

**ASSETS MANAGEMENT & RECOVERY CORPORATION
(AMRC)**

Annual Report and Accounts

For the year ended 31st December 2014

**AA & CO.
CHARTERED CERTIFIED ACCOUNTANTS
1 INDEPENDENCE DRIVE
P.O BOX 396
BANJUL, THE GAMBIA**

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Assets Management & Recovery Corporation (AMRC)
General information

BOARD OF DIRECTORS

Chairman
Member
Ex-Officio PS Min. of Finance
Member
Ex-Officio Director National Treasury
Managing Director

Mr. Salif Mboge
Mr. Bukari M. Gaye
Mr. Abdoulie Jallow
Mrs. Elizabeth M. Dambell
Mr. Momodou Lamin Bah
Mr. Saikou Kujabi

ACTING BOARD SECRETARY

Mr. Lamin Sanneh

REGISTERED OFFICE

78/79 OAU Boulevard
Banjul
The Gambia

SOLICITORS

Taiwo Ade Alagbe
78/79 OAU Boulevard
Banjul
The Gambia

AUDITORS

A.A & CO
Chart. Certified Accountants
1 Independence Drive
Banjul
The Gambia

BANKERS

Trust Bank Limited
3-4 Ecowas Avenue
Banjul
The Gambia

Guaranty Trust Bank (Gambia) Limited
56 Kairaba Avenue
KSMD
The Gambia

Ecobank (Gambia) Limited
42 Kairaba Avenue
P.O.Box 3149, Serrekunda
The Gambia

Assets Management & Recovery Corporation (AMRC)

General information

BANKERS (CONT'D)

Bank PHB (Gambia) Limited
11a Liberation Avenue
P.O.Box 211
Banjul
The Gambia

Director's report

For the year ended 31st December 2014

The directors present their report for and accounts for the year ended 31 December 2014.

Statement of directors' responsibilities

Company Law requires the directors to prepare financial statements in accordance with the Companies Act for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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 existence.

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 1955 (revised). 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 activities of the corporation is to recover from defunct Gambia Commercial and Development Bank (GCDB) all assets and liabilities not transferred to Meridian BIAO Bank limited (Trust Bank Gambia Limited) and to take over the management and recovery of any assets of the Government of the Gambia which the Department of state for Finance may assign to the Corporation from time to time

According to a cabinet considered memorandum number CP (11(00)125, the Mandate of AMRC was executed until such time that it is no longer deemed useful.

Changes in fixed assets

Significant movements in fixed assets are shown in note 2.

Results for the year

The results for the year to 31 December 2014 are as set out in the attached financial statements.

Directors and their interests

The directors who held office are as described in the previous page. None of the directors who held office have any beneficial interest in the corporation.

Auditors

The Auditors, AA & Co Accountants, will continue in office in accordance with section 155 (2) of the companies Act 2013.

By order of the board



Chairman
Board of Directors

Date... 26/11/2015

Auditors' report

To the Members of Assets Management & Recovery Corporation (AMRC)

We have audited the accounts set out on pages 6 to 15 which have been prepared under the historic cost convention as modified by the revaluation of certain fixed assets.

Respective responsibilities of directors and auditors

The directors of the company are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion on the financial statements presented by the director based on our audit and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with International Auditing Standards. An audit includes examination, on a test basis, of the evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

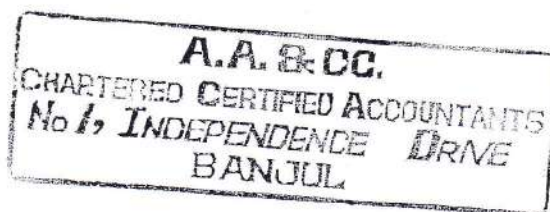
Opinion

In our opinion the financial statements give a true and fair view of the state of the Corporation's affairs as at 31 December 2014 and of its loss and cash flows for the period then ended and have been properly prepared in accordance with the Companies Act 2013.

A.A. & Co

A.A. & Co.
Chartered Certified Accountants
1 Independence Drive
Banjul, The Gambia

Date. 26-11-2015



ASSETS MANAGEMENT AND RECOVERY CORPORATION (A.M.R.C)

BALANCE SHEET AS AT 31 DECEMBER 2014

2013

	NOTES	D	D	D
NON CURRENT ASSETS:				
PROPERTY, PLANT AND EQUIPMENT	2		4,560,214	5,638,702
INVESTMENT	3		1,490,000	7,985,150
			6,050,214	13,623,852
CURRENT ASSETS:				
RECEIVABLES	5a	56,817,732		64,515,004
CASH & BANK	6	(24,576,862)		(31,126,759)
TOTAL CURRENT ASSETS			32,240,869	33,388,245
TOTAL ASSETS			38,291,083	47,012,097
EQUITY AND LIABILITIES				
PAYABLES(within twelve months)	7	538,133		787,539
PAYABLES(After twelve months)		6,615,670		10,586,920
TOTAL PAYABLES			7,153,803	11,374,459
EQUITY	8		31,137,280	35,637,638
TOTAL EQUITY AND LIABILITIES			38,291,083	47,012,097

DIRECTOR:

DATE:

DIRECTOR:

DATE:

ASSETS MANAGEMENT AND RECOVERY CORPORATION (A.M.R.C)

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

				2013
	NOTES	D	D	D
COMMERCIAL LOAN RECOVERIES	10 (i)		980,333	474,001
			980,333	474,001
OTHER INCOME	10 (ii)	916,165		1,026,447
SPECIAL ACCOUNTS	10 (iii)	6,433,694		12,380,858
			7,349,859	13,407,305
TOTAL INCOME			8,330,192	13,881,307
ADMINISTRATION EXPENSES	14	1,823,840		4,411,099
STAFF COST	12	5,141,113		4,821,718
REPAIRS AND MAINTENANCE	13	823,238		896,454
OTHER ADMINISTRATION EXPENSES		3,850,930		2,592,088
DEPRECIATION	2.4	1,342,153		1,344,809
TOTAL EXPENSES			12,981,273	14,066,169
NET LOSS BEFORE TAXATION			(4,651,081)	(184,862)
TAXATION	11		-	-
			(4,651,081)	(184,862)
RESERVES B/F			35,637,639	38,258,501
PRIOR YEAR ADJUSTMENT			150,722	(2,436,000)
NET EQUITY C/F			31,137,280	35,637,639

ASSETS MANAGEMENT AND RECOVERY CORPORATION (A.M.R.C)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

			2013
	NOTES	D	D
NET CASH FROM OPERATING ACTIVITIES	15	408,412	13,062,508
(Including Finance Charge)			
RETURN ON INVESTMENT AND SERVICING			-
OF FINANCE			-
FINANCE CHARGES			-
TAXATION PAID			-
INVESTING ACTIVITIES			-
ACQUISITION OF NON CURRENT ASSETS			-
INVESTMENTS		(353,665)	(2,589,202)
		6,495,150	(7,735,150)
FINANCING ACTIVITIES			-
LONG TERM LOANS			-
INCREASE/(DECREASE) IN CASH AND			-
CASH EQUIVALENT	16	6,549,897	2,738,156

ASSETS MANAGEMENT AND RECOVERY CORPORATION (A.M.R.C)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting Policies

The accounts have been prepared on an accruals basis and using historic costs.

2 Non current Assets

	LAND & BUILDING	MOTOR VEHICLE	FARAFENNI GUEST HOUSE	COMPUTERS & EQUIPMENT	TOTAL
Cost or Valuation:	D	D	D	D	D
At 1/1/2014	4,977,054	4,698,593	2,413,496	3,523,876	15,613,019
Additions	-	266,665	-	87,000	353,665
Disposal	-	-	-	(20,000)	(20,000)
At 31/12/2014	4,977,054	4,965,258	2,413,496	3,590,876	15,946,684
Depreciation					
At 1/1/2014	3,430,235	3,108,788	881,708	2,643,586	10,064,317
Depreciation for year	248,853	614,195	120,675	358,430	1,342,153
Disposal	-	-	-	(20,000)	(20,000)
At 31/12/2014	3,679,088	3,722,983	1,002,383	2,982,016	11,386,470
Net Book Value					
At 1/1/2014	1,546,819	1,589,805	1,531,788	880,290	5,548,702
At 31/12/2014	1,297,966	1,242,275	1,411,113	608,860	4,560,214

3 Investment

Investment relates to plots of land bought by the Corporation with intention to sell.

4 Depreciation

Depreciation has been provided for a period of 12 months at the following rates:

Motor Vehicles	
Buildings	33%
Computer & Equipment	5%
Furniture	20%
	20%

5a Receivables

	D	2013
Trade receivables		D
staff loans Personal	5b 41,596,632	49,231,124
staff vehicle loan	1,027,660	1,291,423
Staff building loan	595,584	277,000
Ex staff debtors	1,177,203	1,232,029
Prepayments	1,112,294	1,123,284
Other debtors	26,148	37,994
Amount owed by invest Gambia	5c 1,082,211	1,122,149
	10,200,000	10,200,000
	<u>56,817,732</u>	<u>64,515,003</u>

ASSETS MANAGEMENT AND RECOVERY CORPORATION (A.M.R.C)

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

5b Trade receivables

	D	2013 D
Sale of Properties	3,339,782	5,556,066
Cement Debtors	3,688,415	4,716,910
Debtors-rice 1st consignment	3,384,630	4,890,475
Debtor Rice A	13,498,038	15,068,310
Debtor Rice B	17,370,767	18,999,362
Judgement debtors	315,000	
	<u>41,596,632</u>	<u>49,231,124</u>

5c Other receivables

	D	D
1x6 package	234,211	247,153
Debt Factoring	833,000	833,000
Debtors-Fixed Asset disposal	15,000	15,000
Debtors tobaski ram sales	-	26,996
	<u>1,082,211</u>	<u>1,122,149</u>

6 Cash and Bank Balances

	D	D
AGIB Bank	(30,633,756)	(30,633,756)
ECO Bank	2,991,032	2,122,625
Guaranty Trust Bank	1,941,639	998,113
ICB Bank	19,671	120,693
BSIC	9,521	9,521
PHB Bank	(459,578)	(4,650,876)
SKY Bank	7,101	33,100
TBL Banjul	1,150,964	660,851
TBL Farafenni	390,582	136,683
Zenith Bank	(3,928)	68,717
Cash Imprest	9,890	7,570
	<u>(24,576,862)</u>	<u>(31,126,759)</u>

7 Payables

	D	D
Telephone Expense	48,541	43,762
Utility	6,568	549,732
Medical	6,980	18,867
Sundry Expense	22,500	-
Audit Fee	181,695	165,177
Lamin Kerewan (Capital Gain)	271,850	
New vision technology		
	<u>538,133</u>	<u>10,000</u>
		<u>787,539</u>

7 a) Contingent liability

The Corporation is a defendant in a case filed in 2011 in Banjul high court by Arab Gambian Islamic Bank (AGIB) alleging default in settling an overdue loan of D30.6m. The Bank is claiming D4.5 administrative fee and D1.5 for legal charges. AMRC deny this allegation and the litigation is ongoing. Negotiations are also at an advanced stage at board levels of the two organisations to resolve the matter out of court. The management of AMRC is of strong opinion that it is not probable that a transfer of economic benefits will be required to settle the obligation and therefore no provision is made in the financial statement.

8 Movement in Equity

	D	D
Balance b/f	35,637,639	38,258,500
Prior year adjustment (see note 9)	150,722	(2,436,000)
Profit/(Loss) for the Year	(4,651,081)	(184,862)
	<u>31,137,280</u>	<u>35,637,639</u>

9 Prior Year Adjustments

	D	D
Underprovision/Derecognition of prior year unearned income	(90,000)	(2,436,000)
Opening balance adjustment	240,722	-
	<u>150,722</u>	<u>(2,436,000)</u>

ASSETS MANAGEMENT AND RECOVERY CORPORATION (A.M.R.C)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014

			2013
10 i) Loan Income		D	D
Commercial Loan (Recoveries)	19	980,333	444,001
Development	19	-	30,000
		<u>980,333</u>	<u>474,001</u>
ii) Other Income		D	D
Farafenni Guest House		596,715	601,794
Bank Interest		93,249	83,240
Sundry Income		16,750	54,704
Truck Income		-	-
Gain on Disposal of Asset		5,000	140,000
Interest on Staff Loan		95,882	85,065
Interest on Judgement/Fixed Deposit		108,569	61,644
		<u>916,165</u>	<u>1,026,447</u>
iii) Special Accounts		D	D
Rent		614,756	645,788
Sale of property		350,000	4,740,570
Managed fund		-	200,000
G.C.U		1,555	324,500
Sale of Land Lamin Daranka		4,800,668	5,150,000
Sale of land at Lamin Nema kunku		666,715	1,320,000
		<u>6,433,694</u>	<u>12,380,858</u>
TOTAL INCOME		<u>8,330,192</u>	<u>13,881,307</u>
11 Taxation			
AMRC is exempt from company tax			
12 Staff Costs		D	D
Salaries		3,577,403	3,508,698
Savings refund		-	-
Social Security		473,723	452,866
Staff Income tax		-	-
Staff Bonus		-	-
Staff Training & Development		1,089,987	820,604
Staff Uniform		-	39,550
		<u>5,141,113</u>	<u>4,821,718</u>

ASSETS MANAGEMENT AND RECOVERY CORPORATION (A.M.R.C)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014

		2013
13	Repairs & Maintenance	D
	Building	109,650
	Equipment	260,740
	Vehicle	452,848
		<u>823,238</u>
14	Administrative cost	D
	Advertising & Promotion	114,176
	Bank service - (overprovision)/charges	(829,776)
	Cleaning Material & Detergents	41,707
	Donations & Subscriptions	397,000
	Entertainment	146,245
	Gratuity	30,720
	Honorarium	67,550
	Injury Compensation	10,230
	Insurance expense	112,379
	Law book	8,340
	Medical expense	95,882
	Postage & Delivery	1,685
	Property Enhancement	505,682
	Stationery & printing	54,945
	Telephone & Fax expense	443,666
	Utilities	623,409
		<u>1,823,840</u>
15	Reconciliation of Operating Profit to Net Cash Inflow From Operating Activities	D
	Operating Profit	(4,651,081)
	Depreciation Charges	1,342,153
	Add underprovision prior year	90,000
	Prior Year Adjustment	150,722
	(Increase)/Decrease in Debtors	7,697,273
	Increase/(Decrease) in Creditors	(4,220,655)
	Net Cash Inflow From Operating Activities	<u>408,412</u>
16	Analysis of Changes in Cash and Cash Equivalents During the Year	D
	Balance at 1 January	(31,126,756)
	Net Cash Inflow	6,549,897
	Balance at 31 December	<u>(24,576,861)</u>

	2013
	D
	351,670
	221,345
	323,439
	<u>896,454</u>

	D
	99,407
	1,123,339
	43,260
	433,450
	139,794
	26,486
	45,300
	10,077
	157,497
	20,840
	208,627
	894
	847,651
	160,925
	497,819
	595,733
	<u>4,411,099</u>

	D
	(184,862)
	1,344,809
	-
	(2,436,000)
	4,113,132
	10,225,427
	<u>13,062,508</u>

	D
	(33,864,912)
	2,738,156
	<u>(31,126,756)</u>

17 MANAGEMENT INFORMATION SCHEDULE I

ASSETS MANAGEMENT AND RECOVERY CORPORATION (A.M.R.C)
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

2013

	NOTES	D	D	D
TURNOVER	5		8,330,192	13,881,307
OPERATING EXPENDITURE				
ADMINISTRATION EXPENSES:				
STAFF COST	12	5,141,113		4,821,718
OTHER ADMINISTRATIVE COST	14	1,823,840		4,411,099
REPAIRS & MAINTENANCE	13	823,238		896,454
NEMA KUNKU LAND EXPENSES		80,000		220,000
AUDIT FEE		181,895		165,177
BAD DEBT		26,996		-
DIRECTORS FEE		328,000		336,000
FUEL		1,045,650		990,625
SUNDRY EXPENSE		103,187		69,835
TRANSPORT & TRAVEL		327,990		192,274
CONTIGENCY FEE		50,000		82,280
GOVERNMENT STAMP DUTY		590,300		139,750
FARAFENNI GUEST HOUSE FEE		579,396		232,816
LEGAL FEE EXPENSE		18,094		120,282
RENT & RATES		43,049		43,049
AMORTISATION OF STAFF VEHICLE		475,000		-
-PRIOR YEAR UNDERPROVISION				-
DEPRECIATION	2	1,342,153		1,344,809
- UNDERPROVISION PRIOR YEAR		1,573		-
			12,981,273	14,066,169
NET INCOME			(4,651,081)	(184,862)

MANAGEMENT INFORMATION SCHEDULE II

ASSETS MANAGEMENT AND RECOVERY CORPORATION (A.M.R.C) TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

18 Transfer of Off Balance Sheet Item

As per instruction by the Government, AMRC transferred foreclosed property worth D35, 296,775.00 (market value) to Gambie Printing and Publishing Corporation (GPPC). This property was a collateral for S.S Sissay & Sons Ltd's debt valued D122,365,331.45. Total amount owed under this debt portfolio was however, reduced only by the land value of the property D28,500,000 and not total market value. Thus balance outstanding as at 31 December 2014 is D93, 865,331.45.

19 Off Balance Sheet Debtors

The three main debt recovery components of the corporation (A.M.R.C) are the commercial loans, development loans and managed fund and are all maintained off-balance sheet due to uncertainty over the valuation of these debts. When recoveries are made the sum is recognised in the income statement as part of the receipts for that period. However, the board of directors can use their discretion to waive debts. A summary detail of debt outstanding since 1994, waivers granted and the amounts recovered during the period are outlined below:

	Commercial Loans D	Development Loans D	Managed Fund D	Total D
Loan taken over from GCDB	212,313,480	37,442,831	85,768,657	335,524,968
Waivers granted to 31st March 1994	(1,195,231)	-	-	(1,195,231)
Received in the year ended 31st March 1994	(13,895,873)	(431,651)	(4,539,000)	(18,866,524)
Loans outstanding at 31st March 1994	197,222,376	37,011,180	81,229,657	315,463,213
Waiver granted to 31st March 1995	(1,889,831)	-	-	(1,889,831)
Received in the year ended 31st March 1995	(23,403,586)	(2,256,865)	(1,307,245)	(26,967,696)
Loans outstanding at 31st March 1995	171,928,959	34,754,315	79,922,412	286,605,686
Received in the year ended 31st March 1996	(63,300,360)	(6,111)	(791,374)	(64,097,845)
Loans outstanding at 31st March 1996	108,628,599	34,748,204	79,131,038	222,507,841
Received in the year ended 31st March 1997	(9,512,238)	(650,000)	(500,300)	(10,662,538)
Loans outstanding as at 31st March 1997	99,116,361	34,098,204	78,630,738	211,845,303
Received in the year ended 31st March 1998	(5,464,274)	-	(500,000)	(5,964,274)
Loans outstanding as at 31st March 1998	93,652,087	34,098,204	78,130,738	205,881,029
Included in a suspense account	-	-	(40,532,563)	(40,532,563)
Received in the year ended 31st December 1998	(3,316,774)	-	(3,118,216)	(6,434,990)
Loans outstanding as at 31st December 1998	90,335,313	34,098,204	34,479,959	158,913,476
Received in the year ended 31st December 1999	(2,994,531)	(54,000)	(1,605,669)	(4,654,200)
Loans outstanding as at 31st December 1999	87,340,782	34,044,204	32,874,290	154,259,276
Received in the year ended 31st December 2000	(779,971)	-	(92,500)	(872,471)
Loans outstanding as at 31st December 2000	86,560,811	34,044,204	32,781,790	153,386,805
Received in the year ended 31st December 2001	(292,151)	-	-	(292,151)
Loans outstanding as at 31st December 2001	86,268,660	34,044,204	32,781,790	153,094,654
Received in the year ended 31st December 2002	(2,533,385)	(2,800,000)	(5,000)	(5,338,385)
Loans outstanding as at 31st December 2002	83,735,275	31,244,204	32,776,790	147,756,269
Received in the year ended 31st December 2003	(8,501,779)	(30,665)	(33,400)	(8,565,844)
Loans outstanding as at 31st December 2003	75,233,496	31,213,539	32,743,390	139,190,425
Received in the year ended 31st December 2004	(2,460,794)	-	(4,000)	(2,464,794)
Loans outstanding as at 31st December 2004	72,772,702	31,213,539	32,739,390	136,725,631
Received in the year ended 31st December 2005	(8,461,320)	(500,000)	(106,700)	(9,068,020)
Loans outstanding as at 31st December 2005	64,311,382	30,713,539	32,632,690	127,657,611

MANAGEMENT INFORMATION SCHEDULE II

ASSETS MANAGEMENT AND RECOVERY CORPORATION (A.M.R.C.) TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

Off Balance Sheet Debtors (Continued)

Received in the year ended 31st December 2006
Loans outstanding at 31st December 2006

Received in the year ended 31st December 2007
Loans outstanding at 31st December 2007

Received in the year ended 31st December 2008
Loans outstanding at 31st December 2008

Received in the year ended 31st December 2009
Loans outstanding as at 31st December 2009

Received in the year ended 31st December 2010
Loans outstanding as at 31st December 2010

Received in the year ended 31st December 2011
Loans outstanding as at 31st December 2011

Received in the year ended 31st December 2012
Loans outstanding as at 31st December 2012

Received in the year ended 31st December 2013
Loans outstanding as at 31st December 2013

Received in the year ended 31st December 2014
Loans outstanding as at 31st December 2014

Commercial Loans D	Development Loans D	Managed Fund D	Total D
(2,078,223)	(56,000)	(380,000)	(2,514,223)
62,233,159	30,657,539	32,252,690	125,143,388
(3,165,717)	(117,750)	-	(3,283,467)
59,067,442	30,539,789	32,252,690	121,859,921
(11,244,916)	(2,500)	-	(11,247,416)
47,822,526	30,537,289	32,252,690	110,612,505
(5,521,510)	(400)	-	(5,521,910)
42,301,016	30,536,889	32,252,690	105,090,595
(8,757,687)	-	-	(8,757,687)
33,543,329	30,536,889	32,252,690	96,332,908
(1,461,400)	-	(700,000)	(2,161,400)
32,081,929	30,536,889	31,552,690	94,171,508
(575,468)	-	-	(575,468)
31,506,461	30,536,889	31,552,690	93,596,040
(444,001)	(30,000)	(200,000)	(674,001)
31,062,460	30,506,889	31,352,690	92,922,039
(980,333)	-	-	(980,333)
30,082,127	30,506,889	31,352,690	91,941,706

AMRC
Performance Improvement
Observation Document
For the year ending 31st December 2014

This report contains 6 pages

Strictly Private and Confidential

The Managing Director
AMRC
78/79 OAU Boulevard
Banjul

August 20, 2015.

Dear Sir,

Audit of the financial statements for the year ended 31st December 2014

We have recently concluded our audit of the above financial statements and attach our performance improvement observation document on various matters noted by us during the course of our work.

Our examination of the accounting records are carried on a test basis and should not be relied upon to disclose error and irregularities, which are not material in relation to the financial statements. It must be emphasized that weakness in the system of accounting and internal controls may facilitate defalcations which our normal audit checks will not necessarily detect.

We would like to record our thanks to you for the cooperation and assistance during our audit. Should you require any further information, please do not hesitate to contact us

Yours faithfully,



AA & Co

1. RECOVERY OF RECEIVABLES

OBSERVATION

Recovery of receivables remains a serious challenge to the Corporation and this is adversely affecting its liquidity position. Due to lack of security/collateral for a good number of these receivables, their recoverability appears highly unlikely and therefore impaired. This view is supported by lack of payment(s) by these debtors for a number of financial years. For example, there was no movement in Invest Gambia's receivable sum of D10.2m for over five financial years. This and other questionable receivables have not been written off from the Corporation's account.

Further, a foreclosed property recently value at D35, 296,775, was transferred to a government institution during the year under review. Book value of debt against which the property was mortgaged stood at D122, 365,331.45 at the time of transfer. However, sum of D28, 500,000 being cost of land alone was offset against total debt outstanding thus leaving sum of D93, 865,331.45 as balance due from the debtor. Chance to recover amount in excess of the collateral is very unlikely.

IMPLICATION

Quality of assets as asserted in the financial statement and off-balance sheet items could be misleading where potentially impaired receivables are not written off to reflect underlying assets. This could misguide decisions taken based on basis of such financial information.

RECOMMENDATION

Management of AMRC should embark on rigorous assessments of its receivables and make write offs where necessary in order for this class of asset to reflect its fair value.

MANAGEMENT RESPONSE

Management noted the auditors' observation with regards to the long outstanding receivables in the books of the Corporation. These receivables are among the most difficult challenges and threat faced with the Corporation and its financial position for the last seven years.

These receivables were predominately built up when the Corporation imported commodities such as Rice and Cement in 2009 and 2010 respectively. The commodities were given out on credit by the Corporation without securing them with any sort of collaterals or guarantees which resulted in the stockpile of receivables in the books of the Corporation over these years. The AMRC management will continue to explore all avenues to ensure the recoveries of these receivables are maximized.

Having said that, the Corporation was looking forward to the conclusion of the court case involving the former Managing Director (Now deceased) and two other officers (Abdoulie B. Dibba and Yusupha M. Jaiteh) of the Corporation who were facing charges of economic crime as a result of their involvements in the failed trading activities that gave rise to the staggering amount of receivables in the books of the Corporation. These officers have been charged at the Special Criminal Court and judgment was delivered in favor of the State and were ordered to jointly pay compensation to AMRC to the tune of D15, 364,300.00 within six months effective 28th September, 2015.

In respect of the D10.2 Million owed by Invest Gambia, the Corporation has recently entered into an agreement with Invest Gambia (Ebrima Sanyang) legal representative in the Gambia to pay the sum of D100, 000.00 monthly toward the liquidation of their liability with the Corporation which was considered by the Management of AMRC. Management sees the payment plan proposed by Invest Gambia as the only realistic and credible means of recovering the entire sum from Invest Gambia as there are no identifiable assets of the debtor (Ebrima Sanyang) both moveable and immoveable

properties and assets that can be attached in exercise of judgment obtained against him and Invest Gambia.

With regards to foreclosed property transferred to Gambia Printing and Publishing Corporation (GPPC) as instructed by Government. The property has an open market value of D35, 296,775.00 inclusive of the land value of D28, 500,000.00. The said property was foreclosed by AMRC as part of properties and estates of S.S. Sissay & Sons owing to their indebtedness to defunct GCDB which stood at more than D122 M including interest as at 31st December 2014.

The AMRC Management noted the auditors' observations and concerns in respect of this particular issue, however, Management wishes to reiterate that S.S Sissay & Sons Ltd case is among a number of cases that gave rise to the liquidation of the defunct GCDB and AMRC was primarily set up to recover and manage the remaining assets and liabilities of the Bank. The entire GCDB loan portfolio is already provided for and listed as off Balance Sheet items in the Financial Statement of the Corporation. Thus, any revenues realized from activities in respect of the recovery of GCDB loans are treated as income in the period they are realized/received and therefore, Management of AMRC deems it no longer plausible to impair such assets as they have no impact on the Statement of Financial Position (Balance Sheet) of the Corporation.

2. VACANCIES

OBSERVATIONS

We observed during our review of the Corporation's internal control environment that number key positions have been vacant for the year under review. For example, positions such as director of operations, director of commerce and trade, director of finance and administration, manager MIS, senior operations manager etc have remained vacant throughout the year under review.

IMPLICATIONS

Having such key positions vacant within the Corporation indicates capacity gap capable of adversely affecting overall efficiency of the organisation. Under this circumstance, personnel of other units would be required to perform oversight role of these vacancies thus compromising the spirit of segregation of duties.

RECOMMENDATION

Board of Directors and Management of AMRC should ensure key positions within the Corporation are filled with suitable personnel. Where positions are deemed to be irrelevant to the operations of the Corporation, this should be communicated to those charged with governance to ensure necessary adjustment(s) are made to current organization structure.

MANAGEMENT RESPONSES

The Corporation noted the auditors' observation in respect of the vacancies and Management is fully aware of the said vacancies listed in the auditors' observation. The vacancies and/or positions such as Director of Commerce and Trade and Manager MIS have been inactive for a while.

In respect of the position of Commerce and Trade, all activities under this portfolio ceased since 2010 and the incumbent was facing charges of economic crimes as a result of his involvement in the failed AMRC commodity investment programme and was subsequently convicted by the Special Criminal Court on the 30th September 2015. For the position of MIS Manager, this position is also no longer active and the said Department has in effect turn into a typing pool headed by an Assistant Manager supported by Supervisor as a result of reduced roles, functions and activities of the Management Information System Department. Most of the key IT functions have been outsourced to external service providers which necessitated the diminish activities of this

department and as a result, equipping the department with qualified IT personnel handling IT related matters is no longer deemed plausible by Management.

In relation to the positions of Director of Finance and Administration and Senior Operations Manager, these positions remain very key and paramount to the Corporation's ongoing activities and suitable candidates have been earmarked internally to fill up the Vacancies accordingly.

These candidates are employees of the Corporation being trained and equipped to ascend to these positions. The Corporation has spend a lot of money in training and development of its staff and the priority remains to promote these staff subsequently when they are qualified to ascend to such positions.