GAMBIA TELECOMMUNICATIONS COMPANY LIMITED

(GAMTEL)

FINANCIAL STATEMENTS & REPORTS

FOR THE YEAR ENDED 31st DECEMBER 2014

AUGUSTUS PROM
AUDIT. TAX. ADVISORY.
REGISTERED AUDITORS

3 KAIRABA AVENUE
3RD FLOOR CENTENARY HOUSE
SERREKUNDA, KMC
THE GAMBIA

JUNE 2015

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GAMTEL
GENERAL INFORMATION

Board of Directors

Mr. Alhajie Tamsirr Samba Alieu Njie	Chairman
Mr. Bai Matarr Drammeh	Vice Chairman
Mr. Baboucarr Sanyang	Managing Director
Mr. Momodou Badjie	Member
Permananet Secratary – Ministry of Communication, Information & Technology	Member
Mr. Kebba Bojang- Staff Representative	Member

Board Secretary

Mr. Sarjo A S Ceesay

Bankers

Trust Bank Limited
3/4 Ecowas Avenue
Banjul, The Gambia

Arab Gambian Islamic Bank Limited
Ecowas Avenue
Banjul, The Gambia

Guaranty Trust bank (Gambia) Limited
Limited
56 Kairaba Avenue
KSMD, The Gambia

Standard Chartered Bank (Gambia) Limited
8 Ecowas Avenue
Banjul, The Gambia

Access Bank (Gambia) Limited
Kairaba Avenue
KSMD, The Gambia

Skye Bank (Gambia) Limited
Kairaba Avenue
KSMD, The Gambia

Zenith Bank (Gambia) Limited
49 Kairaba Avenue, Serrekunda
Banjul, The Gambia

FBN Bank
48 Kairaba Avenue
Serrekunda, The Gambia.

Platinum Habib Bank (Gambia)
11 Liberation Avenue
Banjul, The Gambia

First International Bank Limited
Kairaba Avenue
KSMD, The Gambia

Eco Bank (Gambia) Limited
Kairaba Avenue
KSMD, The Gambia

External Auditor

Augustus Prom
Audit. Tax. Advisory.
Registered Auditors
3 Kairaba Avenue,
3rd Floor Centenary House
Serrekunda, KMC
The Gambia

Solicitors

Amie Bensouda & Co
Kanifing, KMC
The Gambia

Attorney General's Chambers
4 Marina Parade
Banjul, The Gambia.

Registered Office

GAMTEL House
3 Nelson Mandela Street
Banjul, The Gambia

GAMTEL
DIRECTORS REPORT

1. The Directors present the audited financial statements of the Company for the year ended 31st December 2014.

2. **State of Affairs**
The results for the year ended 31st December 2014 are as set out in the attached financial statements.

3. **Principal Activities**
The principal activity of the Company is to provide voice and data services to its customers.

4. **Directors & Director's Interest**
The Directors who held office during the year are as detailed on page 2. None of the Directors who held office at the end of the financial year had beneficial financial interest in the shares of the company.

5. **Directors Responsibilities to the Financial Statements**
The Companies (Gambia) Act, 2013 requires the Company's Directors to prepare financial statements for each financial year which gives 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 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 that disclose with reasonable accuracy at any given time, the financial position of the Company and to enable them to ensure that the financial statements comply with the provisions of the Companies (Gambia) 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.

6. **Significant Changes in Fixed Assets**
Additions, disposals and revaluation of fixed assets are detailed in Note 8 of the financial statements.

7. **Dividend**
The Directors do not propose the payment of dividend for the year.
(Nil for 2013).

8. **External Auditors**
The Company's external auditor, Augustus Prom - Audit. Tax. Advisory, as appointed through the National Audit Office has expressed willingness to continue office. The Company's 2013 Accounts (comparison figures) were audited by DT Associates, an audit firm registered in The Gambia.

BY ORDER OF THE
GAMTEL BOARD OF DIRECTORS

.....
COMPANY SECRETARY

DATE: 24 December 2015

REGISTERED OFFICE
3 Nelson Mandela Street
Banjul, The Gambia

AUGUSTUS PROM
AUDIT. TAX. ADVISORY.

3 Kairaba Avenue – P O Box 587, The Gambia - Telephone (220) 4378146/ 4392376 / 4378147 – Fax (220) 4378148
E-mail : admin@augustusprom.com www.augustus-prom.gm

AUDITOR'S REPORT TO THE MEMBERS OF THE GAMBIA TELECOMMUNICATIONS COMPANY LIMITED (GAMTEL)

We have audited the Company's financial statements and notes thereto for the year ended 31st December 2014 set out on pages 8 to 25.The financial statements have been prepared under the historical cost convention.

DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS:

The Directors are responsible for the preparation and the fair presentation of these financial statements in accordance with the Companies (Gambia) Act, 2013 and Generally Accepted Accounting Principles (GAAP). These responsibilities also include maintaining adequate internal controls relevant to the preparation of financial statements that are to be free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies that are consistent with Generally Accepted Accounting Principles and making reasonable accounting estimates.

AUDITOR'S RESPONSIBILITIES:

Our objective is to express an independent opinion on the Company's financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) as promulgated by the International Federation of Accountants (IFAC). These standards require that we comply with ethical requirements, plan and perform the audit in-order to obtain reasonable assurance, as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUDITOR'S OPINION:

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st December 2014 and of its financial performance and its cash flows for the year then ended and has been prepared in accordance with Generally Accepted Accounting Principles and adhere to the Companies (Gambia) Act 2013.

Augustus Prom

.....

AUGUSTUS PROM
AUDIT. TAX. ADVISORY
REGISTERED AUDITORS

Augustus Prom
Audit . Tax . Advisory
3 Kairaba Avenue, West Field, KSMD
3rd Floor Centaroy Building
Tel: (220) 4375146 / Fax (220) 4375148
Email: admin@augustusprom.com

DATE: 8th MARCH **2016**

GAMTEL

Income Statement

For the year ended 31st December 2014

	Notes	2014 GMD'000	2013 GMD'000
Revenue	2	**906,038**	1,030,120
Cost of sales	3	**(503,076)**	(536,791)
Gross Profit		**402,962**	493,329
Operating Expenses			
Administration and other expenses		**(301,644)**	(387,748)
Depreciation & Amortisation	8	**(263,891)**	(237,628)
Net Operating Expenses		**(565,535)**	(625,376)
Operating Loss		**(162,573)**	(132,047)
Other Income	5	**38,712**	28,679
Loss before interest and tax		**(123,861)**	(103,368)
Interest expense and similar charges		**(11,473)**	(12,244)
Loss before Tax	4	**(135,334)**	(115,612)
Taxation	7	**(14,762)**	(16,156)
Loss after Tax		**(150,096)**	(131,768)

The notes on pages 12 to 25 form an integral part of these financial statements.

GAMTEL

Balance Sheet

As at 31st December 2014

	Notes	2014 GMD'000	2013 GMD'000
Assets			
Non Current Assets			
Property, Plant and Equipment	8	**403,655**	539,674
Investments	9	**163,981**	163,981
		567,636	703,655
Current Assets			
Inventories	10	**29,660**	25,242
Receivables	11	**561,788**	417,542
Cash and cash equivalents	15	**723**	1,838
Total Current Assets		**592,171**	444,622
Total Assets		**1,159,807**	1,148,277
Equity & Liabilities			
Capital and Reserves			
Share capital (*Page 10*)		**60,000**	60,000
General reserve (*Page 10*)		**10,000**	10,000
Retained earnings (Page 10)		**559,389**	668,738
Total Equity		**629,389**	738,738
Non-Current Liabilities			
Borrowings	12	**163,394**	84,486
Total Non Current Liabilities		**163,394**	84,486
Current Liabilities			
Borrowings within 1 year	12	**9,281**	7,681
Trade and other payables	13	**258,334**	238,222
Bank overdraft	15	**27,867**	22,371
Taxation	7	**71,542**	56,780
Total Current Liabilities		**367,024**	325,054
Total Equity & Liabilities		**1,159,807**	1,148,277

The Financial Statements were approved by the Board of Directors on 24 December 2015 and signed on its behalf by:

DIRECTOR: ..... **DIRECTOR:** .....

The notes on pages 12 to 25 form an integral part of these financial statements..

GAMTEL

Statement of Changes in Equity

For the year ended 31st December 2014

	Share Capital GMD'000	General Reserve GMD'000	Retained Earnings GMD'000	Total GMD'000
At 1st January 2013	60,000	10,000	800,506	870,506
Loss for the year			(131,768)	(131,768)
At 31ST December 2013	60,000	10,000	668,738	738,738
At 1st January 2014	**60,000**	**10,000**	**668,738**	**738,738**
Prior year adjustment	**-**	**-**	**40,747**	**40,747**
Loss for the year			**(150,096)**	**(150,096)**
At 31st December 2014	**60,000**	**10,000**	**559,389**	**629,389**

Prior year adjustment
Please see note 18.

GAMTEL

Cash Flow Statement

As at 31st December 2014

	Notes	2014 GMD'000	2013 GMD'000
Operating Activities			
Operating Loss before tax and interest		**(162,573)**	(132,047)
Adjustments for:			
Depreciation	*8*	**263,891**	237,628
Prior year adjustment- Fixed assets	*18*	**9,060**	-
Prior year adjustment- retained earnings	*18*	**40,747**	-
Operating profit before working capital changes		**151,125**	**105,581**
(Increase) /Decrease in inventory		**(4,420)**	5,353
(Increase) /Decrease in receivables		**(144,243)**	(155,438)
Increase in payables		**20,112**	79,331
Cash generated from operations		**22,574**	34,827
Interest paid		**(11,473)**	(12,244)
Interest received		**38,712**	28,679
Income tax paid		**-**	(15,001)
Net Cash from operating activities		**49,813**	36,261
Investing Activities			
Acquisition of tangible fixed assets	*8*	**(136,932)**	7,038
Proceeds from sale of fixed assets		**-**	-
(Increase)/ Decrease in investments		**-**	(44,389)
Net Cash used by investing activities		**(136,932)**	(37,353)
Financing Activities			
Increase in long term borrowings		**80,508**	(21,147)
Net Cash from financing activities		**80,508**	(21,147)
Net (decrease)/ increase in cash & cash equivalents		**(6,611)**	(22,239)
Cash and cash equivalent at 1st January 2014		**(20,533)**	1,706
Cash and cash equivalent at 31st December 2014		**(27,144)**	(20,533)

The notes on pages 12 to 25 form an integral part of these financial statements

GAMTEL
Notes to the Financial Statements
For the year ended 31st December 2014

1. Accounting Policies

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

1.1 Accounting Convention

The financial statements have been prepared under the historic cost convention in accordance with Generally Accepted Accounting Principles using an accruals basis of accounting and relevant provisions of the Companies (Gambia) Act, 2013.

1.2 Revenue Recognition

Revenue represents the invoiced amount to local and international billing customers, prepaid revenue arising from recharge cards, interconnection revenue and sale of data services.

Revenue is recognised net after deducting Value Added Tax of 15%, Excise Duty of 5% and GRTS user fees of 1.25%.

1.3 Property, plant and equipment

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

Depreciation is provided on property, plant and equipment, excluding land, at annual rates calculated to write off the cost of each asset over its estimated useful life on a straight line basis as follows:

Buildings	5%
Technical equipment	15%
Furniture and equipment & office equipment	15%
Motor Vehicles	25%
Computer hard ware and software	33.3%

Subsequent measurement

Expenditure incurred to replace a component of an item of property, plant 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, plant and equipment. All other expenditure is recognised in the income statement as incurred.

2. Revenue

	31- Dec 2014 GMD'000	31- Dec 2013 GMD'000
International revenue	**237,095**	352,488
Interconnection revenue	**514,069**	518,136
Local revenue	**39,203**	55,592
Telephone rentals	**20,189**	21,097
Leased lines	**65,142**	56,967
Prepaid card sales	**1,618**	1,598
3G Internet Services	**19,493**	18,497
Other services	**9,229**	5,745
Total revenue	**906,038**	1,030,120

3. Cost of sales

Material cost	**42,863**	49,576
Interconnection cost	**322,417**	350,153
International cost	**137,796**	137,067
Total cost of sales	**503,076**	536,791

4. Loss on ordinary activities before tax

The loss on ordinary activities before taxation is stated after charging the following:

Auditors' remuneration	-	1,002
Depreciation	**263,891**	237,628
Directors' remuneration	**536**	437

5. Other interest receivable and similar income

Rental income	-	110
Insurance recoveries	-	100
Training income	**4,077**	3,728
Internet services	**11,010**	11,674
Interest income	-	1
Exchange loss	**4,137**	(18,252)
Co- locations & E1 Link	**18,079**	24,676
Miscellaneous income	**1,409**	6,642
	38,712	28,679

6. Staff numbers and costs

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

	31- Dec 2014	31- Dec 2013
Management	17	17
General Staff	1051	1,208
	1,068	1,225

The aggregate payroll costs were as follows:

	31- Dec 2014 GMD'000	31- Dec 2013 GMD'000
Salaries	**52,578**	50,537
Pensions	**18,054**	15,610
Casuals	**1,955**	1,795
Allowances	**58,474**	56,713
Others	**5,421**	5,617
	136,482	130,272

7. Taxation

Income Statement		
Tax charged at 31% on *Assessable* Profit based on adding back disallowed expenses to the loss before tax and then deducting allowable tax deductions.	**14,762**	16,156
Balance Sheet		
At beginning of the year	**56,780**	55,625
Charge for the year	**14,762**	16,156
Tax paid during the year	-	(15,001)
At the year end	**71,542**	56,780

8. Property, Plant and Equipment

	Land & Building GMD	Work in Progress GMD	Plant, equipment distribution network GMD	Motor Vehicle GMD	Furniture & office equipment GMD	Total GMD
COST						
At 1st Jan 2014	88,562	101,239	2,417,107	65,969	219,876	2,892,753
Reclassification	11,889	(11,889)	-	-	-	-
Additions	-	6,833	128,082	-	2,017	136,932
Disposal	-	-	-	(790)		(790)
At 31 Dec 2014	**100,451**	**96,183**	**2,545,189**	**65,179**	**221,893**	**3,028,895**
DEPRECIATION						
At 1st January 2014	(56,868)	-	(2,052,246)	(29,195)	(214,770)	(2,353,079)
Charge for the year	(4,222)	-	(253,583)	(3,914)	(2,172)	(263,891)
Disposal/ Transfers	-	-	(9,060)	790	-	(8,270)
At 31 Dec 2014	**(61,090)**	**-**	**(2,314,889)**	**(32,319)**	**(216,942)**	**(2,625,240)**
NET BOOK VALUE						
At 31 Dec 2014	**39,361**	**96,183**	**230,300**	**32,860**	**4,951**	***403,655***
At 31 Dec 2013	31,694	101,239	364,861	36,774	5,106	539,674

9. Investments

	Notes	31- Dec 2014 GMD'000	31- Dec 2013 GMD'000
RASCOM	9.1	**25,593**	25,593
GAMCEL	9.2	**93,833**	93,833
GAMCO	9.3	**15,600**	15,600
GIA	9.4	**166**	166
GSC	9.5	**44,389**	44,389
		179,581	179,581
Provision for impairment		**(15,600)**	(15,600)
		163,981	163,981

9.1 RASCOM

Rascom is an inter-governmental Regional African Satellites Communications Organisation with a membership of 45 African states. Gamtel currently holds 1,113,594 shares in Rascom at $1 each out of a total share capital of $63 million.

9.2 GAMCEL

The investment represents the amount spent in the setting up of Gamcel, 99% subsidiary of Gamtel which was incorporated in November 2002 with share capital of £1 million.

9.3 GAMCO

This investment represents the total advances made to the Gambia Agricultural Marketing Company Limited (GAMCO) during the period 2004 to 2005 following Gambia Government's directives issued by the Ministry of Agriculture to facilitate the groundnut trade. GAMCO is now liquidated and the amount has been fully provided for as part of the company's impairment review procedures.

9.4 GIA

This represents a 1% stake in Gambia International Airlines valued at D16,600,000 divided into 1,660,000 shares of D10 each.

9.5 Africa Coast to Europe (ACE)

On 12 July 2011, a joint agreement was signed between The Government of The Gambia through the Ministry of Finance and Economics Affairs with six companies namely: Africell, Gamtel/ Gamcel, Comium, Qcell, Netpage and Unique Solutions to establish a Public- Private Partnership (PPP) financing agreement worth USD $25 million. The purpose of the partnership was to jointly contribute towards the cost of financing the African Coast to Europe Submarine Cable (ACE) landing station in The Gambia. The project was to provide a branch landing station for the country by connecting from a submarine fibre cable laid from France through the coast of Africa to South Africa.

In the agreement, Gamtel and Gamcel are allocated 20% and 10% respectively of the capacity allocated to The Gambia representing the equivalent to their contributions to PPP financing agreement. Funds contributed through the PPP went towards the financing The Gambia Submarine Cable Company Limited (GSC Ltd) established to coordinate the activities of the landing station. The ACE landing station was completed and inaugurated in December 2012.

10. Inventories

	31- Dec 2014 GMD'000	31- Dec 2013 GMD'000
Technical materials	**48,660**	45,753
Stationery	**3,521**	3,069
Mini store prepaid stock card	**431**	431
Stock take adjustment	**2,073**	138
	54,685	49,391
Provision for obsolescence	**(25,025)**	(24,149)
	29,660	25,242

11. Receivables

Trade Debtors	**1,267,449**	1,120,934
Less: provision for doubtful debts	**(705,661)**	(703,392)
	561,788	417,542

11.1 Trade receivables

Interconnection (Gamcel)	11.1a	**199,878**	216,466
Interconnection (Qcell)	11.1a	**5,228**	8,280
Interconnection (Africell)	11.1a	**104,673**	53,138
Overseas receivables	11.1b	**37,522**	29,104
Post-paid receivables	11.1c	**761,527**	648,019
Intercompany receivable- GRTS	11.1d	**22,197**	22,197
		1,131,025	977,204
Advances to related parties:			
GPTC	11.1e	**500**	500
GRTS	11.1e	**500**	500
Gamtel staff association	11.1e	**800**	800
Gamtel credit union	11.1e	**500**	500
		2,300	2,300
Advances to BEFAG	11.1f	**80,000**	80,000
Staff loans		**34,074**	35,219
Unreconciled receivables	11.1g	**19,450**	24,852
ACE Project		**594**	1,353
G2G Fraud recovery		**6**	6
		134,124	141,430
		1,267,449	1,120,934

11.1a Interconnections

The interconnections receivables represent net movements between incoming termination calls from other network operators and outgoing originating calls from Gamtel. Settlement is done after netting off as dictated in the provisions of the interconnection agreements between the operators.

11.1b Overseas receivables

Overseas receivables relates to balances due to various international network carriers. They are managed by an international partner called MGI. The international partner in 2013 was TELL Incorporated.

11.1c Post paid receivables

These relates to revenue received from customers based on various products lines offered. Any increase or decrease in provision is accounted for through the income statement.

11.1d Intercompany receivables- GRTS

This balance relates to payments made on behalf of GRTS in the form of property, plant and equipment, supplier repayment commitment and other recurring expenses.

11.1e Advances to related parties

These are advances made to related party institutions which have been outstanding for several years, and have been fully provided for in these financial statements.

11.1f Advances to BEFAG

In 2002, BEFAG, a purported financier, was issued a Standard Chartered Bank guarantee bond by Gamtel of $3 million to partly finance the Basse- Barra fibre link and Wireless Local Loop Project. In 2002, BEFAG encashed the guarantee bond without fulfilling its financial obligations. Gamtel repaid the amount as a loan from Standard Chartered Bank Gambia Limited and fully provided for the balance.

11. 1g Un-reconciled receivables

Included in this balance are receivables dating back several years. A detailed breakdown of these balances is unavailable and is therefore provided for in full.

11.2 Provision for doubtful debts

	31- Dec 2014 GMD'000	31- Dec 2013 GMD'000
Post paid receivables	**539,913**	537,643
BEFAG Loan	**80,000**	80,000
Other receivables	**26,162**	26,162
Un-reconciled receivables	**19,450**	19,450
Intercompany receivables	**22,197**	22,197
Related parties	**2,743**	2,743
Ex. Staff loans	**15,196**	15,196
	705,661	703,391

12. Borrowings: amount falling due after one year

Bank loans	Notes	31- Dec 2014 GMD'000	31- Dec 2013 GMD'000
CFD loan	12.1	**42,082**	42,151
Trust Bank Loan	12.2	**19,001**	47,301
Guaranty Trust Bank	12.3	-	2,714
AFREXIM bank loan	12.4	**67,712**	-
Gambia Government loan	12.5	**43,880**	-
		172,675	92,166
Due within one year			
CFD Loan		**(3,512)**	(3,512)
Trust bank loan		**(3,942)**	(3,942)
Guaranty Trust Bank loan		-	(226)
AFREXIM bank loan		**(1,827)**	-
		163,394	84,486

12.1 Caisse Centrale De Cooperation Economique

A loan of 21.5 million French francs was obtained from CFD in July 1988 to improve and develop the telecommunications network for the Greater Banjul region, repayable over 16 years at a rate of 5%. In December 1994, the balance of the loan was settled and a new loan obtained in 1995 of 21.5 million French Francs. The loan is repayable over 30 years at a rate of interest of 1.5% to 2% repayable half yearly on 30th April and 31st October each year.

12.2 Trust Bank Loan

A loan of GMD 80 million was obtained from Trust Bank Limited in July 2009 to finance capital projects. This loan is repayable over 36 months at a rate of interest of 18.5% per annum. The facility was extended to July 2015 with an additional loan of GMD 45.996 million in July 2012. This facility is secured on a fixed charged over the company's head office properties. The loan is secured by title deeds of four properties.

12.3 Guaranty Trust Bank (Lease Finance Loan)

A loan of GMD 7 million was obtained from Guaranty Trust Bank to finance vehicles capital expenditure (vehicles purchases). The lease finance duration is for 36 months and is effective from 31st January 2012 to 31st December 2014 with an interest rate of 18% per annum. The monthly repayment for both principal and interest charges is GMD 256,592.14.

12.4 AFREXIM Bank Loan

Due to obsolesce condition of the network infrastructure posing high risk to service delivery, Gamtel sought approval from the Government for replacement of exchange areas that are vulnerable to occurrence of such risk. In preventing such a risk occurring, the company embarked on replacing some of the switching equipment through vendor financing from Huawei International. For the vendor to be certain of servicing of the facility, Gamtel decided to enter into a facility agreement in relation to the receivable purchase agreement with African Export-Import Bank (AFREXIM Bank). The facility was for USD $3 million payable over 3 years to end of December, 2015.

12.4 Gambia Government Loan

The above loan represents a refund to Ministry of Finance and Economic Affairs for payment on behalf of Gamtel on over-due installments from the Afrexim bank loan.

13. Trade and Other Payables

	Notes	31- Dec 2014 GMD'000	31- Dec 2013 GMD'000
Trade payables		**12,001**	7,228
Inter-company payables- Gamcel	13.1	**63**	42,919
Inter-connection fees – Comium	13.2	**108,668**	99,348
Deposit by subscribers		**10,256**	10,219
Accruals & other payables		**57,232**	33,120
Sales tax		**31,142**	31,142
VAT & Excise payable		**30,762**	10,249
GRTS tax		**6,067**	4,512
Goods received not invoiced		**-**	(515)
Staff Association		**17**	-
GTMI tuition arrears		**2,126**	-
		258,334	238,222

13.1 Inter-company payable : Gamcel

The amount relates to payments made by Gamcel on behalf of Gamtel to acquire fixed assets, and meet supplier repayment commitments and other recurring expenses.

13.2 Interconnection - Comium

Operators charge each other interconnection fees for receiving and passing calls for other operator's network. In such a process, operators exchange at the end of each month Call detail reports (CDR's) for reconciliation purposes. Over the years, Gamtel/Comium as a result of the above process had disputes relating to the interconnection rate charges to Gamtel from Comium in which Gamtel management and the board of directors have reservations about. The matter was arbitrated by the Public Utility Regulatory Authority (PURA) and concluded with a determination in favour of Comium. However, Gamtel management and the Board of Directors continue to review and investigate the matter to find a proper resolution.

12.4 AFREXIM Bank Loan

Due to obsolesce condition of the network infrastructure posing high risk to service delivery, Gamtel sought approval from the Government for replacement of exchange areas that are vulnerable to occurrence of such risk. In preventing such a risk occurring, the company embarked on replacing some of the switching equipment through vendor financing from Huawei International. For the vendor to be certain of servicing of the facility, Gamtel decided to enter into a facility agreement in relation to the receivable purchase agreement with African Export-Import Bank (AFREXIM Bank). The facility was for USD $3 million payable over 3 years to end of December, 2015.

12.4 Gambia Government Loan

The above loan represents a refund to Ministry of Finance and Economic Affairs for payment on behalf of Gamtel on over-due installments from the Afrexim bank loan.

13. Trade and Other Payables

	Notes	**31- Dec 2014 GMD'000**	31- Dec 2013 GMD'000
Trade payables		**12,001**	7,228
Inter-company payables- Gamcel	13.1	**63**	42,919
Inter-connection fees – Comium	13.2	**108,668**	99,348
Deposit by subscribers		**10,256**	10,219
Accruals & other payables		**57,232**	33,120
Sales tax		**31,142**	31,142
VAT & Excise payable		**30,762**	10,249
GRTS tax		**6,067**	4,512
Goods received not invoiced		**-**	(515)
Staff Association		**17**	-
GTMI tuition arrears		**2,126**	-
		258,334	238,222

13.1 Inter-company payable : Gamcel

The amount relates to payments made by Gamcel on behalf of Gamtel to acquire fixed assets, and meet supplier repayment commitments and other recurring expenses.

13.2 Interconnection - Comium

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14. Share Capital

Authorised	No. Of shares	31- Dec 2014 GMD'000	31- Dec 2013 GMD'000
At the beginning of the year			
Ordinary shares at D10 each	6,000,000	**60,000**	60,000
At the end of the year	6,000,000	**60,000**	60,000
Issued and fully paid			
At the beginning of the year			
Ordinary shares at D10 each	6,000,000	**60,000**	60,000
At the end of the year	6,000,000	**60,000**	60,000

14.1 Holding Company

Gambia Telecommunications Company Limited (Gamtel) is 99% owned by The Government of the Gambia and 1% owned by The Gambia Ports Authority which is also owned by The Government of The Gambia.

15. Cash and Cash Equivalents

	Notes	31- Dec 2014 GMD'000	31- Dec 2013 GMD'000
Cash at bank		**334**	1,564
Cash in hand		**389**	274
		723	1,838
Bank Overdraft		**(27,867)**	(22,371)
		(27,144)	(20,533)

16. Loss per share

	31- Dec 2014	31- Dec 2013
Basic loss per share (Bututs)	**(23)**	(23)
Weighted average number of shares used	**6,000,000**	6,000,000
Loss for the financial year (Dalasis)	**(135,335,000)**	(131,768,000)

Loss per share was arrived at by dividing loss after tax by the weighted average number of shares.

16.1 Dividend

There was no dividend payment in 2014 . (2013 was Nil on dividend).

17. Contingencies

Judgement was entered in favour of Babadi Baldeh for the sum of:

- D1,350,000 as contributory negligence;
- D9,715,000 and CFA 40,715 as special damages;
- Interest of 25% per annum from 5th June 2008 to 20th May 2013 and thereafter 4% till payment; and
- Cost of D50,000.

GAMTEL has appealed. A partial consent term was filed in the sum of D350,000 to be paid to Babadi Baldeh plus cost awarded in the High Court in the sum of D65,000.
The Appeal is still pending.

18. Prior Year Adjustment

For the year under review, the following Prior Year Adjustments were raised:-

1.Opening Balance Difference – GMD40.7M

The adjustment relates to opening balance differences between the audited financial statements for the year ended 31st December 2013 and the opening balance of the system as at 1st January 2014. The adjustment has been done to ensure that the audited balances reconciles to the accounting system.

2. Accumulated Depreciation – GMD9.060M

The Adjustment relates to the overstatement of the depreciation charge of the previous year on assets that have been transferred to Investment (ACE) hence the adjustment was done to ensure the closing accumulated depreciation as at 31st December 2014 reconciles to the Fixed Asset Register of the Company.

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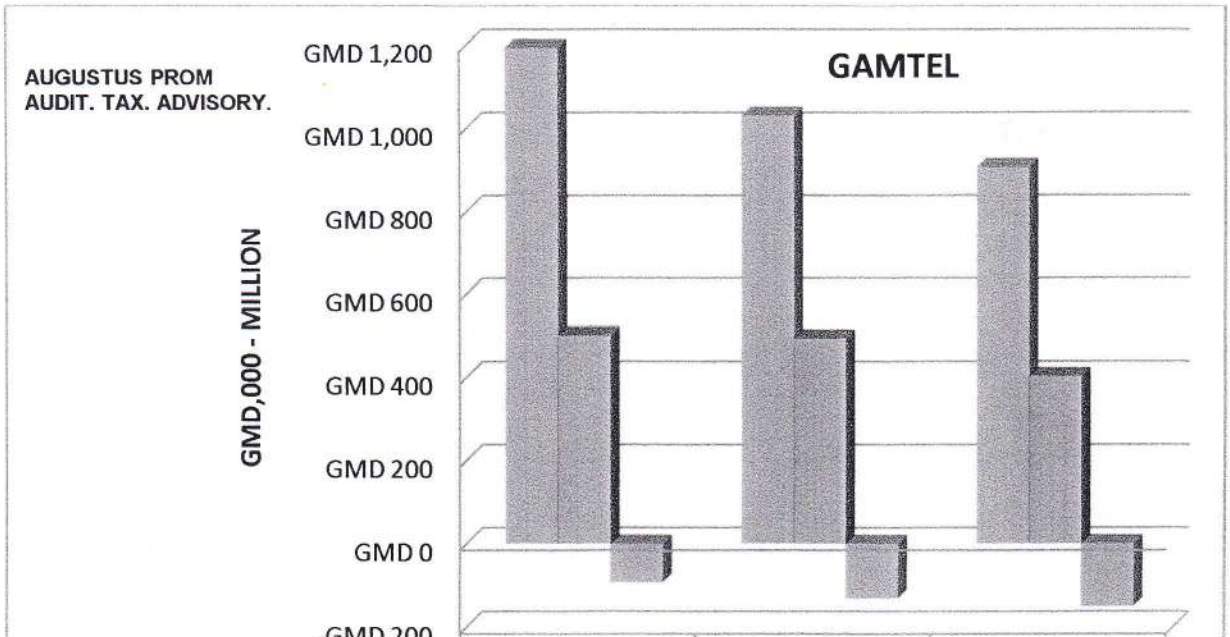
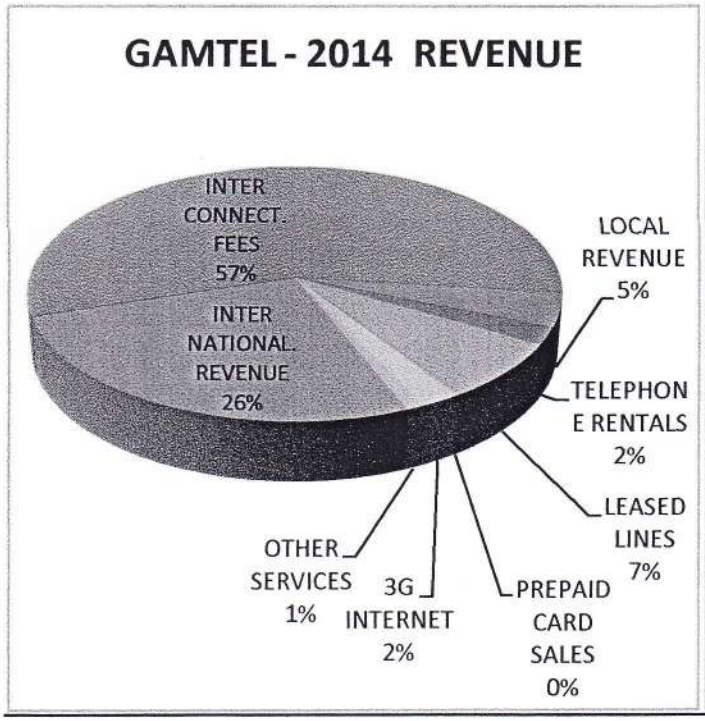
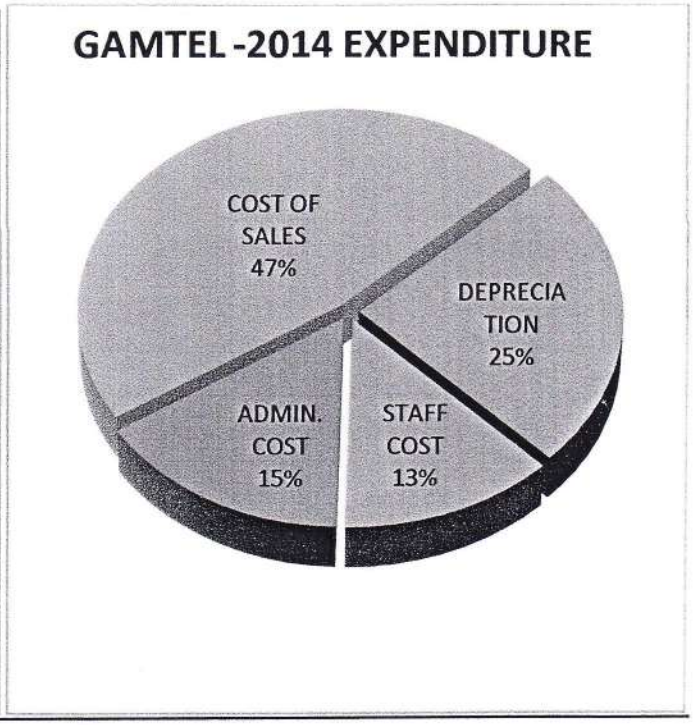
Supplementary Information

	31- Dec 2014 GMD'000	31- Dec 2013 GMD'000
Net revenue		
International revenue	**237,095**	352,488
Interconnection revenue	**514,069**	518,136
Local revenue	**39,203**	55,592
Telephone rentals	**20,189**	21,097
Leased lines	**65,142**	56,967
Prepaid card sales	**1,618**	1,598
3G Internet Services	**19,493**	18,497
Other services	**9,229**	5,745
Total revenue	**906,038**	1,030,120
Cost of sales		
Material cost	**42,863**	49,576
Interconnection cost	**322,417**	350,153
International cost	**137,796**	137,067
Total cost of sales	**503,076**	536,791
Gross operating profit	**402,962**	493,329
Administrative expenses		
Staff cost		
Salaries	**52,578**	50,537
Pensions	**18,054**	15,610
Casuals	**1,955**	1,795
Allowances	**58,474**	56,713
Others	**5,421**	5,617
	136,482	130,272

Supplementary Information (Cont'd)

	31- Dec 2014 GMD'000	31- Dec 2013 GMD'000
Other expenses		
Electricity and water	**28,693**	29,684
Licences/ insurance	**1,624**	2,387
Freight	**1,018**	845
Rent / rates	**1,929**	1,624
Directors' fees	**536**	437
Space segment rental	**9,082**	45,750
Training	**14,541**	12,409
Conferences/ meetings	**4,220**	5,788
National travel	**2,664**	1,296
Consultation fees	**989**	915
Audit fee	**971**	1,002
Entertainments	**31**	350
Advertisements	**3,754**	13,634
Maintenance	**11,308**	17,926
Regulatory Fees - PURA	**22,218**	9,221
Medical	**9,817**	6,957
Telecommunications	**67**	12
Bank charges	**2,959**	12,078
Donations	**4,864**	4,240
Computer expenses	**132**	114
Internet services	**31,982**	22,906
Miscellaneous expenses	**450**	811
Phone shop and phone cards	**-**	32
Other contracts	**988**	1,699
Other COT contributions	**985**	1,823
Social development expenses	**795**	11,846
Write offs account	**(107)**	20,635
Provision for bad and doubtful debts	**2,270**	28,214
Increase in stock provision	**382**	-
Prepaid card expenses	**766**	2,841
Fixed line operator licence	**2,955**	-
FAD ACT other loan interest	**2,279**	-
	165,162	257,476
Total administrative expenses	**301,644**	387,748

GAMTEL – FINANCIAL HIGHLIGHTS



	2012	2013	2014
REVENUE - GMD ,000	1,194,031	1,030,120	906,038
GROSS PROFIT - GMD ,000	501,854	493,329	402,962
NET PROFIT/(LOSS) - GMD ,000	-93,482	-131,768	-150,096