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GAMBIA RADIO AND TELEVISION SERVICES (GRTS)

FINANCIAL STATEMENTS AND AUDITORS' REPORT

FOR THE YEAR ENDED 31st DECEMBER 2014

MERIDIEN CONSULTING

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GENERAL INFORMATION

1. BOARD OF DIRECTORS

Baboucarr Sanyang	-Chairperson
Tejan Jobe	-Vice Chairman
Benigna Able Thomas	-Member
Lamin Camara	-Ex-OFFICIO (PS MOICI)
Mod K. Secka	- Ex-OFFICIO (PS MOFEA)
Momodou Lamin Manga	-Director General
Yankuba Jatta	-Secretary

2. BOARD SECRETARY

Yankuba Jatta

3. AUDITORS

Meridien Consulting
Chartered Certified Accountants
NO.134 Kairaba Avenue, Fajara

4. BANKERS

Trust Bank Ltd
3-4 Ecowas Avenue
Banjul, The Gambia

Standard Chartered Bank Ltd
8, Ecowas Avenue
Banjul, The Gambia

Access Bank Ltd
Kairaba Avenue
KSDM

Zenith Bank (G) Ltd
47 Kairaba Avenue
KSDM

International Commercial Bank Ltd
Kairaba Avenue
KMC

Guaranty Trust Bank Ltd
56 Kairaba Avenue
KMC

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GENERAL INFORMATION

5. **REGISTERED OFFICE**

MDI Road
Kanifing,
The Gambia

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1. **DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 2014**

The Directors present the audited financial statements of Gambia Radio and Television Services for the year ended 31st December 2014

2. **RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS**

The Directors are required 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 the 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 company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Gambia Radio and Television Services and to enable them to ensure that the financial statements comply with the Gambia Radio and Television Services Corporation Act, 2004 and other Statutory Regulations.

The Directors 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.

3. **DIRECTORS**

The Directors who remain in office during the year are as listed on page 3.

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4. **PERSONNEL**

Management and staff relations in the company remain cordial. In view of the importance of training as basis of manpower development, the company is committed to sponsoring training programs, for the benefit of employees, both locally and overseas.

5. **PRINCIPAL ACTIVITIES**

The Gambia Radio and Television Services Corporation was established by an Act of Parliament, Gambia Radio and Television Services Corporation Act, 2004 to provide broadcasting services of information, education and entertainment within and outside The Gambia

6. **STATE OF AFFAIRS**

The state of affairs of the Gambia Radio and Television Service is as set out on page 8 to 21

7. **AUDITORS**

The company's external auditors, Meridien Consulting, Chartered Certified Accountants, have indicated their willingness to continue in office in compliance with the Companies (Gambia) Act 2013.

BY ORDER OF THE BOARD



Yankuba Jatta
BOARD SECRETARY

REGISTERED OFFICE

MDI Road
Kanifing,
The Gambia

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MERIDIEN CONSULTING

No. 134 KAIRABA AVENUE, FAJARA

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Email: info@meridienconsulting.org Website: www.meridienconsulting.org

23th February 2016

IN CONFIDENCE

The Board of Directors
GAMBIA RAD
IO AND TELEVISION SERVICES
The Gambia

AUDITORS' REPORT

We have audited the company's financial statements and notes thereto set out on pages 8 to 21. The financial statements have been prepared under the historical cost convention.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on pages 5, the company'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 Auditing Standards issued by the Auditing Practices Board. An audit includes the examination, on test basis, of evidence relevant to amount and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company'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 and 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 state of affairs of the GAMBIA RADIO AND TELEVISION SERVICES as at 31st December 2014 and of its profit and activities for the year then ended.

 Meridien Consulting
Accountants, Auditors & Management Consultants

Meridien Consulting, Tel: 4495303; 9914041; 7884041; 6884041; Website: www.meridienconsulting.org
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BALANCE SHEET AS AT 31st DECEMBER 2014

		2014	2013
	NOTES	GMD	GMD
NON CURRENT ASSETS	17	129,718,912	105,291,528
CURRENT ASSETS:			
Trade Debtors	5	10,438,004	7,737,403
Loans	6	2,151,894	1,692,164
Cash & Bank	4	(386,668)	1,357,413
		12,203,230	10,786,980
TOTAL ASSETS		<u>141,922,141</u>	<u>116,078,508</u>
CURRENT LIABILITIES:			
Creditors & Accruals	11	38,256,731	40,487,774
Taxation	12	15,621,768	13,403,154
Other Current Liabilities	13	26,737,041	26,428,430
		80,615,540	80,319,358
FINANCED BY:			
Equity	14	(26,080,040)	(6,140,660)
Profit & Loss For The Year		2,725,400	(13,220,201)
Capital Grants	16	84,661,242	55,120,011
		61,306,601	35,759,150
CAPITAL FUNDING, RESERVE & LIABILITIES		<u>141,922,141</u>	<u>116,078,508</u>

This financial statements was adopted by the Board on and signed on their behalf by

Board Chairperson..... *[Signature]* Date..... *6/10/16*

Director General..... *[Signature]* Date..... *6/10/16*

Board Secretary..... *[Signature]* Date..... *6/10/16*

Notes to the Accounts from Page 11 To 21 Are Integral Part of These Financial Statements

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INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 2014

	NOTES	2014 GMD	2013 GMD
INCOME	7	75,717,032	49,704,397
EXPENDITURE			
Administration Expenses		56,266,480	50,037,427
Audit Fees		75,000	75,000
Depreciation		14,431,539	12,066,605
TOTAL EXPENDITURE		<u>70,773,019</u>	<u>62,179,032</u>
NET PROFIT (LOSS) BEFORE TAXATION		4,944,014	(12,474,635)
Taxation	12	(2,218,614)	(745,566)
NET PROFIT (LOSS) AFTER TAXATION		2,725,399	(13,220,201)
 RESERVES B/F		 (19,360,861)	 7,987,632
PRIOR YEAR ADJUSTMENTS	15	(6,719,178)	(14,128,292)
 RESERVER C/F		 <u>(23,354,640)</u>	 <u>(19,360,861)</u>

Notes to the Accounts from Page 11 To 20 Are Integral Part of These Financial Statements

GAMBIA RADIO AND TELEVISION SERVICES (GRTS)

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GAMBIA RADIO AND TELEVISION SERVICES (GRTS)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER 2014

	NOTES	2014 GMD	2013 GMD
NET CASH FROM OPERATING ACTIVITIES			
Operating Profit (Loss) Before Tax		4,944,014	(12,474,635)
Depreciation		14,431,539	12,066,605
Capital Grant Amortized		(10,091,878)	(7,055,759)
Prior Year Adjustments		(6,719,178)	(14,128,292)
Decrease(Increase) Debtors	5,6	(3,160,332)	12,036,299
(Decrease) Increase In Creditors	11,13	<u>(1,922,432)</u>	<u>12,418,835</u>
NET CASHFLOW FROM OPERATING ACTIVITIES		(2,518,268)	2,863,053
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition Of Fixed Assets		(41,153,825)	(5,757,102)
Sale Of Fixed Assets		2,294,903	
CASHFLOW FROM FINANCING ACTIVITIES			
Capital Grants Received		<u>39,633,110</u>	<u>4,891,055</u>
NET CASH INFLOW/(OUTFLOW)		<u>(1,744,080)</u>	<u>1,997,006</u>
CHANGES IN CASH AND BANK BALANCES			
Cash And Bank Balance As At 01/01/2014		1,357,413	(639,592)
Cash And Bank Balance As At 31/12/2014		<u>(386,668)</u>	<u>1,357,413</u>
NETCASHINFLOW/(OUTFLOW)		<u>(1,744,080)</u>	<u>1,997,006</u>

Notes to the Accounts from Page 11 To 20 Are Integral Part of These Financial Statements

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NOTE TO THE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 2014

1 ACCOUNTING POLICIES

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

2 BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the historical cost convention

3 DEPRCECIATION

Depreciation is calculated to write-off the cost of fixed assets over their estimated useful lives using the reducing Balance Method at the following rate:

Motor Vehicles	25%
Buildings	5%
TV & Radio Equipment	10%
Office Machines FF/Equipment	10%
Generators	10%
Other Fixed Assets	10%

GRANTS

Capital grants is credited to income and expenditure account over the life of the assets to which it relates. Non capital grant is recognized as income, when receive

This represent grants from The Gambia Government, Japan and RFI equipments and motor vehicles

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NOTES TO THE ACCOUNTS (CONT'D)

16 CAPITAL GRANT

	BUILDING	MOTOR VEHICLE	OFFICE MACHINES & EQUIPMENT	TV AND RADIO EQUIPMENT	CASH	TOTAL	2013
	GMD	GMD	GMD	GMD	GMD	GMD	GMD
At 01/01/14	1,146,711	4,492,676	162,975	49,317,648	-	55,120,010	57,284,715
Additions	-	-	-	39,633,110	-	39,633,110	4,891,055
	1,146,711	4,492,676	162,975	88,950,757	-	94,753,119	62,175,770
Amortized Amount	(57,336)	(1,123,169)	(16,298)	(8,895,076)	-	(10,091,878)	(7,055,759)
At 31/12/14	1,089,375	3,369,507	146,678	80,055,682	-	84,661,242	55,120,011

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NOTES TO THE ACCOUNTS (CONTD)

17 FIXED ASSETS

	BUILDING	MOTOR VEHICLE	OFFICE MACHINES & FF/EQUIPMENT	TV AND RADIO EQUIPMENT	GENERATOR	OTHER FIXED ASSETS	TOTAL
		GMD	GMD	GMD	GMD	GMD	GMD
Cost or Valuation:							
At 1/1/14	25,441,193	18,733,844	11,561,977	132,802,737	2,025,509	132,615	190,697,875
Disposal		(3,490,166)	(57,500)	(1,818,709)	(1,105,142)		(6,471,517)
Additions	22,957	240,000	920,628	39,220,241	750,000		41,153,825
At 31/12/14	25,464,150	15,483,678	12,425,105	170,204,268	1,670,367	132,615	225,380,183
Depreciation							
At 1/1/14	9,375,940	12,852,187	4,926,145	57,254,766	939,365	57,944	85,406,347
Disposal		(2,841,196)	(26,942)	(852,173)	(456,303)		(4,176,614)
Depreciation for year	804,410	1,368,172	752,590	11,380,168	118,731	7,467	14,431,538
At 31/12/14	10,180,350	11,379,162	5,651,793	67,782,761	601,792	65,411	95,661,271
Net Book Value							
At 1/1/14	16,065,253	5,881,657	6,635,832	75,547,971	1,086,144	74,671	105,291,528
At 31/12/14	15,283,799	4,104,516	6,773,312	102,421,507	1,068,574	67,204	129,718,912

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GAMBIA RADIO AND TELEVISION SERVICES (GRTS)

NOTES TO THE ACCOUNTS (CONTD)

	2014	2013
	GMD	GMD
4 CASH AND BANK BALANCES		
TBL Ltd 01.110-98398-01	(1,542,151)	(631,745)
GTB A/C=10631089110-01	182,729	(92,320)
Standard chartered bank	4,875	4,875
I C B A/C 000010200164201	(2,548)	(2,548)
Access Account	31,662	20,403
Undeposited Chqs/Cash	-	1,355,482
Zenith Bank A/C	25,164	1,460
TBL Technical Account	300,359	47,812
TBL USD Account	613,241	653,994
	<u>(386,668)</u>	<u>1,357,413</u>
5 TRADE DEBTORS		
Television	3,075,900	2,594,829
Radio	3,349,397	2,838,488
Levy Fees(GSM Operators)	3,873,863	2,162,742
Sundry	138,844	141,344
	<u>10,438,004</u>	<u>7,737,403</u>
6 LOANS		
Staff Personal Loan	475,255	485,101
House/Motor Vehicle	79,868	92,380
1x6 advance	1,596,771	1,114,682
	<u>2,151,894</u>	<u>1,692,163</u>

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NOTES TO THE ACCOUNTS (CONTD)

7 TURNOVER	2014	2013
i) TV INCOME	GMD	GMD
TV advert	5,054,163	4,479,181
TV Sponsorship Programmes	8,773,698	8,888,471
Other TV Incomes	426,995	476,565
Income from sales of Cassettes	<u>19,370</u>	<u>15,543</u>
	<u>14,274,226</u>	<u>13,859,760</u>
ii) RADIO INCOME		
Radio Advert and Announcements	1,364,828	1,233,415
Radio Sponsored Programmes	575,315	441,550
Basse Radio Income	150,503	244,068
Other Radio Income	<u>20,087</u>	<u>21,127</u>
	<u>2,110,732</u>	<u>1,940,160</u>
iii) USER FEES:		
Gamcell	5,290,944	5,255,262
Africell	14,940,045	13,100,373
Qcell	2,423,628	1,519,414
Comium	4,132,821	3,160,863
Gamtel	<u>1,557,818</u>	<u>1,773,110</u>
	<u>28,345,255</u>	<u>24,809,022</u>
iv) MISCELLANEOUS INCOME		
RFI Re-Transmission	1,078,110	1,008,738
Interest on Loan	12,094	18,275
Others	1,928,736	286,683
Qcell Cell Site	310,000	240,000
Africell cell site	350,000	270,000
Comium cell site	216,000	216,000
Cash Grant Gambia Government	<u>17,000,000</u>	-
	<u>20,894,941</u>	<u>2,039,696</u>
vi) CAPITAL GRANTS	16	10,091,878
		7,055,759
TOTAL INCOME	<u>75,717,032</u>	<u>49,704,397</u>

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NOTES TO THE ACCOUNTS (CONTD)

	2014	2013
	GMD	GMD
8 STAFF COST		
Salaries	12,226,266	12,518,224
Staff Pension Cost	3,514,634	3,503,034
Residential Allowance	1,484,592	1,507,410
Responsibility Allowance	737,100	739,248
Telephone allowance	303,417	314,194
Clothing Allowance	352,500	353,929
Transport/Vehicle Allowance	4,285,172	4,304,914
Staff Injury Compensation cost	55,920	57,015
Contract & Casual employees Wages	2,357,249	1,865,829
Provincial Allowance	102,023	110,604
Acting/Charge Allowance	69,300	65,100
Duty Allowance	1,500,317	1,413,950
Professional Allowance	888,542	724,388
	<u>27,877,031</u>	<u>27,477,839</u>
9 MATERIALS AND REPAIRS		
Transmitter Maintenance TV	1,185	789,642
Generators Maintenance Mile 7	46,835	43,000
Generator Maintenance H/Office	31,865	38,225
Stationery	494,039	401,062
Refreshment /Entertainment/Fund Raising Cont.	524,835	486,003
Consumable Item	93,359	59,293
Publications & Journals	208,325	68,160
Transport Fuel Cost	4,400,456	3,441,763
Generators-Gas Oil Cost	468,727	916,759
Repairs Office Machines & Equipment	266,012	82,031
Repairs Office Furniture & Fitting	45,750	16,538
Repairs Office Building	368,942	56,184
Office Expenses	79,600	65,153
Transmitter Maintenance Radio	41,928	12,350
Electrical Materials	184,428	149,062
Purchase of Cassettes(VHS/DVD/DV/XD)	256,136	111,993
Repair of VTR Cameras	60,000	80,000
	<u>7,572,422</u>	<u>6,817,218</u>

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NOTES TO THE ACCOUNTS (CONTD)

	2014	2013
10 STUDIO AND MOTOR VEHICLE MAINTENANCE		
	GMD	GMD
TV Studio maintenance	44,898	57,350
Radio Studio Mile 7	2,500	1,903
Radio Studio Basse	4,255	-
Motor Vehicle Maintenance	<u>836,223</u>	<u>733,826</u>
	<u>887,876</u>	<u>793,079</u>
11 CREDITORS		
Account Payable	24,318,349	32,980,606
Sundry Creditors	4,700,632	7,420,918
Audit Fees	86,250	86,250
SSHFC-Loan	<u>9,151,500</u>	
	<u>38,256,731</u>	<u>40,487,774</u>
12 TAXATION		
Profit before Taxation	4,944,014	(12,474,635)
Add Depreciation	<u>14,431,538</u>	<u>12,066,605</u>
Adjusted Profit	<u>19,375,552</u>	<u>(408,030)</u>
Less Capital Allowances	<u>(12,652,478)</u>	<u>(18,980,041)</u>
Taxable Profit	<u>6,723,074</u>	<u>(19,388,071)</u>
Taxation at 33% of Profit	2,218,614	(6,398,063)
Taxation at 1.5% of Turnover	1,135,755	745,566
	-	-
Balance b/f	<u>13,403,154</u>	<u>12,657,588</u>
Taxation is provided at 33% of turnover.	2,218,614	745,566
Less Amounts Paid	-	-
	<u>15,621,768</u>	<u>13,403,154</u>
13 OTHER CURRENT LIABILITIES		
Sales Tax	6,796,323	6,338,114
PAYE/Environmental Tax	4,517,837	4,860,840
Gamtel Credit Union	1,909,585	3,286,435
SSHFC(Pension Cost/ICF	12,990,645	11,131,535
Other Liabilities	522,651	718,706
Private Producers	-	92,800
	<u>26,737,041</u>	<u>26,428,430</u>
14 Movement in Equity		
Balance b/f	(19,360,862)	7,987,632
PRIOR YEAR UNDER CHARGED EXPENSES	(6,719,178)	(14,128,293)
	<u>(26,080,040)</u>	<u>(6,140,661)</u>
Profit/(Loss) for the Year	<u>2,725,399</u>	<u>(13,220,201)</u>
	<u>(23,354,641)</u>	<u>(19,360,862)</u>

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15 PRIOR YEAR ADJUSTMENT

The amount of **D6,719,178.00** is the value of TV rights for African Cup, CAF Champions, CAF Confederation Cup, CAF Super Cup, African Youths and African Nations Championship in respect of 2013 which was not captured in the 2013 accounts now adjusted accordingly.