

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)
2021

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GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)
FINANCIAL STATEMENTS AND REPORTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

FORESIGHT
CHARTERED CERTIFIED & MANAGEMENT ACCOUNTANTS
GARBA JAHUMPA ROAD
BAKAU NEW TOWN
THE GAMBIA

DATE: JULY 2022

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

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Gambia Postal Services Corporation (GAMPOST)
Financial Statements and Reports
For the Year ended 31st December 2020

FIVE YEAR FINANCIAL HIGHLIGHTS

| FS Caption | 31-Dec-16 | 31-Dec-17 | 31-Dec-18 | 31-Dec-19 | 31-Dec-20 |
|---|--------------------|-------------------|-------------------|--------------------|--------------------|
| 1 - Balance Sheet | | | | | |
| 1.1 - Assets | | | | | |
| 1.1.1 - Non-Current Assets | | | | | |
| Property, Plant and Equipment | 38,970,114 | 41,909,308 | 39,906,876 | 38,187,512 | 37,648,807 |
| Intangible Assets | 497,514 | 406,247 | 547,007 | 466,113 | 336,987 |
| Total Non-Current Assets | 39,467,628 | 42,315,555 | 40,453,883 | 38,653,625 | 37,985,794 |
| 1.1.2 - Current Assets | | | | | |
| Inventory | 37,999,436 | 30,765,237 | 21,532,905 | 10,823,981 | 4,261,052 |
| Receivables | 22,643,248 | 22,052,989 | 22,346,598 | 15,374,160 | 16,305,174 |
| Cash and Bank | 1,810,409 | 4,531,611 | 5,861,118 | 4,828,523 | 5,553,411 |
| Total Current Assets | 62,453,093 | 57,349,837 | 49,740,621 | 31,026,664 | 26,119,637 |
| Total Assets | 101,920,721 | 99,665,392 | 90,194,504 | 69,680,289 | 64,105,431 |
| 1.2 - Equity and Liabilities | | | | | |
| 1.2.1 - Equity | | | | | |
| Share Capital | 38,481,918 | 38,481,918 | 38,481,918 | 38,481,918 | 38,481,918 |
| Retained Earnings | (17,528,402) | (17,297,355) | (16,065,704) | (22,457,164) | (23,585,635) |
| Revaluation Reserve | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Postal Regularisation A/C | 37,999,436 | 30,765,237 | 21,532,905 | 10,823,981 | 4,261,052 |
| Grants | 1,828,366 | 1,276,303 | 724,240 | 172,177 | 1,039,875 |
| Total Equity | 61,781,318 | 54,226,103 | 45,673,359 | 28,020,912 | 21,197,210 |
| 1.2.2 - Non-Current Liabilities | | | | | |
| Bank Loans | 0 | 4,193,625 | 4,193,625 | 423,761 | 423,761 |
| Other long time liabilities | 22,349,234 | 22,349,233 | 22,349,233 | 22,349,234 | 22,349,234 |
| Total non-current assets | 22,349,234 | 26,542,858 | 26,542,858 | 22,772,995 | 22,772,995 |
| 1.2.3 - Current Liabilities | | | | | |
| Trade Payables | 6,038,430 | 7,304,723 | 7,980,131 | 8,123,161 | 8,364,216 |
| Savings Bank deposits | 2,911,450 | 2,571,384 | 1,086,695 | 1,246,442 | 1,282,892 |
| Tax | 6,199,426 | 6,245,062 | 6,314,821 | 6,564,643 | 6,761,274 |
| Other payables | 2,640,865 | 2,775,263 | 2,596,640 | 2,952,136 | 3,726,844 |
| Total Current Liabilities | 17,790,171 | 18,896,432 | 17,978,287 | 18,886,382 | 20,135,226 |
| Total Equity and Liabilities | 101,920,723 | 99,665,393 | 90,194,504 | 69,680,289 | 64,105,431 |
| 2. - Income Statement | | | | | |
| Income | 21,880,513 | 21,050,096 | 23,224,598 | 25,534,171 | 20,181,866 |
| Expenses | 21,427,191 | 20,511,578 | 21,766,222 | 31,838,852 | 21,113,706 |
| Operating Profit/(Loss) before tax | 453,322 | 538,518 | 1,458,376 | (6,304,681) | (931,840) |
| Tax provision for the year | (319,927) | (307,470) | (226,725) | (249,821) | (196,631) |
| Net Profit/(Loss) | 133,395 | 231,048 | 1,231,651 | (6,554,502) | (1,128,471) |

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)
GENERAL INFORMATION

BOARD OF DIRECTORS

| | |
|---|-------------------|
| Dr. Seeku A. Jabbi | Board Chairman |
| Mr. Yusupha Dibba | Vice Chairman |
| Mr. Musa Sise | Member |
| Mrs. Lucinda Thomas | Member |
| Permanent Secretary, MoICI | Member |
| Permanent Secretary, MoFEA | Member |
| Mr. Phoday M. Jaiteh (Up to 7 th June 2022) | Managing Director |
| Mr. Abdoulie Tamberdou (from 7 th June 2022) | Managing Director |
| Mr. Moses Jatta | Board Secretary |

BANKERS

| | |
|----------------------------|-------------------|
| Central Bank of the Gambia | Trust Bank Ltd |
| Ecowas Avenue | Ecowas Avenue |
| Banjul | Banjul The Gambia |
| Guaranty Trust Bank Ltd | FBN Bank (G) Ltd |
| Ecowas Avenue | Kairaba Avenue |
| Banjul | Serrekunda KMC |
| The Gambia | The Gambia |
| Skye Bank (G) Ltd | Access Bank Ltd |
| Kairaba Avenue | Ecowas Avenue |
| Serrekunda, KMC | Banjul |
| The Gambia | The Gambia |

SOLICITORS

Solie Law Chambers
2nd Street East
Fajara, KSMD
The Gambia

REGISTERED OFFICE

3 Liberation Avenue
Banjul
The Gambia

AUDITORS

FORESIGHT
Chartered Certified and Management Accountants
50 Garba Jahumpa Road
Bakau New Town

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)
BOARD OF DIRECTORS' REPORT FOR THE YEAR ENDED
31ST DECEMBER 2020

The Board of Directors present their report and financial statements for the year ended 31st December 2020.

Statement of Board of Governors' Responsibilities

The Company law requires the Board of Directors of Gambia Postal Services Corporation (GAMPOST) to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Corporation and of its profit or loss for that period. In preparing those financial statements, the Board of 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 Institute will continue in existence.

The Board of Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Corporation and to enable them to ensure that the financial statements comply with the Companies Act 2013. They are also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

State of Affairs

The state of affairs of the Corporation is as set out in the financial statements and notes from pages 8 to 25.

Principal Activities

The principal activity of the Corporation is to provide a national postal service within The Gambia and between places outside The Gambia. They also provide savings bank service by which funds may be remitted, whether by means of money orders, postal order or otherwise as the Corporation may deem appropriate.

Significant changes in Fixed Assets

Additions and disposals of fixed assets are shown in Note 2 to the financial statements.

Board of Directors' interest

The Board of Directors who held office during the year under review are shown on page 2.

Post Balance Sheet Events

There have been no significant events since the year-end, which would affect the results or financial position of the Corporation.

Employees

The number of employees and the cost associated with these employees is provided under Note 14 of the financial statements.

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)
BOARD OF DIRECTORS' REPORT FOR THE YEAR ENDED
31ST DECEMBER 2020 (Cont.)

Results for the year and dividend

The results of the Corporation are detailed out in the accompanying financial statements. No dividend payment is recommended by the Directors for the year under review – 2019 Nil.

Going Concern assessment

The Directors have assessed the Corporation's ability to continue as a going concern and have no reason to believe the Corporation will not remain a going concern in the year ahead.

Directors and Directors' interest

The details of the members of the Board are detailed out on 3. None of the Directors had interest in the shares of the Corporation.

Auditors

The Corporation's external auditors, **Foresight**, had been appointed by National Audit Office and this is their first year of audit.

By order of the Board

Secretary: 

Date: 21-07-2022

INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF GAMBIA POSTAL SERVICES CORPORATION
(GAMPOST)
For the Year-ended 31st December 2020

Opinion

We have audited the financial statements of Gambia Postal Services Corporation which comprise the Financial Position as at 31st December 2020, the Income Statement, the Statement of Changes in Equity and Statement of Cash Flow for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of its financial position and performance and its cash flows for the year then ended and were prepared in accordance with Generally Accepted Accounting Principles (GAAP) and the requirements of corporation's Act.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation 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 ethical 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.

Other Information

Management is responsible for the other information. The other information comprises the General Information and Report of the Corporation. 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 and will not express any form of assurance conclusion 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, or otherwise appears to be materially misstated. If, based on the work we have performed, we concluded that there is a material misstatement of this other information; we are required to report that fact. *We have nothing to report.*

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP 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 Corporation'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 management either intends to liquidate the Institution or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

INDEPENDENT AUDITORS' REPORT (Cont.)

TO THE BOARD OF DIRECTORS OF GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

For the Year-ended 31st December 2020

Auditor's Responsibilities for Audit of the Financial Statements

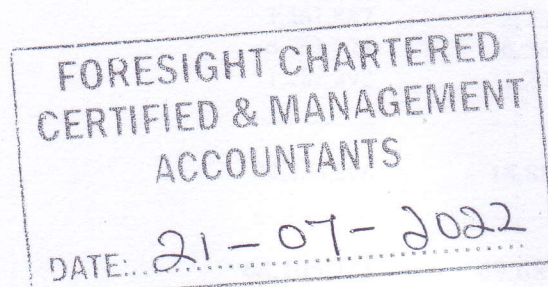
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 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 skepticism throughout the audit. We also:

- Identify and assess 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;
- Obtain 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 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 related 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 Institute 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 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.

FORESIGHT

Chartered Certified & Management Accountants
Registered Auditors
Bakau, The Gambia



Dated... 21st July ... 2022

Gambia Postal Services Corporation (GAMPOST)
Financial Statements and Reports
For the Year ended 31st December 2020

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

FINANCIAL POSITION
AS AT 31ST DECEMBER 2020

| | Note | Year-ended 31 st Dec. 2020 GMD | Year-ended 31 st Dec. 2019 GMD |
|---------------------------------------|------|---|---|
| Non-Current Assets: | | | |
| Property, Plant and Equipment | 2 | 37,985,794 | 38,653,625 |
| | | <hr/> | <hr/> |
| | | 37,985,794 | 38,653,625 |
| Current Assets: | | | |
| Inventory (Postal Stamp) | | 4,261,052 | 10,823,981 |
| Receivables | 3 | 15,130,172 | 14,205,439 |
| Other Receivable | | 38,075 | 40,000 |
| Staff Loans | 4 | 154,367 | 217,672 |
| Branch Accounts | 5 | 667,479 | 604,489 |
| WU & Mgram and PMT Partner A/c | | 315,081 | 306,560 |
| Cash and Bank Balances | 6 | 5,553,411 | 4,828,523 |
| | | <hr/> | <hr/> |
| Total Assets | | 26,119,637 | 31,026,664 |
| | | <hr/> | <hr/> |
| Total Assets | | 64,105,431 | 69,680,289 |
| Equity and Liabilities: Equity | | | |
| Share Capital | 7 | 38,481,918 | 38,481,918 |
| Asset Revaluation Account | | 1,000,000 | 1,000,000 |
| Capital Grant | 8 | 1,039,875 | 172,177 |
| Postal Regulation A/c | | 4,261,052 | 10,823,981 |
| Retained Earnings | 9 | (23,585,635) | (22,457,164) |
| | | <hr/> | <hr/> |
| | | 21,197,210 | 28,020,912 |
| Non - Current Liabilities: | | | |
| Long terms liabilities | 10 | 22,772,995 | 22,772,995 |
| Current Liabilities: | | | |
| Trade Payables | | 8,364,216 | 8,123,161 |
| WU & Money gram and PMT Partner A/c | | 164,957 | 164,957 |
| Other Creditors and Accruals | 11 | 3,561,887 | 2,787,179 |
| Corporation Tax Liability | | 6,761,274 | 6,564,643 |
| Saving Bank – Customers Deposit | 12 | 1,282,892 | 1,246,442 |
| | | <hr/> | <hr/> |
| | | 20,135,226 | 18,886,382 |
| | | <hr/> | <hr/> |
| Total Equity and Liabilities | | 64,105,431 | 69,680,289 |

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

FINANCIAL POSITION (Cont.)

AS AT 31ST DECEMBER 2020

The financial statements were approved by the Board of Directors on 2022, and signed on their behalf by:

BOARD CHAIR:

DATE: 24/07/2022

MANAGING DIRECTOR:

DATE: 21st July 2022

EXPENDITURE

Personnel Cost 14
Administration Expenses 13
Operating Costs 10
Finance Cost 17
Depreciation 2

6,481,000
3,128,347
9,078,657
12,110,000
3,200,000

Operating Loss for the year before Tax

(821,440)

Corporation Tax Provision

(126,000)

Net Loss for the year

(947,440)

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2020

| | Note | Year-ended 31 st Dec. 2020 GMD | Year-ended 31 st Dec.2019 GMD |
|--|------|---|--|
| <u>INCOME</u> | | | |
| Income | 13 | 18,943,114 | 23,966,063 |
| Other Income | | 1,238,752 | 1,568,108 |
| | | <hr/> | <hr/> |
| | | 20,181,866 | 25,534,171 |
| | | <hr/> | <hr/> |
| <u>EXPENDITURE</u> | | | |
| Personnel Cost | 14 | 6,402,398 | 6,204,074 |
| Administrative Expenses | 15 | 3,128,397 | 4,036,643 |
| Operating Cost | 16 | 9,076,316 | 19,149,749 |
| Finance Cost | 17 | 222,264 | 161,178 |
| Depreciation | 2 | 2,284,331 | 2,287,208 |
| | | <hr/> | <hr/> |
| | | 21,113,706 | 31,838,852 |
| | | <hr/> | <hr/> |
| Operating Loss for the year before Tax | | (931,840) | (6,304,681) |
| Corporation Tax Provision | | (196,631) | (249,821) |
| Net Loss for the year | | <hr/> (1,128,471) <hr/> | <hr/> (6,554,502) <hr/> |

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)
STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31ST DECEMBER 2020

| Note | Year-ended 31 st Dec. 2020 GMD | Year-ended 31 st Dec.2019 GMD |
|--|---|--|
| Operating Activities | | |
| Surplus / (Deficit) before tax | (931,840) | (6,304,682)) |
| Depreciation | 2,284,331 | 2,287,209 |
| Decrease in Inventory | 6,562,929 | 10,708,924 |
| Increase / Decrease in Receivables | (931,014) | 6,972,438 |
| Increase / Decrease in Payables | 1,052,213 | 658,275 |
| Prior Year Adjustment | - | 163,042 |
| | <hr/> | <hr/> |
| Cash inflow from operating activities | 8,036,619 | 14,485,206 |
| Investing Activities | | |
| Acquisition of property, plant and equipment | (1,616,500) | (486,950) |
| Capital Grant QSF Project | 1,386,500 | - |
| Amortization of Capital Grant | (518,802) | (552,063) |
| Long term Liabilities | - | (3,769,863) |
| Postal Regulation A/C | (6,562,929) | (10,708,924) |
| | <hr/> | <hr/> |
| Net Cash Outflow | 724,888 | (1,032,594) |
| | <hr/> <hr/> | <hr/> <hr/> |
| Analysis of Changes in Cash & Bank | | |
| Cash and cash equivalent as at 1 st January 2020 | 4,828,523 | 5,861,118 |
| Cash and cash equivalent as at 31 st December 2020 | 5,553,411 | 4,828,523 |
| | <hr/> | <hr/> |
| Cash and cash equivalent as at 31st December | 724,888 | (1,032,595) |
| | <hr/> <hr/> | <hr/> <hr/> |

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2020

| | Share Capital | Retained Earnings | Revaluation Reserve | Total |
|--|-------------------|----------------------|------------------------|-------------------|
| | GMD | GMD | GMD | GMD |
| Balance as at 1 st January 2019 | 38,481,918 | (16,065,704) | 1,000,000 | 23,416,214 |
| Profit / (Loss) for the year | - | (6,554,502) | - | (6,554,502)) |
| Prior Year Adjustment | - | 163,042 | - | 163,042 |
| Balance as at 31^{Dec-2019} | 38,481,918 | (22,457,164) | 1,000,000 | 17,024,754 |
| Balance as at 1 st Jan.2020 | 38,481,918 | (22,457,164) | 1,000,000 | 17,024,754 |
| Profit for the year | - | (1,128,471) | - | (1,128,471) |
| Balance as at 31-Dec-2020 | 39,481,918 | (23,585,635) | 1,000,000 | 15,896,283 |

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

NOTES TO THE FINANCIAL STATEMENT

For the year-ended 31st December 2020

1. Principal Accounting Policies

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

(a) Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAPP) and requirement of the Corporation's Act.

b) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention using going concern basis.

c) Presentation

The Corporation presents its balance sheet in order of liquidity. Financial assets and liabilities are generally reported gross in the balance sheet. They are only offset and reported net when in addition to having unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event and provided the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy

d) Property, plant, equipment and others

(i) Owned assets

Items of property, plant, equipment and other are stated at cost less accumulated depreciation.

(ii) Depreciation

Depreciation is provided on fixed assets at annual rates calculated to write off the cost of each asset over its estimated useful life on a straight-line basis as follows:

| | |
|-----------------------------------|------|
| Building | 2.5% |
| Fixtures & Fittings | 20% |
| Equipment & Machinery | 25% |
| Motor Vehicle / M. Bike / Bicycle | 20% |
| Office Furniture | 15% |
| Software | 15% |

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

NOTES TO THE FINANCIAL STATEMENT (Cont.)

For the year-ended 31st December 2020

Property and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the income statement in the year the asset is derecognised.

Revaluation of property and equipment is not compulsory. Assets which are carried at revalued amounts are revalued at most every five years. Any revaluation gain is taken to a revaluation reserve in equity except when there is a revaluation loss which has been taken to the income statement. The surplus is charged to the income statement to the extent of reserving the previous loss. However, revaluation loss is charge to the income statement except if there is a surplus which was taken to equity. The revaluation loss is charged to equity to the extent of the surplus.

The software systems acquired by the Corporation are classified as intangible assets which are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in net income and is provided on a straight-line basis over the estimated useful lie of the assets.

e) Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Institution and the related revenue can be reliably measured. Revenue is accounted for on accrual basis.

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable. Effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that of the asset's net carrying amount on initial recognition.

Revenue grants received are recognised in the income statement on a systematic basis over the period necessary to match them with the related cost, for which they are intended to compensate. Capital grants are recognised in the income statement over the life of the asset(s) to which they relate

f) Income Tax

The Corporation is liable to payment of Tax in accordance with the Income and Value Added Tax Act 2012. It is paid based on the higher of 1% of income or 27% of profit before tax.

g) Investment

Investment in treasury bills, other equity instruments and bank deposits are stated at costs. Credit is taken for related income in the period it accrues.

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

NOTES TO THE FINANCIAL STATEMENT (Cont.)

For the year-ended 31st December 2020

h) Foreign Currency

Assets and Liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction. Exchange differences are taken to the Income Statement.

i) Cash and Cash Equivalent

Cash and local bank balances included in the balance sheet comprises cash in hand, balances held with banks. Cash and cash equivalents included in the cash flow statement comprises of cash and bank and short term investment.

j) Employee Benefit – Defined Contribution

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior reporting periods. Obligations for defined contribution pension plans are determined by the amounts to be contributed and recognized as expense in the income statement when they are due in respect of service rendered before the end of the reporting period.

The Corporation is required to contribute to the Social Security and Housing Finance Corporation's Federated Pension Fund Scheme at 15% of the employee's gross salary. Employees are entitled to lump sum payment in addition to a monthly pension upon attaining the retirement age of 60 year under the Scheme.

k) Receivables

These comprise of loans and salary advances given to staff members and trade receivables. These are initially measured at fair value. Loans and advances are stated after deduction of applicable unearned income and provisions for possible credit losses. Provision for bad and doubtful debts are held in respect of loans and advances taking into consideration both specific and general risks. Specific provisions are made where the repayment of identified loans is in doubt and reflect an estimate of the amount of loss expected.

Provision made during the year against receivables is added to the provision accumulated over the period and also charged as a separate amount in the Income Statement. Bad debts are written off from time to time as determined by management and approved by the Board of Directors when it is reasonable to expect that the recovery of the debt is unlikely.

Trade receivables are recognised at their original invoice value except where the time value of money is material in which case they are recognised at fair value and subsequently measured at amortised cost. Provision is made when there is objective evidence that the Corporation will not be able to recover balances in full.

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

NOTES TO THE FINANCIAL STATEMENT (Cont.)

For the year-ended 31st December 2020

l) Inventory

This comprised of mainly of unsold stock of stamps held at the Head Quarters and respective branches of the Corporation. Inventories are valued at the lower of cost or estimated net realisable value. The cost of inventories is based on the purchase cost plus any other directly attributable costs in bringing them to their existing location and condition. The net realizable value is based on the estimated selling price less all costs to be incurred in marketing and selling the items.

m) Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of operation from suppliers. They are classified as current liabilities if their settlement is due within 12 months from the balance sheet date otherwise they are classified as non-current liabilities

n) Provision

A provision is recognised in the balance sheet when the Corporation has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation

o) Provision

Related parties are considered as key management personnel and Board members together with the close members of their respective families and of companies/other business enterprises controlled by them for the purpose of these financial statements. Transactions with related parties are disclosed in these financial statements to the extent possible.

Gambia Postal Services Corporation (GAMPOST)
Financial Statements and Reports
For the Year ended 31st December 2020

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

NOTES TO THE FINANCIAL STATEMENT (Cont.)

For the year-ended 31st December 2020

FIXED ASSETS SCHEDULE

| | Land & Building GMD | Furniture & Fittings GMD | Motor Vehicles GMD | Equipment & Machinery GMD | Software GMD | Total GMD |
|---------------------------|---------------------------|--------------------------------|--------------------------|---------------------------------|-----------------|--------------|
| POST / EVALUATION | | | | | | |
| Balance @ 01/01/2020 | 41,921,553 | 2,584,084 | 10,308,057 | 10,112,594 | 1,117,940 | 66,044,228 |
| Additions | 113,000 | 36,000 | - | 1,467,500 | - | 1,616,500 |
| | | | | | | |
| Balance @ 31/12/2020 | 42,034,553 | 2,620,084 | 10,308,057 | 11,580,094 | 1,117,940 | 67,660,728 |
| | | | | | | |
| DEPRECIATION: | | | | | | |
| Balance @ 01/01/2020 | 7,479,699 | 2,300,048 | 7,609,382 | 9,349,648 | 651,826 | 27,390,603 |
| Charges for the year | 539,808 | 61,470 | 1,065,836 | 488,090 | 129,127 | 2,284,331 |
| | | | | | | |
| Balance @ 31/12/2020 | 8,019,507 | 2,361,518 | 8,675,218 | 9,837,738 | 780,953 | 29,674,934 |
| | | | | | | |
| Netbook Values 31-12-2020 | 34,015,046 | 258,566 | 1,632,839 | 1,742,356 | 336,987 | 37,985,794 |
| Netbook Value 31-12-2019 | 34,441,855 | 284,037 | 2,698,675 | 762,945 | 466,113 | 38,653,625 |

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

NOTES TO THE FINANCIAL STATEMENT (Cont.)

For the year-ended 31st December 2020

| | Year-ended 31 st Dec. 2020 GMD | Year-ended 31 st Dec.2019 GMD |
|------------------------------------|---|--|
| 3. RECEIVABLES | | |
| Other Postal Administrations | 9,013,890 | 10,103,871 |
| Postal Box Rentals 3.1 | 2,966,956 | 1,476,600 |
| Private Mail Bag Rentals | 710,897 | 667,197 |
| Post Paid Postages | 1,652,179 | 1,497,120 |
| IGPC | 744,359 | 418,759 |
| Brikama Theft Case | 41,891 | 41,892 |
| | <hr/> | <hr/> |
| | 15,130,172 | 14,205,439 |
| | <hr/> | <hr/> |
| 3.1 Postal Box Rental | | |
| Banjul Branch | 1,648,590 | 7,078,733 |
| Serrekunda Branch | 922,455 | 3,947,626 |
| Bakau Branch | 552,950 | 1,614,042 |
| Brikama Branch | 584,700 | 3,301,249 |
| Less: Provision for Doubtful Debts | (741,739) | (14,465,050) |
| | <hr/> | <hr/> |
| | 2,966,956 | 1,476,600 |
| | <hr/> | <hr/> |
| 4. STAFF LOANS | | |
| Car Loan | 59,583 | 130,588 |
| Personal Loan | 94,784 | 87,084 |
| | <hr/> | <hr/> |
| | 154,367 | 217,672 |
| | <hr/> | <hr/> |
| 5. BRANCH ACCOUNTS | | |
| W/U/PMT | 368,185 | 281,574 |
| Personal Loan | 299,294 | 322,915 |
| | <hr/> | <hr/> |
| | 667,479 | 604,489 |
| | <hr/> | <hr/> |

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

NOTES TO THE FINANCIAL STATEMENT (Cont.)

For the year-ended 31st December 2020

| | Year-ended 31 st Dec. 2020 GMD | Year-ended 31 st Dec.2019 GMD |
|------------------------------------|---|--|
| 3. RECEIVABLES | | |
| Other Postal Administrations | 9,013,890 | 10,103,871 |
| Postal Box Rentals 3.1 | 2,966,956 | 1,476,600 |
| Private Mail Bag Rentals | 710,897 | 667,197 |
| Post Paid Postages | 1,652,179 | 1,497,120 |
| IGPC | 744,359 | 418,759 |
| Brikama Theft Case | 41,891 | 41,892 |
| | <hr/> | <hr/> |
| | 15,130,172 | 14,205,439 |
| | <hr/> | <hr/> |
| 3.1 Postal Box Rental | | |
| Banjul Branch | 1,648,590 | 7,078,733 |
| Serrekunda Branch | 922,455 | 3,947,626 |
| Bakau Branch | 552,950 | 1,614,042 |
| Brikama Branch | 584,700 | 3,301,249 |
| Less: Provision for Doubtful Debts | (741,739) | (14,465,050) |
| | <hr/> | <hr/> |
| | 2,966,956 | 1,476,600 |
| | <hr/> | <hr/> |
| 4. STAFF LOANS | | |
| Car Loan | 59,583 | 130,588 |
| Personal Loan | 94,784 | 87,084 |
| | <hr/> | <hr/> |
| | 154,367 | 217,672 |
| | <hr/> | <hr/> |
| 5. BRANCH ACCOUNTS | | |
| W/U/PMT | 368,185 | 281,574 |
| Personal Loan | 299,294 | 322,915 |
| | <hr/> | <hr/> |
| | 667,479 | 604,489 |
| | <hr/> | <hr/> |

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

NOTES TO THE FINANCIAL STATEMENT(Cont.)

For the year-ended 31st December 2020

| | Year-ended 31 st Dec. 2020 GMD | Year-ended 31 st Dec.2019 GMD |
|--|---|--|
| 6. CASH AND BANK BALANCES | | |
| Central Bank Gampost 472 | 943,703 | 270,148 |
| Central Bank S/Bank 117 | 1,328,538 | 2,167,256 |
| FBN Bank (EMS) | 121,390 | 383,666 |
| Trust Bank (A/C 2) | 1,521,059 | 635,722 |
| Trust Bank QSF | 74,608 | 74,608 |
| Gampost Saving A/C | 754,107 | 19,997 |
| Gampost W/U | 145,787 | 204,521 |
| GTB Savings A/C | 4,258 | (39,435) |
| Access Bank (S/B) | 19,997 | 4,258 |
| GTB Gampost A/C | 20,227 | 111,592 |
| GTB DMT/WU | 520,918 | 902,306 |
| Gampost Skye Bank | 283 | 283 |
| Gampost Postal Order A/C | 30,291 | 30,291 |
| Petty Cash | 10,645 | 5,710 |
| Cash float | 7,600 | 7,600 |
| Gampost Agib A/C | 50,000 | 50,000 |
| | 5,553,411 | 4,828,523 |
| 7. SHARE CAPITAL | | |
| Share Capital | 35,165,176 | 35,165,176 |
| Additional Government Investment | 3,316,742 | 3,316,742 |
| | 38,481,918 | 38,481,918 |
| 8. CAPITAL GRANT | | |
| Opening Balance 01 st January 2020 | 172,177 | 724,240 |
| QSF Project received from UPU | 1,386,500 | - |
| Amortization of Capital Grant | (518,802) | (552,063) |
| | 1,039,875 | 172,177 |
| Closing Balance 31st December 2020 | 1,039,875 | 172,177 |

8.1 Quality of Services Fund (QSF) Project

The Grant was is in respect of QSF funded Project sponsored by the Universal Postal Union to finance the purchase of motor vehicles, computers and scanning equipment for the Corporation in order to enhance the quality of service on mail delivery and tracking of mails online. The Grant is amortised to the Income Statement based on the annual depreciation charge on the related sponsored capital items mentioned above.

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

NOTES TO THE FINANCIAL STATEMENT(Cont.)

For the year-ended 31st December 2020

| | | Year-ended 31 st Dec. 2020 GMD | Year-ended 31 st Dec.2019 GMD |
|---------------------------------|-----|---|--|
| 9. LONG TERM LIABILITIES | | | |
| Universal Postal Union Dues | 9.1 | 13,765,913 | 13,765,913 |
| Pan African Postal Union Dues | 9.2 | 8,583,321 | 8,583,321 |
| Bank Loan | 9.3 | 423,761 | 423,761 |
| | | <hr/> | <hr/> |
| | | 22,772,995 | 22,772,995 |
| | | <hr/> | <hr/> |

9.1 Universal Postal Union dues

Represents the subscription arrears payable by the Corporation to Universal Postal Union from early 1980's to date. The payment of this subscription enables the Corporation to benefit from the services provided by the Union.

9.2 Pan African Postal Union dues

Represents the subscription arrears payable by the Corporation to Pan African Postal Union dues from early 1908's to date. The payment of this subscription enables the Corporation to benefit from the services provided by the Union.

9.3 Bank Loan

The loan was secured from Arab Gambian Islamic Bank (AGIB) to purchase one pick up and one 4x4 Station Wagon with vehicle registration numbers GAMPOST 12 and GAMPOST 1 respectively at a mark-up amount of D693,624.64 over 24 months Murahaba financing facility

10. RETAINED EARNINGS

| | | |
|---------------------|---------------------|---------------------|
| Opening Balance | (22,457,164) | (15,902,662) |
| Profit for the year | (1,128,471) | (6,554,502) |
| | <hr/> | <hr/> |
| | (23,585,635) | (22,457,164) |
| | <hr/> | <hr/> |

11. OTHER PAYABLES & ACCRUALS

| | | |
|------------------------------|------------------|------------------|
| DHL | 757,030 | 658,812 |
| Utility Bills | 532,287 | - |
| Customs Revenue | 3,818 | 3,818 |
| Withholding Tax | 826,668 | 742,529 |
| Audit Fees | 150,000 | 110,000 |
| Other Payables | 851,456 | 110,000 |
| Wari & Other Money Transfers | 440,628 | 440,628 |
| Sundry Credits | - | 831,392 |
| | <hr/> | <hr/> |
| | 3,561,887 | 2,787,179 |
| | <hr/> | <hr/> |

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

NOTES TO THE FINANCIAL STATEMENT(Cont.)

For the year-ended 31st December 2020

| | Year-ended 31 st Dec. 2020 GMD | Year-ended 31 st Dec.2019 GMD |
|---|---|--|
| 12 SAVINGS BANK CUSTOMERS DEPOSIT | | |
| Customers Deposit with GAMPOST Savings Bank | 723,457 | 730,390 |
| Accrued Interest | 559,435 | 516,052 |
| | <hr/> 1,282,892 | <hr/> 1,246,442 |
| 13. INCOME | | |
| Sale of Stamps for Letters and Parcels | 5,707,475 | 10,639,020 |
| Post Box and Private Mail Bags Rentals | 2,902,800 | 2,902,800 |
| Terminal Dues Income | 551,704 | 2,579,743 |
| Post Paid Postages | 340,985 | 2,542,713 |
| IGPC Royalties and Philately Sales | 1,299,590 | 1,341,671 |
| Other Incomes & Recovery | 28,700 | 43,560 |
| Government Covid 19 Relief Fund | 2,800,190 | 218,400 |
| EMS | 5,311,670 | 3,698,157 |
| | <hr/> 18,943,114 | <hr/> 23,966,063 |
| 14. PERSONNEL COST | | |
| Salaries & Wages | 3,614,088 | 3,412,343 |
| Responsibility Allowance | 417,750 | 431,280 |
| Transport Allowance | 951,000 | 955,000 |
| Professional Allowance | 149,250 | 143,750 |
| Telephone Allowance | 28,500 | 43,500 |
| Night Allowance | 190,465 | 109,625 |
| Overtime Payment | 25,660 | 39,385 |
| Pension Scheme | 826,087 | 817,225 |
| Injury Compensation Fund | 20,280 | 20,310 |
| Casuals / Attachees | 24,348 | 81,581 |
| Staff Incentives | 28,000 | 8,500 |
| Acting Allowance | 116,670 | 115,237 |
| Staff Training Costs | 10,300 | 16,150 |
| Severance Pay | - | 10,189 |
| | <hr/> 6,402,398 | <hr/> 6,204,074 |

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

NOTES TO THE FINANCIAL STATEMENT(Cont.)

For the year-ended 31st December 2020

| Year-ended 31st Dec. 2020 GMD | Year-ended 31st Dec.2019 GMD |
|---|--|
|---|--|

The average number of personnel analysed into categories are as below:

| Category | Number | Number |
|------------|--------|--------|
| Directors | 1 | 1 |
| Management | 7 | 7 |
| General | 103 | 103 |
| | 111 | 111 |

15. ADMINISTRATIVE COST

| | | |
|---------------------------|-----------|-----------|
| Travel Expenses | 433,782 | 1,260,731 |
| Insurance Cost | 551,658 | 670,472 |
| Printing & Stationery | 327,948 | 493,932 |
| Telephone & Internet Cost | 580,260 | 216,055 |
| Miscellaneous Expenses | 131,284 | 82,184 |
| Donations – CSR | 36,500 | 103,262 |
| Food & Drink | 19,070 | 195,940 |
| Electricity & Water | 897,895 | 904,067 |
| Audit Fees | 150,000 | 110,000 |
| | 3,128,397 | 4,036,643 |

Gambia Postal Services Corporation (GAMPOST)
Financial Statements and Reports
For the Year Ended 31st December 2020

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

NOTES TO THE FINANCIAL STATEMENT (Cont.)

For the year-ended 31st December 2020

| | Year-ended 31 st Dec. 2020 GMD | Year-ended 31 st Dec. 2019 GMD |
|--|---|---|
| 16. OPERATING COST | | |
| Board of Directors Allowances & Expenses | 364,570 | 191,835 |
| Fuel & Lubricants | 564,200 | 986,200 |
| Generator, Vehicle Repairs & Maintenance | 195,686 | 154,748 |
| Equipment Repairs & Maintenance | 117,010 | 113,435 |
| Indemnity for Loss Mail | 80,350 | 16,315 |
| Marketing and Promotion | 56,230 | 150,405 |
| Conveyance of Mail | 5,458,385 | 4,478,300 |
| Office Rent & Rates | 148,500 | 282,762 |
| License & Road Tax | 4,250 | 4,550 |
| Service Contracts | 318,787 | 379,556 |
| International Contribution to UPU | 658,208 | - |
| Building Repairs & Maintenance | 175,240 | 302,153 |
| Vehicle Allowance | 36,000 | 51,000 |
| Provincial Allowance | 54,850 | 48,250 |
| Heavy Duty Allowance | 15,000 | 15,000 |
| Cash Handling Allowance | 206,000 | 169,000 |
| Service Pay | 9,405 | 143,030 |
| International Mail Handling Fees | 241,056 | - |
| Provision for Doubtful Debts | 372,589 | 11,626,210 |
| Maintenance of Computers | - | 37,000 |
| | <hr/> 9,076,316 | <hr/> 19,149,749 |
| 17. Finance Costs | | |
| Bank Charges | 178,881 | 119,030 |
| Interest Charges | 43,383 | 42,148 |
| | <hr/> 222,264 | <hr/> 161,178 |

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

NOTES TO THE FINANCIAL STATEMENT (Cont.)

For the year-ended 31st December 2020

| | Year-ended 31 st Dec. 2020 GMD | Year-ended 31 st Dec. 2019 GMD |
|---|---|---|
| 18. Related Parties | | |
| 18.1 Government and Government Agencies | | |
| As a wholly owned government entity, the Central Government and government agencies such as GRA are considered as related parties and transaction with them are summarised below: | | |
| Income: | | |
| Government Covid 19 Relief Fund | 2,800,000 | - |
| | _____ | _____ |
| Liability: | | |
| NAWEC | 199,432 | - |
| GRA Corporation Tax | 6,761,273 | - |
| GRA Unpaid WHT | 826,668 | - |
| | 7,787,373 | - |
| | _____ | _____ |
| 18.2 Transactions with Board | | |
| Expenditure | | |
| Board of Directors allowances | 364,570 | 191,835 |
| | _____ | _____ |
| 18.3 Senior Management of the Corporation | | |
| Expenses: | | |
| Salaries and wages | 551,397 | - |
| Responsibility allowance | 204,360 | - |
| Transport allowance | 66,000 | - |
| Professional allowance | 108,000 | - |
| Per Diem – International Travel | 303,473 | - |
| Air Tickets – International Travel | 130,309 | - |
| Medical | 82,745 | - |
| | 1,446,284 | - |
| | _____ | _____ |

GAMBIA POSTAL SERVICES CORPORATION (GAMPOST)

NOTES TO THE FINANCIAL STATEMENT (Cont.)

For the year-ended 31st December 2020

| | Year-ended 31 st Dec. 2020 GMD | Year-ended 31 st Dec.2019 GMD |
|--|---|--|
| 18.4 Senior Management - Receivables: | | |
| Management – Car Loan | 59,584 | - |
| Management – Personal Loan | 4,084 | - |
| | <u>63,668</u> | <u>-</u> |
| 19. Capital Commitments | | |
| Authorised by the Board and contracted for | - | - |
| Authorised by the Board but not contracted for | - | - |
| | <u>-</u> | <u>-</u> |