GAMBIA PRINTING & PUBLISHING CORPORATION (GPPC)

FINANCIAL STATEMENTS & REPORTS
FOR THE YEAR ENDED 31st DECEMBER 2018

AUGUSTUS PROM
AUDIT.TAX.ADVISORY.
REGISTERED AUDITORS

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

MARCH 2020

25 Prior Year Adjustments

25a Systems error and omission

The Prior Year Adjustment is due to system differences between the Audit report and the Accounting System to ensure no differences exist going forward in the audited balances and accounting system. Also, adjustment in the retained earnings included an invoice of D2,395,000. This was due to the delays of the invoices received from the supplier, and we are unable to post these bills in the 2018 account at the time because our books were closed. Hence, we corrected all the prior omissions and other errors in our 2019 accounts. The adjustment in retained earnings included a system related adjustment of (D201,339), resulting to net adjustment of D2,193,661 in the retained earnings due to correction of 2018 omission and the difference between the system and the audited accounts.

25b Tax adjustments

The corporation tax payment relates to the 40% deductions on Gambia Revenue Authority (GRA) invoices and our withholding tax credits that were accounted for after our reconcillation with GRA, which covered the period 2012 to 2019. As a result, the accumulated corporation tax arrears paid were fully accounted for as a prior year adjustment under the statement of changes in equity. The excess tax credit was offset against our VAT liability which is also accounted for as a prior year adjustment.

26 Material Uncertainty Related to Going Concern

The Company incurred a loss from continuing operations before tax of D7,168,370 during the year ended 31st December 2019 and D1,726,843 in the prior year; as of that date, the Corporation is in a net current liabilities position of D10,664,876 and D7,426,218 respectively. The overall performance of the Corporation has deteriorated as profitability, liquidity, efficiency ratios deteriorated compared to the prior year. This is mainly attributed to increasing costs and high cost of debt as capital investments are financed through debt.

Management's strategy

Management took a decision in 2017 to diversify its operations in other to improve revenue. In order to achive this, a decision was taken to acquire an exercise book printing machine having conducted an investment appraisal which showed that such an investment would produce high returns even where financed through debt. Loans totalling D33 million were taken to finance this expansion in 2018 and 2019. While the project was being implement, interest cost was been paid with no corresponding revenue resulting in high interest cost and the increase in operating loss.

The project is fully complete with test runs conducted with satisfactory results. It is expected that this new machine will significant boost revenue to by 100% if utilized at full capacity. This WILL enhance performance and return the Corporation to profitability, improve cashflows and reduce gearing.

Management has also started engaging customers in the exercise books market to secure contracts and ensure the machines is utilized at full capacity. Options to export our products to countries in the sub-region is currently being assessed.

Management is confident that whiles the Corporation is currently going through difficult times, its going concern is not threaten in no major way and will return to pforitability in the near future.

No adjustments have been made relating to recoverability and classification of recorded assets amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

27 Impact of Covid-19 Pandemic

The impact of COVID-19 has resulted to a slow start of our operation in the beginning of year 2020, resulting to low request from our customer such as Central Government, Area Councils, Parastatals and Private customers. This resulted in a declined in our expected revenue for 2020. Debt collection severely decline due to disruptions to some of the customers in the Gambia, which affected our cashflows.

Despite the above adverse effects, fixed costs such as personnel cost and admin costs remain constant. The price of production materials also increased which affected our cashflows, making it challenging to pre- finance most of the incoming jobs. This has made it difficult for the corporation to kick start the production of the exercise books in year 2020 and default of the supplier to deliver consignment of papers in 2020.

However, the full extent and duration of the impact of COVID-19 on the Company's operations and financial performance is currently unknown, and depends on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic, its impact on business in the Gambia.

The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31st December 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

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General Information

1. Board of Directors

Mr.Kawsu K. Darboe	Chairman
Mr.Theophilus George	Vice Chairman
Mrs Amie Njie	Ex-Officio (Representative of MOICI)
Mrs.Toulie Jawara	Ex-Officio (Representative of Solicitor General)
Mr. Ismaila Bah	Ex-Officio (Representative of MoFEA)

2. Managing Director & Board Secretary

Momodou Ceesay

3. Bankers

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

Eco Bank (G) Ltd
KairabaAvenue
KSMD, The Gambia

Arab Gambia Islamic Bank Ltd
Ecowas Avenue
Banjul, The Gambia

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

First International Bank (G) Ltd
Kairaba Avenue
KSMD, The Gambia

4. Auditor

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

5. Registered Address

Mamadi Manjang Highway
Kanifing Industrial Estate, KSMD
The Gambia.

Board of Director's Report for the Year Ended 31st December 2018

The Board of Directors of the Gambia Printing and Publishing Corporation (GPPC) presents their audited financial statements for the year ended 31st December 2018.

1. State of Affairs

The state of affairs of the Gambia Printing and Publishing Corporation (GPPC) is set out in the financial statements and notes to the accounts from pages 8– 19.

2. Principal Activities

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

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

The Companies Act 2013 requires the Directors to prepare financial statements for each financial year which gives a true and fair view of the Corporations's financial position and its Profit or Loss as at year end. In preparing these financial statements, the Board of Directors are required to:

- ✓ *Select suitable accounting policies and then apply them consistently;*
- ✓ *Make judgements and estimates that are reasonable and prudent;*
- ✓ *State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and*
- ✓ *Prepare the financial statements on the going concern basis.*

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

4. Auditors

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

BY ORDER OF THE BOARD OF DIRECTORS

BOARD SECRETARY.....

DATE: 06th/03/2020

Mamadi Manjang Highway
Kanifing Industrial Estate, KSMD
The Gambia.

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Auditor's Opinion

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

In our opinion, the Financial Statements give a true and fair view of the Financial Position of the Corporation as at 31st December 2018 and of its Financial Performance and its Cash Flows for the year then ended and has been prepared in line with Generally Accepted Accounting Principles and in accordance with the Requirements of the Companies Act 2013 and the GPPC Amended Act of 2004.

Basis of Opinion

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

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

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

Auditors Responsibilities for the Audit of Financial Statements

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

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

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

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

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

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

Augustus Prom
.....

AUGUSTUS PROM
AUDIT. TAX. ADVISORY
REGISTERED AUDITORS

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3 KAIRABA AVENUE, WESTFIELD ROAD
3RD FLOOR CENTENARY BUILDING
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email address: augustusprom...

DATE: 6th March **2020**

Balance Sheet

As at 31st December 2018

	Notes	31st Dec 2018 GMD	31st Dec 2017 GMD
Assets			
Non Current Assets			
Property, Plant and Equipment	2	95,777,756	91,610,545
Intangible Asset-Accounting Software		-	20,000
Total Non-Current Assets		**95,777,756**	**91,630,545**
Current Assets			
Inventory	18	8,498,240	7,344,762
Trade & Other Receivables	3	37,327,609	29,723,060
Cash & Bank Balances	4	260,504	7,503
Total Current Assets		**46,086,353**	**37,075,325**
Total Assets		**141,864,109**	**128,705,870**
Equity & Liabilities			
Equity			
Capital (*See Page 11*)		10,000,000	10,000,000
Revaluation Reserves (*See Page 11*)		75,494,942	75,651,164
Retained Earnings (*See Page 11*)		2,856,596	5,560,992
Total Equity		**88,351,538**	**91,212,156**
Liabilities - Current Liabilities			
Bank overdraft	5	1,620,859	3,706,066
Payables	6	13,653,071	10,447,760
Corporation Tax Payable	7	4,933,796	5,144,087
VAT Tax Payable	8	15,928,821	13,128,454
Loans	9	17,376,024	5,067,347
Total Liabilities		**53,512,571**	**37,493,714**
Total Equity & Liabilities		**141,864,109**	**128,705,870**

The Financial Statements were approved by the Board of Directors on 05th MARCH *2020 and signed on its behalf by:*

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

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

Income statement

For the Year Ended 31 December 2018

		31st Dec 2018 GMD	31st Dec 2017 GMD
Income			
Revenue	*10*	41,903,666	34,007,655
Less; Cost of Sales	*11*	(12,535,139)	(10,146,582)
Gross Profit		**29,368,527**	**23,861,073**
Expenditure			
Personnel Cost	*12*	14,600,513	12,469,141
General & Administrative Expenses	*13*	11,937,168	10,986,231
Interest Expenses	*14*	1,749,513	1,037,040
Depreciation	*2*	2,788,175	2,675,443
Amortization		20,000	-
		31,095,369	**27,167,855**
(Loss) before Tax		**(1,726,842)**	**(3,306,782)**
Provision for Corporation Tax	*7a*	(419,037)	(510,115)
(Loss) for the year		**(2,145,879)**	**(3,816,896)**

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

Cash Flow Statement

For the Year Ended 31 December 2018

		31st Dec 2018 GMD	31st Dec 2017 GMD
Operating Activities			
Loss before tax		(1,726,842)	(3,306,782)
Depreciation	2	2,788,175	2,675,443
Amortization on Intangible Assets		20,000	-
Interest Expense		1,749,513	1,037,040
Prior year adjustment		(714,740)	(584,508)
		2,116,106	**(178,807)**
Changes in Working Capital			
Decrease / (Increase) in inventory		(1,153,478)	64,881
Increase in Receivable		(7,604,549)	(9,346,701)
Increase in Payables		6,005,676	4,915,369
Cash Used in Operation		**(636,245)**	**4,545,258**
Tax Adjustment		(629,328)	(449,431)
Interest Expense		(1,749,513)	(1,037,040)
Tax penalties & VAT		-	3,282,799
Net Cash flows from Operating Activities		**(3,015,086)**	**(2,748,930)**
Investing Activities			
Acquisition of Fixed Assets		(6,955,385)	(1,509,340)
Net Cash Used in Investing Activities		**(6,955,385)**	**(1,509,340)**
Financing Activities			
Increase in loan		**12,308,677**	**2,738,023**
Net Cash used in Financing Activities		**12,308,677**	**2,738,023**
Net Increase/(Decrease) in Cash & Cash Equivalent		**2,338,206**	**(1,520,247)**
Movement in Cash & Cash Equivalent			
Balance at 1 January 2018		(3,698,563)	(2,178,316)
Balance as at 31st December 2018		(1,360,357)	(3,698,563)
		2,338,206	**1,520,247**

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

Statement of Changes in Equity

For the Year Ended 31 December 2018

	Share Capital	Revaluation Reserves	Retained Earnings	Totals
	GMD	GMD	GMD	GMD
At 1st January 2017	10,000,000	75,807,388	9,806,173	95,613,561
(Loss) for the year	-	-	(3,816,896)	(3,816,896)
Transfers	-	(156,223)	156,223	-
Prior Year Adjustment	-	-	(584,508)	(584,508)
At 31st December 2017	**10,000,000**	**75,651,165**	**5,560,992**	**91,212,157**
At 1st January 2018	10,000,000	75,651,165	5,560,992	91,212,157
(Loss) for the Year	-	-	(2,145,879)	(2,145,879)
Transfers (*Note 15*)	-	(156,223)	156,223	-
Prior Year Adjustments (*Note 16*)	-		(714,740)	(714,740)
At 31st December 2018	**10,000,000**	**75,494,942**	**2,856,596**	**88,351,538**

Share Capital
The total authorised number of Ordinary Shares at year end of GMD10m with a Par Value of D1 per Share.

Revaluation Reserve
City Scape Associates an independent appraiser valued the Mamadi Manjang Complex and MDI Road Annex Land, and other assets of the Corporation as at October 2011.The revaluation was based on the observed asset replacement cost by reference to market evidence of recent transactions for similar properties and replacement cost estimation. The gain on revaluation was recognised in the revaluation reserve account.

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

Notes to the Financial Statements

1. Accounting Policies

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

1.1 Basis of Accounting

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

1.2 Property, Plant & Equipment

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

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

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

1.3 Revenue Recognition

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

1.4 Employee Benefits

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

1.5 Stock

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

1.6 Taxation

The effective rate of tax is the higher of 27% of taxable profit and 1% of total income in accordance with the Income Tax Laws of The Gambia.

2. Property, Plant & Equipment

	Land	Buildings	Plant & Machinery	Motor Vehicles	Generator	Computer& Equipment	Furniture& fittings	Total
	GMD	GMD	GMD	GMD	GMD	GMD	GMD	GMD
Cost/Valuation								
At 1st January 2018	50,000,000	28,846,112	21,890,433	8,877,100	1,049,365	6,590,080	1,866,820	119,119,910
Additions	-	6,850	6,294,150	8,000	-	528,385	118,000	6,955,385
At 31/12/18	**50,000,000**	**28,852,962**	**28,184,583**	**8,885,100**	**1,049,365**	**7,118,465**	**1,984,820**	**126,075,295**
Depreciation								
At 1st January 2018	-	4,497,961	10,699,875	5,706,724	647,573	4,472,778	1,484,453	27,509,364
Charge for the year	-	608,875	874,235	635,675	40,179	529,137	100,074	2,788,175
At 31/12/18	**-**	**5,106,836**	**11,574,110**	**6,342,399**	**687,752**	**5,001,915**	**1,584,527**	**30,297,539**
Net Book Value								
At 31/12/18	**50,000,000**	**23,746,126**	**16,610,473**	**2,542,701**	**361,613**	**2,116,550**	**400,293**	**95,777,756**
At 31/12/17	50,000,000	24,348,151	11,190,558	3,170,376	401,792	2,117,302	382,367	91,610,545

	31st Dec 2018 GMD	31st Dec 2017 GMD
3. Trade &Other Receivables		
Trade receivables	25,295,724	24,447,524
Staff Loan Receivables	899,399	868,735
GPPC Staff Association /Credit Union Loan	-	21,250
Advance Payment for Inventory	4,406,801	4,406,801
Loan Repayment Control Account	6,725,685	-
	37,327,609	**29,723,060**
4.Bank & Cash		
Trust Bank	256,544	-
Petty Cash	3,960	7,503
	260,504	**7,503**
5. Overdrawn Bank Balance		
Arab Gambia Islamic Bank (G) Ltd.	1,260,987	2,182,423
Zenith Bank	346,578	797,506
Trust Bank Ltd	-	657,282
FI Bank	741	1,026
Eco Bank	12,553	67,829
	1,620,859	**3,706,066**
6. Payables		
Trade Payables	10,462,362	8,868,490
Payroll Liabilities (*See Note 6a)*	2,778,617	1,168,373
Medical Scheme	-	155,899
Audit Fees	358,800	179,400
NAWEC – Water & Electricity	-	75,598
Gratuity	53,292	-
	13,653,071	**10,447,760**
6a. Payroll Liabilities		
Staff Income Tax	657,176	172,141
SSHFC	1,353,541	519,154
Staff Welfare Fund	400,532	329,194
Teachers Union Dues	55,900	9,450
Credit Union Dues	236,893	68,598
Kombo Real Estate	61,575	69,836
S & S Property	13,000	-
	2,778,617	**1,168,373**

	31st Dec 2018 GMD	31st Dec 2017 GMD
7.Corporate Tax		
Bal. BF	5,144,087	5,083,403
Tax Charge for the Period (*See note 7a*)	419,037	510,115
Tax Payments for the Period	(629,328)	(449,431)
Balance Due at the End of the Year	**4,933,796**	**5,144,087**

Tax for the Year is Charged at the Higher of 1% of Turnover or 27% of Profit

7a. Tax Computation

Total Assessable (Loss) for the year	**(1,726,842)**	**(3,816,896)**
Tax rate	-	-
Tax Charge for the Year of Assessment	-	-
Tax Computation on Turnover Basis		
Total Revenue	**41,903,665**	**34,007,655**
Tax Rate at 1% of Total Revenue	419,037	510,115
Tax for the Year	**419,037**	**510,115**

8. Value Added Tax - (VAT)

Bal. Bf	13,128,455	9,845,655
Closing VAT Payable Balance	2,804,014	3,285,200
Adjustment on VAT After Reconciliation	(3,648)	(2,400)
	15,928,821	**13,128,455**

9. Loans

	31st Dec 2018 GMD	31st Dec 2017 GMD
AGIB Loan for Exercise Book Machine	17,376,024	-
Loan for Purchase of Vehicles	-	34,599
Loan for Production Material	-	5,032,748
	17,376,024	**5,067,347**

Purchase of Exercise Book Printing Machines

The Corporation obtained D18,000,000 from the bank on the 16th of October 2018 to fund the acquisition of an exercise book printing machines. The tenure of the loan is for 3 years with annual interest at 15%. The total mark up for the loan is GMD4,463,132 and GMD4,463,132 will be recognised in profit and loss for the period of the Loan. The Corporation offered its Land at Building at the Head Office as collateral.

Purchase of Vehicles

The Corporation received a bank loan of GMD3,999,400 on the 23rd May 2017 for funding the acquisition of two vehicles. The tenure of the loan is one year with interest charged at 15%. The corporation offered GPPC Land & Building as a security for the loan.

Loan for Production Material

The Corporation received a bank loan of GMD8,000,000 on the 20th July 2018 for the purpose of funding the purchase of the production materials for the production process. The tenure of the loan is one year with interest charged at 15% and the land and building of GPPC was offered as a security for loan.

10. Revenue

Government of The Gambia	28,089,512	23,913,560
Area Councils	2,682,775	2,910,525
Private customers	4,603,014	3,668,357
Parastatal	5,065,910	1,860,373
Sale of publications	1,460,904	1,654,840
Others	1,551	-
	41,903,666	**34,007,655**

11. Cost of Sales

Opening stock	7,323,514	7,409,643
Purchases	13,709,865	10,060,453
Closing stock	(8,498,240)	(7,323,514)
	12,535,139	**10,146,582**

	31- Dec 2018 GMD	31- Dec 2017 GMD

12. Personnel Cost

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

Directors	3	4
Management	7	8
General Staff	112	112
	122	**123**

The aggregate payroll costs were as follows:

Basic Salary	5,707,703	5,888,842
Residential Allowance	2,434,000	1,517,000
Responsibility Allowance	661,835	457,348
Professional Allowance	481,750	484,000
Car Allowance	116,000	86,000
Telephone Allowance	262,000	155,250
Transport Allowance	2,037,800	1,394,000
Head of Department Allowances	387,000	397,500
Employer's Social Security Contribution	1,834,387	1,580,418
Acting Allowance	257,333	152,936
Gratuity	53,292	71,202
Staff Overtime	367,413	284,645
	14,600,513	**12,469,141**

13. Administrative Expenses

Water & Electricity	1,300,931	1,066,867
Fuel & lubricants	1,819,075	2,061,369
Repairs & maintenance	1,941,365	1,285,266
Office Stationary, printing & photocopying	18,055	21,142
Travelling Expenses – Overseas & local	1,492,096	428,107
Telecommunication cost/ mobile	468,119	517,337
Publicity & Advertisement	664391	586,800
Staff training cost	394,355	1,460,749
Donations & contributions Corporate Social Resp.	200,500	133,250
Board fees	323,100	362,700
General office expenses	894,358	778,699
Audit fees	156,000	156,000
Medical welfare	1,308,523	1,177,650
Maintenance expenses	423,700	387,520
Staff treat	-	229,025
NLC football	82,500	125,050
Consultancy	450,100	150,000
Staff uniform	-	58,700
	11,937,168	**10,986,231**

	31st Dec 2018 GMD	31st Dec 2017 GMD
14. Interest Expenses		
Interest on Lease /Bank Interest	180,000	299,685
Other Bank Charges	1,569,513	737,355
Interest Charges	-	181,250
	1,749,513	**1,037,040**
15. Revaluation Reserves		
Opening Balance	75,651,165	75,807,388
Transfer to retained earnings (representing excess Annual depreciation arising from the revaluation)	**(156,223)**	**(156,223)**
	75,494,942	**75,651,165**

16. Prior Year Adjustment

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

17. Board Incentives		
Chairman	60,000	60,000
Vice Chairman	48,000	48,000
Managing Director	36,000	36,000
Other Members	179,100	218,700
	323,100	**362,700**
18. Inventory		
Materials	7,099,210	5,935,164
Publications	1,399,030	1,388,359
	8,498,240	**7,323,514**

19. Related Party

The Corporation is a Government Entity and therefore has direct relationships with all Government related entities. The following are the related party transactions with those entities;

	31st Dec 2018 GMD	31st Dec 2017 GMD
Sale of Goods & Services to Related Companies		
Government	28,089,512	23,913,560
Area Councils	2,682,775	2,910,525
Parastatals	5,065,910	1,860,373
	35,838,197	**28,684,458**
Receivables from the Sale of Goods & Services to Related Companies		
Government	12,098,770	13,551,463
Area Councils	958,400	2,020,128
Parastatals	6,634,011	3,808,771
	19,682,241	**19,380,361**

20. Contingent Liability

There were no legal claims against the company as at 31st December 2019 that will require settlement or outflow of resources.

21. Post Reporting date events

There is no adjusting or significant non-adjusting events that have occurred between the 31st December 2018 and the date of authorisation of the 2018 Accounts.