

National Food Security, Processing and Marketing Corporation (NFSP&MC)

Annual Report and financial statements
For the year ended
30 September 2019

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General Information

Directors

Falalo M Touray

Musa Mbenga

Muhammed Njie

Anthony Carvalho

Ndey Naffie Ceesay

Chief Yayah Jarjusz

Abdoulie Khan

Modou Lamin Ceesay

The Permanent Secretary - OP

The Permanent Secretary - MOFEA

The Permanent Secretary - MOA

The Permanent Secretary - MOTIE

Chairman - from August 2019

Chairman - Up to April 2019

Managing Director- from January 2020

Managing Director- upto January 2020

Member

Member

Member

Member

Member

Member

Member

Member

Bankers

Trust Bank Limited

3/4 Ecowas Avenue, Banjul

First International Bank (Gambia) Limited

2 Kairaba Avenue, Serekunda

Guaranty Trust Bank (Gambia) Limited

56 Kairaba Avenue, Serrekunda

Mega Bank Limited

11 Liberation Avenue, Banjul

Skye Bank (Gambia) Limited

70 Kairaba Avenue, Serekunda

Arab Gambia Islamic Bank

Ecowas Avenue

Banjul, The Gambia

Ecobank (Gambia) Limited

42 Kairaba Avenue, Serekunda

Auditors

DT Associates - The Gambia

1 Paradise Beach Place

P.O Box 268

Banjul, The Gambia

Solicitors

Semega Legal Chambers

15 Daniel Goddard Street

Banjul, The Gambia

Registered Office

National Food Security, Processing and
Marketing Corporation

Denton Bridge

Sarro

Banjul, The Gambia

Directors report

The Directors of the corporation present their report and the audited financial statements of National Food Security Processing and Marketing Corporation for the year ended 30 September 2019.

Statement of Directors responsibilities

The Companies Act 2013 requires the directors to prepare the financial statements for the financial period which give a true and fair view of the state of affairs of the Corporation and of its profit or loss for that period. In preparing the financial statements, the directors are required to:

- ☐ select suitable accounting policies and then apply them consistently;
- ☐ make judgments and estimates that are reasonable and prudent;
- ☐ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ☐ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Corporation 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 Corporation and to enable them to ensure that the financial statements comply with the Companies Act 2013. They are also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activity of the Corporation is the purchasing, processing and marketing of groundnut and groundnut by-products. The Corporation also provides handling, storage, river transport, decortications and crushing of other oil products.

Results and dividends

The results of the corporation are as detailed in the accompanying financial statements. The directors do not propose payment of any dividend for the year [2018 Nil].

Property, plant and equipments

The Corporation's property, plant and equipment are detailed in note 11 of the financial statements. There has not been any permanent diminution in the value of the Corporation's property, plant and equipment as disclosed in note 11 of the financial statements.

Directors and director's interests

The directors who held office during the year are as detailed on page 2. None of the directors who held office had beneficial financial interest in the corporation's shares.

The auditors, who were appointed by the National Audit Office and having indicated their willingness, will continue in office pursuant to Section 342 of the Companies Act 2013.

By Order of the Directors

Secretary



Date: 09/02/2021

Report of the Independent Auditors

To the members of National Food Security Processing and Marketing Corporation

Qualified Opinion

We have audited the accompanying financial statements of the members of National Food Security Processing and Marketing Corporation for the year ended 30th September 2019, which comprise of the statement of financial position as at 30th September 2019, income statement, 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, except for the effect on the financial statement of the matter described in the basis for qualified opinion paragraph, the accompanying financial statements give a true and fair view of the financial position of the company as at 30th September 2019, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles and have been properly prepared in accordance with Companies Act 2013.

Basis for Qualified Opinion

Inventory

As detailed in Note 15 of the financial statements, the total inventory value of D495.8million included inventory relating to groundnut produce of D425.8 million as at 30 September 2019. As per the Corporation's accounting policy and valuation method, the value of stock is arrived at, by multiplying total weight in tonnes of the groundnut held at yearend with the net realizable value as per tonne of groundnut. However, from our observation of yearend inventory count, we noted that the necessary weighing scales were not available to weigh and establish the actual quantity of groundnut produce as at 30 September 2019. We also noted large quantities of groundnut produce were damaged and could not be quantified or valued by Management to recognize the obsolete value. We were unable to obtain sufficient appropriate audit evidence on the carrying amount of the groundnut produce included in the inventory value reported in the financial statements as at 30 September 2019.

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 Company in accordance with the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants (IFAC Code) and we have fulfilled our other ethical responsibilities in accordance with IFAC Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report of the Independent Auditors- Continued.....

Other Information

The directors are responsible for the other information. The other information comprises the General Information, Directors report as required by the Companies Act of 2013. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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 conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements, the directors are responsible for assessing the 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 the directors either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Report of the Independent Auditors- Continued.....

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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. The engagement partner on the audit resulting in this independent auditor's report is Aji Penda Sankareh.

DT Associates

DT Associates

Chartered Accountants

Registered Auditors

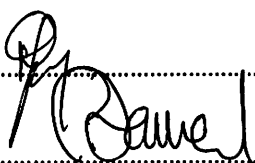
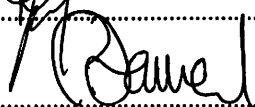
Date: *09th February* 2021

Statement of Financial Position

As at 30th September 2019
(In Gambian Dalasi)

		30-Sept-2019 D.	30-Sept-2018 D.
Assets	Notes		
Noncurrent assets			
Property, Plant and equipment	1.4, 11	256,314,173	281,597,942
Total Noncurrent Assets		256,314,173	281,597,942
Current Assets			
Cash and bank balances	13	16,404,099	103,138,332
Inventory	1.11, 15	495,842,798	574,079,755
Receivables	1.10, 16	854,539,539	793,009,423
Total current Assets		1,366,786,436	1,470,227,510
Total Assets		1,623,100,609	1,751,825,452
Equity & liabilities			
Equity			
Share Capital	20	75,500,000	75,500,000
Retained earnings		(90,053,056)	(29,301,828)
Total equity		(14,553,056)	46,198,172
Liabilities and Differed Income			
Liabilities			
Bank Overdrafts	14	-	169,302
Accruals & other payables	18	9,678,617	44,813,476
Loans	19	1,175,283,445	1,255,931,286
Taxation	1.7, 10	75,026,825	71,386,286
		1,259,988,887	1,372,300,350
Differed Income			
Capital grant	21.2	245,216,556	273,003,009
Suspended Interest	21.1	132,448,222	60,323,921
		377,664,778	333,326,930
Total equity & liabilities		1,623,100,609	1,751,825,452

These Financial Statements were approved by the Board of Directors on 9 February 2021, and were signed on their behalf by:

for:  Chairman
 Director

The notes are an integral part of these financial statements

Income statement

For the year ended 30 September 2019
(In Gambian Dalasi)

	Notes	30-Sept-2019 D.	30-Sept-2018 D.
Income			
Operating Income	1.3, 2	812,966,090	490,395,431
Cost of sales	3	(703,673,306)	(336,171,879)
Production and processing cost	5	(24,943,364)	(18,694,774)
Gross profit		84,349,420	135,528,778
Other income	4	1,614,686	2,331,369
Grant income	12	27,786,452	26,508,170
Total income less cost of sales		113,750,558	164,368,317
Expenditures			
Administration expenses	7	(30,289,305)	(27,127,374)
Impairment of Receivables	16.6	(2,470,303)	(85,958,029)
Staff cost	8	(31,725,386)	(27,522,190)
Finance cost	9	(73,096,776)	(60,533,834)
Depreciation	11	(26,019,388)	(26,207,914)
Translation (loss)/ gain		(2,755,384)	13,009,627
Total expenditure		(166,356,542)	(214,339,714)
Loss before tax		(52,605,984)	(49,971,397)
Taxation	1.7, 10	(8,145,244)	(4,903,954)
Loss after tax		(60,751,228)	(54,875,351)

The notes are an integral part of these financial statements

Statement of changes in equity

For the year ended 30th September 2019
(In Gambian Dalasi)

	Share capital D.	Retained earnings D.	Total D.
Balance as at 1 st October 2017	75,500,000	25,337,159	100,837,159
Opening balance difference	-	236,364	236,364
Loss for the period	-	(54,875,351)	(54,875,351)
Balance as at 1st October 2018	75,500,000	(29,301,828)	46,198,172
Profit for the period	-	(60,751,228)	(60,751,228)
Balance as at 30th September 2019	75,500,000	(90,053,056)	(14,553,056)

The notes are an integral part of these financial statements

Statement of cash flow

For the year ended 30th September 2019
(In Gambian Dalasi)

	Notes	30-Sept-2019 D.	30-Sept-2018 D.
Cash flows from operating activities			
Loss before tax		(52,605,984)	(49,971,397)
<u>Adjustments for:</u>			
Depreciation		26,019,388	26,207,914
Grant income released		(27,786,452)	(26,508,170)
Changes in receivables		(61,530,116)	(296,463,602)
Changes in inventories		78,236,957	(448,448,060)
Changes in payables		(35,134,859)	22,715,766
Changes in suspended interest		72,124,302	60,323,921
Opening balance difference		-	236,364
Cash generated from operations		(676,764)	(711,907,264)
Income taxes paid	10	(4,504,705)	(6,000,000)
Net cash from operating activities		(5,181,469)	(717,907,264)
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(735,620)	(3,963,755)
Capital Grant received			
Short term investments		-	17,000,000
Net cash used by/ generated from investing activities		(735,620)	13,036,245
Cash flows from financing activities			
Decrease in Long-term Borrowing		(80,647,841)	799,722,104
Decrease in Bank Overdrafts		(169,302)	(11,946)
Net cash used by financing activities		(80,817,143)	799,710,158
Net (decrease) increase in cash and cash equivalents		(86,734,232)	94,839,140
Cash & cash equivalent at the beginning of period		103,138,331	8,299,191
Cash & cash equivalent at the end of period		16,404,099	103,138,331

The notes are an integral part of these financial statements

1. Notes to the financial statements

1.1 Accounting policies

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

1.2 Accounting convention

The financial statements have been prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles and applicable provisions of the Company's Act 2013.

1.3 Revenue recognition

Revenue represents the amount invoiced to customers for the purchase of products.

1.4 Property, plant and equipment

Owned assets

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

Depreciation

Depreciation is provided at the following annual rates in order to write off the cost of each asset on a straight-line basis over its estimated useful life.

	%
Building	4
Badges and Tug boats	10
Office equipments	10
Plant and Machinery	10
Other equipment (Generator)	10
Motor vehicles	20
Furniture and Fittings	20
Computer Equipments	33.33

1.5 Subsequent expenditure

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

1.6 Foreign currencies

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

1.7 Taxation

Tax is charged on the basis of the higher of 1% of gross income and 27% of tax adjusted accounting profits in accordance with Income Tax laws of The Gambia.

1.8 Pension scheme

The company is registered with the Social Security and Housing Finance Corporation and contributes 10% of the employee's basic salaries to the national provident fund. Employees' contributions are 5% of basic salaries which is deducted before arriving at net salaries.

Under the scheme, employees are entitled to lump sum payments upon attaining the retirement age of 60.

1.9 Impairments

Assets that have an indefinite useful life are not subject to amortization and are tested for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

1.10 Provisions

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

1.11 Inventory

Inventory is valued at lower of cost and net realizable value using the First In First Out (FIFO) method of valuation

2. Operating income

	30-Sep-2019	30-Sep-2018
	D.	D.
Sale of Hand Picked selection	135,066,326	41,192,676
Sale of crude groundnut oil	311,315,763	95,679,765
Sale of Groundnut cake	85,762,630	64,662,916
Sale of Groundnut sludge	44,500	68,500
Sale of fertilizer	120,677,441	129,043,141
Sale of Seed Nuts	-	35,280
GTOG Subsidy for purchase of fertilizer 2.1	160,099,430	159,713,153
	<hr/>	<hr/>
	812,699,090	490,395,431

(2.1). The GTOG subsidy for purchase of fertilizer figure represents subsidy element on sale of fertilizer payable by Government of The Gambia direct to ITFC (International Trade Finance Corporation) trading wing of the IDB (Islamic Development Bank).

3. Cost of sales

		30-Sep-2019	30-Sep-2018
		D.	D.
Opening stock		554,288,303	103,358,303
Purchase of groundnut in shell	3.1	358,564,322	574,337,378
Purchase of fertilizer		180,461,100	174,210,523
Commission on sale of fertilizer/Discount		25,792,845	3,712,121
Depot expenses		13,875,857	9,874,454
Evacuation expenses		14,436,276	11,426,810
Port dues and shipping charges		6,858,708	6,059,663
Buying Commission to CPMS'		4,927,571	7,480,929
Closing stock		(455,531,676)	(554,288,302)
		703,673,306	336,171,879

3.1. Included in purchase of groundnut figure is a subsidy element of 157,613,547 payable by Government of The Gambia direct to ITFC (International Trade Finance Corporation) trading wing of the IDB (Islamic Development Bank).

4. Other income

		30-Sep-2019	30-Sep-2018
		D.	D.
Interest on current accounts		56,359	6,032
Sundry Income		884,294	1,250,850
Sale of scrap metal		519,205	147,550
Interest on Time deposits		-	131,014
Interest on staff loans		828	1,329
tender fee for fertilizer supply		154,000	59,000
claims on performance bond		-	735,594
		1,614,686	2,331,369

5. Production & processing cost

	30-Sep-2019	30-Sep-2018
	D.	D.
Production staff cost	1,209,784	882,838
Repairs of plant & machinery	2,418,839	1,199,780
Fuel and Oil	16,838,558	13,514,338
Repairs & maintenance of Gen-set	204,323	127,800
Spare parts	3,935,659	2,633,306
Hire of oil storage facilities	336,201	336,712
	<u>24,943,364</u>	<u>18,694,774</u>

6. Profit/ (Loss) before taxation

	30-Sep-2019	30-Sep-2018
	D.	D.
after charging:		
Depreciation & amortization	(26,019,388)	(26,207,914)
	<u>(26,019,388)</u>	<u>(26,207,914)</u>

7. Administration Expenses

	30-Sept-2019	30-Sept-2018
	D.	D.
Electricity and water	16,191,618	12,929,473
Vehicle running cost	4,251,022	3,016,275
Communication cost	654,199	708,418
Local transport cost	900,405	846,184
Overseas travel cost	1,017,909	592,283
Consultancy and professional cost	460,000	2,297,775
Repairs & refurbishments	587,335	638,730
Directors fees	405,500	254,000
Subscriptions	50,000	-
Printing & Stationery	1,087,205	1,350,888
Insurances	1,182,177	926,679
Advertisement	172,925	104,799
General Expenses	2,730,303	2,853,996
Bad debt expense	2,470,303	85,958,029
Audit fees	260,000	260,000
Others	153,201	62,000
	<u>32,759,608</u>	<u>113,085,403</u>

8. Staff cost

	30-Sep-2019	30-Sep-2018
	D.	D.
Wages & salary	16,908,995	15,350,348
Overtime	1,084,812	1,072,081
Leave in leau of pay	144,064	58,045
Charge allowance	217,390	239,352
Residential allowance	7,298,309	5,351,013
Provincial allowance	1,841,103	1,850,468
Responsibility allowance	929,779	898,295
Rent allowance	161,180	49,319
Risk allowance	-	16,000
Telephone allowance	208,800	185,500
Staff Annual Leave Allowance	154,784	102,685
Injury compensation	88,157	80,248
National Provident fund (NPF)	1,398,864	1,206,538
Gratuities	369,071	322,626
Medical expenses	74,246	133,976
Staff uniforms, Boiler suits & hard hats	37,900	124,621
Staff training expenses	807,932	481,075
	31,725,386	27,522,190

9. Financing cost

	30-Sep-2019	30-Sep-2018
	D.	D.
Bank charges	20,480,715	4,868,721
Interest on loans	52,616,061	55,665,113
	73,096,776	60,533,834

10. Taxation

	30-Sep-2019	30-Sep-2018
	D.	D.
Tax charge for the year	8,145,244	4,903,954
Balance b/d	71,386,286	72,482,332
Current year charge	8,145,244	4,903,954
Tax payments	(4,504,705)	(6,000,000)
	75,026,825	71,386,286

11. Property, Plant & Equipment

	Land & building	Badges & Tug boats	Office equipment	Computers	Plant & Machinery	Other equipment	Motor Vehicle	Furniture & fitting	Work in Progress	Total
Cost										
Balance b/d 1/10/18	91,883,820	189,691,628	1,228,985	1,598,078	72,904,518	31,193,364	41,702,725	1,993,471	52,957,264	485,153,853
Additions	-	-	23,070	70,000	56,000	462,000	94,050	30,500	-	735,620
Transferred	-	-	-	-	-	12,782,788	-	-	(12,782,788)	-
Balance c/f 30/9/19	91,883,820	189,691,628	1,252,055	1,668,078	72,960,518	44,438,152	41,796,775	2,023,971	40,174,476	485,889,473
Depreciation										
Balance b/d 1/10/18	(20,576,054)	(72,030,564)	(1,121,806)	(1,561,837)	(65,006,652)	(21,090,498)	(19,482,078)	(1,867,422)	-	(203,555,911)
Charge for the year	(3,675,353)	(13,073,752)	(50,204)	(29,558)	(877,541)	(2,711,926)	(5,560,983)	(40,071)	-	(26,019,388)
Balance c/f 30/9/19	(24,251,407)	(85,104,316)	(1,172,010)	(1,591,395)	(65,884,193)	(24,621,424)	(25,043,061)	(1,907,493)	-	(229,575,299)
NBV										
At 30th September 2019	67,632,413	104,587,312	80,045	76,683	7,076,325	19,816,728	16,753,714	116,478	40,174,476	256,314,174
At 30th September 2018	71,307,766	117,661,064	107,179	36,241	7,897,866	9,283,866	22,220,647	126,049	52,957,264	281,597,942

12.Capital grant

	Land & Building	Badges & Tug boats	Office equipment	Computer equipment	Plant & Machinery	Other equipment & Generators	Motor Vehicle	Work in Progress	Total
Cost									
Opening balance 1/10/18	68,133,759	170,051,228	128,992	247,138	40,289,146	21,711,114	27,080,717	52,957,264	380,599,358
Transfers	-	-	-	-	-	12,782,791	-	(12,782,791)	
Closing balance @ 30/9/19	68,133,759	170,051,228	128,992	247,138	40,289,146	34,493,905	27,080,717	40,174,473	380,599,358
Amortization									
Opening balance 1/10/18	(4,058,174)	(52,436,064)	(116,092)	(247,138)	(29,239,905)	(12,424,435)	(9,074,543)	-	(107,596,351)
Additions	(2,725,350)	(13,068,352)	(12,900)	-	(4,028,916)	(3,449,391)	(4,501,543)	-	(27,786,452)
Closing balance @ 30/9/19	(6,783,524)	(65,504,416)	(128,992)	(247,138)	(33,268,821)	(15,873,826)	(13,576,086)	-	(135,382,803)
Carrying value @									
30th September 2018	61,350,235	104,546,812	-	-	7,020,325	18,620,079	13,504,631	40,174,473	245,216,555
30th September 2017	64,075,585	117,615,164	12,900	-	11,049,241	9,286,679	18,006,174	52,957,264	273,003,007

13. Cash & Bank balances

	30-Sep-2019	30-Sep-2018
	D.	D.
Trust Bank Ltd. A/C. # 760.02	382,313	462,880
GTBank A/c. # 153388-4/1/1/0	3,356	143,134
GT BANK US (\$) Dollar Account	44,276	43,557
Trust Bank - 100-100-760-04	5,179,540	12,661,540
TBL US\$ 120-107446-05	28,716	127,065
TBL Euro 120-107446-06	28,171	28,955
Skye Bank A/c. #11588	8,660	1,541,920
FIB A/C # 00101008665-01	4,748,948	363,331
Skye bank \$ A/C	24,628	24,121
Eco Bank A/c. # 2701	1,594,625	13,334
AGIB US\$ A/c # 101-201-010193565-294	33,950	725,831
AGIB GMD A/c # 101-201-010193565-197	342	306,268
Eco Bank A/c # 153270-02	34	34
FI Bank USD \$	1,472,957	86,493,546
Eco Bank US\$ 311-3490-1532-701	48,944	47,936
Mega Bank	2,661,225	70,191
Cash in hand	47,731	84,691
Trust Bank A/c. # 110-100-760-01	95,683	-
	16,404,099	103,138,334

14. Bank Overdraft

	30-Sep-2019	30-Sep-2018
	D.	D.
Trust Bank A/c. # 110-100-760-01	-	169,302
	-	169,302

15.Inventory

		30-Sep-2019	30-Sep-2018
		D.	D.
Spare Parts Stock		44,856,918	24,469,478
Gas Oil Stock		1,190,685	1,014,272
Oil & Lubricant		39,575	79,576
Stationery		70,531	115,549
Electrical Appliances		632,181	663,121
Miscellaneous Stock		104,358	32,583
Stock of produce	15.1	425,867,076	502,076,002
Stock of fertilizer	15.2	29,664,600	52,212,300
Quality control material		45,540	45,540
Provision for Stock Obsolescence		(6,628,666)	(6,628,666)
		495,842,798	574,079,755

15.1 Stock of produce

This item represents mainly value of products produced by the Corporation, such as HPS (Hand-Pick-Selection nuts), FAQ (Fair Average Quality nuts), Crude Groundnut Oil, Groundnuts-in-shell and Groundnut Cake.

15.2 Stock of fertilizer

ITFC through its line of credit provided fertilizer to the Corporation, and the amount shown above was the value of stock as at 30th September 2019.

16.Receivables

		30-Sept-2019	30-Sept-2018
		D.	D.
Trade debtors	16.1	268,336,666	120,912,565
GTOG/ Subsidy on Fertilizer & Farm -gate Price 2017	16.2	317,712,977	394,488,531
GOTG Subsidy	16.3	273,338,423	228,617,060
Staff loans		432,237	500,196
Other Debtors GOTG		182,552	160,684
GOTG L/C Account	16.4	89,677,193	139,932,020
Ministry of Agriculture-National Seed Secretariat	16.5	-	13,264,574
Amount owed to/from CPMS and private traders		12,641,508	-
Provision for Bad & Doubtful Debts		(107,782,017)	(104,866,207)
		854,539,539	793,009,423

16.1 Trade debtors

Every trade season the Corporation will provide an agreed amount, on a revolving basis, as pre-financing to CPMS' (Cooperative Produce and Marketing Societies) and Private Traders, to buy un-decorticated groundnuts on its behalf. As at 30 September 2018, the amount outstanding stood at D57, 934,095 (2017:D96, 165,393).

16.2 GTOG/ Subsidy on Fertilizer & Farm -gate Price

This represents government subsidy on both the farm Gate price and fertilizer. The amount remains unsettled by Government.

16.3 GOTG Subsidy

This is the interest element of the GOTG fertilizer and farm gate price subsidy which has been increasing by way of annual interest addition of 18%. This amount is unsettled by Government.

16.4 GOTG L/C Account

Settlement of L/C for the John Deere Tractors on behalf of Government. This receivable has been increasing annually by way of interest addition 18%. This amount is unsettled by Government.

16.5 Ministry of Agriculture-National Seed Secretariat

This represents balance receivable from GOTG for payments made on behalf of the National Seed Secretariat for the purchase of seeds.

16.6 Impairment

This represents provisions made against bad and doubtful debts for the period under review.

17. Accruals & other payables

	30-Sep-2019	30-Sept-2018
	D.	D.
Other creditors	4,168,805	4,168,805
NPF and ICF	52,433	371,456
Staff P.A.Y.E	1,079	-
Unclaimed Salaries & Wages	21,437	-
Net Pay Control	423,074	-
SSHFC Loan Interest	4,625,444	4,625,444
Accrued Audit Fees	260,000	260,000
Trial Balance difference	126,345	-
Amount owed to/from CPMS and private traders	-	35,387,771
	<hr/>	
	9,678,617	44,813,476

18.Loans

	Notes	30-Sep-2019 D.	30-Sept-2018 D.
SSHFC Loan	18.1	222,623,735	222,623,735
ITFC (IDB) Loan	18.2	838,659,710	1,033,307,553
F.I.Bank Loan 2018/2019 Crop Finance	18.3	114,000,000	-
		1,175,283,445	1,255,931,288

18.1 SSHFC Loan

The Social Security and Housing Finance loan 2007 and 2010 Crop Finance Loan is a short term loan, secured on all the Corporation's land and building assets, and carrying an interest rate of 2% over The Central Bank Treasury bills, This loan should have been fully paid by December,17th 2010. In addition, all crop finance commercial bank loans secured by SSHFC; in which the Corporation defaulted in repayment, were settled by SSHFC. There is no agreement or a payment plan entered into between Gambia Groundnut Corporation and Social Security and Housing Finance Corporation.

18.2 ITFC (IDB) Loan

The Islamic Trade Finance Corporation under the trade wing of the Islamic Development Bank (IDB) provides trade financing to the Corporation for the purchase of fertilizer based on the Murahaba Financing Principles. The loan was signed on the 20th August 2014 and is of a revolving manner with a ceiling of 25 million dollars. A 5.5% mark-up per annum is charged on any disbursement received by the corporation.

18.3 F.I.Bank Loan –

A bridge financing loan was obtained from Fibank in May 2019. The Purpose of the loan was to pay ITFC for a facility that was due in 2019.

19.Share Capital

	30-Sep-2019		30-Sep-2018	
	Number of shares	D. 000	Number of shares	D. 000
Authorized				
Ordinary shares of (D10.00) each	10,000,000	100,000	10,000,000	100,000
Issued and fully paid				
Ordinary shares of (D10.00) each	7,550,000	75,500	7,550,000	75,500

19.1 Ownership Structure

Name	Percentage of Shares
Government Of The Gambia	99%
Social Security and Housing Finance Corporation	1%

20. Deferred Income

20.1 Suspended Interest

	30-Sep-2019 D.	30-Sep-2018 D.
Suspended Interest	132,448,222	60,323,921
	<u>132,448,222</u>	<u>60,323,921</u>

The suspended interest relates to the 18% rate being charged on the subsidy receivable balances from government. Commencing last year, interest charged on the outstanding balance owed by government is suspended to unearned interest balance.

20.2 Unamortized Grant Balance

The grant assets received from the EVAGSP are capitalized as fixed assets with the grant balance being amortized and released as revenue systematically. The balance in the statement of financial position represents the remainder of the unamortized grant.

This represents the remaining balance of the unamortized grant received from the EVAGSP Project.

21. Contingency

Bollore sued NFSP&MC in the High Court Civil Sui No. HC/161/15/CO/042/D2 and got judgement in sum of D1,337,340 interest at 20% and legal & administrative costs of D133,734 plus VAT at the rate of 15%. This was quickly enforced by writ of fifa and GGC paid the amounts.

NFSP&MC appealed to the Court of Appeal in Civil Appeal No. 020/2016 and in its judgement dated 24th June, 2019 the Court a nullity and ordered a new trial before the High Court; which is still pending.

NFSP&MC will be well advised to issue originating summons to recover the amounts paid Bollore under the void High Court judgement.

22. Subsequent events after the balance sheet date

In mid-December 2019, there was a COVID-19 outbreak in China which has spread globally in the first quarter of 2020. The outbreak was declared a Public Health Emergency of International concern by the World Health Organization (WHO) in March 2020. As at the date of this report, several cases were confirmed in Africa.

The level of uncertainties that have arisen as a result of this global pandemic coupled with other macro-economic challenges such as low production output, rising inflation etc which may worsen are likely to negatively impact on the businesses of the Company in relation to its projected revenues, credit loss estimates and other impairment assessment.

The national government through its agencies and monetary authorities are putting in place various intervention schemes and palliatives to minimize impact on households and real sector of the economy. The impact of all these cannot be prematurely quantified at the moment.

The financial impact on the Company's business and duration of these disruptions cannot be reasonably estimated at this point in time and the Company considers this as a non-adjusting post balance sheet event.

As the situation is fluid and rapidly evolving, we do not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak on the Company. The impact of this outbreak on macroeconomic forecasts and our operations will be incorporated into the Company's estimates of expected credit loss provisions and other impairments assessments in 2020.