

Accord Associates

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Independent Auditor's Report

To the Board of Directors of Gambia International Airlines

Opinion

We have audited the financial statements of Gambia International Airlines set out on pages 8 to 24 which comprises the statement of financial position as at 31st December 2019, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Gambia International Airlines and its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles and the requirements of the Companies Act 2013.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors Code of Professional Conduct for Registered Auditors* (IRBA Code), which is consistent with the International Ethics standards Board for Accountants *Code of Ethics for Professional Accountants* (Part A and B), together with other ethical requirements that are relevant to our audit of the financial statements in the The Gambia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statement of the current period. Key audit matters have been included in the Management Letter.



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Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report in the Financial Report which we obtained prior to the date of this audit's report. 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 any form of assurance 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, otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

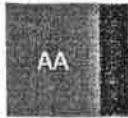
Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with 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 Entity'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 Entity 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.



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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed 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.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Concluded 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluated 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.
- Obtained sufficient appropriate audit evidence regarding the financial information of the company's or business activities within the entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicated with management 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.

Accord Associates
Accord Associates
Chartered Accountants
Registered Auditors
Banjul The Gambia

Date... *3 November* ... 2020

**Income Statement
for the year ended 31st December,
2019**

| | | 31-Dec-19 | 31-Dec-18 |
|--|-------|------------------|------------------|
| | | GMD'000 | GMD'000 |
| | Notes | | |
| Revenue | 2 | 355,112 | 298,225 |
| Cost of Sales | 3 | (145,762) | (150,753) |
| Gross Profit | | 209,350 | 147,472 |
| Grant released to income | 15 | 6,302 | 7,802 |
| Other operating income | 4 | 111 | 55 |
| Administration costs | 22 | (144,394) | (123,072) |
| Depreciation Charge | 24 | (17,664) | (16,542) |
| Net operating expenses | | (155,645) | (131,757) |
| Operating profit/(loss) before Interest and Tax | | 53,705 ✓ | 15,714 ✓ |
| Interest received and similar income | 7 | 2,353 | 994 |
| Interest expenses and similar charges | 8 | (5,909) | (13,895) |
| Operating Profit/(loss) before tax | | 50,149 | 2,813 |
| Taxation | 9 | (13,320) | (1,779) |
| Operating Profit /(loss) after tax | | 36,829 | 1,034 |

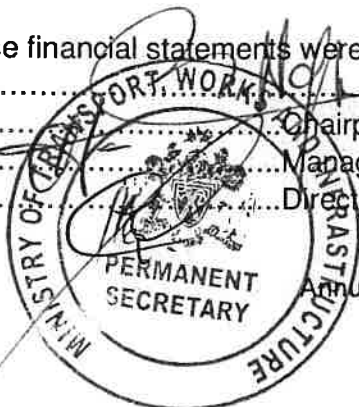
Balance Sheet

as at 31st December, 2019

| Assets | Notes | 31-Dec-19 GMD'000 | 31-Dec-18 GMD'000 |
|-----------------------------------|-------|----------------------|----------------------|
| Non Current Assets | | | |
| Property ,Plant & Equipment | 24 | 250,100 | 247,249 |
| Total non current Asset | | 250,100 | 247,249 |
| Current Asset | | | |
| Trade & Other Receivables | 11 | 86,817 | 72,530 |
| Inventories | 10 | 1,234 | 1,186 |
| Cash at bank and in hand | 19 | 14,899 | 9,503 |
| Total current assets | | 102,950 | 83,219 |
| Total Asset | | 353,050 | 330,468 |
| Equity and Liabilities | | | |
| Capital and Reserve | | | |
| Share capital | 17 | 16,766 | 16,766 |
| Retained Earnings | 18 | 17,428 | (19,511) |
| | | 34,194 | (2,745) |
| Non current Liabilities | | | |
| Borrowings | 12 | 129,919 | 146,733 |
| Grant income deferred | 13 | 69,434 | 73,236 |
| | | 199,353 | 219,969 |
| Current Liabilities | | | |
| Trade and other payable | 16 | 91,554 | 82,757 |
| Taxation | 9 | 26,294 | 13,600 |
| Bank Overdraft | 23 | 1,655 | 16,887 |
| | | 119,503 | 113,244 |
| Total Equity and Liability | | 353,050 | 330,468 |

These financial statements were approved by the Board of Directors on.....2020 and were signed on its behalf by:

.....Chairperson
Managing Director
Director





Statement of Changes in Equity

for the year ended 31st December, 2019

| | Share Capital | Retained Earnings | Total |
|----------------------------|--------------------------|------------------------------|----------------|
| | GMD'000 | GMD'000 | GMD'000 |
| At 01 January 2019 | 16,766 | (19,511) | (2,745) |
| Profit for the year | | 36,829 | 36,829 |
| At 31 December 2019 | 16,766 | 17,318 | 34,084 |
| At 01 January 2018 | 16,766 | (20,545) | (3,779) |
| Profit for the year | | 1,034 | 1,034 |
| At 31 December 2018 | 16,766 | (19,511) | (2,745) |



Statement of cash flow

for the year ended 31st December, 2019

| | | 31-Dec-19 | 31-Dec-18 |
|---|-------|-----------------|-----------------|
| | | GMD'000 | GMD'000 |
| Operating activities | Notes | | |
| Operating profit/(loss) | | 53,705 | 15,714 |
| Adjustment | | 82 | (93) |
| Depreciation | 24 | 17,664 | 16,542 |
| Profit on disposal | 4 | 111 | 55 |
| Operating profit before working capital changes | | 71,562 | 32,218 |
| (Increase)/Decrease in inventories | 10 | (49) | (300) |
| Decrease/(increase) in receivables | 11 | (18,929) | (6,223) |
| Increase/(decrease) in payables | 16 | 8,797 | 7,525 |
| Cash generated from operation | | 61,381 | 33,220 |
| Interest received | 7 | 2,353 | 994 |
| Interest paid | 8 | (5,909) | (13,895) |
| Corporation tax paid | 9 | (627) | (1,536) |
| Cash flow from operating activities | | 57,198 | 18,783 |
| Investing activities | | | |
| Acquisition of property, plant and equipment | 24 | (20,602) | (19,433) |
| Cash flows from investing activities | | (20,602) | (19,433) |
| Financing activities | | | |
| (Decrease)Increase in long term borrowing | 12 | (16,814) | (11,123) |
| Increase in grant | | 2,500 | 7,802 |
| Cash flow from financing activities | | (14,314) | (3,321) |
| Net increase/(decrease) in cash and cash equivalents | | 22,282 | (3,971) |
| Cash and cash equivalents at 1 st January, 2019 | | 9,503 | 13,474 |
| Bank Overdraft at the year end | | (16,886) | |
| Cash and cash equivalents as at 31st December, 2019 | 19 | 14,899 | 9,503 |