

GAMBIA TELECOMMUNICATIONS CELLULAR COMPANY LTD.
(GAMCEL)

FINAL

Audit Report & Financial Statements

For the year ended

31st December 2014

Gambia Telecommunications Cellular Company Ltd.
Financial Statements For The Year Ended 31st December 2014

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Gambia Telecommunications Cellular Company Ltd.
Financial Statements For The Year Ended 31st December 2014

General Information

Registered Office

59 Mamadi Manjang Highway
 Kanifing
 K.S.M.D
 The Gambia

Board of Directors

Mr. Alhaji Tafsir Samba Alieu Njie	Chairman (W.E.F April 2014)
Mr. Alhaji Bai Matarr Drammeh	Vice Chairman(W.E.F April 2014)
Mr. Baboucarr J. Sanyang - Gamtel MD	Member
Perm. Sect. - Office of the President	Member (W.E.F Sept. 2014)
Perm. Sect. - Min. of Finance and Econ. Affairs(MFEA)	Member
Perm. Sect. - Min. of Info & Comm. Infrastructure (MOICI)	Member
Mr. Momodou O.S. Badjie - Managing Director GNPC	Member
Dr. Momodou Jain	Member (W.E.F April 2014)
Mr. Kebba Bojang - Staff Representative	Member

Company Secretary : Mr. Sarjo .S.A. Ceesay
 Mrs. Elizabeth Mendy- Johnson

Gamcel MD

Auditors:

Real Time Consulting
 Chartered Certified Accountants & Consultants
 Elton Filling Station
 Old Jeshwang
 P.O Box 978
 Banjul, The Gambia

Solicitors:

1 Amie Bensouda & Co. Ltd.
 Kanifing Institutional Area
 P.O.Box 907
 Banjul, The Gambia

2 State Council
 Attorney General's Chambers
 4 Marina Parade, Banjul

Bankers :

Arab Gambia Islamic Bank	Guarantee Trust Bank Ltd.	Trust Bank Ltd.
7 Ecowas Avenue	56 Ecowas Avenue	3-4 Ecowas Avenue
Banjul,	Banjul,	Banjul,
The Gambia	The Gambia	The Gambia
First Int'l. Bank (F.I.B.) Ltd.	Zenith Bank Ltd.	Access Bank (G) Ltd.
2 Kairaba Avenue	Kairaba Avenue	34 Kairaba Avenue
Serrekunda	Serrekunda	Serrekunda
The Gambia	The Gambia	The Gambia

Bankers Contd.:

Eco Bank (Gambia) Ltd.
42 Kairaba Avenue
Serrekunda
The Gambia

FBN (Gambia) Ltd.
Kairaba Avenue
Serrekunda
The Gambia

BSIC Ltd.
52 Kairaba Avenue
Serrekunda
The Gambia

Gambia Telecommunications Cellular Company Ltd. Financial Statements For The Year Ended 31st December 2014

Financial Highlights

		2014	2013	Net Change (%)
Net Equity	(D'000)	(119,993)	29,927	-501%
Revenue	(D'000)	612,743	701,848	-13%
Profit / (Loss)	(D'000)	(151,408)	(243,708)	38%
Total Assets	(D'000)	530,270	679,900	-22%

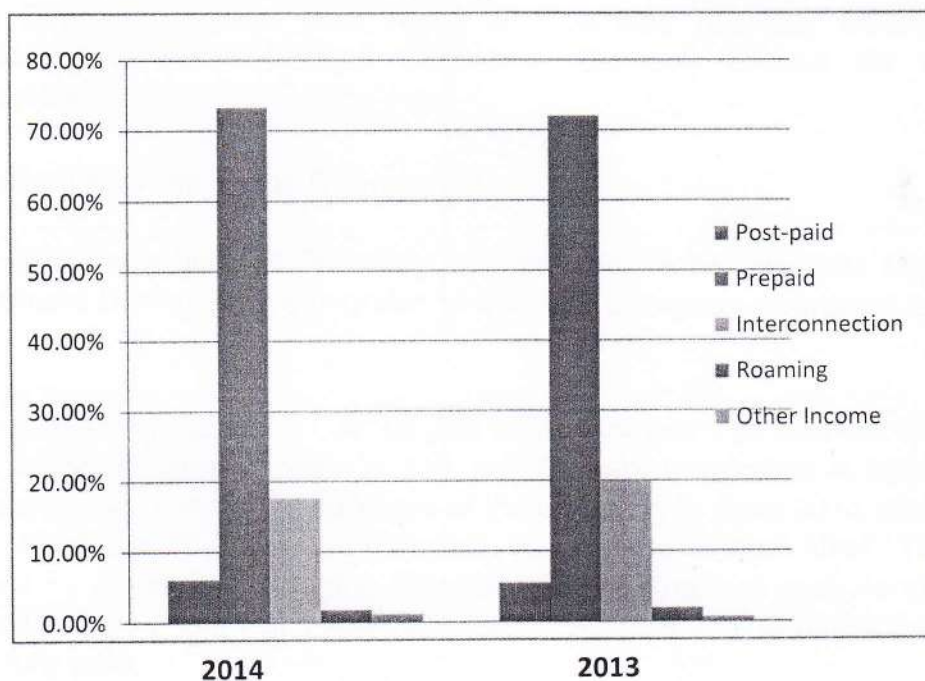
Net Earned Contribution to Revenue	-23%	-33%
Net Profit to Contribution	-25%	-35%
Staff Cost to Contribution	-10%	-7%
Management Expenses to Contribution	-31%	-24%
Taxation to Contribution	1.50%	1.50%
Property, Plant & Equipm't to Total Assets	77%	79%
Receivables to Total Assets	15%	16%
Liquid Assets to Total Assets	-1.38%	0.86%
Net Equity to Total Assets	-23%	4%

Revenue Analysis	2014		2013	
	D.000	%	D.000	%
Post-paid	37,203	6.07%	38,675	5.51%
Prepaid	449,270	73.32%	505,353	72.00%
Interconnection	108,301	17.67%	139,411	19.86%
Roaming	11,044	1.80%	13,786	1.96%
Other Income	6,926	1.13%	4,623	0.66%
	612,743	100%	701,848	100%

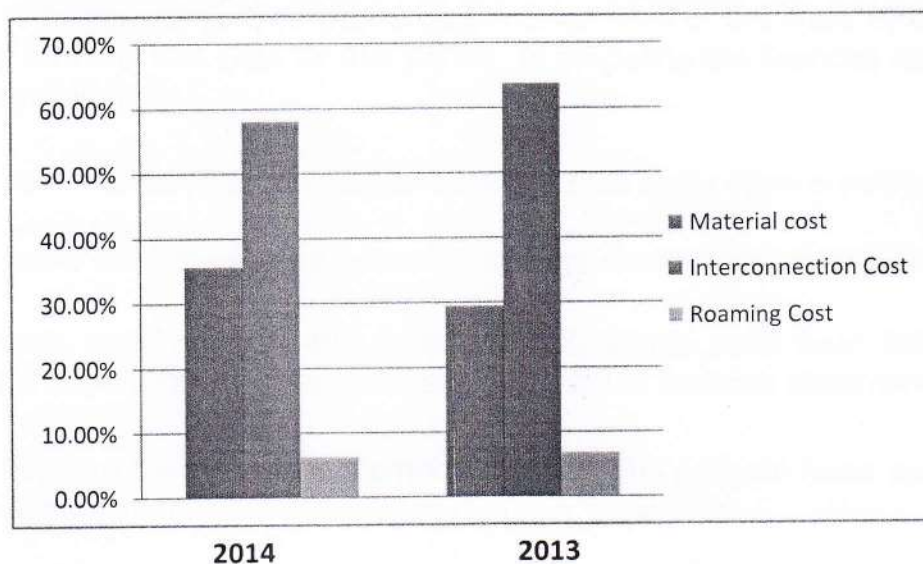
Cost of Sales Analysis	2014		2013	
	D.000	%	D.000	%
Material cost	114,460	35.68%	128,526	29.52%
Interconnection Cost	186,219	58.05%	277,417	63.71%
Roaming Cost	20,111	6.27%	29,494	6.77%
	320,790	100%	435,437	100%

Gambia Telecommunications Cellular Company Ltd.
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Revenue Analysis



Cost of Sales Analysis



DIRECTORS' REPORT

The Directors present their report and audited financial statements of The Gambia Telecommunications Cellular Company (Gamcel) Limited for the year ended 31st December 2014.

Principal Activity of the Company

The principal activity of Company is to provide Global Systems Mobile (GSM) Services to customers. During the year under review the Company upgraded its systems **from 2G to 3G**.

The partnership between Gamtel (the parent company of Gamcel with 99% share holdings) and Spectrum International Co. Ltd. was formally terminated in May 2014 which led to the regularisation of the legal structure of the company in June 2014 after changes in the Board and top management of the company were made in April 2014. The 1% holding formally owned by Gamtel's Managing Director (with no financial consideration) was subsequently allocated to Gambia Ports Authority (GPA) representing 60,000 shares @ D10.00 each and was fully paid.

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 and the Gamcel Act.

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.

Gambia Telecommunications Cellular Company Ltd.
Financial Statements For The Year Ended 31st December 2014

Financial Results	2014	2013
	GMD	GMD
	D'000	D'000
Net Profit /(Loss) for the financial period	(151,408)	(243,708)

Dividends

No dividend was paid during the financial period and the Directors do not recommend any dividend to be paid for the financial period under review.

Reserves and Provisions

There were no transfers to or from reserves other than the Net Loss reported during the year and taken to retained profit. Significant provisions for bad and doubtful debts and for obsolete stocks have been made during the financial period and disclosed in the financial statements with corresponding notes.

Share Capital

The **authorised share capital** of the Company is GMD 30,000,000 divided into 100,000 ordinary shares of GMD 300.00 each.

The **issued and paid up share capital** of the Company is GMD 30,000,000 divided into 100,000 ordinary shares of GMD 300.00 each. The company is a subsidiary of Gamtel and Gambia Ports Authority (GPA) owns one (1)% of the shares of the parent company, Gamtel.

Directors and Directors' Interest

The Directors in office as at the date of this report are as detailed on page 2. The 1% share holding previously held by the Managing Director of Gamtel in 2013 is now owned by Gambia Ports Authority (GPA) with effect from June 2014.

		NO. OF SHARES HELD	
		2014	2013
Gambia Ports Authority (GPA)	%	1	1
		(MD's Off.- Gamtel)	

(a) Before the financial statements of the Company were made the directors took reasonable steps:

(i) To ascertain that proper action had been taken in relation to the writing off bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate provision had been made for doubtful debts;

(ii) To ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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Financial Statements For The Year Ended 31st December 2014

(b) At the date of this report, the directors are not aware of any circumstances, which would make:-

(i) It necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements inadequate to any substantial extents; and

(ii) The value attributed to current assets in the financial statements misleading.

(c) At the date of this report, the Directors were aware of the circumstances which have arisen and rendered the Landed properties for valuation. A valuation exercise was conducted independently by a qualified quantity surveyor but the report is yet to be considered by the Board of Directors for incorporation in the Financial Statements.

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or

(ii) Any contingent liability in respect of the Company which has arisen since the end of the financial period.

(f) In the opinion of the Directors:

(i) No contingent liabilities or other liabilities has become enforceable or are likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligation as and when they fall due; and

(ii) No item, transaction or event material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the result of the operations of the Company for the financial period in which this report is made.

Auditors

The Auditors, Real Time Consulting Gambia Limited (RTC), having been appointed by the National Audit Office for a term of five (5) years with effect from the financial year ending 2014 have indicated their willingness to continue in office in accordance with Section 342 (2) of the Companies Act 2013.

By order of the Board of Directors

Chairman

Date: 22/12/2015

Secretary

Date: 22 December 2015

AUDITORS' REPORT



TO THE MEMBERS OF BOARD OF DIRECTORS

We have audited the financial statements on pages 10 to 25 which have been prepared under the historical cost convention.

Respective Responsibilities of Directors and Auditors

As described on pages 6-8 the Directors of the Company are responsible for the preparation of the financial statements. It is our responsibility as auditors to form an independent opinion, based on our audit, on those statements and to report our

Basis of opinion

We conducted our audit in accordance with the International Standards on Auditing. An audit includes examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of significant estimates and judgement made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud, other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of Gambia Telecommunication Cellular Company as at 31st December 2014 which comprise the Balance Sheets, the statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statements of the Company for the period then ended, and have been prepared in accordance with locally general acceptable accounting principles (GAAP), the Companies Act, 2013, and the Gamcel Act.

Real Time Consulting
REAL TIME CONSULTING (GAMBIA) LIMITED
CERTIFIED CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

Date: 23rd December 2015

Gambia Telecommunications Cellular Company Ltd.
Financial Statements For The Year Ended 31st December 2014

INCOME STATEMENT

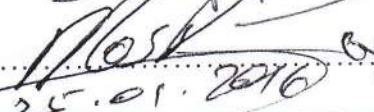
INCOME	Notes	2014 D'000	2013 D'000
Revenue	2	612,743	701,848
Less: Cost of sales	3	(320,790)	(435,437)
Gross Profit		291,953	266,411
Staff Cost	4	58,574	48,948
Administrative Expenses	5	191,171	168,750
Depreciation Charge	21	146,536	213,370
Loan Interest		20,675	26,721
Bank Charges		7,769	9,689
Increase in Prov. For Bad & Doubtful Debts	6	9,464	32,901
Bad Debts Written-Off		154	0
Total Operating Expenses		434,344	500,379
Net Operating Profit / (Loss)		(142,391)	(233,968)
Other Interest Receivable & Similar Income	7	174	790
Net Profit / (Loss) before Tax	8	(142,217)	(233,178)
Taxation	9	(9,191)	(10,530)
Net Profit / (Loss) After Tax		(151,408)	(243,708)
Basic Loss Per Share (bututs)		(1,514)	(2,437)
Dividend Per Share (bututs)		Nil	Nil

The notes on pages 14 to 25 form part of the financial statements

Gambia Telecommunications Cellular Company Ltd.
Financial Statements For The Year Ended 31st December 2014

BALANCE SHEET

	Notes	2014 D'000	2013 D'000
NON-CURRENT ASSETS			
Property, Plant and Equipment	21	410,599	540,050
		410,599	540,050
CURRENT ASSETS			
Trade Receivables	10	53,871	46,767
Other Receivables	10	1,111	30,830
Staff Loans	10	22,716	34,080
Taxation	9	4,442	13,633
Stocks Inventory	11	33,690	4,078
Cash and Bank Balances	12	3,081	10,462
Prepayments	13	762	0
Total Current Assets		119,671	139,850
TOTAL ASSETS		530,270	679,900
CURRENT LIABILITIES			
Trade Payables	14	380,147	438,750
Other Payables	15	107,963	59,044
Accruals & Similar Payables	16	43,702	14,435
Deferred Liabilities -Pre-Paid Customers		31,541	456
Bank Overdraft		10,410	4,615
Total Current Liabilities		573,763	517,299
NON-CURRENT LIABILITIES			
Long -Term Loans	17	76,500	132,674
TOTAL LIABILITIES		650,263	649,973
EQUITY & RESERVES			
Share Capital	18	30,000	30,000
Share Premium	19	64,345	64,345
Retained Earnings	20	(214,338)	(64,418)
Total Equity & Reserves		(119,993)	29,927
TOTAL LIABILITIES , EQUITY & RESERVES		530,270	679,900

 DIRECTOR
 DIRECTOR
25.01.2016

The notes on pages 14 to 25 form part of the financial statements

CASH FLOW STATEMENT

	<u>Notes</u>	<u>2014</u> <u>D'000</u>	<u>2013</u> <u>D'000</u>
Cash flows from operating activities			
Surplus /(Deficit) from operations		(151,408)	(233,968)
			0
		(151,408)	(233,968)
Adjustments for:-			
Depreciation:		146,536	213,370
Prior Year Adjustment (Net)		1,511	0
Loss on Disposal		0	1,357
Operating Profit/(Loss) before Working Capital Changes		(3,361)	(19,241)
Changes in Working Capital:			
(Increase) / Decrease in Inventories		(29,612)	(1,324)
(Increase) / Decrease in Trade Receivables		(7,103)	(34,014)
(Increase) / Decrease in Other Receivables		29,719	0
(Increase) / Decrease in Staff Loans		11,364	0
(Increase) / Decrease in Prepayments		(762)	0
Increase / (Decrease) in Trade Creditors		(58,604)	143,460
Increase / (Decrease) in Other Payables		48,919	0
Increase / (Decrease) in Accruals & Similar Payables		29,268	0
Increase / (Decrease) in Deferred Liabilities		31,086	0
		50,913	88,881
Cash generated from operating activities			
Interest Received		174	790
Interest Paid			0
Tax Credit Recouped		9,191	0
Net Cash generated from operating activities		60,278	89,671
Cash flows from investing activities			
Purchase of Fixed Assets		(17,281)	(87,978)
Re-Couped / Purchase of Investments		0	0
Net cash used in investing activities		(17,281)	(87,978)
Cash flows from financing activities			
Increase / (Decrease) in Long-Term Borrowings		(56,174)	(20,782)
		0	0
Net cash used in financing activities		(56,174)	(20,782)
Net Cash Inflows / (outflows)		(13,176)	(19,089)
Net increase/(decrease) in cash and cash equivalents		(13,176)	(19,089)
Net Cash and cash equivalents at beginning of period		5,846	24,935
Net Cash and cash equivalents at the end of period		(7,330)	5,846

The notes on pages 14 to 25 form part of the financial statements

Gambia Telecommunications Cellular Company Ltd.
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STATEMENT OF CHANGES IN EQUITY

	Share Capital D'000	Share Premium D'000	Accumulated Profit/(Loss) D'000	Revaluation Reserve D'000	Total D'000
Balance As At 1st January 2013	30,000	64,345	179,290	0	273,635
Additions	0	0	0	0	0
Issuance of Share Capital	0	0	0	0	0
Net Profit/(Loss) for the period	0	0	(243,708)	0	(243,708)
Prior Year Adjustment	0	0	0	0	0
Balance As At 31st December 2013	30,000	64,345	(64,418)	0	29,927
Transfers	0	0	0	0	0
Balance Re-Stated As At 31/12/2013	30,000	64,345	(64,418)	0	29,927
Balance As At 1st January 2014	30,000	64,345	(64,418)	0	29,927
Net Profit/(Loss) for the period	0	0	(151,408)	0	(151,408)
Prior Year Adjustment	0	0	1,488	0	1,488
Prov. For Contingency Reserve	0	0	0	0	0
Balance As At 31st December 2014	30,000	64,345	(214,338)	0	(119,993)
Transfers	0	0	0	0	0
Balance Re-Stated As At 31/12/2014	30,000	64,345	(214,338)	0	(119,993)

The notes on pages 14 to 25 form part of the financial statements

Notes (forming part of the financial statements)

1a 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.

b ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention of accounting and in accordance with applicable International Accounting Standards and locally generally acceptable accounting principles. Provisions have been made for accruals and prepayments, where appropriate.

c DEPRECIATION

Property, Plant & Equipment is stated at cost, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such equipment when that cost is incurred if the recognition criteria are met. The cost of self-constructed assets includes the cost of materials and direct labour cost. The cost of property, Plant & Equipment acquired by the Company includes cost of acquisition together with any incidental expenses incurred in bringing the assets to its working condition for the intended use.

Depreciation of Fixed Assets is calculated and charged to the income statement on a simple straightline method **using** the annual rates shown below. Depreciation is charged with effect from the year of purchase unless stated otherwise and no depreciation is charged in the year of disposal. The annual depreciation rates applied are as follows:-

DEPRECIATION RATES

Land		0%
Buildings	20 YRS	5%
GSM Equipment	6.66 YRS	15%
Motor Vehicles / Motor Cycles	4 YRS	25%
Furniture, Fixtures & Office Equipment	6.66 YRS	15%
Generators	10 YRS	10%
Accounting Software	3 YRS	33.33%

d Employee Benefits

Obligation for contribution to the Social Security and Housing finance Corporation Administered National Provident Fund Scheme at the rate of 5% on employees' basic salaries are recognised as expenses in the Income and Expenditure Account. 10% of employees' basic salary is contributed by the employer. Obligations under the federated pension scheme at the rate of 19% of employees' basic salaries are contributed by the employer and also recognised as expenses in the Income and Expenditure Account.

Under the federated pension scheme, employees are entitled to lump sum payments in addition to a monthly pension upon attaining the retirement age of 60 and 55 for men and women respectively. Those under the provident fund scheme received only a one off payment.

e Share Capital

The Authorized Share Capital of the Company is GMD30,000,000 divided into 100,000 ordinary shares of GMD300.00 each.

The issued and paid up Share Capital of the Company is GMD30,000,000 divided into 100,000 ordinary shares of GMD300.00 each.

f Reserves and Provisions

There were no material transfers to or from reserves or provisions during the year other than those disclosed in the financial statements and its corresponding notes.

g Dividends

No dividend was paid during the financial period and the Directors do not recommend any dividend to be paid for the financial period under review..

h Conversion of Foreign Currencies

All foreign currency transactions are converted to Gambian Dalasi, which is the reporting currency, at the rate of exchange prevailing at the time the transactions were effected. Monetary assets and liabilities denominated in foreign currencies are translated to reporting currency at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities are translated using the exchange rate that existed when the values were determined. The resulting gains and/or losses are accounted for in the Income Statement. We use GMD 42.13/\$1 as the reporting date exchange rate.

i Prepaid Expenditure

Expenditure which is deemed to have a benefit or relationship to more than one reporting period is classified as prepaid expenditure. Such expenditure is written off over the period, to which it relates, on a straight-line basis.

j Receivables

Trade receivables are stated at the amounts they are estimated to realise net of provision for impairment of bad and doubtful debts. The other receivables and dues from related parties are recognised and carried at cost less impairment losses on any uncollectible amount.

k Taxation

The corporation tax is based on the higher of 1.5% of revenue and 31% of Net profit after adjusting for depreciation, other unacceptable expenses and capital allowances. No deferred tax is recognised in the financial statements.

l Cash and Cash Equivalents

Cash and Cash Equivalents comprise of cash at bank and cash in hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

m Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset recoverable amount is the higher of an asset's or cash-generating unit's fair value less selling cost and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflect current market assessments of the time value of money and the risk specific to the asset. In determining the fair value less costs to sell, an appropriate valuation model is used.

n Maintenance Service contract Liabilities and Other Liabilities

Maintenance Services contract liabilities and other liabilities, which fall due for payment on demand or within one year from the closing date are also carried at cost.

o Events After the Reporting Date

All material events after the reporting date have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements.

p **Capital Commitment and Contingencies**

Capital Commitment and Contingent liabilities of the Company are disclosed in the Financial Statements or specific notes are made as follows:-

Following the termination of the partnership contract between Spectrum and the Government of the Gambia in June 2014, the latter has decided that Gamcel pays for all its outstanding tax liabilities due to the Gambia Revenue Authority (GRA).

An on-going reconciliation exercise has indicated that a total amount of **D294,423,203** for various taxes such as corporation tax, VAT, Excise tax and the fixed line operators license and Spectrum fees including penalties and interest charges as at 31st December 2014 is owed by Gamcel.

However, the above stated amount includes higher figures for corporation tax for the last two years than what the audited accounts show. Also, the exercise has not factored the down payment made during the Tax Commission period. If Gamcel is to meet this liability by the deadline date (31st December 2015) it will negatively impact on the operations and liquidity of the company, if bankruptcy is not imminent.

Notes (forming part of the financial statements)
NOTES

		2014 D'000	2013 D'000
2 REVENUE		702,004	505,353
Pre-paid Revenue		(252,734)	0
Less: Free Bonus Calls		449,270	505,353
Net Pre-paid Revenue		37,203	38,675
Post-paid Revenue		108,301	139,411
Interconnection Revenue		11,044	13,786
Roaming Revenue	2a	6,926	4,623
Miscellaneous Income	2b	612,743	701,848

2a. Roaming Revenue

Inbound revenue derived from international roaming partners is accounted for under roaming revenue. This accounts for revenue from customers of international network operators roaming in the Gambia and calling through the Gamcel network. The collection of the roaming revenue which was outsourced to an international company, MACH, is now given to

2b Miscellaneous Income

replacement of SIM Cards, Sale of bidding documents, 3G USB Dongles, 3G Routers, 3G WiFi.

		2014 D'000	2013 D'000
3 COST OF SALES		114,460	128,526
Material Cost	See 3a below	186,219	277,417
Interconnection Cost	See 3b below	20,111	29,494
Roaming Cost	See 3c below	320,790	435,437

3a Material Cost

	2014 D'000	2013 D'000
Material Refreshment	1,285	1152
Material Scratch Cards	2,116	3,392
GSM Phone Sets	2,018	1,412
Material Sim Cards	7,888	8,612
Dealers Commission	71,952	82,958
GSM Licenses/spectrum Fees	26,297	31,000
Co.-Location Cost	2,904	0
	114,460	128,526

3b Interconnection Cost

	2014 D'000	2013 D'000
Interconnection Cost - Africell	9,772	9,605
Interconnection Cost - Comium	3,523	3,719
Interconnection Cost - QCell	2,893	2,428
Interconnection Cost - Gamtel	170,031	261,665
	186,219	277,417

3c Roaming Cost

	2014 D'000	2013 D'000
International - Outbound Roaming	11,639	18,124
International - Inbound Roaming	8,472	11,370
	20,111	29,494

Gambia Telecommunications Cellular Company Ltd.
Financial Statements For The Year Ended 31st December 2014

4 STAFF COST	2014	2013
	D'000	D'000
Basic Salaries	16,359	14,010
Casuals & Wages	1,921	2,370
SSHFC Pensions Contributions	6,404	4,660
Injury Contributions	63	83
Extra Duty Allowance	5,568	5,352
Responsibility Allowance	857	785
Telephone Allowance	365	324
Transport Allowance	3,497	3,350
Vehicle Allowance	2,166	2,080
Acting Allowance	332	209
Project Allowance	3,659	3,472
Mileage Allowance	1,037	989
Professional Allowance	1,249	1,066
Provincial Allowance	155	97
Residential Allowance	1,735	1,672
Staff Training Allowance - Local	353	196
Cashiers' Allowance	451	192
Staff Medical Expenses & Honorarium	3,449	2,232
Staff Loans' Subsidies	725	2,367
Other Staff Cost	7,278	3,303
Staff Drawback	950	139
	58,574	48,948
5 ADMINISTRATIVE EXPENSES	2014	2013
	D'000	D'000
The breakdown is as follows:-	2,030	2,141
Local Travelling	-	-
Overseas Travelling	2,687	2,594
Local Training	6,353	3,986
Overseas Training	50,081	23,558
Repairs & Maintenance 5a	17,413	15,923
3rd Party Obligatory Fees 5b	14,426	13,147
Electricity & Water	1,628	1,656
Insurance Expenses 5c	16,047	12,329
Freight Handling & Insurance	2,046	3,488
Rents & Rates	4,174	1,200
Conferences and Meetings	1,893	3,397
Printing and Stationary	186	81
Materials - Publications/Journals	19,460	16,792
Fuel & Lubricants	112	610
Materials - Uniforms	21	-
Board fees	654	732
Audit fees	1,364	-
Other fees (Tax Mngt., Acct. Software Lic., etc)	1,647	391
Professional / Consultancy fees	25,797	26,996
Marketing Expenses 5d	20,809	32,851
Donations and Sponsorship	554	560
Organisation Contributions	524	1,148
Refreshment & Entertainment	165	3,378
Tel., Internet & Computer Expenses	768	903
Consumables & Cleansing Mats.		

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Postages		68	79
Assets below Capitalisation Amts.		110	684
Other Expenses		154	126
		191,171	168,750
		2014	2013
5a Repairs & Maintenance Materials		D'000	D'000
- Small Tools		307	1
- Spares		149	55
- Vehicles		5,271	4,752
- Technical Equipment / IT		12,342	12,809
- GSM Cell Sites		31,047	1,825
- Buildings		241	2,638
- Generators		497	1,227
- Furniture & Office Equipment		226	250
- Others		-	1
		50,081	23,558
		2014	2013
5b 3rd Party Obligatory Fees		D'000	D'000
PURA Regulatory Fees		15,242	9,386
License		2,171	6,537
		17,413	15,923
		2014	2013
5c Insurance Expenses		D'000	D'000
Buildings & Equipment		1,216	633
Vehicles		379	985
Staff Travel Insurance		33	38
		1,628	1,656
		2014	2013
5d Marketing Expenses		D'000	D'000
Advertising		21,281	23,942
Promotions		4,515	3,054
		25,797	26,996
		2014	2013
6 PROV. FOR BAD & DOUBTFUL DEBTS	Basis	D'000	D'000
GIA Loan	100%	12,762	13,226
Post paid	2/ 100%	89,206	113,713
Staff Loans	2% /Diff.	2,418	1,336
Other Debtors	100%	41	116
General Provision (Int. Connection Debtors)	2%	-	87
Dealers Debtors	100%	21,463	21,463
Roaming Receivables	100%	85,417	51,902
		211,306	201,843

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	2014	2013
	D'000	D'000
7 INTEREST RECEIVABLE & SIMILAR INCOME		
Bank Interest Receivables	138	760
Interest Received On Staff Loans	35	30
	174	790
8 PROFIT BEFORE TAXATION	2014	2013
Profit / (Loss) before taxation is derived after charging :-	D'000	D'000
Auditors' remuneration	654	732
Property, plant and equipment:		
- Depreciation	146,536	213,370
Rent & Rates of premises	2,046	3,488
Staff costs	58,574	48,948
	207,810	266,538
9 TAXATION	2014	2013
The tax charge in the financial statements is derived as follows:	D'000	D'000
Income Statement		
Provision for corporation tax is 1.5% on Turnover	9,191	10,530
Balance Sheet	D'000	D'000
Tax Credit Balance B/F	13,633	24,163
Current Tax Charge	(9,191)	(10,530)
Payments Made	-	-
Tax Credit Balance C/F	4,442	13,633
10 RECEIVABLES	2014	2013
	D'000	D'000
Trade Debtors		
- Post Paid Debtors	139,431	127,913
- Net Of Interconnection - Africell	3,233	3,526
- Net Of Interconnection - Qcell	413	202
- Roaming Receivables	85,417	80,827
- Dealers Debtors	21,463	21,463
Other Debtors		
- GIA Loan	12,762	12,762
- Hire Purchase Debtors	-	83
- Gamtel/Gamcel Inter Co. A/C	1,119	43,334
- Sundry Debtors	33	31
-Gamtel/Gamcel Staff Assoc.	-	724
Staff Loans		
-Building Loans	16,653	15,294
-Car Loans	4,298	5,599
-Personal Loans	1,537	1,043
-Computer Loans	256	171
-"1x6" Loans	439	502
-Other Loans(Incl. dormant loans)	1,950	47
	289,003	313,520
Less: Prov. For Bad & Doubtful Debts	(211,306)	(201,843)
	77,697	111,677

The notes on pages 14 to 25 form part of the financial statements

Gambia Telecommunications Cellular Company Ltd.
Financial Statements For The Year Ended 31st December 2014

Notes (forming part of the financial statements)			
11 STOCKS INVENTORY	Notes	2014	2013
		D'000	D'000
Main Store Stock Items	11a	35,091	5,246
Stationary Items		0	233
		35,091	5,478
Less:- Provision for Obsolete Stock		(1,401)	(1,401)
		33,690	4,078

11a Inventories are stated at the lower of cost and net realisable value where cost is the purchase cost plus any related duty, freight and other directly attributable costs, on a first-in-first-out basis. The net realisable value is based on the estimated selling price less all cost to be incurred in marketing and selling the items.

12 CASH AND BANK BALANCES	2014	2013
	D'000	D'000
Trust Bank - Savings Account	1,188	7,728
Bank PHB Ltd.	102	394
F I Bank Ltd.	205	322
Guaranty Trust Bank-Savings Account	17	17
International Commercial Bank	49	206
Access Bank - Current Account	452	661
Access Bank - Savings Account	0	0
ECO Bank	103	511
Arab Gambia Islamic Bank	203	439
BSIC (Sahelian Bank)	111	180
Dalasi - Dollar Control Account	2	2
Cash Control Account - Eco Bank	7	-
Zenith Bank Ltd.	633	-
Petty Cash - H/Office	3	1
Petty Cash - Abuko	4	0
	3,081	10,462

12a CASH AND BANK BALANCES O/DRAWN	2014	2013
	D'000	D'000
Trust Bank - Current Account	8,291	1,010
Guaranty Trust Bank-GMD	2,119	3,605
	10,410	4,615

13 PREPAYMENTS	2014	2013
	D'000	D'000
Rentals for H/Qtrs. and Other Cell Sites	762	-

These were renewals for some rental agreements which go beyond the year under review.

14 TRADE PAYABLES: Amounts Falling Due Within 1 Yr.	2014	2013
	D'000	D'000
Trade Creditors	134,406	185,083
Interconnection Payable - Comium	439	247
Interconnection Payable - Gamtel	200,138	216,727
Roaming Creditors	45,164	36,692
	380,147	438,750

15 OTHER PAYABLES	2014 D'000	2013 D'000
GRTS Levy Tax	333	1,388
Subscribers' Deposits (IDD)	1,200	1,200
Roaming Deposit	408	408
Income Tax Control (PAYE)	(121)	460
Family Allotment	1	-
Loan Repayments Within 1 Yr.	106,142	55,588
	107,963	59,044

16 ACCRUALS AND SIMILAR PAYABLES	2014 D'000	2013 D'000
NRA -Billboards Rentals	350	-
PURA - Regulatory Fees (Nov. & Dec.)	3,341	-
GRA - VAT Payables (Nov. & Dec.)	-	5,627
GRA - Excise Tax	-	1,779
GRA - Sales Tax Debit	22,368	-
GRA - With-holding Tax	18,039	-
Nawec Bills	3,121	1,669
GRTS - Levy Tax (Nov. & Dec.)	772	-
SSHFC - Contribution For Dec.	474	-
Spectrum Fees (May to Dec.)	20,857	14,417
Audit Fees (Suppl.)	50	-
Others	73	582
	69,446	24,073
Less: Sales Tax Credit	(25,743)	(9,639)
	43,702	14,435

17 LONG-TERM LOANS		2014 D'000	2013 D'000
Guarantee Trust Bank Loan (1)	17a	6,403	20,015
Trust Bank Loan	17a	57,819	79,800
SSHFC Loan	17b	93,446	88,446
Guarantee Trust Bank Loan (2)	17c	24,974	-
Total Loans		182,642	188,262
Less:- Amounts Due Within 1 Year		(106,142)	(55,588)
Amounts Due After 1 Year		76,500	132,674

17a Guarantee Trust Bank (1) and Trust Bank Loans

A syndicated medium term loan facility of D100 million was obtained jointly from Guaranty Trust Bank and Trust Bank Limited, Guaranty Trust Bank being the lead bank to partly finance the expansion of the company's GSM network. The facility is repayable over 60 months at a rate of interest of 17% p.a. with a monthly repayment of D1.3 million respectively. A moratorium was granted for the first 6 months with only interest payment with the balance including the principal payable over the remaining 54 months. The balance would be settled by 2016. The facility is secured by a corporate guarantee from Gambia Telecommunication Company Limited (Gamtel) with 11 properties valued at D141 million in total as collateral, and a letter of pledge and trust receipts on the GSM equipments financed.

17b SSHFC Loan

Gamcel obtained a D100 million loan from SSHFC (Social Security and Housing Finance Corporation) towards the funding of its 3G project. A contract was signed with Huawei International Pte. Limited on 16th March 2012 for the supply and installation of the 3G facilities. The SSHFC loan is repayable over five years at an interest rate of 15% per annum. The Project (first Phase) has now been completed and is fully operational.

17c Guarantee Trust Bank Loan (2)

Gamcel took a second loan of D50 Million in June 2014 to part-finance the purchase of 3G equipment worth US\$ 5 Million from Huawei. The loan is to be repaid in 12 equal monthly installments at an interest rate of 21% p.a. in addition to arrangement and legal fees of 0.75% of the facility amount. The loan was guaranteed by the parent company Gamtel with collaterals in the form of properties valued at D71.1 Million.

18 SHARE CAPITAL	No. Of Shares	2014 D'000	2013 D'000
Authorised	100,000	30,000	30,000

Ordinary Shares @ D300 Each

Issued and Fully Paid	Cost Per Share	2014 D'000	2013 D'000
100,000 Ordinary Shares	D300	30,000	30,000

Gambia Telecommunication Company (Gamtel) Limited, the parent company, holds 99% of the paid up share capital and Gambia Ports Authority (GPA) holds the remaining 1%.

19 SHARE PREMIUM

The amount for share premium represents the excess of the price paid by the parent company over the nominal share value of D300.00 per share.

20 RETAINED EARNINGS

		2014 D'000	2013 D'000
Balance b/f		(64,418)	179,290
Prior year adj. (O/stated depn. Charges	10a	1,488	-
Retained profit /(Loss) Re-instated		(62,930)	179,290
Profit/(Loss) for the year		(151,408)	(243,708)
Balance c/f		(214,338)	(64,418)

Notes (forming part of the financial statements)
PROPERTY, PLANT & EQUIPMENT

	LAND & BUILDINGS	GSM EQUIPMENT	M/VEHICLES & M/CYCLES	GENERATORS	FIX., FITT. & OFF. EQUIPM'T	ACCESS SOFTWARE	W.I.P.	TOTAL
	D'000	D'000	D'000	D'000	D'000	D'000	D'000	D'000
COST								
As At 1/1/2014	23,100	1,463,503	47,744	12,203	65,732	6,249	66,652	1,685,182
Additions	0	8,038	500	1,178	5,974	0	1,591	17,281
Adjustments	0	11	0	0	0	0	0	11
Disposals	0	0	0	0	0	0	0	0
As At 31/12/2014	23,100	1,471,552	48,244	13,381	71,706	6,249	68,243	1,702,474
DEPRECIATION								
As At 1/1/2014	1,829	1,046,296	35,835	5,031	50,093	6,047	0	1,145,130
Adjustments	0	0	(1,130)	1,339	0	0	0	209
Disposals	0	0	0	0	0	0	0	0
Charge for the year	1,155	136,797	4,426	1,577	2,379	202	0	146,536
As At 31/12/2014	2,984	1,183,093	39,131	7,947	52,472	6,249	0	1,291,875
NBV								
As At 31/12/2014	20,116	288,459	9,113	5,434	19,234	0	68,243	410,599
As At 31/12/2013	21,271	417,207	11,909	7,172	15,639	202	66,652	540,050
	5%	15%	25%	10%	33.33%	33.33%	0%	

The notes on pages 14 to 25 form part of the financial statements