



**THE GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)**

**FINANCIAL STATEMENTS & REPORTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2014**

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

**3 KAIRABA AVENUE  
SERREKUNDA, KMC  
THE GAMBIA**

**DATE: JANUARY 2016**

**THE GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)**

**I N D E X**

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## General Information

### Board of Directors

Mr Geoffrey Renner	-	Chairman
Mr Omar Dibba	-	Vice Chairman (Deceased)
Mr Karamo K Bojang	-	Director
Ms Mary Alaba Mboge	-	Director
Permanent Secretary, MOICI	-	Director
Permanent Secretary, MOFEA	-	Director
Mr Phoday M Jaiteh	-	Managing Director

### Board Secretary

Cherno B Jallow

### Bankers

Central Bank of the Gambia  
Ecowas Avenue  
Banjul, The Gambia

Trust Bank Ltd.  
Ecowas Avenue  
Banjul, The Gambia

Skye Bank (G) Ltd.  
Kairaba Avenue  
Serrekunda, KMC.  
The Gambia

Guaranty Trust Bank LTD  
Ecowas Avenue  
Banjul, The Gambia

FBN Bank(G) Ltd  
Kairaba Avenue  
Serrekunda KMC, The Gambia

### Registered Office

3 Liberation Avenue Banjul, The Gambia  
Banjul, The Gambia.

### Auditors

Augustus Prom  
Audit.Tax.Advisory  
Registered Auditors  
Serrekunda, KMC. The Gambia

### Solicitor

Solie Law Chambers  
2<sup>nd</sup> Street East  
Fajara,  
KSMD,  
The Gambia.

## **The Gambia Postal Services Corporation (GAMPOST)**

### **Directors Report**

1. The Directors present the audited financial statements for the year ended 31<sup>st</sup> December 2014.

2. **State of Affairs**

The corporation's results for the 12 months ended 31<sup>st</sup> December 2014 are as stated in the attached financial statements.

3. **Principal Activity**

The Gambia Postal Services Corporation was established by an Act of Parliament, Gambia Postal Services Corporation Act, 2005 to provide a national postal service within The Gambia and between places outside The Gambia; to provide a savings bank service; and to provide services by which funds may be remitted, whether by means of money orders, postal order or otherwise as the corporation may deem appropriate.

4. **Directors**

The directors who remained in office during the year under review are stated on page 3.

5. **Directors responsibility for the Financial Statements**

The Companies Act, 2013 requires the company's Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make 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.



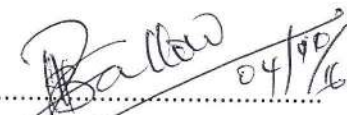
6. **Dividend**

The Directors do not recommend the payment of dividend.

7. **Auditors**

The corporation's external auditors, Augustus Prom-Audit.Tax.Advisory, audit contract will expire as at the 31<sup>st</sup> December 2014 audit. The new auditors of the corporation will be hired by the National Audit Office for another tenure of 5 years as per the auditor rotation policy.

**BY ORDER OF THE BOARD OF DIRECTORS**

  
.....  
**SECRETARY**

27<sup>th</sup> Sept. 2016  
.....  
**DATE**



**AUGUSTUS PROM**  
**AUDIT. TAX. ADVISORY**



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**AUDITORS' REPORT**

**TO THE MEMBERS OF THE GAMBIA POSTAL SERVICE CORPORATION  
(GAMPOST)**

We have audited the Corporation's Financial Statements and Notes thereon for the year ended 31<sup>st</sup> December 2014 set out on pages 8 to 20 which have been prepared under the historical cost convention.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS:**

As described on page 4, the Corporation's Directors are responsible for the preparation of the Financial Statements. It is our responsibility to form an Independent Opinion, based on our audit on those Financial Statements and to report our opinion to you.

**BASIS OF OPINION:**

We conducted our audit in accordance with International Standards on Auditing (ISA). An audit includes an examination, on test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Financial Statements and of whether the accounting policies are appropriate to the Corporation's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud 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 financial position of the Corporation as at 31<sup>st</sup> December 2014, 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 the requirements of the Companies Act 2013 and the Gambia Postal Services Corporation Act, 2005.

**Emphasis of Matter**

We would like to bring to the attention of the users of the Financial Statements that we noted a shortfall (net liability) in the assets of the savings bank as at the year end, 31<sup>st</sup> December 2014. A shortfall fall of **D3,057,980** was noted when we compared the liability of the scheme to the assets. The accounts have not been qualified on this basis but because of its significance, we would like to bring it to the attention of the users of the Financial Statement.

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

DATE *6<sup>th</sup> OCTOBER 2016*





## Balance Sheet

As at 31st December 2014

	Notes	2014 GMD	2013 GMD
<b>Assets</b>			
Property, Plant & Equipment	2	38,986,381	40,078,778
<b>Current Assets</b>			
Inventory	3	54,449,189	58,715,956
Investments	4	3,247,600	2,516,827
Bank & Cash	5	966,254	7,500,685
Debtors and Prepayments	6	19,230,958	18,955,820
Branch Balances	7	884,683	678,458
Partner Ac	22	53,584	1,001,505
Commission Receivable	8	40,000	-
<b>Total Current Assets</b>		<u>78,872,268</u>	<u>89,369,251</u>
<b>Total Assets</b>		<u><u>117,858,649</u></u>	<u><u>129,448,029</u></u>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Share Capital	9	38,481,918	38,481,918
Revaluation Account	10	1,000,000	1,000,000
QSF Project (Capital Grant)	11	489,991	987,135
Retained Earnings	12	(17,679,638)	(12,909,827)
Postal Stamp Regularization account	23	54,449,189	58,715,956
<b>Total Equity</b>		<u>76,741,460</u>	<u>86,275,182</u>
<b>Liabilities</b>			
<b>Long Term Liabilities</b>	13	<u>21,115,196</u>	<u>21,391,125</u>
<b>Current Liabilities</b>			
Trade Creditors	14	5,298,177	5,022,143
Other Creditors and Accruals	15	2,329,053	2,591,258
Corporation Tax	16	5,931,411	5,772,427
Customer Deposits (Savings Accounts)	17	6,443,352	8,395,894
<b>Total Current Liabilities</b>		<u>20,001,993</u>	<u>21,781,722</u>
<b>Total Equity &amp; Liabilities</b>		<u><u>117,858,649</u></u>	<u><u>129,448,029</u></u>

These financial statements were approved by the Board of Directors on 27<sup>th</sup> Sep. 2016

2016 and were signed on its behalf by:

Director .....

Director .....



## Income Statement

*For the year ended 31<sup>st</sup> December 2014*

	<u>Notes</u>	<u>2014</u> <u>GMD</u>	<u>2013</u> <u>GMD</u>
<b><u>Income</u></b>			
Income	18	17,132,470	16,895,151
Interest Received on Fixed Deposits	24	806,331	420,247
Commission Received	19	3,243,949	5,320,151
Capital Grants	11	497,144	587,644
Total Income		<u>21,679,894</u>	<u>23,223,193</u>
<b><u>Expenditure</u></b>			
Personnel Costs	20	6,168,673	5,796,132
Other Administration Expenses	21	15,245,602	12,337,123
Bank Charges and Interest		53,171	80,715
Depreciation	2	1,604,827	1,765,961
Total Expenditure		<u>23,072,273</u>	<u>19,979,931</u>
Profit/(Loss) before Taxation		(1,392,379)	3,243,262
Taxation	16	( 317,741)	( 849,797)
Net Profit/(Loss) for the year		<u><u>(1,710,120)</u></u>	<u><u>2,393,465</u></u>

The notes on pages 11 to 20 form an integral part of the Financial Statements

## Cash Flow Statement

For the year ended 31<sup>st</sup> December 2014

	<u>2014</u> GMD	<u>2013</u> GMD
<b><u>CASH FLOW FROM OPERATING ACTIVITIES:</u></b>		
Operating (loss) before Tax	(1,392,379)	3,243,262
Depreciation	1,604,827	1,765,961
Movement in Amortisation of capital grant	(497,144)	(587,644)
(Increase) /Decrease in Inventory	4,266,757	(58,589,640)
(Decrease)/Increase in Receivables	426,558	2,693,194
Decrease/ (Increase) in Payables	(1,938,699)	(1,494,217)
Prior Year Adjustment	(3,059,691)	(2,431,330)
<b>Cash inflow from operating Activities</b>	<b>(589,771)</b>	<b>(55,400,414)</b>
<b><u>TAXATION</u></b>		
Tax paid	(158,757)	(134,716)
<b><u>INVESTING ACTIVITIES</u></b>		
Purchase of Fixed Assets	(512,430)	(282,768)
Investment in T/Bills	(730,773)	4,311,823
<b><u>FINANCING ACTIVITIES</u></b>		
Long Term liability	(275,929)	(447,410)
<b><u>REVALUATION A/C</u></b>		
Movement in Postal Regularization Account	(4,266,771)	58,715,956
<b>NET CASH OUTFLOW</b>	<b>(6,534,431)</b>	<b>6,762,470</b>
<b><u>REPRESENTED BY</u></b>		
<b><u>CHANGES IN CASH AND BANK BALANCES</u></b>		
Balance as at 1 <sup>st</sup> Jan 2014	7,500,685	738,215
Balance as at 31 <sup>st</sup> December 2014	966,254	7,500,685
<b>NET (DECREASE) IN CASH &amp; BANK BALANCES</b>	<b>(6,534,431)</b>	<b>6,762,470</b>

The notes on pages 11 to 20 form an integral part of the Financial Statements

## Notes to the Accounts

### 1. Accounting Policies

The following is a summary of the significant accounting policies followed by the company.

#### a. Accounting Convention

These financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles and relevant sections of schedule 8 of the companies Act 2013 and the Gambia Postal Services Corporation Act.

#### b. Turnover

Turnover represents all sales made by the corporation and commission received.

#### c. Depreciation

Depreciation is provided at the following annual rates in order to write off the cost of each asset over its estimated useful life.

Land and Buildings	2.5%
Motor vehicles	20%
Office Equipment and Machinery	25%
Furniture and fittings	15% to 25%
Software (Accounting Package)	15%

#### d. Taxation

Taxation is provided at 1.5% of turnover or 31% of taxable profit whichever is greater in accordance with Income Tax Laws of The Gambia.

#### e. Stocks

Stocks are valued at the lower of cost and net realizable value.

#### f. Foreign Currencies

Transaction denominated in foreign currencies are translated into Dalasis at the rate of exchange ruling at the date of the transaction. Assets and Liabilities existing at the balance sheet date are converted at the rates ruling on that date. Gains and losses on exchange are accounted for in the profit and loss account.



The Gambia Postal Services Corporation (GAMPOST)  
Financial Statements & Reports for the Year Ended 31<sup>st</sup> December 2014

2. Fixed Assets

	LAND BUILDING		FIXTURES EQUIPMENT & FITTING MACHINERY		MOTOR VEH. OFFICE BIKES AND FURNITURE PACKAGES		SOFTWARE TOTAL	
	GMD	GMD	GMD	GMD	GMD	GMD	GMD	GMD
<b>COST/VALUATION</b>								
At 01.01.13	20,397,500	21,420,353	478,594	7,490,700	4,978,877	1,760,840	199,400	56,726,264
Additions	-	-	4,850	306,000	-	28,500	173,080	512,430
At 31.12.2014	<u>20,397,500</u>	<u>21,420,353</u>	<u>483,444</u>	<u>7,796,700</u>	<u>4,978,877</u>	<u>1,789,340</u>	<u>372,480</u>	<u>57,238,694</u>
<b>DEPRECIATION</b>								
Dep as at 01.01.14	-	4,258,514	440,593	6,244,707	4,207,050	1,423,425	73,197	16,647,486
Depreciation for the year	-	535, 509	8,509	528,163	389,156	109,253	34,237	1,604,827
At 31.12.2014	<u>-</u>	<u>4,794,023</u>	<u>449,102</u>	<u>6,772,870</u>	<u>4,596,206</u>	<u>1,532,678</u>	<u>107,434</u>	<u>18,252,313</u>
<b>NET BOOK VALUE</b>								
At 31.12.14	<u>20,397,500</u>	<u>16,626,330</u>	<u>34,342</u>	<u>1,023,830</u>	<u>382,671</u>	<u>256,662</u>	<u>265,046</u>	<u>38,986,381</u>
At 31.12.13	<u>20,397,500</u>	<u>17,161,839</u>	<u>38,001</u>	<u>1,245,993</u>	<u>771,827</u>	<u>337,415</u>	<u>126,203</u>	<u>40,078,778</u>

Note: Assets that are fully depreciated does not fall part of the depreciation charge for the year under review.

	<u>2014</u> <u>GMD</u>	<u>2013</u> <u>GMD</u>
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### 3. Inventory

Postal Stamps	<u>54,449,189</u>	<u>58,715,956</u>
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The 2014 Inventory relates to the closing stock value Postal Stamps in the possession of GAMPOST.

### 4. Investment

Fixed Deposit Investment	3,000,000	2,500,000
Interest Accrued	247,600	16,825
	<u>3,247,600</u>	<u>2,516,825</u>

### 5. Cash & Bank Balances

Central Bank Gampost	209,751	967,085
Central Bank Savings Bank A/c	88,252	76,511
Trust Bank Operating A/c	50,034	4,744,179
ICB EMS A/c	(35,764)	347,715
Trust Bank QSF A/c	29,008	194,540
Savings Bank TBL A/c	48,614	356,844
Savings Bank Access Bank A/c	19,997	19,997
Savings Bank Western Union A/c	332,215	486,250
Savings Bank Western Union A/c	98,071	3,342
Guaranty Trust Bank (S\B)	908	70,141
Guaranty Trust Bank (Gampost)	41,163	57,927
Guaranty Trust Bank (DMTWU)	41,467	86,089
Skype Bank	1,083	-
Postal Order	30,430	80,830
Petty cash	3,425	1,635
Cash Float	7,600	7,600
	<u>966,254</u>	<u>7,500,685</u>

### 6. Trade Debtors

International Postal Administration		10,239,314	9,915,625
Domestic Customers –Post Box Rentals	6a	6,744,431	7,634,924
Postpaid Postages		854,084	670,389
Private Mail Bags		735,722	673,322
IGPC/ Philately		463,835	393,402
Trade Debtors Control a/c		-	(627,621)
Staff Loan	6b	193,572	295,779
		<u>19,230,958</u>	<u>18,955,820</u>

	<u>2014</u> GMD	<u>2013</u> GMD
<b>6a. Domestic Customers (Post Box Rentals)</b>		
Banjul Branch	3,854,945	3,517,142
Serrekunda Branch	1,991,061	1,738,186
Bakau Branch	334,192	83,192
Brikama Branch	1,947,099	1,992,163
Soma Branch	43,727	43,727
Farafenni Branch	214,915	215,914
Basse Branch	44,600	44,600
Less; Provision for Doubtful Debts	(1,686,108)	-
	<u>6,744,431</u>	<u>7,634,924</u>
<b>6b. Staff Loans</b>		
Personal Loan	185,217	239,166
Staff Loan Car	8,355	56,613
	<u>193,572</u>	<u>295,779</u>
<b>7. Branch Balances</b>		
Banjul	73,776	64,309
Serrekunda	166,758	22,991
Bakau	63,344	74,254
Brikama	43,051	19,338
Soma	74,552	82,223
Farafenni	41,974	22,668
Kerewan	58,406	54,163
Kaur	67,052	48,504
Janjanbureh	85,400	96,305
Basse	35,994	54,075
Wassu	26,020	44,164
Brusubi	71,775	25,187
Bwiam	49,832	37,902
Airport	26,749	32,375
	<u>884,683</u>	<u>678,458</u>

This represents net inflows/outflows for Gampost branches for Domestic and Western union transfers.



	<u>2014</u> GMD	<u>2013</u> GMD
<b>8. Commission Receivable</b>		
Western Union	2,217,206	2,217,206
Domestic Money Transfer	152,282	152,282
Postal Money Order	16,476	16,476
Commision Receivable Adj. (See Note 12a)	(2,345,964)	(2,385,964)
	<u>40,000</u>	<u>-</u>

## 9. Share Capital

Share Capital	<u>38,481,918</u>	<u>38,481,918</u>
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This represents the total capital of Gambia Postal Services Corporation (GAMPOST) and the corporation is 100% Gambia Government owned.

## 10. Revaluation Account

Asset Revaluation Account	<u>1,000,000</u>	<u>1,000,000</u>
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## 11. QSF Project – Capital Grant

	987,135	1,574,779
Less 2014 Amortisation	(497,144)	(587,644)
Closing Balance	<u>489,991</u>	<u>987,135</u>

The QSF Project, sponsored by Universal Postal Union, provided funds for the purchase of Motor vehicles, computers and scanners equipment for the corporation.

	<u>2014</u> <u>GMD</u>	<u>2013</u> <u>GMD</u>
<b>13. Long Term Liabilities</b>		
Universal Postal Union	14,041,841	14,041,841
Pan, African Postal Union	7,349,284	7,796,694
Less current subscription	(275,929)	(447,410)
	<u>21,115,196</u>	<u>21,391,125</u>
Closing Balance		

**Universal Postal Union:**

The total amount forms subscription arrears payable from the early 1980 to date. These payments enable Gampost to benefit from the services of the union.

**Pan African Postal Union:**

Subscription arrears also payable by Gampost to the Pan African Postal Union comprises of dues that have been outstanding from the early 1980.

**14. Trade Creditors**

Terminal Dues payable	<u>5,298,177</u>	<u>5,022,143</u>
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These are other postal administration which relates to dispatching more mails to other countries, than GAMPOST received and for which payments are due as at 31<sup>st</sup> December 2014.

**15. Sundry Creditors**

Accruals & Sundry Creditors	2,231,184	2,528,883
GRA Withholding Tax	94,051	58,557
Customs Revenue	3,818	3,818
	<u>2,329,053</u>	<u>2,591,258</u>

**16. Corporation Tax**

Opening Balance	5,772,427	5,057,346
Provision (1.5% of Turnover)	317,741	849,797
Less Payments in 2014	(158,757)	(134,716)
	<u>5,931,411</u>	<u>5,772,427</u>

**17. Customers Saving Deposits A/C**

Customers Deposits (Savings Account)	2,407,205	4,529,897
Interest Payable on Deposit Accounts	4,036,147	3,865,997
	<u>6,443,352</u>	<u>8,395,894</u>

	<u>2014</u> <u>GMD</u>	<u>2013</u> <u>GMD</u>
<b>18. Turnover</b>		
Sale of Stamps for letters and parcels	5,792,616	6,789,275
Post Box and Private Mail Bags Rentals	2,902,800	2,714,600
Terminal Dues Income	2,599,650	2,843,160
Postpaid Postages	1,117,034	1,099,752
IGPC Royalties and Philately Sales	1,900,050	1,673,362
Other Incomes & Recovery	197,626	86,550
Rent Income	313,000	203,000
Express Mail Service	2,309,694	1,485,452
	<u>17,132,470</u>	<u>16,895,151</u>

#### 19. Commissions Received on Transfer Services

Western Union	441,307	856,570
Domestic Money Transfer	2,802,642	4,448,062
IEMO Commission	-	348
M Gram Commission	-	15,171
	<u>3,243,949</u>	<u>5,320,151</u>

#### 20. Personnel Costs

Salaries and Wages	3,710,349	3,430,252
Responsibility Allowance	468,250	366,880
Transport Allowance	625,750	621,750
Professional Allowance	221,750	183,000
Telephone Allowance	101,250	83,500
Pension Contribution	732,151	769,005
Severance Pay	30,690	32,685
Overtime Payments	36,086	20,560
Casual Attachees	88,183	123,402
Injury Compensation Fund	21,145	23,483
Night Allowance	55,209	98,595
Acting Allowance	77,860	43,020
	<u>6,168,673</u>	<u>5,796,132</u>



	<u>2014</u> GMD	<u>2013</u> GMD
<b>21. Administrative Expenses</b>		
Staff Training Costs	291,796	24,837
Travel and Accom. (Domestic, Per diem & Air Tic)	1,012,210	341,881
Insurance Cost (Medical, Fire& Burglary, Vehicle& Fidelity)	618,398	429,894
Staff Incentives	4,500	13,250
Board Directors Allowances	232,000	110,000
Board Directors Expenses	20,042	12,248
Fuel and Lubricants	822,200	908,125
Uniforms and Protective Clothing	95,251	60,730
Printing \ Stationery and Postages	666,576	591,557
Telephone and Internet Costs	416,408	537,592
Electricity and Water	1,122,843	1,117,019
Generator & Vehicles Repairs & Maintenance	259,273	281,625
Equipment Repairs and Maintenance	75,582	81,575
Building Repairs and Maintenance	73,872	275,811
Indemnity for Lost Mail	12,192	29,452
Miscellaneous Expenses (Cleaning, small quipits.Refuse collect.)	59,277	80,416
Postal Agents Allowance	38,160	38,160
Legal Fees	25,000	-
Sports and Recreational (May day, other sport)	127,425	101,450
Donations	146,150	157,820
Marketing and Promotions	431,789	248,227
Conveyance of mail(Air Conveyance& local bus)	4,737,448	3,799,433
Food\ Drinks Entertainment	92,283	127,459
Office Rent & Rates	195,400	260,000
License and Road Tax (vehicle)	38,480	36,480
Service Contracts	245,450	368,123
Provision for Doubtful Debts	1,686,108	24,265
Maintenance of Computers	107,912	21,475
Audit Fees	230,000	273,200
Postal Subscriptions Due (UPU)	200,964	98,282
Postal Subscription Due (PAPU)	-	69,490
Vehicle allowances	171,000	195,000
Provincial Allowance	66,750	66,750
Heavy Duty Allowance	18,000	16,500
Cash Handling Allowance	219,500	209,250
Mail Handling Fees	-	4,467
House Rent	-	-
Contingency	98,000	1,500
Interest Payable	170,535	322,292
Terminal Dues Payable	276,034	1,001,489
Security	129,810	-
Consultancy Fees	10,985	-
	<u>15,245,602</u>	<u>12,337,123</u>

	<u>2014</u> GMD	<u>2013</u> GMD
<b>22. Partner Accounts</b>		
DMT Partner a/c	-	942,234
W/U & Mgram Partner a/c	53,584	59,271
	<u>53,584</u>	<u>1,000,505</u>

The partner account is used to monitor the payment and receipts between the Corporation and Western Union and Money Gram and also for the monitoring of the Domestic Money Transfer Service.

### **23. Postal Stamp Regularization Account**

During the 2013 Audit, it was noted that when stamps are purchased for sale, they are expensed instead of recognizing the value as Inventory (Current Assets). The correct treatment is to recognizing the total value as Inventory and when stamp sales are made, the inventory account is credited to ensure the Financial Statements are not misstated. This was raised to board level during the 37<sup>th</sup> Board meeting and the board decided to incorporate the Inventory into the balance sheet of the corporation and to Credit the Retained Earnings Account as Prior Year since the Purchases was not in the Current Year.

### **24. Interest Received on Fixed Deposits**

This is interest received on fixed deposit investment with ICB Bank at an annual interest rate of 18.2% to be matured on the 30<sup>th</sup> of January 2015 over a tenure of 6 months.