



Gambia Printing and Publishing Corporation (GPPC)

Auditor's Report and Financial Statements

for the year ended 31st December 2021



Contents	Page
<u>Five Year Financial Summary</u>	<u>3</u>
<u>Financial Highlights</u>	<u>4</u>
<u>General information</u>	<u>5</u>
<u>Directors' report</u>	<u>6-7</u>
<u>Report of the Independent Auditors</u>	<u>8-10</u>
<u>Income statement</u>	<u>11</u>
<u>Balance sheet</u>	<u>12-13</u>
<u>Statement of changes in equity</u>	<u>14</u>
<u>Cash flow statement</u>	<u>15</u>
<u>Notes to the financial statements</u>	<u>16-30</u>



Five Year Financial Summary

Year ended 31 December 2021

All amounts in the nearest Gambian Dalasi unless otherwise stated

	2021	2020	2019	2018	2017
	D	D	D	D	D
Balance sheet					
Assets					
Non-current assets					
Property, plant and equipment	111,312,469	112,222,026	106,782,536	95,777,756	91,610,546
Intangible assets	103,334	129,168	161,460	0	20,000
Total non-current assets	111,415,803	112,351,194	106,943,996	95,777,756	91,630,546
Current assets					
Inventory	8,403,833	9,514,103	8,603,732	8,498,240	7,323,514
Other receivables	5,069,361	10,138,721	10,138,721	4,406,801	4,406,801
Trade and staff debtors	15,588,632	25,427,075	18,320,589	32,920,801	25,337,508
Cash and cash equivalents	147,528	1,769,134	8,032,414	260,504	7,503
Total current assets	29,209,353	46,849,033	45,095,456	46,086,346	37,075,326
Total assets	140,625,156	159,200,227	152,039,452	141,864,102	128,705,872
Equity and liabilities					
Share capital	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
(Accumulated deficit)/Retained earnings	(8,272,763)	(2,093,792)	487,082	2,856,596	5,560,991
Revaluation reserve	75,026,273	75,182,496	75,338,719	75,494,942	75,651,165
Total capital and reserves	76,753,510	83,088,704	85,825,801	88,351,538	91,212,156
Liabilities					
Non-current liabilities					
Loans	5,817,753	10,752,445	10,453,319	0	0
Total Non-current Liabilities	5,817,753	10,752,445	10,453,319	0	0
Current liabilities					
Bank overdraft	1,203,342	4,398,637	2,700,242	1,620,859	3,706,065
Other payables	25,100,921	28,403,537	17,058,902	13,653,071	10,447,761
Corporation tax	394,650	0	0	4,933,796	5,144,088
Value Added Tax	22,669,204	23,849,858	18,428,905	15,928,821	13,128,455
Loans	8,685,776	8,707,047	17,572,285	17,376,024	5,067,347
Total current liabilities	58,053,893	65,359,078	55,760,334	53,512,571	37,493,716
Total liabilities	63,871,645	76,111,523	66,213,653	53,512,571	37,493,716
Total equity and liabilities	140,625,156	159,200,227	152,039,454	141,864,109	128,705,872
Income Statement					
Revenue	39,713,544	41,539,971	41,042,831	41,903,666	34,007,655
Cost of sales	(8,512,693)	(11,379,058)	(12,990,445)	(12,535,139)	(10,146,582)
Gross profit	31,200,851	30,160,913	28,052,386	29,368,527	23,861,073
Personnel costs	(16,561,672)	(15,691,405)	(15,755,142)	(14,600,513)	(12,469,141)
General and administrative expenses	(10,780,563)	(9,259,287)	(12,638,433)	(11,937,168)	(10,986,229)
Depreciation	(3,461,719)	(3,402,496)	(3,263,867)	(2,788,175)	(2,675,443)
Amortisation	(25,834)	(32,292)	0	(20,000)	0
Operating (loss)/ profit	371,064	1,775,433	(3,605,056)	22,671	(2,269,740)
Impairment	(5,069,361)	0	0	0	0
Net financing cost	(1,697,661)	(2,839,706)	(3,563,314)	(1,749,513)	(1,037,040)
Loss before taxation	(6,395,957)	(1,064,273)	(7,168,370)	(1,726,842)	(3,306,780)
Income tax expense	(397,135)	(415,400)	(410,428)	(419,037)	(510,115)
Loss for the financial year	(6,793,093)	(1,479,673)	(7,578,798)	(2,145,879)	(3,816,895)



Financial Highlights

	2021	2020
Post tax loss (GMD)	(6,793,093)	(1,479,673)
Unimpaired capital (GMD)	76,753,510	83,088,704
Net current assets (GMD)	(28,844,540)	(18,510,045)
Management expenses to income ratio (%)	27%	22%
Staff/personnel costs to income ratio (%)	42%	38%
Liquidity Ratios		
Quick Ratio/Acid Test Ratio (GMD)	0.36	0.57
Current Ratio (GMD)	0.50	0.72
Times Interest Earned Ratio (times)	0.22	0.63
Solvency Ratios		
Debt to Equity Ratio	83%	92%
Equity Ratio	55%	52%
Debt Ratio	45%	48%
Efficiency Ratios		
Accounts Receivables Turnover (times)	3	2
Asset Turnover Ratio (%)	28%	26%
Inventory Turnover Ratio (Times)	1	1
Days' Sales in Inventory (days)	360	305
Profitability Ratios		
Gross Margin Ratio (%)	79%	73%
Profit Margin ratio (%)	-17.11%	-3.56%
Return on Assets (%)	-5%	-1%
Return on Capital Employed (%)	0.48%	2.14%
Return on Equity (%)	-9%	-2%
Market Prospect Ratios		
Earnings per share (GMD)	(0.68)	(0.15)
Price Earnings P/E Ratio	(20.70)	(107.59)
Dividend Payout Ratio	-	-
Dividend Yield	-	-



General Information

Directors

Mr. Kawsu K. Darboe (Chairman)
Mr. Bakary Sanyang (Vice Chairperson)
Mrs. Amie Njie Joof (Member)
Mrs. Amie Kolleh Jeng (Member)
Mrs. Sukai Mbye Bojang (Member)
Mr. Hussein Thomasi (Member)

Managing Director and Board Secretary

Mr. Momodou Ceesay

Registered Office

Manadi Manyang Highway
Kanifing Industrial Estate
KMC
The Gambia

Auditors

HAD&Co
Chartered Accountants and Business Advisers
Registered Auditors
Senegambia Highway
The Gambia

Bankers

Trust Bank Limited
3/4 Ecowas Avenue
Banjul
The Gambia

Arab Gambia Islamic Bank Limited
Becca Plaza
Ecowas Avenue
Banjul, The Gambia

Skye Bank (Gambia) Limited
Kairaba Avenue
KSMD
The Gambia

Ecobank Bank (Gambia) Limited
Kairaba Avenue
KSMD
The Gambia

Zenith Bank (Gambia) Limited
Kairaba Avenue
KSMD
The Gambia

FIB Bank (Gambia) Limited
Kairaba Avenue
KSMD
The Gambia



Directors' Report

The Directors present their report and financial statements for the year ended 31st December 2021.

State of Affairs

The state of the Company's affairs at 31st December 2021 is set out in the attached financial statements.

Statement of Directors' responsibilities

Company law requires the directors to prepare 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 or loss for that period. In preparing those financial statements, the 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;
- 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 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.

Principal activities

The principal activity 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.

Employees

The number of employees and the cost associated with these employees is as detailed in note 5.

Results for the year and dividend

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

The Directors did not recommend the payment of dividend (2020: D Nil).



Fixed Assets

Fixed assets are as detailed in note 15 of the financial statements. The directors are of the opinion that there has not been any permanent diminution in the value of the fixed assets. As a result, a provision for impairment has not been deemed necessary.

Post balance sheet events

There were no significant events since the year-end, which could affect the results or financial position of the company.

Going concern

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

Directors and their interest

The members of the board are detailed on page 3. None of the director had interest in the shares of the corporation.

Auditors

The Corporation's external auditors, HAD & Co - Audit. Taxation. Advisory, as appointed through the National Audit Office The Gambia, and this is their second year of the Audit.

By order of the Board

Secretary.....

Date.....14th/02/24.....2024

Report of the Independent Auditor's

To the Members of Gambia Printing and Publishing Corporation (GPPC)

Opinion

We have audited the financial statements of Gambia Printing and Publishing Corporation (GPPC), which comprise the Statement of Financial Position as at 31st December 2021, the Income Statement, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles (GAAP) and have been properly prepared in accordance with the GPPC Act.

Basis for opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 26 in the financial statements, which indicates that the Corporation incurred an operating loss before tax of D 6,395,957 and D1,064,273 during the years ended 31st December 2021 and 31st December 2020 respectively. Also, as of that date, the Company is in a net current liability position of D28,844,540 and a negative retained earnings of D8,272,763. As stated in Note 26, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report of the Independent Auditor's

Other Information

Management is responsible for the other information. The other information comprises the General Information and Report of the Directors as required by the GPPC Act. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report.

Responsibilities of Management and Those Charged with Governance for the Financial

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Report of the Independent Auditor's

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

HAD & Co

.....
HAD & Co
Chartered Accountants and Business Advisers
Registered Auditors
Kerr Serigne, The Gambia

Date: *14th February*2024





Income Statement

for the year ended 31st December 2021

		31st Dec. 2021 D	31st Dec. 2020 D
Revenue	<u>3</u>	39,713,544	41,539,971
Cost of sales	<u>4</u>	(8,512,693)	(11,379,058)
Gross profit		31,200,851	30,160,913
Personnel costs	<u>5</u>	(16,561,672)	(15,691,405)
General and administrative expenses	<u>6</u>	(10,780,563)	(9,259,287)
Depreciation	<u>11</u>	(3,461,719)	(3,402,496)
Amortisation	<u>11</u>	(25,834)	(32,292)
Operating Profit		371,064	1,775,433
Impairment	<u>7</u>	(5,069,361)	-
Net financing cost	<u>8</u>	(1,697,661)	(2,839,706)
Loss before taxation	<u>9</u>	(6,395,957)	(1,064,273)
Income tax expense	<u>10</u>	(397,135)	(415,400)
Loss for the financial year		(6,793,093)	(1,479,673)

The attached notes form part of these financial statements.



Balance sheet

as at 31st December 2021

	Notes	31st Dec. 2021 D000	31 st Dec. 2020 D000
Assets			
Non-current assets			
Property, plant and equipment	<u>11</u>	111,312,469	112,222,026
Intangible assets		103,334	129,168
Total non-current assets		111,415,803	112,351,194
Current assets			
Inventory	<u>12</u>	8,403,833	9,514,103
Other receivables	<u>13</u>	5,069,361	10,138,721
Trade and staff debtors	<u>14</u>	15,588,632	25,427,075
Cash and cash equivalents	<u>15</u>	147,528	1,769,134
Total current assets		29,209,353	46,849,033
Total assets		140,625,156	159,200,227
Equity and liabilities			
Share capital	<u>16</u>	10,000,000	10,000,000
Accumulated Deficit		(8,272,763)	(2,093,792)
Revaluation reserve	<u>17</u>	75,026,273	75,182,496
Total capital and reserves		76,753,510	83,088,704
Liabilities			
Non-current liabilities	<u>18</u>	5,817,753	10,752,445
Total Non-current Liabilities		5,817,753	10,752,445


The attached notes form part of these financial statements.

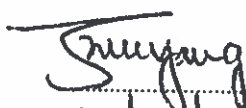


Balance sheet cont.
as at 31st December 2021

	<i>Notes</i>	31st Dec. 2021	31st Dec. 2020
		D	D
Current liabilities			
Bank overdraft	<u>15</u>	1,203,342	4,398,637
Other payables	<u>19</u>	25,100,921	28,403,537
Corporation tax	<u>9</u>	394,650	0
Value Added Tax	<u>20</u>	22,669,204	23,849,858
Loans	<u>18</u>	8,685,776	8,707,047
Total current liabilities		58,053,893	65,359,078
Total liabilities		63,871,645	76,111,523
Total equity and liabilities		140,625,156	159,200,227

The financial statements were approved by the Board of Directors on.....2024 and were signed on its behalf by:


Director
 14/02/24


Director
 14/02/2024

The attached notes form part of these financial statements.



Statement of changes in equity
for the year ended 31st December 2021

	Share Capital D	Revaluation Reserve D	Accumulated Deficit D	Total D
Balance as at 1st January 2020	10,000,000	75,338,719	487,082	85,825,801
Adjustment for 2019 Depreciation	-	-	133,400	133,400
Prior Year Adjustments (Note 16)	-	-	(1,390,823)	(1,390,823)
Loss for the year	-	-	(1,479,674)	(1,479,674)
Transfers (Note 15)	-	(156,223)	156,223	-
Balance as at 31st December 2020	10,000,000	75,182,496	(2,093,792)	83,088,704
Balance as at 1st January 2021	10,000,000	75,182,496	(2,093,792)	83,088,704
Adjustment-VAT Payment not posted 2020			449,457	449,457
Prior Year Adjustments/System Adjustment			8,442	8,442
Loss for the year			(6,793,093)	(6,793,093)
Transfers (Note 15)		(156,223)	156,223	-
Balance as at 31st December 2021	10,000,000	75,026,273	(8,272,763)	76,753,510

The attached notes form part of these financial statements



Cash flow statement

for the year ended 31st December 2021

		31 st December 2021	31 st December 2020
	Notes	D	D
Reconciliation of operating profit to cash flow from operating activities			
Operating loss before tax		(6,395,957)	(1,064,273)
<i>Adjust for non-cash items</i>			
Add: Depreciation charges	<u>11</u>	3,461,719	3,402,496
Add: Amortisation charges		25,834	32,292
Add: Impairment charges		5,069,361	-
Add: Finance costs		1,697,661	2,839,706
Gain on disposal		(21,273)	-
Adjustment for prior year		8,442	(1,390,823)
Prior year- VAT & Depreciation		449,457	133,400
		<u>4,295,243</u>	<u>3,952,798</u>
Decrease/(Increase) in inventory		1,110,270	(910,370)
Other receivables & Advance payments		-	-
Decrease/(Increase) in Trade and staff debtors		9,838,443	(7,106,486)
(Decrease)/Increase in Trade payables		(3,302,616)	11,344,635
(Increase)/decrease in Tax payable & VAT		(1,180,653)	5,420,953
		<u>10,760,687</u>	<u>12,701,530</u>
Income tax paid		(2,486)	(415,400)
Interest paid		(1,697,661)	(2,839,706)
Cash flows from operating activities		<u>9,060,541</u>	<u>9,446,424</u>
Investing activities			
Purchase of property, plant and equipment	<u>11</u>	(2,552,162)	(8,841,986)
Purchase of intangible assets		-	-
Cash flows from investing activities		<u>(2,552,162)</u>	<u>(8,841,986)</u>
Financing activities			
Decrease in Long Term Loan		(4,934,692)	(8,566,112)
Cash flows from financing activities		<u>(4,934,692)</u>	<u>(8,566,112)</u>
Net increase in cash and cash equivalents		<u>1,573,687</u>	<u>(7,961,674)</u>
Cash and cash equivalents at 1 January		(2,629,501)	5,332,173
Timing difference in Cash flows		-	-
Cash and cash equivalents at 31 December	<u>15</u>	<u>(1,055,814)</u>	<u>(2,629,501)</u>

The attached notes form part of these financial statements.



Notes to the financial statements (forming part of the accounts)

1 Corporate information

The Gambia Printing and Publishing Corporation was Established by an act of parliament as a public enterprise in 2006. The corporation is the result of a merger of former Book Production and Material Resources Unit (BPMRU) under the Ministry of Basic and Secondary Education charged with the responsibility of providing educational materials (i.e. teachers guide, pupils texts books etc.) for the ministry and National Printing and Publishing Corporation (NPPC) under the central government responsible of providing all necessary printing materials such as Government Tax Receipts (GTR), other revenue materials for both central, local and other government departments and agencies. The registered address of the office is Mamadi Manjang Highway, Kanifing Industrial Area, Kanifing, KMC.

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.

2 Principal Accounting Policies

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

(a) Statement of compliance and Basis of Preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles and the GPPC Act 2006.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

The Corporation recognised revenue when it is probable that the economic benefits from the sale will flow to the Corporation, the revenue and costs can be measured reliably and significant risks and rewards of ownership of the goods have been transferred to the buyer.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Corporation and the amount of income can be measured reliably. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.



Notes to the financial statements (forming part of the accounts)

(c) Property, plant and equipment

Owned assets

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

Depreciation

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

Buildings	2.50%
Plant & Machinery	5%
Motor Vehicles	20%
Computers & Other office equipment	20%
Furniture, fixtures & Fittings	20%
Generators	10%

Land is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Subsequent expenditure

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

Revaluation

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



Notes to the financial statements (forming part of the accounts)

(d) Intangible assets - quickbooks software

Software acquired by the Corporation is classified as an intangible asset and is measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognized in net income and is provided on a straight-line basis over the estimated useful life of the assets as follows:

Software	25%
----------	-----

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if necessary.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

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

(e) Impairment of tangible assets

At each reporting date, the Corporation reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit, typically the development project, to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(f) Inventory

Inventory is measured at the lower of cost and net realisable value. The cost of inventory is based on the first-in, first-out principle.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less estimated costs of completion and the estimated costs necessary to make the sale.



Notes to the financial statements (forming part of the accounts)

(g) Trade and other receivables

Trade and other receivables are recognised at their original invoiced value except where the time value of money is material, in which case receivables are recognised at fair value and subsequently measured at amortised cost. A provision is made when there is objective evidence that the Corporation will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

(h) Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash at bank and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Corporation's cash management.

(i) Interest bearing loans

Interest bearing loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequent to initial recognition, interest bearing borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(j) Other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

(k) Employee benefits

Obligations for contributions to Social Security Housing Finance Corporation administered retirement benefit plan are recognised as expense in the income statement as incurred.

(l) Provisions

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

(m) Foreign currency

Transactions in foreign currencies are translated to Dalasi at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Dalasi at the exchange rate ruling at that date. Exchange differences arising on translation are recognised in the income statement.



Notes to the financial statements (forming part of the accounts)

(n) Income tax

Income tax on the profit or turnover for the year comprises current tax and is recognised in the income statement.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(o) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required, or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

(p) Related parties

For the purposes of these financial statements all fellow subsidiaries and associated companies, key management personnel and Board members, together with the close members of their families in each case and with companies controlled by them, are considered and referred to as related parties. A number of transactions are entered into with related parties in the normal course of business. A detailed breakdown of related party transactions and balances outstanding at the year-end is provided in Note 23.



	31st December 2021 D	31st December 2020 D
3 Revenue		
Government	24,445,891	28,238,408
Area Councils	3,971,727	4,315,475
Private	1,332,400	1,412,928
Parastatal	6,554,967	3,618,362
Sales of Publications	982,719	3,886,198
Exercise Book Sales	2,387,340	0
Others	38,500	68,600
	39,713,544	41,539,971
4 Cost of Sales		
Opening Stocks of Printing Materials	9,514,103	8,603,732
Add: Purchases of Printing Materials	7,402,423	12,289,429
Less: Closing Stocks of Printing Materials	(8,403,833)	(9,514,103)
	8,512,693	11,379,058

5 Personnel costs

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

Numbers

Directors	3	3
Management	7	7
General	115	112
	125	122

Costs

Basic Salary	6,389,409	6,290,156
Residential Allowance	2,593,000	2,639,500
Responsibility Allowance	757,500	705,500
Professional Allowance	605,250	610,500
Car Allowance	204,000	180,000
Telephone Allowance	265,250	277,250
Transport Allowance	2,181,000	2,236,200
HD Allowance	779,700	409,800
Employer's Social Security Con.	1,973,065	1,947,249
Acting/Charge Allowances/drawback	270,225	17,205
Gratuity	151,900	154,974
Staff Overtime	391,373	223,072
	16,561,672	15,691,405



	31st December 2021 D	31st December 2020 D
6 Administrative expense		
Water & Electricity	1,053,415	848,796
Fuel & Lubricants	1,380,723	1,254,727
Repairs & Maintenance	1,672,487	1,118,932
Office stationery/Printing/Photocopying	39,046	54,819
Local/overseas Travel	374,122	147,949
Telecommunication Cost/mobile	210,581	298,586
Publicity/ Promotion & Advertising Cost	498,852	435,330
Staff Training	1,051,264	416,405
Donation & Contribution (Corporate Social Resp.)	0	173,000
Board Incentives	303,000	340,400
General office expenses	200,400	278,571
Audit fee	207,000	207,000
Medical Welfare	561,024	894,243
Inauguration of exercise book	733,300	0
NISA Football	111,250	10,000
Consultancy/Other Fees	263,020	139,430
Staff Uniform	145,760	0
Freight and Shipping Costs/custom fee	0	64,366
Increase in Provision for irrecoverable debt	1,147,352	1,687,282
Write off	0	0
Internet Services	566,734	540,288
Council Rate and Trade Licence	132,174	132,174
Insurance/Road Tax and Licence	129,059	216,989
	10,780,563	9,259,287
6.1 Board Incentives		
Chairman	60,000	60,000
Vice Chairman	48,000	48,000
Managing Director	36,000	36,000
Other Members	159,300	196,400
	303,300	340,400
7 Impairment		
Payment in advance- Printing Materials (note 13a)	2,203,401	0
Payment in advance- White Paper Rolls (note 13b)	2,865,960	0
	5,069,361	0
8 Finance costs		
Interest on Lease/Bank Interest on purchase of Vehicle	-	-
<i>Bank Service Charges:</i>		
AGIB	235,881	659,587
ECO Bank	1,388	6,053
Trust Bank	193,983	333,129
Zenith Bank	215,094	139,692
Skye Bank	370,742	106,302
FiBank	1,150	2,300
Interest charge on Paper for exercise bk/Cover printing machine	679,423	1,592,644
	1,697,661	2,839,706



	31st December 2021 D	31st December 2020 D
9 Profit before taxation		
Profit before taxation is stated after charging:		
Auditors' remuneration	207,000	207,000
Directors' remuneration	303,000	340,400
10 Income tax		
<i>Expense/charge</i>		
Taxation at 1% of total revenue (2020: 1% of total revenue)	397,135	415,400
Tax on the corporation's total revenue for the year ended agrees with the theoretical amount that would arise using the basic tax rate as follows:		
Turnover and other income	39,713,544	41,539,971
Tax calculated at a rate of 1% of turnover (2020: 1% of turnover)	397,135	415,400
	31 st December	31 st December
Reconciliation of effective tax rate	2021	2020
	%	%
Income tax using the domestic tax rate	1	1
<i>Corporate tax payable</i>		
Balance at the beginning of the year	0	0
Provision for Corporation Tax	397,135	415,400
Less: Amount paid during the year	(2,486)	(415,400)
Balance at the end of the year	394,650	0



11. Property, plant and equipment

	Land		Buildings		Plant & Machinery		Motors Vehicle		Generator		Computer Equipment		Furniture & fittings		Intangible Asstes		Total	
	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D
Cost:																		
As at 1st January 2020	50,000,000	30,852,962	39,598,645	7,828,100	1,049,365	7,802,265	161,460	139,448,402										
Additions - 2020	-	2,400,000	5,889,561	-	-	552,425	8,841,986	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	(95,600)	-	-	0	(95,600)	-	-	-	-	-	-	-	-	-	-
At 31st December 2020	50,000,000	33,252,962	45,488,206	7,732,500	1,049,365	8,354,690	161,460	148,194,788										
Additions - 2021	-	4,000	905,562	-	16,000	1,488,600	-	2,552,162										
Disposal 2021	-	-	-	(700,000)	-	-	-	(700,000)										
At 31st December 2021	50,000,000	33,256,962	46,393,768	7,032,500	1,065,365	9,843,290	161,460	149,885,490										
Depreciation																		
As at 1st January 2020	-	5,750,489	12,975,337	5,793,939	723,913	5,561,985	1,698,743	32,504,406										
Disposal-2020	-	-	-	(95,600)	-	-	-	(95,600)										
Accum Depn after disposal	5,750,489	12,975,337	5,698,339	5,698,339	723,913	5,561,985	1,698,743	32,408,806										
Charge for the year 2020	-	687,562	1,625,643	406,832	32,545	558,541	91,372	3,434,788										
At 31st December 2020	-	6,438,051	14,600,980	6,105,171	756,458	6,120,526	1,790,115	35,843,594										
Disposal 2021	-	-	-	(700,000)	-	-	-	(700,000)										
Accum Depn after disposal	6,438,051	14,600,980	5,405,171	5,405,171	756,458	6,120,526	1,790,115	35,143,594										
Charge for the year - 2021	-	670,473	1,589,639	325,466	30,891	744,553	100,698	3,487,553										
At 31st December 2021	-	7,108,524	16,190,620	5,730,637	787,349	6,865,079	1,890,813	38,631,147										
Net Book Value																		
As at 31st December 2021	50,000,000	26,148,438	30,203,148	1,301,863	278,016	2,978,211	402,792	111,415,803										
As at 31st December 2020	50,000,000	26,814,911	30,887,226	1,627,329	292,907	2,234,164	365,490	112,351,194										

Land and buildings of the corporation are use to secure its loans in Note 18.



	31st December 2021 D	31st December 2020 D
12 Inventory		
Materials	6,845,456	7,909,301
Publications	1,558,377	1,604,802
	<u>8,403,833</u>	<u>9,514,103</u>
Provision for slow moving & damaged stock	-	-
	<u>8,403,833</u>	<u>9,514,103</u>
13 Other receivables		
Payment in advance- Printing Materials (note 13a)	4,406,801	4,406,801
Payment in advance- White Paper Rolls (note 13b)	5,731,920	5,731,920
	<u>10,138,721</u>	<u>10,138,721</u>
<i>Impairment</i>		
Payment in advance- Printing Materials	(2,203,401)	0
Payment in advance- White Paper Rolls	(2,865,960)	0
	<u>(5,069,361)</u>	<u>0</u>
	<u>5,069,361</u>	<u>10,138,721</u>

Due to the protraction in settlement of these debts, management and the board decided to write them off over 2 years (2021 and 2022).



13a Payment in advance- Printing Materials

The Corporation entered into a contract with Procurevis International (UK) Ltd in 2016 to procure printing materials. The corporation paid 75% of the invoice in advance but the supplier defaulted in supplying the materials as per contract terms and conditions. Management terminated the contract after consultation and approval of the board of directors. Legal action has been initiated by the Corporation's solicitor to recover the amount. The supplier provided collateral in the form of landed property with title documents deposited with the Corporation. Management is confident that the market value of the collateral is in excess of the advance paid.

13b Payment in advance- White Paper Rolls

The Corporation entered into a contract to procure 100 metric tons of white paper roll 70/80gsm from Penta International Trading Limited based in Turkey in September 2019. An advance payment of D5,731,920 was made in accordance with the contract terms and conditions. However, these consignment of papers were not delivered by the supplier as at the end of the financial year.

14 Trade Receivables

Trade receivables	22,750,897	26,327,374
Staff debtors	672,368	786,983
	<u>23,423,265</u>	<u>27,114,357</u>
Receivables recovered	(5,000,000)	-
Provision for doubtful debts	<u>(2,834,634)</u>	<u>(1,687,282)</u>
	<u>15,588,632</u>	<u>25,427,075</u>

The increase in provision of receivables relates to the difference between the total long outstanding receivables sent to Internal audit directorate for review and the actual arrears confirmed by the internal audit based on the evidenced presented for review. The unsubstantiated outstanding receivables were all accounted for as provision as at the financial year end. These receivables were outstanding for over 3 years and continues to be a challenge in recovering them. However, Management will still continuing to engage them to ensure that these debts are recovered in the near future.

The write off relates to cancelled jobs relating to prior periods of which revenue was recognised.

15 Cash and cash equivalents

Bank balances	48,786	1,680,881
Undeposited fund	96,017	84,197
Cash in hand	2,725	4,056
	<u>147,528</u>	<u>1,769,134</u>
Bank overdrafts		
Cash and cash equivalents in the Statement of cash flows	<u>(1,203,342)</u>	<u>(4,398,637)</u>
	<u>(1,055,814)</u>	<u>(2,629,503)</u>

16 Share capital

The total authorised number of ordinary shares at year end was 10,000,000 (2021: 10,000,000) with a par value of D1 per share (2021: D 1 per share).

All issued shares are fully paid.



17 Revaluation reserve

Cityscape Associate, an independent appraiser, valued the Mamadi Manjang complex and MDI Road Annex land, buildings, plant and machinery and other equipment as of October 2011. Their revaluation was based on the observed asset conditions and asset replacement cost by reference to market evidence of recent transactions for similar properties and replacement cost estimation methodologies. Replacement cost estimates are based on estimated cost of Equivalent Assets (EA) and estimating the residual asset value from the EA cost, useful life and age of existing assets (Depreciated Replacement Cost Methodology).

	31 st December 2021	31 st December 2020
18 Total Loans		
Purchase of Exercise Book Printing Machine- Agib loan	10,354,668	14,558,535
Paper for Exercise Book Printing Machine- Sky bank loan	4,148,861	4,900,956
Short Term Bank Facility	-	-
	14,503,529	19,459,491

Maturity Profile

Maturity

Profile

2021

Loans

	Up to 1 year D	between 2 and 5 years D	Over 5years D	Total D
Purchase of Exercise Book Printing Machine- Agib loan	4,803,360	5,551,308	-	10,354,668
Paper for Exercise Book Printing Machine- Sky bank loan	3,882,416	266,445	-	4,148,861
Short Term Bank Facility	-	-	-	-
	8,685,776	5,817,753	-	14,503,529

Maturity Profile

Maturity

Profile

2020

Loans

	Up to 1 year D	between 2 and 5 years D	Over 5years D	Total D
Purchase of Exercise Book Printing Machine- Agib loan	4,824,631	9,733,904	-	14,558,535
Paper for Exercise Book Printing Machine- Sky bank loan	3,882,416	1,018,540	-	4,900,956
Short Term Bank Facility	-	-	-	-
	8,707,047	10,752,445	-	19,459,491

Purchase of Exercise Book Printing Machine

The Corporation obtained a bank loan of D18,000,000 on 16th October, 2018 to finance the acquisition of an exercise book printing machine. The loan has a tenor of 3 years with a fixed interest rate of 15%. The Corporation's land and buildings has been pledged as security for the loan. However, when the covid - 19 pandemic hit the globe, Gambia without exception affecting the businesses. The Corporation negotiated for an extension of the loan by another one year to avoid possible default and hence the reason why the loan is still being serviced.

Purchase of Paper and Cover Machine for Exercise Book Printing Machine

The Corporation obtained a bank loan of D15,000,000 on 19th July, 2019 for the purpose of financing the purchase of a Paper and Cover Machine for the Exercise Book Printing Machine. The tenor of the loan is 2 years with a fixed interest rate of 17.5%. The Machine financed has been offered as a security for loan. This was also renegotiated due to covid - 19 just as the situation explained above.

19 Trade and Other payables

Creditors/ Payables	17,264,557	21,122,388
Payroll Liabilities	7,783,072	7,227,857
Gratuity	53,292	53,292
	25,100,921	28,403,537

Payroll Liabilities

Staff Income Tax	32,884	688,826
SSHFC	5,863,589	4,617,506
Staff Welfare Fund	513,911	503,995
Teachers' Union Dues	1,500	43,350
Credit Union Dues	454,998	882,819
Kombo Real Estate	883,189	357,361
S&S PROPERTY	33,000	134,000
	7,783,072	7,227,857



	31 st December 2021 D	31 st December 2020 D
20 Value Added Tax		
Balance at the beginning of the year	24,299,315	18,428,905
Adjustment on VAT payment not posted 2020	(449,457)	0
Balance B/F from year 2020	23,849,858	18,428,905
VAT Payable for the year	3,819,346	5,870,410
VAT Paid	(5,000,000)	(449,457)
	22,669,204	23,849,858

The memorandum of understanding was made between the Ministry of Finance and Economic Affairs (MOFEA), the Gambia Printing and Publishing Corporation (GPPC) and the Gambia Revenue Authority (GRA) due to the consideration of an audit report from the internal audit directorate disclosing the ministries, departments and agencies under the Central Government of the Gambia liability to GPPC. Among the total receivables, it was agreed in the signed MOU that the total of D5,000,000 will be paid to GRA by the Ministry of Finance on behalf of GPPC to offset against the Corporation's outstanding VAT liability.

21 Capital commitments

Authorised by the board and contracted for
Authorised by the board and not contracted for

-	-
-	-

22 Contingencies

There were no contingent liabilities at the end of the year. (2021: Nil).

23 Related Party Transactions

(a) Related companies

The corporation is a government entity and therefore has direct relationship with all government related entities. The following are the transaction with those entities:

Purchase of goods and services from related companies

Employer's Social Security Contribution	5,863,589	1,973,065
Water & Electricity	1,053,415	1,053,415
Gambia revenue Authority	22,669,204	625,911
	29,586,208	3,652,391

Sale of goods and services to related companies

Government	24,445,891	28,238,408
Area Councils	3,971,727	4,315,475
Parastatal	6,554,967	4,128,950
	34,972,585	36,682,833

Receivables

Government	11,015,172	17,412,316
Area Councils	467,064	994,995
Parastatal	5,923,595	2,404,924

17,405,830	20,812,235
-------------------	-------------------

Payables

Staff Income Tax	32,884	618,540
SSHFC	5,863,589	3,320,383
Credit Union Dues	454,998	310,934
VAT	22,669,204	23,849,858
Corporation tax	394,650	0
	29,415,325	28,099,715



(b) Transactions with directors and senior management

Compensation

Key management includes directors and members of senior management. The compensation paid and payable and other benefits to key management for services is shown below:

	31 st December 2021 D	31 st December 2020 D
Directors' emolument	303,000	303,000
Senior management salaries and other short-term benefits	2,281,874	2,281,874
Training	1,051,264	1,051,264
Travelling	374,122	374,122
Medical	561,024	561,024
Telecommunication	210,581	210,581
	<u>4,781,865</u>	<u>4,781,865</u>
Receivables		
Directors	43,750	41,667
Senior management	30,191	73,072
	<u>73,941</u>	<u>114,739</u>
Payables		
Directors	-	-
Senior management	-	-
	<u>-</u>	<u>-</u>

24 Capital management

The Corporation's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current position of trade and other payables as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

Loans, trade and other payables (Notes 18 - 20)	63,904,135	63,513,410
Cash and cash equivalents (Note 15)	1,055,814	2,629,503
Net debt	<u>64,959,949</u>	<u>66,142,913</u>
Total equity	<u>83,088,704</u>	<u>85,825,801</u>
Total capital	<u>148,048,653</u>	<u>151,968,714</u>
Gearing ratio	<u>43.9%</u>	<u>43.5%</u>

There are no externally imposed capital requirements.



25 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. Also, adjustment in the retained earnings included VAT settlement of D 449,457 after our reconciliation was completed with GRA but the journal was not raised in the system to agree the book balance with the system balance.

26 Material Uncertainty Related to Going Concern

The Company incurred a loss from continuing operations before tax of D6,395,957 during the year ended 31st December 2021 and D1,064,273 in the prior year; as of that date, the Corporation is in a net current liabilities position of D28,844,540 and D18,510,045 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 achieve 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 were financed through debt. Loans amounting D33 million were taken to finance this expansion in 2018 and 2019. While the project was being implemented, interest cost was been paid with no corresponding revenue resulting in high interest cost and hence 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 significantly 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 threatened in no major way and will return to profitability in the near future.