



# National Food Security, Processing and Marketing Corporation (NFSP&MC)

Annual Report and financial statements  
For the year ended  
30<sup>th</sup> September 2020



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# General Information

## Directors

Falalo M Touray  
Anthony carvalo  
Muhammed Njie  
Dr. Amadou Sowe  
Ndey Naffie Ceesay  
Chief Yayah Jarjusy  
Abdoulie Khan  
Modou Lamin Ceesay  
The Permanent Secretary - OP  
The Permanent Secretary - MOFEA  
The Permanent Secretary - MOA  
The Permanent Secretary - MOTIE

Chairman  
Managing Director upto December 2020  
Managing Director- from January 2020  
Member  
Member  
Member  
Member  
Member  
Member  
Member  
Member

## Bankers

Trust Bank Limited  
3/4 Ecowas Avenue, Banjul

First International Bank (Gambia) Limited  
2 Kairaba Avenue, Serekunda

Guaranty Trust Bank (Gambia) Limited  
56 Kairaba Avenue, Serrekunda

Mega Bank Limited  
11 Liberation Avenue, Banjul

Skye Bank (Gambia) Limited  
70 Kairaba Avenue, Serekunda

Arab Gambia Islamic Bank  
Ecowas Avenue  
Banjul, The Gambia

Ecobank (Gambia) Limited  
42 Kairaba Avenue, Serekunda

## Auditors

DT Associates - The Gambia  
1 Paradise Beach Place  
P.O Box 268  
Banjul, The Gambia

## Solicitors

Semega Legal Chambers  
15 Daniel Goddard Street  
Banjul, The Gambia

## Registered Office

National Food Security, Processing and  
Marketing Corporation  
Denton Bridge  
Sarro  
Banjul, The Gambia



# Director's report

The Directors of the corporation present their report and the audited financial statements of National Food Security Processing and Marketing Corporation for the year ended 30<sup>th</sup> September 2020.

## Statement of Directors responsibilities

The Companies Act 2013 requires the directors to prepare the financial statements for the financial period which give a true and fair view of the state of affairs of the Corporation and of its profit or loss for that period. In preparing the financial statements, the directors are required to:

- ☐ select suitable accounting policies and then apply them consistently.
- ☐ make judgments and estimates that are reasonable and prudent;
- ☐ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ☐ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Corporation and to enable them to ensure that the financial statements comply with the Companies Act 2013. They are also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Principal activities

The principal activity of the Corporation is the purchasing, processing and marketing of groundnut and groundnut by-products. The Corporation also provides handling, storage, river transport, decortications and crushing of other oil products.

## Results and dividends

The results of the corporation are as detailed in the accompanying financial statements. The directors do not propose payment of any dividend for the year [2019 Nil].

## Property, plant and equipments

The Corporation's property, plant and equipment are detailed in note 11 of the financial statements. There has not been any permanent diminution in the value of the Corporation's property, plant and equipment as disclosed in note 11 of the financial statements.

## Directors and director's interests

The directors who held office during the year are as detailed on page 2. None of the directors who held office had beneficial financial interest in the corporation's shares. The auditors, who were appointed by the National Audit Office and having indicated their willingness, will continue in office pursuant to Section 342 of the Companies Act 2013.

## By Order of the Directors

Secretary

Date: ..... 2022



## Report of the Independent Auditors

### To the Shareholders of National Food Security, Processing and Marketing Corporation

#### Opinion

We have audited the accompanying financial statements of National Food Security, Processing and Marketing Corporation for the year ended 30<sup>th</sup> September 2020, which comprise of the statement of financial position as at 30<sup>th</sup> September 2020, the income statement, statement of changes in equity, statement of cash flows for the year ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the corporation as at 30<sup>th</sup> September 2020, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles and have been properly prepared in accordance with 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 requirements of the International Federation of Accountants Code of Ethics for Professional Accountants (IFAC Code) and we have fulfilled our other ethical responsibilities in accordance with IFAC 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 your attention to the fact, as presented in Note 23 these financial statements have been prepared on a Going Concern Basis. As at 30<sup>th</sup> September 2020, the Company recorded an accumulated loss of D229,830,534 and loss for the year ended amounted to D139,777,478, These events 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.

#### 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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## **Independent Auditor's Report - (Continued)**

### **Other Information**

The directors are responsible for the other information. The other information comprises the Directors' Report 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 express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed we conclude that there is a material misstatement of this other information we are required to report 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 the financial statements in accordance with Generally Accepted Accounting Principles and 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 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 the directors either intend to liquidate the Corporation 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 judgement and maintain professional scepticism throughout the audit. We also:

- 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.





### Independent Auditor's Report - (Continued)

- Conclude 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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

*DT Associates*

**DT Associates**  
Chartered Accountants  
Registered Auditors  
Aji Penda Sankareh  
Partner

Date.....*17 June*.....2022



## Statement of Financial Position

As at 30th September 2020  
(In Gambian Dalasi)

	Notes	30-Sep-20 D.	30-Sep-19 D.
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1.4, 11	236,994,346	256,314,173
<b>Total Non-current assets</b>		<b>236,994,346</b>	<b>256,314,173</b>
<b>Current assets</b>			
Cash and Cash equivalent	13	51,835,147	16,404,099
Short term investments	17	130,000,000	-
Inventory	1.11, 15	26,822,190	495,842,798
Receivables	1.10, 16	212,341,653	854,539,539
<b>Total Current assets</b>		<b>420,998,990</b>	<b>1,366,786,436</b>
<b>Total assets</b>		<b>657,993,336</b>	<b>1,623,100,609</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	12	75,500,000	75,500,000
Retained earnings	21	(229,830,534)	(90,053,056)
Capital grant	12,22.2	221,876,045	245,216,556
<b>Total equity</b>		<b>67,545,511</b>	<b>230,663,500</b>
<b>Liabilities</b>			
Bank Overdrafts	14	1,109,692	-
Accruals and other payables	18	17,701,637	9,678,617
Loans	19	494,453,797	1,175,283,445
Taxation	1.7, 10	77,182,699	75,026,825
Deferred Income	22.1	-	132,448,222
<b>Total liabilities</b>		<b>590,447,825</b>	<b>1,392,437,109</b>
<b>Total equity and liabilities</b>		<b>657,993,336</b>	<b>1,623,100,609</b>

These Financial Statements were approved by the Board of Directors and were signed on their behalf by:

Name : Muhammed Njie Daniel  
Palato m. Touray

Date : 17/06/2022  
17/6/22

The notes are an integral part of these financial statements





# Income statement

For the year ended 30 September 2020  
(In Gambian Dalasi)

	Notes	30-Sep-20 D.	30-Sep-19 D.
Operating income	1.3,2	612,089,476	812,966,090
Cost of sales	3	(775,140,309)	(698,001,208)
Production and processing cost	5	(31,047,088)	(24,943,363)
<b>Gross (loss)</b>		<b>(194,097,921)</b>	<b>90,021,519</b>
Other income	4	201,433,219	1,518,686
Grant income	12	23,340,511	27,786,452
<b>Total income less cost of sales</b>		<b>30,675,809</b>	<b>119,422,657</b>
Administration expenses	7	(23,918,914)	(35,961,404)
Employee cost	1.8,8	(36,714,379)	(31,725,386)
Depreciation	1.4,11	(26,274,456)	(26,019,388)
Impairment		(43,903,048)	(2,470,303)
Translation (loss) gain	1.6,4	2,064,663	(2,755,384)
<b>Total Expenditure</b>		<b>(128,746,134)</b>	<b>(98,931,864)</b>
Finance cost	9	(33,551,279)	(73,096,776)
<b>Loss before Tax</b>		<b>(131,621,604)</b>	<b>(52,605,984)</b>
Taxation	1.7,10	(8,155,874)	(8,145,244)
<b>Loss after tax</b>		<b>(139,777,478)</b>	<b>(60,751,228)</b>

The notes are an integral part of these financial statements



## Statement of changes in equity

For the year ended 30th September 2020  
(In Gambian Dalasi)

	Share capital D.	Retained earnings D.	Total D.
Balance as at 1 <sup>st</sup> October 2018	75,500,000	(29,301,828)	<b>46,198,172</b>
Loss for the period	-	(60,751,228)	<b>(60,751,228)</b>
Balance as at 1st October 2019	75,500,000	(90,053,056)	<b>(14,553,056)</b>
Loss for the period	-	(139,777,478)	<b>(139,777,478)</b>
Balance as at 30th September 2020	<b>75,500,000</b>	<b>(229,830,534)</b>	<b>(154,330,534)</b>

The notes are an integral part of these financial statements



# Statement of cash flow

For the year ended 30th September 2020  
(In Gambian Dalasi)

	30-Sep-20 D.	30-Sep-19 D.
<b>Cash flow from operating activities</b>		
Loss before tax	(131,621,604)	(52,605,984)
<u>Adjustments for:</u>		
Depreciation	26,274,457	26,019,388
Grant income released	(23,340,511)	(27,786,452)
Changes in Receivables	642,197,885	(61,530,116)
Changes in inventories	469,020,607	78,236,957
Changes in payables	8,023,018	(35,134,859)
Changes in suspended interest	(132,448,222)	72,124,302
<b>Cash generated from operations</b>	<b>858,105,630</b>	<b>(676,764)</b>
Income taxes paid	(6,000,000)	(4,504,705)
<b>Net cash from Operating activities</b>	<b>852,105,630</b>	<b>(5,181,469)</b>
<b>Cashflow from investing activities</b>		
Purchase of Property plant and equipment	(6,954,628)	(735,620)
Short term investments	(130,000,000)	-
<b>Net cash from investing activities</b>	<b>(136,954,628)</b>	<b>(735,620)</b>
<b>Cash flow from financing activities</b>		
Changes in long term borrowings	(680,829,649)	(80,647,841)
Changes in bank overdrafts	1,109,692	(169,302)
<b>Net cash used in financing activities</b>	<b>(679719,957)</b>	<b>(80,817,143)</b>
Net increase or (decrease) in cash and cash equivalent	35,431,048	(86,734,232)
Cash and cash equivalent at the beginning of the period	16,404,099	103,138,331
<b>Cash and cash equivalent at the end of the period</b>	<b>51,835,147</b>	<b>16,404,099</b>

The notes are an integral part of these financial statements



## **1. Notes to the financial statements**

### **1.1 Accounting policies**

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

### **1.2 Accounting convention**

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

### **1.3 Revenue recognition**

Revenue represents the amount invoiced to customers for the purchase of products.

### **1.4 Property, plant and equipment**

#### **Owned assets**

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

#### **Depreciation**

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

	%
Building	4
Badges and Tug boats	10
Office equipments	10
Plant and Machinery	10
Other equipment (Generator)	10
Motor vehicles	20
Furniture and Fittings	20
Computer Equipments	33.33

### **1.5 Subsequent expenditure**

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

### **1.6 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.



## 1.7 Taxation

Tax is charged on the basis of the higher of 1% of gross income and 27% of tax adjusted accounting profits in accordance with Income Tax laws of The Gambia.

## 1.8 Pension scheme

The company is registered with the Social Security and Housing Finance Corporation and contributes 10% of the employee's basic salaries to the national provident fund. Employees' contributions are 5% of basic salaries which is deducted before arriving at net salaries.

Under the scheme, employees are entitled to lump sum payments upon attaining the retirement age of 60.

## 1.9 Impairments

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

## 1.10 Provisions

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

## 1.11 Inventory

Inventory is valued at lower of cost and net realizable value using the First In First Out (FIFO) method of valuation

## 2. Operating income

	30-Sep-20 D.	30-Sep-19
Hand Picked Selection	96,402,821	135,066,300
Crude Groundnut oil	90,525,864	311,315,700
Groundnut Cake	41,109,706	85,762,600
Groundnut sludge	632,560	44,500
Sale of Raw Cashew Nuts (RCN)	6,852,104	
Fertilizer	174,776,816	120,677,400
GOTG Subsidy for purchase of fertilizer (Note 2.1)	201,789,605	160,099,400
	<b>612,089,476</b>	<b>812,966,000</b>

(2.1). The GOTG subsidy for purchase of fertilizer figure represents subsidy element on sale of fertilizer by Government of The Gambia to the NFSP&MC.





### 3. Cost of sales

	30-Sep-20	30-Sep-19
	D.	D.
Opening stock	455,531,676	554,288,301
Purchases- CPMS Buying Agents	24,541,225	516,177,801
Purchases-Pre - Finance Private Buying Agents	5,337,220	
Purchases-Private trader buying agent	8,226,835	
Purchase of fertilizer	241,948,909	180,461,101
Purchases- Cashew Nuts	6,339,720	
Port dues and shipping charges	4,158,909	6,858,701
Buying commission to CPMS	604,367	4,927,501
Commission on sale of fertilizer/Cake	14,660,856	25,792,801
Rehab & Refurb Cost -Depot	371,680	1,425,301
Water & Electricity	3,129,134	211,601
Truck/Tractor Hire	22,615,535	15,166,301
Repairs & Maint- Depot Equipment	376,260	
Contract Labour	1,196,288	3,539,801
Repairs & Maint- Gensets	94,350	
Insecticide & Spraying Cost	563,810	1,175,901
Fish Money - R/T Crew	703,350	506,801
Fuel & Oil- Trucks, Tractors & Bobcat	1,691	
Repairs & Main - Tug Boat & Barges	1,082,264	614,101
Other Evacuation Costs	42,241	
GTOG subsidy for purchase of Groundnut	(13,193,486)	(157,613,541)
Closing stock	(3,192,525)	(455,531,671)
	<b>775,140,309</b>	<b>698,001,201</b>

### 4. Other income

	30-Sep-20	30-Sep-19
	D.	D.
Tender fee	59,000	154,001
Other Income	11,776	788,291
Interest on Current Bank Accounts	41,674	56,351
Sale of Scrap Metal	1,916,200	519,201
Term Deposit Interest	576,389	
Interest income GOTG	21.1 198,881,917	
Interest on Staff Loans	1,907	821
Sales Discount	(55,644)	
	<b>201,433,219</b>	<b>1,518,681</b>



## 5. Production & processing cost

	30-Sep-20 D.	30-Sep-1 I
Fuel & Oil	7,715,173	16,838,55
Repairs & Maint. - Plant & Machinery	3,289,702	2,418,83
Spare Parts	18,187,052	3,935,65
Hire of fertilizer/Oil Storage Facilities	321,669	336,20
Repairs & Maint. - Gensets	-	204,32
Other Operational Costs	1,533,493	1,209,78
	<b>31,047,088</b>	<b>24,943,36</b>

## 6. (Loss) before taxation

	30-Sep-2020 D.	30-Sep-201 I
after charging:		
Depreciation & amortization	(26,274,456)	(26,019,38)

## 7. Administration Expenses

	30-Sep-20 D.	30-Sep-1 I
Electricity and water	6,292,909	16,377,02
Vehicle running cost	2,743,838	4,251,02
Communication cost	931,469	654,19
Local transport cost	868,340	900,40
Overseas travel cost	132,957	1,017,90
Consultancy and professional cost	2,563,413	460,00
Repairs & refurbishments	975,290	587,33
Directors' fees	1,136,000	405,50
Subscription	-	50,00
Printing and stationery	849,693	1,087,20
Insurances	684,408	1,182,17
Adverts & Publicity - Local	821,590	172,92
General expenses	2,784,771	2,730,30
Bad debt expenses	43,903,048	2,470,30
Audit fees	260,000	260,00
Land Rent & Rates	2,054,236	5,672,09
Rent Allowances	15,000	
Others	405,000	153,30
Trade & Business License's	400,000	
	<b>67,821,962</b>	<b>38,431,70</b>



## 8. Staff cost

	30-Sep-20	30-Sep-19
	D.	D.
Wages & salaries	20,365,134	16,908,991
Overtime	747,439	1,084,811
Leave in leau of pay	3,062,810	144,061
Charge allowance	346,400	217,391
Residential allowance	5,798,573	7,298,301
Provincial allowance	1,722,155	1,841,101
Responsibility allowance	1,471,536	929,771
Rent allowance	95,653	161,181
Risk allowance	21,000	
Acting allowance	38,298	
Telephone allowance	226,378	208,801
Staff annual leave allowance	207,270	154,781
Industrial attachment allowance	10,212	
Injury compensation	67,648	88,151
National provident fund	1,677,489	1,398,861
Gratuities	190,110	369,071
Medical expenses	202,084	74,241
Staff uniforms	326,190	37,901
Staff Training	138,000	807,931
	<b>36,714,379</b>	<b>31,725,381</b>

## 9. Financing cost

	30-Sep-20	30-Sep-19
	D.	D.
Bank Charges	8,128,193	20,480,711
Loan Interest	25,423,086	52,616,061
	<b>33,551,279</b>	<b>73,096,771</b>

## 10. Taxation

	30-Sep-2020	30-Sep-2019
	D.	D.
Tax charge for the year	8,155,874	8,145,241
Balance b/d	75,026,825	71,386,281
Current year charge	8,155,874	8,145,241
Tax payments	(6,000,000)	(4,504,701)
	<b>77,182,699</b>	<b>75,026,821</b>



## 11. Property, Plant & Equipment

	Land & building	Badges & Tug boats	Office equipment	Computers	Plant & Machinery	Other equipment	Motor Vehicle	Furniture & fitting	Work in Progress	Total
<b>Cost</b>										
Balance b/d 1/10/19	91,883,820	189,691,628	1,252,055	1,668,078	72,960,518	44,438,152	41,796,775	2,023,971	40,174,476	485,889,473
Additions	1,152,549	-	291,600	565,055		107,300	4,485,000	263,125	-	6,954,628
Balance c/f 30/9/20	93,036,369	189,691,628	1,543,655	2,233,133	72,960,518	44,545,452	46,281,775	2,287,096	40,174,476	492,844,101
<b>Depreciation</b>										
Balance b/d 1/10/19	(24,251,407)	(85,104,316)	(1,172,010)	(1,591,395)	(65,884,193)	(24,621,424)	(25,043,061)	(1,907,493)	-	(229,575,299)
Charge for the year	(3,704,170)	(13,073,752)	(22,069)	(136,220)	(883,141)	(2,227,632)	(6,169,526)	(57,946)		(26,274,456)
Balance c/f 30/9/20	(27,955,577)	(98,178,068)	(1,194,079)	(1,727,615)	(66,767,334)	(26,849,056)	(31,212,587)	(1,965,439)		(255,849,756)
<b>NBV</b>										
At 30th September 2020	65,080,791	91,513,560	349,576	505,518	6,193,184	17,696,396	15,069,188	321,657	40,174,476	236,994,346
At 30th September 2019	67,632,413	104,587,312	80,045	76,683	7,076,325	19,816,728	16,753,714	116,478	40,174,476	256,314,173



## 12. Capital grant

	Land & Building	Badges & Tug boats	Office equipment	Computer equipment	Plant & Machinery	Other equipment & Generators	Motor Vehicle	Work in Progress	Total
<b>Cost</b>									
Opening balance 1/10/2019	68,133,759	170,051,228	128,992	247,138	40,289,146	34,493,905	27,080,717	40,174,473	380,599,358
Closing balance @ 30/9/2020	<b>68,133,759</b>	<b>170,051,228</b>	<b>128,992</b>	<b>247,138</b>	<b>40,289,146</b>	<b>34,493,905</b>	<b>27,080,717</b>	<b>40,174,473</b>	<b>380,599,359</b>
<b>Amortization</b>									
Opening balance 1/10/2019	(6,783,524)	(65,504,416)	(128,992)	(247,138)	(33,268,821)	(15,873,826)	(13,576,086)	-	(135,382,803)
Charge for the year	(2,725,350)	(13,068,352)	-	-	(877,541)	(2,167,725)	(4,501,543)	-	(23,340,511)
Closing balance @ 30/9/2020	<b>9,508,873</b>	<b>78,572,769</b>	<b>128,992</b>	<b>247,138</b>	<b>34,146,362</b>	<b>18,041,550</b>	<b>18,077,629</b>	<b>-</b>	<b>158,723,314</b>
Carrying value @ 30/9/2020	<b>58,624,886</b>	<b>91,478,459</b>	<b>-</b>	<b>-</b>	<b>6,142,784</b>	<b>16,452,356</b>	<b>9,003,088</b>	<b>40,174,473</b>	<b>221,876,045</b>
30/09/2019	<b>61,350,235</b>	<b>104,546,812</b>	<b>-</b>	<b>-</b>	<b>7,020,325</b>	<b>18,620,079</b>	<b>13,504,631</b>	<b>40,174,473</b>	<b>245,216,556</b>

### 12.1 Unamortized Grant Balance

The grant assets received from the EVAGSP are capitalized as fixed assets with the grant balance being amortized and released as revenue systematically. The balance in the statement of financial position represents the remainder of the unamortized grant.

This represents the remaining balance of the unamortized grant received from the EVAGSP Project.





### 13. Cash & Bank balances

	30-Sep-20	30-Sep-19
	D.	D.
Cash at Bank	51,475,767	16,356,367
Cash In Hand	359,380	47,732
	<u>51,835,147</u>	<u>16,404,099</u>

### 14. Bank Overdraft

	30-Sep-20	30-Sep-19
	D.	D.
Bank Overdraft	14.1 1,109,692	-
	<u>1,109,692</u>	<u>-</u>

14.1 The corporation had an overdraft facility with Trust bank Gambia limited in which the account can be overdrawn for operational purposes.

### 15. Inventory

	30-Sep-20	30-Sep-19
	D.	D.
Spare parts stock	28,370,861	44,856,918
Gasoil stock	1,462,832	1,190,685
Oil and lubricant	-	39,575
Stationery	67,635	70,531
Electrical Appliances	181,906	632,181
Miscellaneous stock	15.1 104,357	104,358
Stock of produce	15.2 209,475	425,867,076
Fertilizer	15.3 2,983,050	29,664,600
Quality control material	70,740	45,540
Provision for stock obsolescence	(6,628,666)	(6,628,666)
	<u>26,822,190</u>	<u>495,842,798</u>

#### 15.1 Miscellaneous stock

These are spare parts that are critical but rarely used so it was purchased to mitigate potential breakdown and idle time

#### 15.2 Stock of produce

This item represents mainly value of products produced by the Corporation, such as HPS (Hand-Pick-Selection nuts), FAQ (Fair Average Quality nuts), Crude Groundnut Oil, Groundnuts-in-shell and Groundnut Cake.

The Corporation purchased a total of 2,225 metric tonnes of Farmers Stock for processing in 2019/2020. This was a drop of about 92% compared to the 27,186 tonnes purchased in the previous financial year (2018/2019). 15, 000 tonnes of farmers stocks were brought forward from the previous financial year. Hence carried over stocks of previous year were processed in the current year.

Several factors contributed to this state of affairs: Low groundnut production affected the entire Senegambia region. Late start of the rains and a brief drought caused loss of seeds through poor or non-germination of their first planting. This resulted in lowering the final national area planted with groundnuts and hence reduced production; there was late disbursement of funds from International Islamic Trade Finance Corporation, which resulted in a brief



shortage of cash and therefore loss of groundnuts to competitors across the border even though the farm gate was favourable to farmers as it was higher than neighbouring Senegal. The actual purchases in 2019/2020 was 91% lower than the budgeted figure of 25,000 tonnes.

### 15.3 Stock of fertilizer

ITFC through its line of credit provided fertilizer to the corporation, and the amount shown above was the value of stock as at 30th September 2020.

## 16. Receivables

		30-Sep-20	30-Sep-19
		D.	D.
Trade debtors	16.1	8,437,378	280,978,174
FD Interest account		576,389	-
GOTG/Subsidy on fertilizer and farm gate price	16.2	201,789,605	317,712,977
GOTG subsidy	16.3	-	273,338,423
Staff loan		1,538,281	432,238
GOTG other debtors		-	182,552
GOTG L/C Loan	16.4	-	89,677,192
Provision for bad & doubtful debts	16.5	-	(107,782,017)
		<b>212,341,653</b>	<b>854,539,539</b>

### 16.1 Trade debtors

Every trade season the corporation will provide an agreed amount, on a revolving basis, as pre-financing to CPMS (Cooperative Produce and Marketing Societies) and private traders, to buy un-decorticated groundnuts. Some CPMSs failed to settle the advances and the corporation sees it wise to write it off and continue to peruse the debtors. The bad debt also include outstanding amounts from sale of crude oil, fertilizer etc.

### 16.2 GOTG/ Subsidy on Fertilizer & Farm -gate Price

This represents government subsidy on both the farm Gate price and fertilizer.

### 16.3 GOTG Subsidy

This is the interest element of the GOTG fertilizer and farm gate price subsidy which has been increasing by way of annual interest addition of 18%. This amount is now settled by Government.

### 16.4 GOTG L/C Account

Settlement of L/C for the John Deere Tractors on behalf of Government. This receivable has been increasing annually by way of interest addition 18%. This amount is now settled by Government.

### 16.5 Impairment

The Board of Directors approved the write off for the total provisions of D151.6. This amount is inclusive of D107.7m (note 16) and D43.9m(note 7).



## 17. Short term Investment

		30-Sep-20	30-Sep-19
		D.	D.
Term Deposit with Skye Bank	17.1	50,000,000	-
Term Deposit with FI Bank	17.1	50,000,000	-
Term Deposit Relia. Finan. Serv-RFS	17.1	30,000,000	-
		<b>130,000,000</b>	-

17.1. These are 90 days Fixed deposit investment was done to maximize earnings, the interest receivable is 4% per annum with maturity dates of 12<sup>th</sup> November<sup>9th</sup> November and 6<sup>th</sup> December 2020 for Skye bank, F. I. Bank and Reliance investments.

## 18. Accruals & other payables

		30-Sep-20	30-Sep-19
		D.	D.
Accruals GOTG	18.1	4,168,805	4,168,805
Creditors Control Account		2,259,567	-
Unclaimed Salaries & Wages		-	21,437
Deferred Income Scrap Metal	18.2	6,399,100	-
Net pay Control		-	423,074
SSHFC Loan Interest		4,487,821	4,626,523
Accrued Audit Fees		260,000	260,000
IICF 1%		-	2,932
NPF 10% & 5%		-	49,501
Trial Balance Difference		126,344	126,345
		<b>17,701,637</b>	<b>9,678,617</b>

### 18.1 Accruals GOTG

The Department of State for Agriculture in 2005, provided an interest free unsecured loan to the Corporation. The facility having been outstanding for more than ten years, Management based on the principal of statute bar sought the approval of the Board to write it off the books of the Corporation.

### 18.2 Deferred income Scrap metals

This are deposit made by customers for purchase of scrap metal from the corporation, the amount deferred represent the value paid for, but the metals are yet to be collected as at year end, The contract requires customers to make an advance payment before starting the cutting of the metals.

## 19. Loans

		30-Sep-20	30-Sep-19
		D.	D.
SSHFC loan	18.1	222,423,736	222,623,736
ITFC (IDB) loan	18.2	251,030,062	838,659,710
F.I.B Loan 2018/2019 crop finance		-	114,000,000
Sale of scrap (payable)/stock GOTG	18.3	21,000,000	-
		<b>494,453,797</b>	<b>1,175,283,446</b>



### 19.1 SSHFC Loan

The Social Security and Housing Finance loan 2007 and 2010 Crop Finance Loan is a short-term loan, secured on all the corporation's land and building assets, and carrying an interest rate of 2% over The Central Bank Treasury bills, This loan should have been fully paid by December, 17th 2010. In addition, all crop finance commercial bank loans secured by SSHFC; in which the corporation defaulted in repayment, were settled by SSHFC. There is now an agreement dated 27<sup>th</sup> of February 2020 or a payment plan of D200,000 yearly entered between National food Security Processing and Marketing Corporation and Social Security and Housing Finance Corporation.

### 19.2 ITFC (IDB) Loan

The Islamic Trade Finance Corporation under the trade wing of the Islamic Development Bank (IDB) provides trade financing to the Corporation for the purchase of fertilizer based on the Murahaba Financing Principles. The loan was signed on the 20th August 2014 and is of a revolving manner with a ceiling of 25 million dollars. A 5.5% mark-up per annum is charged on any disbursement received by the corporation.

### 19.3 Sales of Scrap Payable

The Sale of Scrap Payable was part of the settlement agreement reached between the Corporation and the GOTG where in the Government paid off the outstanding Loan to ITFC in 2020 to be recovered from the Corporation's scrap metals sales.

## 20. Share Capital

	30-Sep-2020		30-Sep-2019	
	Number of shares	D. 000	Number of shares	D. 000
Authorized				
Ordinary shares of (D10.00) each	10,000,000	100,000	10,000,000	100,000
Issued and fully paid				
Ordinary shares of (D10.00) each	7,550,000	75,500	7,550,000	75,500

### 20.1 Ownership Structure

Name	Percentage of Shares
Government Of The Gambia	99%
Social Security and Housing Finance Corporation	1%



## 21. Statement of Movement In Reserve

	Share capital	Retained earnings	Total
	D.	D.	D.
Balance as at 1 <sup>st</sup> October 2019	75,500,000	(29,301,828)	46,198,172
Loss for the period	-	(60,751,228)	(60,751,228)
Balance as at 1 <sup>st</sup> October 2019	75,500,000	(90,053,056)	(14,553,056)
Profit for the period	-	(139,777,478)	(139,777,478)
Balance as at 30th September 2020	<b>75,500,000</b>	<b>(229,830,534)</b>	<b>(154,330,534)</b>

The opening balance difference represent a closing balance difference between the sage trial balance and the 2019 audited account.

## 22. Deferred Income

### 22.1 Suspended Interest

	30-Sep-2020	30-Sep-2019
	D.	D.
Suspended Interest	-	132,448,222
	-	132,444,222

The suspended interest relates to 18% rate being charged on receivable balances owed by government in previous years and not received. The receivable and interest accrued has been fully paid by GoTG in 2020 and the suspended interest is now recognized as interest income.

## 23. Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Corporation has the ability to continue operations in the foreseeable future. The validity of this assumption is based on confirmation from the directors and Management that the Government will continue to provide financial support to the Corporation for the foreseeable future. The financial statements do not include any adjustment that would result from the removal of this support.





## **24. Contingency**

Bollore sued NFSP&MC in the High Court Civil Sui No. HC/161/15/CO/042/D2 and got judgement in sum of D1,337,340 interest at 20% and legal & administrative costs of D133,734 plus VAT at the rate of 15%. This was quickly enforced by writ of fifa and GGC paid the amounts.

NFSP&MC appealed against the judgment of the High Court at the Court of Appeal in Civil Appeal No. 020/2016 and in its judgement dated 24<sup>th</sup> June, 2019 the Court of Appeal annulled the lower Court's judgment based on the fact that the service was not effected on the corporation and ordered for the suit to be remitted back to the lower Court for retrial of the issue of the corporation owing Bollore.

NFSP&MC won appeal against the Bollore High Court judgement on 24<sup>th</sup> June,2019 whereby the sums of D 1,333,340 plus D 133,734 costs plus 20% interest plus VAT, (which sums were paid by GGC to avoid execution on its assets) awarded them by the High Court has been set aside and the case is to go for rehearing by order of the Court of in Civil Appeal No GCA/020/2016.

## **25. Subsequent events**

### **ON-GOING RESTRUCTURING OF THE CORPORATION**

From October 2020, the Organizational structure has been revised to include key functions such as Marketing, Legal and Internal Audit. Other departments including the Human Resources and Administration as well as Finance and Accounts Departments were also upgraded. The objective of this revised structure is to improve efficiency and effectiveness, enhance growth as well as strengthen governance, internal controls and risk management.