in 19th July,2019 for the purpose of financing the purchase of a Paper and Cover Machine for the Exercise Book Printing Machine. The tenor of the loan is 2 years with a fixed interest rate of 17.5%. The Machine financed has been offered as a security for loan.

19 Other payables

	2019	2018
Trade payables	**11,719,982**	10,821,162
Payroll Liabilities	**5,285,627**	2,778,617
Gratituty	**53,292**	53,292
	17,058,902	13,653,071

Payroll Liabilities

	2019	2018
Staff Income Tax	**618,540**	657,176
SSHFC	**3,320,383**	1,353,541
Staff Welfare Fund	**400,152**	400,532
Teachers' Union Dues	**12,800**	55,900
Credit Union Dues	**510,934**	236,893
Komo Real Estate	**349,819**	61,575
S&S PROPERTY	**73,000**	13,000
	5,285,627	2,778,617

	31st December 2019 D	31st December 2018 D
20 Value Added Tax		
Balance at the beginning of the year	15,928,821	13,128,455
Adjustment on VAT after system reconciliation	23,400	(3,648)
Balance B/F from year 2018	15,952,221	13,124,807
VAT Payable for the year	4,762,925	2,804,014
VAT Payment after system reconciliation	(2,286,241)	-
	18,428,905	15,928,821
21 Capital commitments		
Authorised by the board and contracted for	-	-
Authorised by the board and not contracted for	-	-
	-	-

22 Contingencies

There were no contingent liabilities at the end of the year. (2018: Nil).

23 Related Party Transactions

(a) Related companies

The corporation is a government entity and therefore has direct relationship with all government related entities. The following are the transaction with those entities:

	2019	2018
Purchase of goods and services from related companies		
Employer's Social Security Contribution	1,988,924	1,834,387
Water & Electricity	1,564,649	1,300,931
Gambia revenue Authority	625,911	-
	4,179,484	3,135,318
Sale of goods and services to related companies		
Government	29,569,445	28,089,512
Area Councils	3,801,690	2,682,775
Parastatal	4,128,950	5,065,910
	37,500,085	35,838,197
Receivables		
Government	9,399,507	12,089,770
Area Councils	714,602	958,460
Parastatal	4,106,515	6,634,011
	14,220,625	19,682,241
Payables		
Staff Income Tax	618,540	657,176
SSHFC	3,320,383	1,353,541
Credit Union Dues	310,934	236,893
VAT	20,747,509	15,928,821
Corporation tax	5,344,574	4,933,797
	30,341,940	23,110,228

(b) Transactions with directors and senior management

Compensation

Key management includes directors and members of senior management. The compensation paid and payable and other benefits to key management for services is shown below:

	31st December 2019 D	31st December 2018 D
Directors' emolument	**335,400**	323,100
Senior management salaries and other short-term benefits	**2,429,181**	1,888,937
Training	**525,506**	261,171
Travelling	**622,242**	1,486,536
Medical	**1,190,892**	1,308,523
Telecommunication	**348,787**	141,500
	5,452,007	5,409,768
Receivables		
Directors	**10,925**	67,027
Senior management	**116,842**	42,168
	127,767	109,195
Payables		
Directors	-	-
Senior management	-	-
	-	-

24 Capital management

The Corporation's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current position of trade and other payables as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

Loans, trade and other payables (Notes 18 - 20)	**63,513,410**	46,957,916
Cash and cash equivalents (Note 15)	**(5,332,173)**	1,360,355
Net debt	**58,181,237**	48,318,271
Total equity	**85,825,801**	88,351,538
Total capital	**144,007,038**	136,669,809
Gearing ratio	**40%**	35%

There are no externally imposed capital requirements.