



GAMBIA PRINTING & PUBLISHING CORPORATION (GPPC)

**FINANCIAL STATEMENTS & REPORTS
FOR THE YEAR ENDED 31ST DECEMBER 2017**

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

**3 KAIRABA AVENUE
3RD FL. CENTENARY HOUSE
SERREKUNDA, KSMD
THE GAMBIA**

SEPTEMBER 2019

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General Information

1. Board of Directors

Mr. Abdou A.B Njie	Chairman
Mrs. Therese Drammeh	Vice Chairperson
Mr. Theophilus George	Member
Mr. Lamin Camara	Ex-Officio (Representative of MOICI)
Mrs. Toulie Jawara	Ex-Officio (Representative of Solicitor General)
Mr. Omar Jallow	Ex-Officio (Representative of MoFEA)

2. Managing Director & Board Secretary

Momodou Ceesay

3. Bankers

Trust Bank (G) Ltd
3/4 Ecowas Avenue
Banjul, The Gambia

Eco Bank (G) Ltd
Kairaba Avenue
KSMD, The Gambia

Arab Gambia Islamic Bank Ltd
Ecowas Avenue
Banjul, The Gambia

Zenith Bank (G) Ltd
Kairaba Avenue
KSMD, The Gambia

Skye Bank (G) Ltd
Kairaba Avenue
KSMD, The Gambia

BSIC Bank (G) Ltd
Kairaba Avenue
KSMD, The Gambia

4. Auditor

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

5. Registered Address

Mamadi Manjang Highway
Kanifing Industrial Estate, KSMD
The Gambia.

Board of Director's Report for the Year Ended 31st December 2017

The Board of Directors of the Gambia Printing and Publishing Corporation (GPPC) presents their audited financial statements for the year ended 31st December 2017.

1. State of Affairs

The state of affairs of the Gambia Printing and Publishing Corporation (GPPC) is set out in the financial statements and notes to the accounts from pages 8– 18.

2. Principal Activities

The principal activities of the GPPC is the provision of printing and publishing services at an affordable cost to the Government, Private sector and general public at large. Also, involved in the distribution of text books and other materials to schools, especially primary and junior secondary schools throughout the country and provide support services to education, assisting schools and non- formal education sector.

3. Board of Director's Responsibilities to the Financial Statements

The Companies Act 2013 requires the Directors to prepare financial statements for each financial year which gives a true and fair view of the Corporations's financial position and its Profit or Loss as at year end. In preparing these financial statements, the Board of 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; and
- Prepare the financial statements on the going concern basis.

The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any given time, the financial position of the institute and to enable them to ensure that the accounts comply with applicable accounting standards (GAAP). They are also responsible for safeguarding the assets of the Corporation and taking reasonable steps for the prevention and detection of fraud and other irregularities.

4. Auditors

The Corporation's external auditors, Augustus Prom-Audit. Tax. Advisory, as appointed through the National Audit Office The Gambia, have expressed their willingness to continue in office.

BY ORDER OF THE BOARD OF DIRECTORS

BOARD SECRETARY.....



DATE:

01st / 10 / 19

AUGUSTUS PROM
AUDIT.TAX.ADVISORY.

3 Kairaba Avenue - P O Box 587, The Gambia - Telephone (220) 4378146 / 4392376 / 4378147 - Fax (220) 4378148
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Auditor's Opinion

We have audited the accompanying financial statements of Gambia Printing & Publishing Corporation which comprises of the Balance Sheet, Income Statement, Cash Flow Statement and Statement of Changes in Equity for the year then ended, and notes to the Financial Statements including Accounting Policies applicable to the Corporation.

In our opinion, the Financial Statements give a true and fair view of the Financial Position of the Corporation as at 31st December 2017 and of its Financial Performance and its Cash Flows for the year then ended and has been prepared in line with Generally Accepted Accounting Principles and in accordance with the Requirements of the Companies Act 2013 and the GPPC Amended Act of 2004.

Basis of Opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in The Gambia and we have fulfilled our other responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles, and in the manner required by the Companies Act, 2013 and for such internal control as management determines 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, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditors Responsibilities for the Audit of 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. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risk 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, intention omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Corporation's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirement regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The Engagement Partner on the audit resulting in this independent auditor's report is Mr Augustus F. Prom.

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

DATE: *8-October-* 2019

Balance Sheet

As at 31st December 2017

		31 st Dec 2017 GMD	31 st Dec 2016 GMD
Assets			
Non Current Assets			
Property, Plant and Equipment	2	91,610,545	92,776,647
Intangible Asset-Accounting Software		20,000	20,000
Total Non Current Assets		91,630,545	92,796,647
Current Assets			
Inventory		7,344,762	7,409,643
Trade & Other Receivables	3	25,316,259	20,376,359
Cash & Bank Balances	4	7,503	92,164
Advance Payment for Inventory		4,406,801	-
Total Current Assets		37,075,325	27,878,166
Total Assets		128,705,870	120,674,813
Equity & Liabilities			
Equity			
Capital (See Page 11)		10,000,000	10,000,000
Revaluation Reserves (See Page 11)		75,651,164	75,807,388
Retained Earnings (See Page 11)		5,560,992	9,806,173
Total Equity		91,212,156	95,613,561
Liabilities - Current Liabilities			
Bank overdraft	5	3,706,066	2,270,479
Payables	6	10,447,760	5,532,391
Corporation Tax Payable	7	5,144,087	5,083,403
VAT Tax Payable	8	13,128,454	9,845,655
Loans	9	5,067,347	2,329,324
Total Liabilities		37,493,714	25,061,252
Total Equity & Liabilities		128,705,870	120,674,813

The Financial Statements were approved by the Board of Directors on

07th / 06 / 2019

and signed on its behalf by:

DIRECTOR: 

DIRECTOR: 

The notes on page 12 – 18 form an integral part of the financial statements.

Income statement

For the Year Ended 31 December 2017

		31 st Dec 2017 GMD	31 st Dec 2016 GMD
<u>Income</u>			
Revenue	10	34,007,655	27,717,699
Less; Cost of Sales	11	(10,146,582)	(10,439,845)
Gross Profit		<u>23,861,073</u>	<u>17,277,854</u>
<u>Expenditure</u>			
Personnel Cost	12	12,469,141	12,556,799
General & Administrative Expenses	13	10,986,231	11,927,196
Interest Expenses	14	1,037,040	1,184,332
Depreciation	2	2,675,443	2,928,673
<i>TOTAL - EXPENDITURE</i>		<u>27,167,855</u>	<u>28,597,000</u>
(Loss) before Tax		<u>(3,306,782)</u>	<u>(11,319,146)</u>
Provision for Corporation Tax	7a	(510,115)	(415,765)
(Loss) for the year		<u><u>(3,816,896)</u></u>	<u><u>(11,734,911)</u></u>

The notes on page 12 – 18 form an integral part of the financial statements.

Cash Flow Statement

For the Year Ended 31 December 2017

	Notes	2017 GMD	2016 GMD
<u>Operating Activities</u>			
Loss before tax		(3,306,782)	(11,319,146)
<i>Adjust for non-cash items:</i>			
Depreciation	2	2,675,443	2,928,673
Interest expense		1,037,040	1,184,332
Prior year adjustment		(584,508)	(710,834)
<i>Net operating activity before working capital</i>		<u>(178,807)</u>	<u>(7,916,975)</u>
Decrease / (Increase) in inventory		64,881	(1,676,228)
Increase in Receivable		(9,346,701)	13,493,178
Increase in Payables		4,915,369	481,600
Cash generated from operations		<u>4,545,258</u>	<u>4,381,575</u>
Tax Adjustment		(449,431)	(3,638,346)
Interest Expense		(1,037,040)	(1,184,332)
Tax penalties & VAT		3,282,799	1,717,865
Net Cash flows from Operating Activities		<u><u>(2,748,930)</u></u>	<u><u>1,276,762</u></u>
<u>Investing Activities</u>			
Acquisition of Fixed Assets		(1,509,340)	(5,226,190)
Net Cash out flow Investing Activities		<u><u>(1,509,340)</u></u>	<u><u>(5,226,190)</u></u>
<u>Financing Activities</u>			
Increase in loan		2,738,023	2,329,324
<i>Movement in Cash and Cash equivalents</i>			<u>2,329,324</u>
Net Increase/(Decrease) in cash and cash equivalent		(1,520,247)	(1,304,037)
Balance at 1 January 2017		(2,178,316)	(558,210)
Adjustment for timing difference		-	(316,069)
Balance as at 31st December 2017		<u><u>(3,698,563)</u></u>	<u><u>(2,178,316)</u></u>

The notes on page 12 – 18 form an integral part of the financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2017

	Share Capital GMD	Revaluation Reserves GMD	Retained Earnings GMD	Totals GMD
At 1st January 2016	10,000,000	76,119,834	21,939,472	108,059,306
(Loss) for the year	-	-	(11,734,911)	(11,734,911)
Transfers	-	(312,446)	312,446	-
Prior Year Adjustment	-	-	(710,833)	(710,833)
At 31st December 2016	<u>10,000,000</u>	<u>75,807,388</u>	<u>9,806,173</u>	<u>95,613,561</u>
At 1st January 2017	10,000,000	75,807,388	9,806,173	95,613,561
(Loss) for the Year	-	-	(3,816,896)	(3,816,896)
Transfers (Note 15)	-	(156,223)	156,223	-
Prior Year Adjustments (Note 16)	-	-	(584,508)	(584,508)
At 31st December 2017	<u>10,000,000</u>	<u>75,651,164</u>	<u>5,560,992</u>	<u>91,212,156</u>

The notes on page 12 – 18 form an integral part of the financial statements.

Notes to the Financial Statements

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in the Corporation's Financial Statements.

1.1 Basis of Accounting

The Financial Statements have been prepared under the historical cost convention, in accordance with the Generally Accepted Accounting Principles (GAAP), requirements of the Companies Act 2013 and the GPPC Amended Act 2004.

1.2 Property, Plant & Equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and the amount of any subsequent revaluation. It is the Corporation's policy to transfer excess depreciation arising from revaluation from the revaluation reserve account to retained earnings every year.

Depreciation is calculated and charged to the income and expenditure statement on a straight-line basis by reference to the estimated useful lives of the assets at the following rates:

<i>Buildings</i>	2.5%
<i>Plant & Machinery</i>	5%
<i>Motor Vehicles</i>	20%
<i>Computers & Other office equipment</i>	20%
<i>Furniture, fixtures & Fittings</i>	20%
<i>Generators</i>	10%

1.3 Revenue Recognition

Revenue represents the invoice amount of printing services and sale of publications.

1.4 Employee Benefits

Obligation for contribution to the Social Security & Housing Finance Corporation administered pension scheme at a rate of 19% on employee's salary are recognised as an expense in the Income and Expenditure Statement. GPPC's contribution of GMD15 per month per employee to Social Security & Housing Finance Corporation as Industrial Injury Compensation is also recognised in the Income and Expenditure Statement.

1.5 Stock

Stock comprised of printing materials such as papers of various colours and sizes, tonners, cards, inks and the like and is valued at the lower of cost and net realisable value.

1.6 Taxation

The effective rate of tax is the higher of 31% of taxable profit and 1.5% of total income in accordance with the Income Tax Laws of The Gambia.

GAMBIA PRINTING & PUBLISHING CORPORATION (GPPC)
 FINANCIAL STATEMENTS & REPORTS FOR THE YEAR ENDED 31st DECEMBER 2017

2. Property, Plant & Equipment

Cost/Valuation	Land	Buildings	Plant & Machinery	Motor Vehicles	Generator	Computer & Equipment	Furniture & fittings	Total
	GMD	GMD	GMD	GMD	GMD	GMD	GMD	GMD
At 1 st January 2017	50,000,000	28,816,712	20,802,162	8,865,600	1,028,965	6,240,310	1,856,820	117,610,569
Additions	-	29,400	1,088,271	11,500	20,400	349,770	10,000	1,509,341
Damaged/written off	-	-	-	-	-	-	-	-
At 31/12/17	50,000,000	28,846,112	21,890,433	8,877,100	1,049,365	6,590,080	1,866,820	119,119,910
Depreciation								
At 1 st January 2017	-	3,873,649	10,110,898	4,914,131	602,929	3,943,453	1,388,861	24,833,921
Charge for the year	-	624,312	588,977	792,593	44,644	529,325	95,592	2,675,443
At 31/12/17	-	4,497,961	10,699,875	5,706,724	647,573	4,472,778	1,484,453	27,509,364
Net Book Value								
At 31/12/17	50,000,000	24,348,151	11,190,558	3,170,376	401,792	2,117,302	382,367	91,610,545
At 31/12/16	50,000,000	24,943,062	10,691,264	3,951,469	426,036	467,960	2,296,858	92,776,647

	31 st Dec 2017 GMD	31 st Dec 2016 GMD
3. Trade & Other Receivables		
Trade receivables	24,447,524	19,113,325
Staff Loan Receivables	868,735	1,179,701
GPPC Staff Association /Credit Union Loan	-	83,333
	<u>25,316,259</u>	<u>20,376,359</u>
4. Bank & Cash		
GT Bank	-	52,498
First International Bank (FIB)	-	27,511
Petty Cash	7,503	12,155
	<u>7,503</u>	<u>92,164</u>
5. Overdrawn Bank Balance		
Arab Gambia Islamic Bank (G) Ltd.	2,182,423	484,183
Zenith Bank	797,506	1,619,524
Trust Bank Ltd	657,282	161,392
FI Bank	1,026	-
Eco Bank	67,829	4,236
BSIC	-	1,144
	<u>3,706,066</u>	<u>2,270,479</u>
6. Payables		
Trade Payables	8,868,490	3,767,078
Payroll Liabilities	1,168,373	867,513
Medical Scheme	155,899	394,471
Audit Fees	179,400	257,600
NAWEC – Water & Electricity	75,598	245,729
	<u>10,447,760</u>	<u>5,532,391</u>

	31 st Dec 2017 GMD	31 st Dec 2016 GMD
7. Corporate Tax		
Bal. BF	5,083,403	8,305,984
Current tax on profits for the year (<i>See note 7a</i>)	510,115	415,765
Adjustment for Overstatement of Tax	(449,431)	-
Balance Due at the End of the Year	<u>5,144,087</u>	<u>5,083,403</u>

Tax for the Year is Charged at the Higher of 1.5% of Turnover or 31% of Profit

7a. Tax Computation

Total Assessable (Loss) for the year	(3,816,896)	(11,557,292)
Tax rate	-	-
Tax Charge for the Year of Assessment	<u>-</u>	<u>-</u>

Tax Computation on Turnover Basis

Total Revenue	34,007,655	27,717,699
Tax Rate at 1.5% of Total Revenue	510,115	415,765
Tax for the Year	<u>510,115</u>	<u>415,765</u>

8. Value Added Tax - (VAT)

Bal. Bf	9,845,655	8,327,790
Closing VAT Payable Balance	3,285,200	1,738,865
Adjustment on VAT After Reconciliation	(2,400)	(221,000)
	<u>13,128,455</u>	<u>9,845,655</u>

	31 st Dec 2017 GMD	31 st Dec 2016 GMD
9. Loans		
Short Term Loan	-	.500,000
Purchases of Vehicles	34,599	1,829,324
Loan for Production Material	5,032,748	-
	<u>5,067,347</u>	<u>2,329,324</u>

Purchase of Vehicles

The Corporation received a bank loan of GMD3,999,400 on the 23rd May 2016 for funding the acquisition of two vehicles. The tenure of the loan is one year with interest charged at 15%. The corporation offered GPPC Land & Building as a security for the loan.

Loan for Production Material

The Corporation received a bank loan of GMD8,000,000 on the 20th July 2017 for the purpose of funding the purchase of the production materials for the production process. The tenure of the loan is one year with interest charged at 15% and the land and building of GPPC was offered as a security for loan.

10.Revenue

Government of The Gambia	23,913,560	17,782,738
Area Councils	2,910,525	2,502,625
Private customers	3,668,357	3,477,765
Parastatal	1,860,373	3,429,664
Sale of publications	1,654,840	524,907
	<u>34,007,655</u>	<u>27,717,699</u>

11.Cost of Sales

Opening stock	7,409,643	5,733,415
Purchases	10,060,453	12,116,074
Closing stock	(7,323,514)	(7,409,643)
	<u>10,146,582</u>	<u>10,439,845</u>

12. Personnel Cost

The average number of staff employed during the year, analysed by category was as follows:

	31- Dec 2017	31- Dec 2016
Management	8	7
General Staff	112	115
	<u>120</u>	<u>122</u>

The aggregate payroll costs were as follows:

Basic Salary	5,888,842	5,943,091
Residential Allowance	1,517,000	1,347,600
Responsibility Allowance	457,348	461,836
Professional Allowance	484,000	490,500
Car Allowance	86,000	48,000
Telephone Allowance	155,250	161,250
Transport Allowance	1,394,000	1,367,000
Head of Department Allowances	397,500	385,500
Employer's Social Security Contribution	1,580,418	1,553,035
Acting Allowance	152,936	481,531
Gratuity	71,202	-
Staff Overtime	284,645	317,457
	<u>12,469,141</u>	<u>12,556,800</u>

13. Administrative Expenses

Water & Electricity	1,066,867	1,554,891
Fuel & lubricants	2,061,369	1,635,195
Repairs & maintenance	1,285,266	1,948,082
Office Stationary, printing & photocopying	21,142	40,735
Travelling Expenses – Overseas & local	428,107	450,606
Telecommunication cost/ mobile	517,337	668,006
Publicity & Advertisement	586,800	33,200
Staff Training cost	1,460,749	452,406
Donations & contributions Corporate Social Resp.	133,250	987,340
Board fees	362,700	360,350
General office expenses	778,699	812,406
Audit fees	156,000	140,000
Medical welfare	1,177,650	1,724,446
May Day expenses	387,520	327,190
Staff retreat	229,025	250,000
NISA Football	125,050	105,800
Consultancy	150,000	312,803
Staff Uniform	58,700	123,740
	<u>10,986,231</u>	<u>11,927,196</u>

	31st Dec 2017 GMD	31st Dec 2016 GMD
14. Interest Expenses		
Interest on Lease /Bank Interest	118,435	485,819
Other Bank Charges	737,355	698,513
Interest Charges	181,250	
	<u>1,037,040</u>	<u>1,184,332</u>
15. Revaluation Reserves		
Opening Balance	75,807,388	76,119,834
Transfer to retained earnings (representing excess annual depreciation arising from the revaluation)	(156,223)	(312,446)
	<u>75,651,165</u>	<u>75,807,388</u>

16. Prior Year Adjustment

The Prior Year Adjustment is due to system differences between the Audit report and the Accounting System to ensure no differences exist going forward in the audited balances and accounting system.