GAMBIA PRINTING & PUBLISHING CORPORATION (GPPC)

FINANCIAL STATEMENTS & REPORTS
FOR THE YEAR ENDED 31st DECEMBER 2015

AUGUSTUS PROM
AUDIT. TAX. ADVISORY.
REGISTERED AUDITORS

3 KAIRABA AVENUE
SERREKUNDA, K.M.C
THE GAMBIA

FEBRUARY 2017

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
KMC, The Gambia

Arab Gambia Islamic Bank Ltd
Ecowas Avenue
Banjul, The Gambia

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

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

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

BOARD OF DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2015

The Board of Directors of the Gambia Printing and Publishing Corporation (GPPC) presents their audited financial statements for the year ended 31st December 2015.

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 5 – 14.

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 DIRECTORS' RESPONSIBILITIES FOR 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 institute's financial position and its surplus or deficit 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 institute 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: 06/07/17.....

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 REPORTTO THE MEMBERS OF THE GAMBIA PRINTING AND PUBLISHING CORPORATION (GPPC) FOR THE YEAR ENDED 31ST DECEMBER 2015

We have audited the financial statements and notes thereon of GPPC for the year ended 31st December 2015 set out on pages 5 to 14 which have been prepared under the historical cost convention.

RESPECTIVE RESPONSIBILITIES OF THE AUDITOR & THE BOARD OF DIRECTORS

The Board of Directors is responsible for the preparation of the year ended financial statements. It is our responsibility to form an independent opinion based on our audit of 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). Those standards require that we plan and perform the audit to obtain reasonable assurance on whether the financial statements are free of material misstatement. An audit includes the examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates and judgements made by the Board in the preparation of the financial statements and whether the applied accounting policies are appropriate to the institute'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 misstatement, whether caused by fraud, 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 financial position of the Corporation as at 31st December 2015 and of its financial performance and cash flow for the year then ended and has been prepared in accordance with Generally Accepted Accounting Principles adhering to the Companies Act 2013 and the GPPC amended Act of 2006.

Augustus Prom

AUGUSTUS PROM
AUDIT. TAX. ADVISORY.
REGISTERED AUDITORS

DATE: 7 July **2017**

Augustus Prom
Audit Tax Advisory

Balance Sheet

As at 31st December 2015

	Notes	2015 GMD	2014 GMD
ASSETS			
Non Current Assets			
Property, Plant and Equipments	2	90,479,130	89,711,276
Intangible Asset-Accounting Software		20,000	-
Total Non Current Assets		90,499,130	89,711,276
Current Assets			
Stocks of Printing Materials & Publications		5,733,415	2,818,508
Trade & Other Receivables	9	33,869,537	23,708,957
GPPC Staff Association /Credit Union Loan		-	552,000
Cash and Bank Balances	8	61,537	5,562,931
		39,664,489	32,642,396
TOTAL ASSETS		130,163,619	122,353,673
EQUITY & LIABILITIES			
Equity			
Capital (*See Page 8*)		10,000,000	10,000,000
Revaluation Reserves (*See Page 8*)		76,119,834	76,588,502
Retained Earnings (*See Page 8*)		21,939,472	17,595,717
		108,059,306	104,184,219
Liabilities			
Current Liabilities			
Bank overdraft	10	619,747	8,711
Trade Payables	11a	3,323,388	2,317,916
Other Payables	11b	1,727,404	1,830,253
Corporation Tax Payable	13	8,305,984	8,680,430
VAT Tax Payable	14	8,127,790	5,332,144
		22,104,313	18,169,454
TOTAL EQUITY & LIABILITIES		130,163,619	122,353,673

The Financial Statements were approved by the Board of Directors on

.....2017 and signed on its behalf by:

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

The notes on page 9 – 14 form an integral part of the financial statements.

Income statement

For the Year Ended 31 December 2015

	Notes	2015 GMD	2014 GMD
INCOME			
Revenue	3	39,846,854	40,152,907
Cost of Sales	4	(8,545,200)	(13,143,954)
Gross Profit		31,301,654	27,008,953
EXPENDITURE			
Personnel Cost	5	11,645,010	10,031,359
General & Administrative Expenses	6	11,616,999	10,463,951
Interest Expenses	15	552,965	436,464
Depreciation	2	2,190,451	1,942,732
		26,005,426	22,874,506
Profit before Tax		5,296,228	4,134,447
Provision for Corporation Tax		(1,641,830)	(1,281,679)
Profit for the year		3,654,398	2,852,768

The notes on page 9 – 14 form an integral part of the financial statements.

Cash Flow Statement

For the Year Ended 31 December 2015

	Notes	2015 GMD	2014 GMD
Operating Activities			
Profit before tax		5,296,228	4,134,447
Adjust for non cash items:			
Depreciation	2	2,190,451	1,942,732
Interest expense		552,965	436,464
Damaged Assets written off		71,500	-
		8,111,144	6,513,643
Decrease / (Increase) in inventory		(2,914,906)	232,435
Increase in Receivable		(9,608,580)	(29,981)
Decrease in Payables		882,623	(2,490,124)
Cash generated from operations		(3,529,719)	4,225,973
Tax paid		(1,795,587)	(1,591,163)
Interest Expense		(552,965)	(436,464)
Tax penalties & VAT		2,795,646	5,332,143
Net Cash flows from Operating Activities		(3,082,625)	7,530,490
Investing Activities			
Acquisition of Fixed Assets		(3,029,805)	(2,289,869)
Net Increase/(Decrease) in cash and cash equivalent		(6,112,430)	5,240,620
Balance at 1 January 2015		5,554,220	313,600
Balance as at 31st December 2015		(558,210)	5,554,220

The notes on page 9 – 14 form an integral part of the financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2015

	Share Capital GMD	Revaluation Reserves GMD	Retained Earnings GMD	Totals GMD
At 1st January 2014	10,000,000	77,213,392	14,118,059	101,331,451
Profit for the year	-	-	2,852,768	2,852,768
Transfers	-	(624,890)	624,890	-
At 31st December 2014	**10,000,000**	**76,588,502**	**17,595,717**	**104,184,219**
At 1st January 2015	10,000,000	76,588,502	17,595,717	104,184,219
Profit for the Year	-	-	3,654,398	3,654,398
Transfers (*Note 16)*	-	(468,668)	468,668	-
Prior Year Adjustments (*Note 17)*	-	-	220,689	220,689
At 31st December 2015	**10,000,000**	**76,119,834**	**21,939,472**	**108,059,306**

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 2006.

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:

Buildings	2.5%
Plant & Machinery	5%
Motor Vehicles	20%
Computers & Other office equipment	20%
Furniture, fixtures & Fittings	20%
Generators	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.

2. FIXED ASSETS

	Land	Buildings	Plant & Machinery	Motor Vehicles	Generator	Computer& Equipment	Furniture & fittings	Total
	GMD	GMD	GMD	GMD	GMD	GMD	GMD	GMD
COST/VALUATION								
At 1st January 2015	50,000,000	28,495,887	19,763,231	4,241,600	819,400	4,648,210	1,457,745	109,426,073
Additions	-	312,175	715,330	950,000	-	830,800	221,500	3,029,805
Damaged/written off	-	-	(12,000)	-	-	(59,500)	-	(71,500)
At 31/12/15	**50,000,000**	**28,808,062**	**20,466,562**	**5,191,600**	**819,400**	**5,419,510**	**1,679,245**	**112,384,379**
DEPRECIATION								
At 1st January 2015	-	2,578,341	8,973,550	3,609,930	526,281	2,856,670	1,170,026	19,714,797
Charge for the year	-	655,743	574,651	316,334	29,312	512,568	101,844	2,190,451
At 31/12/15	-	3,234,084	9,548,201	3,926,264	555,593	3.369,238	1,271,870	21,905,249
NET BOOK VALUE								
At 31/12/15	50,000,000	25,573,978	10,918,361	1,265,336	263,807	2,050,272	407,375	90,479,130
At 31/12/14	50,000,000	25,917,546	10,789,682	631,670	293,119	1,791,540	287,720	89,711,276

	2015 GMD	2014 GMD
3. Revenue		
Government of The Gambia	25,763,529	30,050,887
Area Councils	2,746,850	2,012,750
Private customers	4,134,460	3,096,953
Parastatal	6,612,523	4,657,145
Sale of publications	558,343	335,172
Investment/other income	31,150	-
	39,846,854	40,152,907
4. Cost of Sales		
Opening stock	2,818,508	3,050,943
Purchases	11,460,106	12,911,519
Closing stock	(5,733,415)	(2,818,508)
	8,545,200	13,143,954
5. Personnel Cost		
Salaries, wages & allowances	6,934,305	5,595,975
Social Security Contributions	1,407,840	1,210,361
Income tax	559,481	423,258
GPPCCU	1,733,020	1,678,921
GTUCCU	99,750	60,270
Loan deductions	489,790	350,057
Staff overtime	420,824	712,517
	11,645,010	10,031,359
6. Administrative Expenses		
Water & Electricity	1,550,049	1,570,950
Fuel & lubricants	1,618,235	1,801,391
Repairs & maintenance	1,998,429	1,908,783
Office Stationary, printing & photocopying	44,130	17,125
Travelling Expenses – Overseas & local	198,434	843,642
Telecommunication cost/ mobile	620,664	637,665
Publicity & Advertisement	398,325	192,138
Staff Training cost	561,058	166,350
Donations & contributions Corporate Social Resp.	660,442	596,675
Board fees	363,600	371,000
General office expenses	1,085,391	619,189
Audit fees	140,000	140,000
Medical welfare	2,014,790	1,376,60
May Day expenses	291,952	222,43
Damaged/Written off Assets	71,500	-
	11,616,999	10,463,9

7. Board Fees

	2015 GMD	2014 GMD
Chairman	60,000	60,000
Vice Chairman	48,000	48,000
Managing Director	36,000	36,000
Other Members	219,600	227,000
	363,600	371,000

8. Bank & Cash

Arab Gambia Islamic Bank Ltd.	-	7,954
Eco Bank Gambia Limited	-	954
Zenith Bank	-	5,533,529
GT Bank	57,181	-
First International Bank (FIB)	-	13,660
BSIC Bank	747	4,184
Petty Cash	3,609	2,650
	61,537	5,562,931

9. Trade &Other Receivables

Government	29,360,848	19,699,653
Private	3,270,937	2,584,635
Staff Loan Receivables	1,237,752	1,424,669
	33,869,537	23,678,957

10. Overdrawn Bank Balance

Arab Gambia Islamic Bank (G) Ltd.	110,747	-
Zenith Bank	361,663	-
Trust Bank Ltd	40,821	8,711
FI Bank	103,950	
Eco Bank	2,566	
	619,747	8,711

11a. Trade Payables

	2015 GMD	2014 GMD
Fedel H. Khadra & Sons	1,301,395	503,077
Modern Stationery Store	94,027	75,350
Prime Stationery Limited	284,173	154,412
Teja Business Venture	-	336,974
Master Vendors	-	420,000
Others	1,643,793	828,103
	3,323,388	2,317,916

11b. Other Payables

GPPC Staff Association	109,890	19,750
Espace Motors	447,429	381,110
GPPC Credit Union	73,262	296,181
Teachers' Credit Union	-	11,800
Audit Fees	140,000	140,000
NAWEC – Water & Electricity Company	116,947	209,969
GRA – Staff Income Tax	46,064	123,846
SSHFC – Pension Schemes Contribution	114,806	328,424
Salami Enterprise	12,450	7,350
Westfield Clinic	174,160	-
Pakala Clinic	204,452	145,700
Bijilo Medical Clinic	208,087	166,123
Kombo Real Estate	79,857	-
	1,727,404	1,830,253

13. Corporate Tax

Bal. Bf	8,680,430	8,989,914
Provision for Corporate Tax	1,641,830	1,281,679
Less; Amount paid during the Year	(1,795,587)	(1,591,163)
Adjustment for Overstatement of 2014 Tax	(220,689)	-
	8,305,984	8,680,430

	2015 GMD	2014 GMD
14. Value Added Tax (VAT)		
Bal. Bf	5,332,144	-
Closing VAT Payable Balance	3,706,986	5,532,144
Adjustment on VAT After Reconciliation	(911,340)	-
Payments towards VAT	-	-
	8,127,790	5,332,144
15. Bank Interest		
Interest on Lease /Bank Interest	-	180,961
Others Bank Charges	305,510	255,503
Provision Interest Charges	247,455	-
	552,965	436,464
16. Revaluation Reserves		
Bal. 1st January	76,588,502	77,213,392
Transfer to retained earnings (*representing excess annual depreciation arising from the revaluation*)	(468,668)	(624,890)
	76,119,834	76,588,502

17. Prior Year Adjustment - D220,689

The Prior Year Adjustment of D220,689 relates to an overstatement of the opening balance of Corporate Tax from year ended 31st December 2014. This overstatement was adjusted to ensure that the closing tax balance reconciles to GRA. As at 31st December 2015.