

Gambia Telecommunications Company Limited (Gamtel)

**Annual Report and Financial statements
for the year ended 31st December 2019**

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General information

Directors	Mr. Ahmad Tijan Jallow	Chairman	From Sept 2019
	Mr. Sola Mahoney	Chairman	Up to Sept.2019
	Mr. Lamin Saidy	Vice Chairman	From Sept 2019
	Mrs. Janet Sallah Njie	Vice Chairman	Up to Sept.2019
	Mr. Seedy Jaiteh	Managing Director Gamtel	
	Ms. Amie Njie	PS MOICI	
	Mr. Mod Secka	PS MOFEA	
	Mr. Njundu Fatty	Member	Up to Sept.2019
	Mr. Ousman Jobarteh	Managing Director GPA	
	Mr. Hafigy Sisawo	staff Representative to the Board	Up to Sept.2019
	Mr. Mustapha Darboe	Member	From Sept 2019
	Mr. Yusupha Saidy	Office of the president	From Sept 2019
Secretary	Mr. Sarjo .S.A. Ceesay		

Bankers	Trust Bank Limited 3-4 Ecowas Avenue, Banjul The Gambia	Access Bank (Gambia) Limited 47 Kairaba Avenue,KSMD The Gambia
	Ecobank Gambia Limited 42 Kairaba Avenue The Gambia	Arab Gambian Islamic Bank Limited Becca Plaza, 7 Ecowas Avenue Banjul, The Gambia
	Guaranty Trust Bank (G) Limited 56 Kairaba Avenue, KSMD The Gambia	Standard Chartered Bank (Gambia) Limited 8 Ecowas Avenue Banjul, The Gambia
	Zenith Bank (Gambia) Limited 49 Kairaba Avenue,KSMD The Gambia	Skye Bank (Gambia) Limited Kairaba Avenue KSMD, The Gambia
	FBN (Gambia) Ltd. Kairaba Avenue Serrekunda, The Gambia	First Int'l. Bank (F.I.B.) Ltd. 2 Kairaba Avenue Serrekunda, The Gambia

Megabank (Gambia)
Limited
Kairaba Avenue
KMC

Auditors

**Accord Associates-The
Gambia**
Manjonka House
Kanifing Estate Block A6
Jimpex Road (opp.NEA
office)
P .O Box 2124 Serekunda
KMC, The Gambia

Solicitors:

Amie Bensouda & co
Kanifing
P.O. Box 907
Banjul, The Gambia

Attorney General Chambers
4 Marina Parade
Banjul, The Gambia

**Registered
office**

GAMTEL House
3 Nelson Mandela Street
Banjul, The Gambia

Directors Report

DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 2019

The Directors of the company present their report and the audited financial statements of The Gambia Telecommunications Company (Gamtel) Limited for the year ended 31st December 2019.

State of Affairs

The results of the company are as detailed in the accompanying financial statements

Principal Activities

The principal activity of Company is to provide voice and data services to its customers.

Statement of Directors' responsibilities

The Company's Act 2013 requires the Directors to prepare the financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of its Profit and Loss for that period. In preparing the 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 the

Company and to enable them to ensure that the financial statements comply with the Statement of Accounting Practices and The companies Act, 2013.

They 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.

Dividends

The Directors do not recommend the payment of dividend for the year.

Property, plant and equipment

The company's property, plant and equipment are detailed in note 8 of the financial statements.

Auditors

The Auditors, Accord Associates, were appointed by the National Audit Office for a term of five (5) years ending 31 December 2023.

By order of the Board of Directors

.....

.....
Secretary

Date:.....22/10/.....2020

Independent Auditor's Report

To the Board of Directors of Gambia Telecommunications Company Limited (Gamtel)

Opinion

We have audited the financial statements of Gambia Telecommunications Company Limited (Gamtel) set out on pages 10 to 32, which comprise the statement of financial position as at 31st December 2019, the Statement of Profit or Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. The key audit matters have been mentioned in the Management Letter.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report in the Financial Report which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the Companies Act 2013 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Concluded on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicated with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Accord Associates
Accord Associates

Chartered Accountants
Registered Auditors
Banjul The Gambia

Date.. 22 October... 2020

Statement of profit or loss

for the year ended 31st December 2019

	Notes	31-Dec-19 GMD'000	31-Dec-18 GMD'000
Revenue	2	591,098	544,239
Cost of sales	3	-155,508	-160,617
Gross profit		435,590	383,622
Operating Expenses			
Administrative Cost	14	-178,312	-163,894
Personal Costs	6	-160,621	-148,273
Depreciation	22	-254,916	-78,364
Net operating expenses		-593,849	-390,531
Operating profit/(loss)		-158,260	-6,909
Other income	5	15,240	53,620
Profit/(loss) before interest and tax		-143,020	46,711
Interest expense & similar charges	20	-22,979	-19,582
Profit/(loss) before tax		-165,999	27,129
Taxation	7	-6,063	-19,049
Profit/(loss) for the year		-172,062	8,080

Statement of financial position

as at 31 December 2019

		31-Dec-19 GMD'000	31-Dec-18 GMD'000
Assets			
Noncurrent assets			
Property, plant and equipment	22	1,593,940	477,459
Investments	8	122,575	138,388
Total Non Current Assets		1,716,515	615,847
Current assets			
Inventories	9	39,813	24,988
Trade and other receivables	10	1,069,557	1,052,301
Cash at bank and in hand	13	21,931	104,161
Total Current Assets		1,131,301	1,181,450
Total Assets		2,847,816	1,797,297
Equity and liabilities			
Capital and reserves			
Share capital		60,000	60,000
General reserve		10,000	10,000
Retained earnings	21	585,754	573,816
Revaluation reserve		404,107	404,107
		1,059,861	1,047,923
Noncurrent liabilities			
Borrowings due after 1 year	11	1,263,159	13,203
		1,263,159	13,203
Current liabilities			
Borrowings due within 1 year	11	-	13,166
Trade and other payables	12	476,887	679,155
Bank Overdraft	13	12,920	1,788
Taxation	7	34,989	42,062
Total Current Liabilities		524,796	736,171
Total Equity and Liabilities		2,847,816	1,797,297

These financial statements were approved by the Board of Directors on
 22/10/2020, and were signed on its behalf by:

.....Chairperson

.....Director

Statement of Changes in Equity

for the year ended 31
December 2019

	Share Capital GMD'0 00	General Reserve GMD'000	Retained Earnings GMD'000	Revaluati on Reserve GMD'000	Total GMD'000
At 01 January 2019	60,000	10,000	573,816	404,107	1,047,923
profit (Loss) for the year			-172,062		-172,062
Prior year adjustment (see note 17)			184,000		184,000
At 31 December 2019	60,000	10,000	585,754	404,107	1,059,861
At 01 January 2018	60,000	10,000	632,919	404,107	1,107,026
Profit/Loss for the year	-	-	8,080	-	8,080
Prior year adjustment (see note 17)	-	-	-67,183	-	-67,183
At 31 December 2018	60,000	10,000	573,816	404,107	1,047,923

Statement of cash flow

for the year ended 31 December 2019

	Note	31-Dec-19 GMD'000	31-Dec-18 GMD'000
Operating activities			
Operating profit/(loss)		-143,020	-6,909
Adjustment (Balancing figure)		22,103	
Depreciation	22	254,916	78,364
Increase in provision for bad debt	10	19,127	17,814
Increase in provision - Inventory	9	-14,915	970
Prior year adjustment - Retained Earnings	21	122,000	-67,183
Stock take adjustment	9	272	-
Prior year adjustment - Depreciation		-	44,654
		-	-
<hr/>			
operating profit before working capital changes		260,484	67,710
(increase)/decrease in inventories	9	-13,825	97
Decrease/(increase) in receivables	10	-36,383	-155,727
Increase/(decrease) in payables		-202,269	94,138
<hr/>			
Cash generated from operation		8,007	6,218
Interest paid	20	-22,979	-19,582
Interest received			53,620
Corporation tax paid	7	-13,136	-6,785
<hr/>			
Cash flow from operating activities		-28,108	33,471
Investing activities			
Acquisition of property, plant and equipment	22	-733,446	-52,111
Decrease in Investment	8	15,813	-
Proceed from disposal of fixed assets		510	-
<hr/>			
Cash flows from investing activities		-717,123	-52,111

Financing activities

(Decrease)Increase in long term borrowing

677,955 26,369

(Decrease)Increase in short term borrowing

-13,166 -3,058**Cash flow from financing activities**

664,789 23,311

Net increase/(decrease) in cash and cash equivalents

-80,442 4,671

Cash and cash equivalents at 1 January

102,373 97,702

Cash and cash equivalents at 31 December

13

21,931 102,373

Notes (forming parts of the financial statements)

1. Accounting policies

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

1.1. Accounting Convention

The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles using an accrual basis of accounting and relevant provisions of the Companies Act 2013.

1.2. Revenue recognition

Revenue represent the invoiced amount to local and international billing customers, prepaid revenue arising from recharge cards, interconnection revenue and sale of data services

Revenue is recognised net after deducting Value Added Tax of 15%, Excise Duty of 5% and GRTS user fees of 1.25%.

1.3. Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all costs incurred in acquiring the asset plus all directly attributable costs incurred in bringing the asset to its present location and condition for the asset to become operational.

Depreciation

Depreciation is provided on property, plant and equipment, excluding land, at annual rates calculated to write off the cost of each asset over its estimated useful life on a straight line method basis as follows:

Building	5%
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Technical Equipment	15%
Furniture and Equipment & Office Equipment	15%
Motor Vehicles	25%
Computer hardware and software	33%

Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhauled expenditure, is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the income statement as expenses incurred.

Development Expenditures

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment loss.

1.4. Inventories

Inventories are stated at the lower of cost and net realisable value where cost is purchase cost together with related duty, freight and other directly attributable costs, on a first in, first out basis. Net realisable value is based on estimated selling price less all cost to be incurred in marketing and selling.

1.5. Foreign currencies

Monetary assets and liabilities denominated in foreign currency are converted to Dalasi at the period end exchange rate at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction. All gains or losses arising are transferred to the income statement in the period in which they arise.

1.6. Pension Scheme

Effective 1st January 2004, the company contributes 15% of employees' gross salaries to the Social Security and Housing and Finance Corporation Pension Fund. Obligation for

contributions to the pension plan is recognised as expense in the income statement when incurred.

1.7. Taxation

Tax is charged on the basis of the higher of 1% of gross income and 27% of the tax adjusted accounting profits in accordance with section 79 (3a,b) and the first schedule of the Income and Value Added Tax Act 2012. Income tax is recognised in the income statement. Current tax is the expected tax payable on the taxable income for the year.

1.8. Impairment

Assets that have an indefinite useful life are not subjected to amortisation and are tested for impairment. Assets that are subjected to amortisation are reviewed whenever events or changes in circumstances indicate that the carrying value is greater the recoverable amount. An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount.

1.9. Provisions

A provision is recognised in the balance sheet when the company has a legal or constructive obligation as a result of a past event, and when it is probable that an outflow of economic benefits will be required to settle the obligation. A general provision of 2% on the receivables and inventory.

2. Revenue

Revenue comprises of:

	31-Dec-19 GMD'000	31-Dec-18 GMD'000
International Revenue	811	-
Interconnection Revenue	275,635	367,905
Local Revenue	15,604	22,402
Telephone rentals	14,370	14,239
Leased lines	172,165	101,171
Prepaid card sales	3,307	-
Internet Services	109,143	17,418
Other Services	62	21,104
Total Revenue	591,098	544,239

3. Cost of Sales

Cost of sales comprises of:

	31-Dec-19 GMD'000	31-Dec-18 GMD'000
Material cost	73,393	82,070
Interconnection cost	52,885	78,547
International Cost	29,230	-

Total Cost of sales

155,508	160,617
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31-Dec-19	31-Dec-18
GMD'000	GMD'000

**4. Profit before taxation
after charging**

Auditors remuneration	200	844
Depreciation	254,916	78,364
Directors remuneration	584	623

31-Dec-19	31-Dec-18
GMD'000	GMD'000

5. Other Operating Income

Training Income	5,900	7,649
Internet Services		44,138
Co-Locations & E1 Link	4,529	1,364
Miscellaneous income	3,812	469
Asset disposal	510	31
Unrealised gain/loss	490	-
	15,240	53,651

6. Staff Cost

The total number of persons (including executive directors) employed by the company during the period were as follows

31-Dec-19	31-Dec-18
GMD'000	GMD'000

Management	16	17
Others	969	1,079
	985	1,096

The total remuneration of the staff employed by the company is as follows

	31-Dec-19 GMD'000	31-Dec-18 GMD'000
Salaries	55,353	55,050
Pension	18,270	17,350
Casuals	5,065	4,115
Allowances	74,660	67,418
Others	7,273	4,340
	160,621	148,273

7. Taxation

The tax charge in the financial statements is derived as follows:

Income statement

Tax provision at 27% of PBT or 1% of turnover

31-Dec-19 GMD'000	31-Dec-18 GMD'000
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6,063	19,049
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Balance Sheet

Balance brought forward

Current tax charge

Tax paid during the year

Tax liability at the end of the year

31-Dec-19 GMD'000	31-Dec-18 GMD'000
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42,062	29,798
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6,063	19,049
-13,136	-6,785

34,989	42,062
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8. Investments

NOTES

RASCOM
GAMCEL

8.1
8.2

31-Dec-19 GMD'000	31-Dec-18 GMD'000
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93,833	93,833
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GAMCO	8.3	15,600	15,600
GIA	8.4	166	166
GSC	8.5	28,576	44,389
		138,175	153,988
Provision for GAMCO impairment		-15,600	-15,600
Write-off - RASCOM investment		-	-
		122,575	138,388

8.1 RASCOM

Rascom is an inter-governmental Regional African Satellites Communications Organisation with a membership of 45 African states. Gamtel current holds 1,113,594 shares in Rascom at \$1 each out of a total share capital of \$63 million. As at 31st December 2017, due to the investment none performing: the board approved the write off.

8.2 GAMCEL

The investment represents the amount spent in the setting up of Gamcel, 99% subsidiary of Gamtel which was incorporated in November 2002.

8.3 GAMCO

This investment represents the total advances made to the Gambia Agricultural Marketing Company Limited (GAMCO) during the period 2004 to 2005 following Gambia Government's directives issued by the Ministry of Agriculture to facilitate the groundnut trade. GAMCO is now liquidates and the amount has been fully provided for as part of the company's impairment review procedure.

8.4 GIA

This represent a 1% stake in Gambia International Airlines valued at GMD16, 600,000 divided into 1,660,000 shares of GMD10 each.

8.5 AFRICA COAST TO EUROPE (GSC INVESTMENT)

On 12 July 2011, a joint agreement was signed between The Government of The Gambia through the Ministry of Finance and Economics Affairs with six companies namely: Africell, Gamtel/ Gamcel, Comium, Qcell, Netpage and Unique Solution to establish a Public-

Partnership (PPP) financing agreement worth USD \$25 million. The purpose of the partnership was to jointly contribute towards the cost of financing the African Coast to Europe Submarine Cable (ACE) landing station in the Gambia. The project was to provide a branch landing station for the country by connecting from the submarine fibre cable laid from France through the coast of Africa to South Africa.

In the agreement, Gamtel and Gamcel are allocated 20% and 10% respectively of the capacity allocated to The Gambia representing the equivalent to their contribution to PPP financing agreement. Funds contributed through the PPP went towards the financing The Gambia Submarine Cable Company Limited (GSC Ltd) established to coordinate the activities of the landing station. The ACE landing station was completed and inaugurated in December 2017.

2012

9. Inventory

	31-Dec-19 GMD'000	31-Dec-18 GMD'000
Technical Materials	59,914	45,478
Stationery	3,558	3,442
Stock take adjustment	2,779	2,507
	66,252	51,427
Provision for obsolescence	-26,439	-26,439
	39,813	24,988

10. Trade and Other Receivables

		31-Dec-19 GMD'000	31-Dec-18 GMD'000
Trade receivables	10.1	1,624,102	1,567,064
Advances to related parties	10.2	1,800	1,800
Other receivables	10.3	51,481	72,137

		1,677,384	1,641,001
Provision for bad debt	10.4	-607,827	-588,700
		1,069,557	1,052,301

10.1 Trade and Other Receivables

		31-Dec-19 GMD'000	31-Dec-18 GMD'000
Interconnection (Gamcel)	10.1a	459,058	424,001
Interconnection (Qcell)	10.1a		20,011
Interconnection (Africell)	10.1a	131,471	156,087
Overseas receivables	10.1b	9,527	28,539
Post-paid receivables	10.1c	1,003,428	897,794
Receivable - GRTS	10.1d	40,631	40,632
MGI Receivables		20,618	
Provisions for bad and doubtful debts		-40,631	-
		1,624,102	1,567,064

10.1a Interconnections

The interconnections receivables represent net movements between incoming termination calls from other network operators and outgoing originating calls from Gamtel. Settlement is done after netting off as dictated in the provisions of the interconnection agreements between the operators.

10.1b Overseas receivables

Overseas receivables relates to the balances due to the various international network carriers. They are managed by an international partner called MGI. The international partner in 2013 was TELL Incorporated.

10.1c Post-paid receivables

These relates to revenue received from customers based on various products line offered. Any increased or decreased in provision is accounted for through the income statement.

10.1d Receivables - GRTS

This balance relate to the payments made on behalf of GRTS in the form of property, plant and equipment; supplier repayment commitment and other recurring expenses.

10.2 Advances to Related Parties

	31-Dec-19 GMD'000	31-Dec-18 GMD'000
GPTC		-
GRTS	500	500
Gamtel Staff Association	500	800
Gamtel Credit Union	800	500
	1,800	1,800

There are advances made to related party institutions which have been outstanding for several years, and have been fully provided for in these financial statements.

10.3. Other Receivables

	31-Dec-19 GMD'000	31-Dec-18 GMD'000
Staff Loans	47,493	46,653
ACE Project	2,663	2,663
G2G Fraud recovery	-	-
Good received note not invoiced	(169)	19,874
GRA 10% withholding tax	-1,104	2,690
GTMI tuition fees arrears		-
Staff Association loan support fund		-
Staff Association Endowment fund	375	250
Staff Credit Union	9	4
Others	2,214	3
	51,481	72,137

10.4. Provision for doubtful debts

	31-Dec-19 GMD'000	31-Dec-18 GMD'000
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Post-paid receivables	442,952	422,952
BEFAG Loan	80,000	80,000
Other Receivables	26,162	26,162
Un-reconciled receivables	19,450	19,450
Intercompany receivables	22,197	22,197
Related parties	2,743	2,743
Ex. Staff loans	15,196	15,196

608,700	588,700
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11. Borrowings

Due after one year

		31-Dec-19 GMD'000	31-Dec-18 GMD'000
Trust Bank Loan	11.1	-	-
2% Government Loan 2018/2022	11.2	13,158	13,203
AGIB/GAMTEL Loan	11.3		
N.B.N Loan	11.4	1,250,000	-
ECOWAN Differed Income	11.5	-	-
		1,263,158	13,203

Due after one year

2% Government Loan 2018/2022	11.2	-	4,950
AGIB/GAMTEL Loan	11.3	-	8,216
		-	13,166

Total Borrowings

1,263,158	26,369
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11.1 Trust Bank Loan

A loan of GMD 80 million was obtained from Trust Bank Limited in July 2009 to finance capital projects. This loan is repayable over 36 months at a rate of interest of 18.5% per annum. The facility was extended to July 2017 with an additional loan of gmd45.996 million in July 2012. This facility is secured on fixed charges over the company's head office properties. The loan is secured by title deeds of four properties.

11.2 Government loan from Gateway Funds - 2%

On the 12th of July 2018, the Ministry of Finance & Economic Affairs approved management to use an amount of USD410,000 / GMD19,803 million to be withdrawn from the restricted GATEWAY Funds as a soft loan to procure 12 Pucks Up Vehicles. The loan will attract an interest rate of 2% per annum and repayable in 48 Instalment months effective September 2018.

11.3 AGIB Loan Facility

On the 27th March 2018, AGIB Bank has offered a Murabaha Financing Facility of GMD15,325,000 to GAMTEL to be repaid from 27th March 2018 to 31st August 2019 to cover a period of 18 months.

11.4 N.B.N Loan

National Broadband Network (N.B.N) is a project financed through a loan between the Export-Import Bank of China and the republic of the Gambia to the tune of \$25m. This is a latest and fast broadband internet connectivity through fibre connections and Huawei and the Gambia Telecommunications Company Limited (Gamtel) implemented the project.

11.5 ECOWAN Differed Income

The ECOWAN Infrastructure and E-Government Program was estimated at a total cost of USD 33.26 million of which the IDB budgeted a total of USD 27.32 million under a combined Istisna'a of USD 23.69 and Loan of USD 3.63 million, while the Government of The Gambia was to contribute USD 5.94 million all including a 10% contingency, the actual amount spent on the project was USD 26.11 million. The IDB contribution was USD 25.55 million, Gamtel contribution was USD 0.5 million and Government of the Gambia contribution was USD 0.06 million towards its private LTE network.

Although the ECOWAN project deployed a total of 947 Km of new fiber optic backhaul network, replaced all of Gamtel's obsolete switching and transmission systems as well as upgraded or replaced Power and Environment Systems in 16 sites, this new fiber network was integrated with about 130 Km of existing fiber optic networks within the GBA covering the very critical sea crossing between Banjul and the North Bank Region and the Kombo Coastal fiber network that covers the entire Tourism Development Area as well as some other Interexchange links.

12 Trade & other payables

		31-Dec-19 GMD'000	31-Dec-18 GMD'000
Trade Payables		45,120	59,727
Interconnection fees - Comium	12.1	35,895	45,478
Deposit by subscribers		45	-
Accruals & Other payables		108,586	83,711
VAT & Excise Payable		134,987	102,955
GRTS Tax		11,707	10,487
MGI Tawa Advance		10,000	10,000
CDMA Network		-	119,936
GRA Tax Liabilities after reconciliation		52,919	52,919
Gateway funds due to Government	12.2	72,231	142,609
Gamtel/Gamcel intercompany		2,185	14,939
Gambia Government/CFD Loan	12.3	-	36,394
Audit fees accrued		230	
Local Admin Qcell		2,783	
Other Payables		198	
		476,887	679,155

12.1 Interconnection fees - Comium

Operators charge each other interconnection fees for receiving and passing call for other operators' network. In such a process, operators exchange at the end of each month Call details reports (CDR's) for reconciliation purposes. Over the years, Gamtel/Comium as a result of the above process had disputes relating to the interconnection rate charges to Gamtel from Comium in which Gamtel management and the board of the directors have reservation about. The matter was arbitrated by the Public Utility Regulatory Authority (PURA) and concluded with a determination in favour of Comium. However, Gamtel management and the Board of Directors continue to review and investigate the matter to find a proper resolution.

12.2 Gateway Funds due to Government

The GMD142,609 million is the amount owed to the Government of The Gambia as at 31st December 2017 through revenue generated from the GATEWAY Funds.

12.3 Gambia Government/CFD Loan - D36.3 million

During the year, Government settled this amount on behalf of Gamtel. However, there was no correspondence provided to ascertain the terms and condition of the payment and as result because of the uncertainty management has capture it as a payable to Government until a confirmation is obtained from Government.

13. Cash and cash equivalents

Analysis of the balances of cash as shown in the Balance Sheet.

	31-Dec-19 GMD'000	31-Dec-18 GMD'000	Changes GMD'000
Cash at bank	19,907	103,009	-83,102
Cash in hand	2,025	1,152	873
	21,931	104,161	-82,230
Overdraft	-12,920	-1,788	-11,132
	9,011	102,373	-93,362

14 Administrative expenses

	31-Dec-19 GMD'000	31-Dec-18 GMD'000
Electricity and Water	38,332	39,338
Licences/ Insurance	2,537	5,928
Freight	427	805
Rent/ Rates	2,155	1,317
Directors' fees	584	623
Space segment rental	1	861
Training	13,813	11,292
Conferences/ Meetings	8,092	5,932

National travel	4,344	3,847
Consultation fees	2,820	1,274
Audit fees	200	844
Advertisement	1,614	1,809
Maintenance	117	4,468
International contributions	31	9,523
Medical	10,802	13,675
Telecommunications	8	18
Bank charges	4,124	5,510
Donations	660	868
Computer expenses	43	95
Internet expenses	-500	21,001
Miscellaneous expenses	359	267
Other cot contributions	33	-
Social Development expenses	5,144	8,688
Write off accounts	-	-
Provision for bad debts	19,198	17,814
Other provision for obsolete stock	-	970
Increase in stock provision	-	-
Prepaid card expenses	585	131
Fixed line operator licenses	2,573	3,613
Postage	427	241
Cleaning material	187	472
Stock take expenses	222	1,597
TAWA expenses	17	25
Education levy	-	100
Asset disposal	-	31
Provision for RASCOM investment	-	-
Phone shop expenses	56	19
Other entertainment	1	175
Other contribution	18,890	-
GTMI yep expenditure	230	785
Provisions for bad and doubtful debts	40,631	-
Total Administrative expenses	178,312	163,894

15 Capital Commitments

31-Dec-19	31-Dec-18
GMD'000	GMD'000

Authorised by the Board &
Contracted

-
-

16 Prior year Adjustment

The prior year adjustment in 2019 amounts to GMD184 million which is the cumulative opening balance difference between the accounting system of Gamtel and the closing balance of the audited accounts of 2019.

17 Events after reporting period

The Company has no events after the Financial Position date which would materially impact on its Financial Position or results.

18 Related Party Transactions

During the year, the Company entered in to the following transactions with related parties:

A. Amount owed by Related Parties

	31-Dec-19 GMD'000	31-Dec-18 GMD'000
Interconnection (Gamcel)		424,001
Receivables - GRTS		41,132
	-	465,133

Gamtel owns 99% of Gamcel and the amount owed to Gamtel by the Subsidiary is captured above. GRTS is owned by the Gambia Government and Gamtel is also owned by the Government of the Gambia. The above balances have been qualified in the Audit Opinion due to the doubt of Gamcel being able to settle the outstanding balance due to going concern of Gamcel. With regards to the GRTS balance, this balance has been confirmed by GRTS as amount owed to Gamtel.

B. Directors Remuneration

Details of Directors remuneration is captured in the disclosures under note 4 of the financial statements.

C. Amount due to Related Parties

	31-Dec-19 GMD'000	31-Dec-18 GMD'000
2% Government Loan	13,158	18,153
Gateway Funds due to Government	72,231	142,609
Gambia Government CFD	-	36,394
	85,389	197,156

The amounts above are year end balances which are due to the Government that owns 100% of Gamtel

	31-Dec-19 GMD'000	31-Dec-18 GMD'000
GAMTEL/GAMCEL Inter Company	2,185	14,939
	2,185	14,939

The amount above is the yearend balance owed to Gamcel by Gamtel in which Gamtel owns 99% of the company.

19. Contingent Liabilities

The contingent liabilities for the period under review are as follows:

20.1 Babadi Baldeh Vs Gamtel & 1 Other Civil Suit no:
HC529/09/CO/137/C1

Judgement was entered in favour of Babadi Baldeh on 20th May 2013 for the sum of:-
D1, 350, 000 (One million three hundred and fifty thousand Dalasi) as contributory negligence

D9, 715 (Nine thousand seven hundred and fifteen Dalasi) and CFA40, 715 as special damages.

Interest of 25% per annum from 5th June 2008 to 20th May 2013 and thereafter 4% till payment: and
Cost of D50, 000 (Fifty thousand Dalasis)

GAMTEL has appealed against the said judgement. A partial consent terms was agreed and file in the sum of D350, 000 to be paid to Babadi Baldeh plus cost awarded in the high court in the sum of D65, 000.

The court of appeal on 11th February 2016 dismissed the appeal file by GAMTEL. GAMTEL has appealed to the supreme court and the appeal is pending. The appeal is now pending before the supreme court of the Gambia.

20. Interest and Similar Charges

Notes	31-Dec-19	31-Dec-18
	GMD'000	GMD'000
FAD ACT Expenses Other Loan Interest	22,979	
	<u>22,979</u>	<u>-</u>

21. Retained Earnings

	31-Dec-19	31-Dec-18
	GMD'000	GMD'000
Brought forward	573,816	632,919
Prior year adjustment	114,766	-67,183
	<u>688,582</u>	<u>565,736</u>
Profit/(Loss) for the year	-172,062	8,080
Carried forward	<u>516,520</u>	<u>573,816</u>

22. Property, plant and equipment

	Land and Building	Work in Progress	Plant, Equipment & Distribution Equipment	Motor Vehicles	Furniture & Office Equipment	Total
	GMD'000	GMD'000	GMD'000	GMD'000	GMD'000	GMD'000
Cost						
At 01 January 2019	512,310	56,284	2,750,146	82,155	242,842	3,643,737
Additions	112	26,389	1,264,369	2,270	12,307	1,305,446
Disposals				-3,478	-510	-3,988
Transfers		-22,886				-22,886
At 31 December 2019	512,422	59,787	4,014,515	80,947	254,639	4,922,309
Depreciation						
At 01 January 2019	162,259	-	2,362,549	63,825	231,120	2,819,753
Charges for the year	23,669		216,148	8,620	6,480	254,916
Disposals				-3,478	-510	-3,988
Adjustment			257,688			257,688
At 31 December 2019	185,928	-	2,836,384	68,968	237,090	3,328,369
Net Book Value						
At 31 December 2019	326,494	59,787	1,178,131	11,979	17,549	1,593,940
At 31 December 2018	350,051	56,284	387,597	18,330	11,722	823,984