



**NATIONAL FOOD SECURITY PROCESSING  
AND MARKETING CORPORATION (NFSPMC)**

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**FINANCIAL STATEMENTS & REPORTS  
FOR THE YEAR ENDED 30TH SEPTEMBER 2021**

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**AUGUSTUS PROM (AP)  
AUDIT. TAX. ADVISORY.  
REGISTERED AUDITORS**

**OFF BERTIL HARDING HIGHWAY  
KANIFING INSTITUTIONAL AREA - BAKAU  
KSMD  
P O BOX 587  
THE GAMBIA**

**NOVEMBER 2022**

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## General Information

### Board of Directors

Falalo M Touray	Chairman
Muhammed Njie	Managing Director
Dr. Amadou Sowe	Member
Ndey Naffie Ceesay	Member
Chief Yayah Jarjusu	Member
Abdoulie Khan	Member
Modou Lamin Ceesay	Member
The Permanent Secretary - OP	Member
The Permanent Secretary - MOFEA	Member
The Permanent Secretary - MOA	Member
The Permanent Secretary - MOTIE	Member

### Board Secretary

Momodou Badjie – *Up to August 2021*  
Jabou Bah – *From September 2021*

### Bankers

Trust Bank Ltd 3/4 Ecowas Avenue Banjul, The Gambia.	First International Bank (Gambia)Ltd Kairaba Avenue, Serrekunda The Gambia
Guaranty Trust Bank (Gambia) Ltd. 56 Kairaba Avenue, Serrekunda	Reliance Financial Services Kairaba Avenue, KSMD
Skye Bank (Gambia) Limited 70 Kairaba Avenue, Serrekunda	Arab Gambia Islamic 11 Liberation Avenue, Banjul
Ecobank (Gambia) Limited 42 Kairaba Avenue, Serrekunda	BSIC Bank (G) Ltd 52 Kairaba Avenue,KSMD

### External Auditor

Augustus Prom (AP)  
Audit.Tax.Advisory.  
Registered Auditors  
Off Bertil Harding Highway  
Bakau, KSMD  
The Gambia.

### Registered Office

National Food Security Processing and  
Marketing Corporation  
Denton Bridge, Sarro  
Banjul, The Gambia

## **Directors' Report for the year ended 30<sup>th</sup> September 2021**

The Directors present their report and the audited financial statements of the National Food Security Processing and Marketing Corporation for the year ended 30<sup>th</sup> September 2021.

### **1. State of Affairs**

The financial results for the year ended 30<sup>th</sup> September 2021 are as set out in the accompanying financial statements.

### **2. 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. The Corporation is also involved in the Fertilizer trading.

### **3. Directors' & Directors' Interest**

The members of the board of directors are as detailed on page 2. The composition of the Board of directors was formulated by the Government of The Gambia. None of the Directors who held office during the year had any beneficial financial interest in the shares of the Corporation.

### **4. Directors' Responsibilities for the Financial Statements**

The National Food Security Processing Market Corporation Act, 2013 requires the Directors of the Corporation to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Corporation as at the end of the financial year and of its profit or loss for that period. In preparing these 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 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 relevant regulations. They are also responsible for safeguarding the assets of corporation.

**5. Significant Changes in Fixed Assets**

Additions, disposals and revaluation of fixed assets are detailed in Notes 10 of the financial statements. There has not been any permanent diminution in the value of the Property, Plant & Equipment and as a result a provision for impairment has not been deemed necessary.

**6. Financial Results & Dividend**

The results of the corporation are as detailed in the accompanying financial statements. The directors do not propose payment of dividend for the Year (2020; Nil).

**8. Going Concern**

The Directors confirmed that it is appropriate to adopt the going concern basis in preparing the financial statements.

**9. External Auditors**

The Company's external auditor, Augustus Prom-Audit.Tax.Advisory (AP) audit term only covers the Financial Period for the Financial Year ending 30<sup>th</sup> September 2021.

 BY ORDER OF THE BOARD OF DIRECTORS

.....  
Board Secretary

  
.....  
Date





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## **Independent Auditors Report to the Shareholders of NFSPMC**

### **Auditor's Opinion**

We have audited the accompanying Financial Statements of the National Food Security Processing and Marketing Corporation (NFSPMC), which comprises of the Statement of Financial Position, Income Statement, Statement of Changes in Equity, Cash Flow Statement and notes to the Financial Statements including a summary of significant Accounting Policies applicable to the Corporation.

In our opinion, the Financial Statements give a true and fair view of the Financial Position of the Corporation as at 30<sup>th</sup> September, 2021 and of its Financial Performance and its Cash Flows for the year then ended in accordance with Generally Accepted Accounting Principles and in line with the requirements of the Companies Act 2013.

### **Basis of 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 Corporation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in The Gambia and we have fulfilled our other responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Matters**

The comparative figures as at 30<sup>th</sup> September 2020 was audited by DT Associates, an audit firm registered in The Gambia.

### **Other Information**

The Directors are responsible for the other information. The other information comprises the General information and the Directors Report as required by the Companies Act 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 the fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Statements**

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles (GAAP), and in the manner required by the Companies Act (2013) and for such internal controls 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, the Directors are responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

### **Auditors Responsibilities for the Audit of Financial Statements**

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

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

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

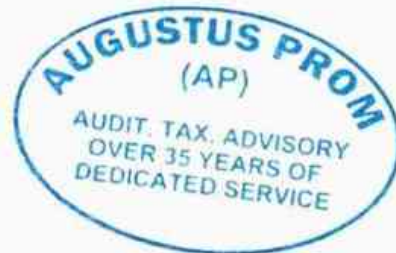
We also provide those charged with governance with a statement that we have complied with relevant ethical requirement regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

*Augustus Prom*

AUGUSTUS PROM (AP)  
AUDIT. TAX. ADVISORY  
REGISTERED AUDITORS

DATE: *27<sup>th</sup> February* 2023





## Income Statement

For the year ended 30<sup>th</sup> September 2021

	Notes	30 <sup>th</sup> Sept.2021 GMD	30 <sup>th</sup> Sept. 2020 GMD
Revenue	2	1,017,832,923	612,089,476
Cost of Sales	3	(841,035,273)	(775,140,309)
Production and Processing cost	4	(20,276,118)	(31,047,088)
<b>Gross Profit</b>		<b>156,521,532</b>	<b>(194,097,921)</b>
Other Income	5	45,512,136	201,433,219
Grant Income	9	23,340,511	23,340,511
<b>Operating Profit</b>		<b>225,374,179</b>	<b>30,675,809</b>
Administration Expenses - See Page 27		(19,900,079)	(23,918,914)
Employee Cost	6	(37,900,726)	(36,714,379)
Depreciation	10	(28,003,687)	(26,274,456)
Impairment		-	(43,903,048)
Translation (Loss) Gain		(3,431,781)	2,064,663
		<b>136,137,906</b>	<b>(128,746,134)</b>
Finance cost	7	( 83,011,667)	(33,551,279)
<b>Profit before Tax</b>		<b>53,126,239</b>	<b>(131,621,604)</b>
Taxation	8	(14,344,084)	(8,155,874)
<b>Profit/(Loss) after tax</b>		<b>38,782,155</b>	<b>(139,777,478)</b>

The notes on pages 12 to 27 form an integral part of these Financial Statements.

## Statement of Financial Position

As at 30<sup>th</sup> September 2021

	Notes	30 <sup>th</sup> Sept. 2021 GMD	30 <sup>th</sup> Sept. 2020 GMD
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	10	229,229,434	236,994,346
<b>Total Non-Current Assets</b>		<u>229,229,434</u>	<u>236,994,346</u>
<b>Current Assets</b>			
Cash & Cash Equivalents	11	124,824,940	51,835,147
Short form investment	12	76,000,000	130,000,000
Inventory	13	83,321,617	26,822,190
Receivables	14	574,678,354	212,341,653
<b>Total Current Assets</b>		<u>858,824,911</u>	<u>420,998,990</u>
<b>Total Assets</b>		<u><u>1,088,054,345</u></u>	<u><u>657,993,336</u></u>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Share capital	18	75,500,000	75,500,000
Retained Earnings - See Page 10		(190,293,261)	(229,830,534)
<b>Total Equity</b>		<u>(114,793,261)</u>	<u>(154,330,534)</u>
<b>Liabilities</b>			
Taxation	8	82,444,778	77,182,699
Capital grant	9	198,535,534	221,876,045
Bank Overdraft	15	100	1,109,692
Accruals and Other Payable	16	8,696,603	17,701,637
Loans	17	913,170,592	494,453,797
<b>Total Current Liabilities</b>		<u>1,202,847,606</u>	<u>812,323,870</u>
<b>Total Equity &amp; Liabilities</b>		<u><u>1,088,054,345</u></u>	<u><u>657,993,336</u></u>

The Financial Statements were approved by the Board of Directors and were signed on their behalf by:

Name: Muhammed Njie Date: 23/02/2023

Name: Rafiq M. Toure Date: 24/2/23

The notes on pages 12 to 30 form an integral part of these Financial Statements.

## Statement of Changes in Equity

*For the year ended 30<sup>th</sup> September 2021*

	Share Capital GMD	Retained Earnings GMD	Total GMD
<b>At 1<sup>st</sup> October 2020</b>			
Profit Year Adjustments	75,500,000	(90,053,056)	(14,553,056)
Loss for the Period – <i>See Page 8</i>	-	(139,777,478)	(139,777,478)
<b>At 30<sup>th</sup> September 2020</b>	<u>75,500,000</u>	<u>(229,830,534)</u>	<u>(154,330,534)</u>
<b>At 1<sup>st</sup> October 2020</b>	75,500,000	(229,830,534)	(154,330,534)
Profit for the Period - <i>See Page 8</i>	-	38,782,155	38,782,155
Prior Year Adjustment – <i>See Note 19</i>	-	755,118	755,118
<b>As at 30<sup>th</sup> September 2021</b>	<u>75,500,000</u>	<u>(190,293,261)</u>	<u>(114,793,261)</u>

*The notes on pages 12 to 30 form an integral part of these Financial Statements.*



## Statement of Cash-Flow

For the year ended 30<sup>th</sup> September 2021

	Notes	30 <sup>th</sup> Sept. 2021 GMD	30 <sup>th</sup> Sept 2020 GMD
<b>Cash flows from Operating Activities</b>			
Profit or Loss before Tax		53,126,239	(131,621,604)
Depreciation Changes		28,003,687	26,274,457
Grant Income released		(23,340,511)	(23,340,511)
Changes in Receivable		(362,336,700)	642,197,885
Changes in Inventories		(56,499,427)	469,020,607
Changes in Payables		(9,005,034)	8,023,018
Changes in suspended interest		-	(132,448,222)
Prior Year Adjustment		755,118	-
<b>Cash generated from operations</b>		<b>(369,296,628)</b>	<b>858,105,630</b>
Income Taxes paid		(9,082,005)	(6,000,000)
<b>Net Cash from Operating Activities</b>		<b>(378,378,633)</b>	<b>852,105,630</b>
<b>Cashflows from Investing Activities</b>			
Purchases of property plan and equipment		(20,238,776)	(6,954,628)
Short term investment		54,000,000	(130,000,000)
<b>Net cash from Investing Activities</b>		<b>33,761,224</b>	<b>(136,954,628)</b>
<b>Cash Flow from Financing Activities</b>			
Changes in long term borrowing		418,716,794	(680,829,649)
Decrease in bank overdrafts		(1,109,592)	1,109,692
<b>Net Cash used in Financing Activities</b>		<b>417,607,202</b>	<b>(679,719,957)</b>
Net increase or (decrease) in cash and cash equivalent		72,989,793	35,431,048
Cash and cash equivalent at the beginning of the period		51,835,147	16,404,099
<b>Cash &amp; Cash Equivalent at the end of the Period</b>		<b>124,824,940</b>	<b>51,835,147</b>

The notes on pages 12 to 30 form an integral part of these Financial Statements.

## **Notes to the Financial Statements**

### **1. Reporting Entity**

National Food Security Processing and Marketing Corporation (NFSPMC) is a Corporation incorporated under the Companies Act 2013 and domiciled in The Gambia. The Address and registered office of the Company is at Saaro, Denton Bridge, The Gambia.

### **Basis of Preparation**

#### **A. Statement of Compliance**

The Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Financial Statements were approved by the Corporation Directors in February 2023.

#### **B. Basis of Measurement**

The Financial Statements are prepared in Gambia Dalasis (GMD) Currency and prepared on a historical cost basis.

#### **C. Functional & Presentational Currency**

The Financial Statements are prepared in Gambia Dalasis (GMD) which is the Corporation's functional and report presentation currency.

## **Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all years presented in these financial statements by the Corporation.

- a. Foreign Currency*
- b. Property, Plant & Equipment*
- c. Subsequent Events*
- d. Dividend*
- e. Provisions*
- f. Pension Payment*
- g. Finance Income & Expenses*
- h. Revenue*
- i. Operating Expenses*
- j. Borrowing Costs*
- k. Income Tax*
- l. Equity Investments*
- m. Other Financial Assets*

### **a. Foreign Currency**

#### **Functional & Presentation Currency**

Items included in the financial statements of the Corporation are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in Gambian Dalasi, which is the Corporation's presentation and functional currency.

#### **Transactions & Balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.



## **b. Property, Plant & Equipment**

### ***Fixed Assets in Operation***

Items of fixed assets in operation are measured at cost less accumulated depreciation and impairment losses. The cost includes expenditures directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items as well as restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. As at 30<sup>th</sup> September 2021, there has been no revalued assets.

Any gain on disposal of an item of fixed assets in operating (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss as other income but any loss on disposal of an item of fixed assets in operation is recognised in profit or loss as other operating expenses.

### ***Subsequent Events***

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. The costs of day-to-day servicing of fixed assets in operation are recognised in profit or loss when incurred.

### ***Depreciation***

Depreciation is recognised in the Profit or Loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant or equipment until the salvage value is reached. The estimated useful lives are as follows;

<i>Building</i>	<i>4%</i>
<i>Badges &amp; Tugboats</i>	<i>10%</i>
<i>Office Equipments</i>	<i>10%</i>
<i>Plant &amp; Machinery</i>	<i>10%</i>
<i>Other Equipments</i>	<i>10%</i>
<i>Motor Vehicles</i>	<i>20%</i>
<i>Furniture &amp; Fittings</i>	<i>20%</i>
<i>Computer Equipments</i>	<i>33%</i>

**c. Subsequent Events**

Events subsequent to the Statement of Financial Position are reflected in the Financial Statements only to the extent that they relate to the year under consideration and the effect is material.

**d. Dividend**

Dividend payable is recognised as a liability in the period in which they are declared.

**e. Provisions**

A provision is recognised if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured as the present value of management's best estimates of the expenditure required to settle the obligation at the reporting date. When the effect of discounting is material, provisions are discounted using pre-tax discount rates that reflect the current market assessment of the time value of money and, where appropriate, risks specific to the liability.

**f. Employee Benefits**

The company is registered with the social security and housing finance corporation and contributes 10% of the employees basic salaries to the national provident fund. Employees contribution are 5% of the basic salary 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 years

**g. Finance Income & Payments**

Finance income comprises interest income on funds invested and foreign exchange rate differences recognised in profit or loss. Interest income is recognised as it accrues in profit or loss.

Finance expenses comprise interest expense on borrowings, foreign exchange losses and impairment losses recognised on Assets. Borrowing costs are recognised in Income Statement when due. Foreign currency gains and losses are reported on a net basis.

**h. Revenue**

The Corporation recognises revenue when performance obligations will be settled, a performance obligation has been settled when the customer has received all the benefits associated with the performance obligation.

**i. Operating Expenses**

Operating expenses are recognised in the Profit or Loss account upon utilisation of the service or as incurred.

**j. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

**k. Corporate Income Tax**

Corporate Income Tax is provided at 1% of Turnover or 27% of taxable profits whichever is greater in accordance with the Income Tax Laws of The Gambia.

**l. Equity Investments**

Equity investments are valued at their nominal values as these investments are not publicly traded and there is no other reasonable basis to estimate their fair value. Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established.

**m. Other Financial Assets**

Other financial assets are recorded at market value which is the cost plus any interest accrued for the period.



	30 <sup>th</sup> Sep. 2021 GMD	30 <sup>th</sup> Sep. 2020 GMD
<b>2. Operating Income</b>		
Hand Picked Selection	113,422,316	96,402,821
Crude Groundnut Oil	-	90,525,864
Groundnut Cake	27,093,604	41,109,706
Groundnut Sludge	-	632,560
Sale of Raw Cashew Nuts (RCN)	74,942,209	6,852,104
Fertilizer	278,374,794	174,776,816
GOTG Subsidy for Purchase of Fertilizer ( <i>Note 2.1</i> )	524,000,000	201,789,605
	<u><u>1,017,832,923</u></u>	<u><u>612,089,476</u></u>

### 2.1 GOTG Subsidy for Purchase of Fertilizer – GMD524 Million

The GOTG subsidy for purchase of Fertilizer figure represents subsidy elements on sale of fertilizer by Government of The Gambia paid directly to AGIB Bank.

	30 <sup>th</sup> Sep. 2021 GMD	30 <sup>th</sup> Sep. 2020 GMD
<b>3. Cost of Sales</b>		
Opening Stock	3,192,525	455,531,676
Purchases - CPMS buying Agents	158,662,355	24,541,225
Purchases - Pre - Finance Private buying Agents	6,748,528	5,337,220
Purchases - Private trade buying agent	24,923,775	8,226,835
Purchase of Groundnut Seed Nut	13,831,350	-
Purchase of Fertilizer	590,728,419	241,948,909
Purchases – Cashew Nuts	64,796,054	6,339,720
Port dues and shipping charges	12,715,323	4,158,909
Buying Commission to CPMS	9,692,959	604,367
Commission on sale of fertilizer	7,780,070	14,660,856
Rehab & Refurb Cost - Depot	1,149,160	371,680
Water & Electricity	1,138,723	3,129,135
Truck/Tractor Hire	39,632,691	22,615,535
Repairs & Maint - Depot Equipment	5,000	376,260
Contract Labour	5,462,855	1,196,287
Repairs & Maint - Gensets	59,685	94,350
Insecticide & Spraying Cost	468,200	563,810
Truck Hire - Evaluation	5,006,394	-
Fish Money - R/T Crew	655,785	703,350
Fuel & Oil - Trucks Tractors & Bobcat	-	1,691
Fuel & Oil - Tug Boats	15,650	-
Repairs & Main - Tug Boat & Barge	463,504	1,082,264
Other Evacuation Costs	1,383,093	42,241
GOTG Subsidy for purchase of Groundnut ( <i>Note 2.3</i> )	(52,414,880)	(13,193,486)
Closing Stock	(54,472,044)	(3,192,525)
Withholding Tax	(589,901)	-
	<b>841,035,273</b>	<b>775,140,309</b>

### 2.3 GOTG Subsidy for Purchase of Groundnut – GMD52.414 Million

The GOTG subsidy for purchase of Groundnut figure represents subsidy elements on sale of Groundnut by Government of The Gambia paid directly to AGIB Bank.

	30 <sup>th</sup> Sep. 2021 GMD	30 <sup>th</sup> Sep. 2020 GMD
<b>4. Production and Processing Cost</b>		
Fuel & Oil	6,431,314	7,715,173
Repairs & Maint. - <i>Plant &amp; Machinery</i>	2,441,602	3,289,702
Spare Parts	4,548,299	18,187,052
Water & Electricity	3,427,063	-
Hire of Fertilizer/Oil Storage Facilities	310,550	321,669
Other Operational Costs	3,117,290	1,533,493
	<b>20,276,118</b>	<b>31,047,088</b>
<b>5. Other Income</b>		
Tender	78,000	59,000
Other Income	36,511,714	11,776
Interest on Current Bank	1,194	41,674
Sale of Scrap Metal	6,519,855	1,916,200
Term Deposit Interest	2,401,373	576,389
Interest Income GOTG	-	198,881,917
Interest on Staff Loans	-	1,907
Sales Discount	-	(55,644)
	<b>45,512,136</b>	<b>201,433,219</b>



## 6. Employee Cost

*The average number of staff employed during the year including Senior Management and Support Staff by category was as follows:*

	30- Sep 2021	31- Sep 2020
Senior Management	10	7
General Staff	258	223
	<u>268</u>	<u>230</u>

*The aggregate payroll costs were as follows:*

	30 <sup>th</sup> Sep. 2021 GMD	30 <sup>th</sup> Sep. 2020 GMD
Wages & Sales	22,240,324	20,365,134
Overtime	460,975	747,439
Leave in lieu of pay	219,724	3,062,810
Charge Allowance	470,736	346,400
Residential Allowance	3,560,396	5,798,573
Provincial Allowance	1,113,940	1,722,155
Responsibility Allowance	2,214,715	1,471,536
Rent Allowance	67,200	95,653
Vehicle Allowance	3,254,906	-
Risk allowance	-	21,000
Acting allowance	31,561	38,298
Telephone allowance	826,465	226,378
Staff annual leave allowance	68,428	207,270
Industrial attachment allowance	86,401	10,212
Injury Compensation	60,337	67,648
National provident fund	2,175,463	1,677,489
Gratuities	111,575	190,110
Medical expenses	150,346	202,084
Staff uniforms	233,675	326,190
Staff Trading	553,559	138,000
	<u>37,900,726</u>	<u>36,714,379</u>

	30 <sup>th</sup> Sep. 2021 GMD	30 <sup>th</sup> Sep. 2020 GMD
<b>7. Finance Costs</b>		
Bank charges	9,962,567	8,128,193
Loan Interest	73,049,100	25,423,086
	<u>83,011,667</u>	<u>33,551,279</u>
<b>8. Taxation</b>		
Tax change for the year	<u>14,344,084</u>	<u>8,155,874</u>
Balance b/d	77,182,699	75,026,825
Current year charge	14,344,084	8,155,874
Tax payment	(9,082,005)	(6,000,000)
<b>Tax Liability</b>	<u>82,444,778</u>	<u>77,182,699</u>

*The Tax Charge for the Year is based on 1% or 27% on Profit.*

## 9. Capital Grant

	Land & Building GMD'000	Badges & Tug Boats GMD'000	Office & Equipment GMD'000	Computers GMD'000	Plant & Machinery GMD'000	Other Equipment GMD'000	Motor Vehicle GMD'000	Work in Progress GMD'000	Total GMD'000
<b>COST</b>									
At 01.10.20	68,133,759	170,051,228	128,992	247,138	40,289,146	34,493,906	27,080,717	40,174,473	380,599,359
Closing balance 30/09/21	<u>68,133,759</u>	<u>170,051,228</u>	<u>128,992</u>	<u>247,138</u>	<u>40,289,146</u>	<u>34,493,906</u>	<u>27,080,717</u>	<u>40,174,473</u>	<u>380,599,359</u>
Depreciation	4%	10%	10%	33.33%	10%	10%	20%	-	-
Opening balance 1/10/21	9,508,873	78,572,769	128,992	247,138	34,146,362	18,041,550	18,077,629	-	158,723,314
Charge for the year	2,725,350	13,068,352	-	-	877,541	2,167,725	4,501,543	-	23,340,511
Movement									
Closing balance 30/9/21	<u>12,234,224</u>	<u>91,641,121</u>	<u>128,992</u>	<u>247,138</u>	<u>35,023,902</u>	<u>20,209,275</u>	<u>22,579,172</u>	<u>-</u>	<u>182,063,825</u>
<b>Closing Balance</b>									
At 30.Sept. 2021	<u>55,899,535</u>	<u>78,410,107</u>	<u>-</u>	<u>-</u>	<u>5,265,244</u>	<u>14,284,631</u>	<u>4,501,545</u>	<u>40,174,473</u>	<u>198,535,534</u>
At 30.10.2021	<u>58,624,886</u>	<u>91,478,459</u>	<u>-</u>	<u>-</u>	<u>6,142,784</u>	<u>16,452,356</u>	<u>9,003,088</u>	<u>40,174,473</u>	<u>221,876,045</u>

## 10. Property, Plant & Equipment

	Land & Building GMD'000	Badges and Tug Boat GMD'000	Office Equip. GMD'000	Computer GMD'000	Plant & Machinery GMD'000	Other Equip. GMD'000	Motor Vehicle GMD'000	Furniture & Fitting GMD'000	Software Application GMD'000	Tarpaulin Work in Progress GMD'000	Total GMD'000
<b>Cost</b>											
Cost at 01.10.20	93,036,369	189,691,628	1,543,655	2,233,133	72,960,518	44,545,452	46,281,775	2,287,096	90,000	40,174,476	492,844,101
Additions	-	-	295,300	1,399,300	-	984,391	15,712,100	746,900	1,100,785	-	20,238,776
<b>Cost as at 30/09/21</b>	<b>93,036,369</b>	<b>189,691,628</b>	<b>1,838,955</b>	<b>3,632,433</b>	<b>72,960,518</b>	<b>45,529,843</b>	<b>61,993,875</b>	<b>3,033,996</b>	<b>1,190,785</b>	<b>40,174,476</b>	<b>513,082,877</b>
<b>Depreciation</b>											
At 01.10.20	(27,955,577)	(98,178,068)	(1,194,079)	(1,727,615)	(66,767,334)	(26,849,056)	(31,212,587)	(1,965,439)	-	-	(255,849,756)
Charge for the year	(3,721,455)	(13,073,752)	(46,559)	(515,405)	(883,141)	(2,305,239)	(6,983,657)	(136,774)	(337,706)	-	(28,003,687)
<b>30/09/2021</b>	<b>(31,677,032)</b>	<b>(111,251,820)</b>	<b>(1,240,638)</b>	<b>(2,243,020)</b>	<b>(67,650,475)</b>	<b>(29,154,295)</b>	<b>(38,196,244)</b>	<b>(2,102,213)</b>	<b>(337,706)</b>	<b>-</b>	<b>(283,853,443)</b>
<b>Depreciation</b>											
<b>Net Book Value - NBV</b>											
NBV as at 30/09/21	61,359,336	78,439,808	598,318	1,389,413	5,310,043	16,375,548	23,797,631	931,783	853,079	40,174,476	229,229,434
<b>Depreciation</b>											
NBV as at 01/10/20	65,080,791	91,513,560	349,576	505,518	6,193,184	17,696,396	15,069,188	321,657	90,000	40,174,476	236,994,346



	30 <sup>th</sup> Sep. 2021 GMD	30 <sup>th</sup> Sep. 2020 GMD
<b>11. Cash and Cash equivalent</b>		
Trust Bank Ltd	7,789,740	1,715,567
TBL US\$	28,984	28,984
TBL Euro A/C	27,867	27,867
Eco Bank A/C	694,998	178,138
Skye Bank A/C	52,452,605	8,107,475
FIB A/C	32,529	9,503,155
AGIB US\$	34,210	-
SKYE Bank A/C	24,969	25,247
Trust Bank	1,881,481	-
AGIB GMD A/C	60,892,341	-
F I Bank USD \$	89,082	8,819,779
Eco Bank US\$	65,169	40,763
BSIC Bank	27,929	1,065,303
BSIC \$ A/C	8,527	6,796,940
Reliance Main A/c GMD	570,609	14,996,747
RFS Barra Fertilizer sales A/c 96783	-	7,702
RFS Barra Fertilizer sales A/c 96788	-	32,900
RFS Kudang fertilizer sales A/c 96791	-	0.49
RFS Sarro fertilizer sales A/c 96793	-	104,600
RFS Kerewan fertilizer sales A/c 96784	-	24,600
Cash in hand	23,800	359,380
Imprest General	180,100	-
	<b>124,824,940</b>	<b>51,835,147</b>

## 12. Short Term Investment

Term Deposit with Skye Bank	-	50,000,000
Term Deposit with FI Bank	-	50,000,000
Term Deposit Reliance Financial Services	76,000,000	30,000,000
	<b>76,000,000</b>	<b>130,000,000</b>

	30 <sup>th</sup> Sep. 2021 GMD	30 <sup>th</sup> Sep. 2020 GMD
<b>13. Inventory</b>		
Spare Parts Stock	27,873,324	28,370,861
Gasoil stock	760,528	1,462,832
Oil and Lubricant	15,070	-
Stationery	200,651	67,635
Electrical Appliances	-	181,906
Miscellaneous Stock ( <i>See Note 13.1</i> )	-	104,357
Stock of produce ( <i>See Note 13.2</i> )	54,067,444	209,475
Fertilizer	404,600	2,983,050
Quality control material	-	70,740
Provision for Stock Obsolescence	-	(6,628,666)
	<b>83,321,617</b>	<b>26,822,190</b>

### 13.1 Miscellaneous Stock

These are spare parts that are critical but rarely used so it was purchased to mitigate potential breakdown and idle time.

### 13.2 Stock of Produce

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

### 14. Receivables

Debtors Control Account	36,179,090	8,437,378
FD Interest ( <i>Suspense</i> ) account	206,352	576,389
GOTG /Subsidy on Fertilizer and Farm gate	524,000,000	201,789,605
Groundnut Purchase Imprest	2,658,834	-
Staff Loan	9,734,078	1,538,281
Cashew Purchase Imprest	1,900,000	-
	<b>574,678,354</b>	<b>212,341,653</b>

### 15. Bank Over draft

Reliance Financial Services – Fertilizer Accounts	100	25
Trust bank	-	1,109,667
	<b>100</b>	<b>1,109,692</b>

	30 <sup>th</sup> Sep. 2021 GMD	30 <sup>th</sup> Sep. 2020 GMD
<b>16. Accruals and Other Payable</b>		
Accruals GOTG	-	4,168,805
Creditors Control Account	3,028,652	2,259,567
Deferred Income Scrape Metal	582,245	6,399,100
Staff PAYE	225,651	-
Other Creditor	4,168,805	-
Accrued Audit Fees	691,250	260,000
Trail balance diff.	-	126,344
SSHFC Loan Interest.	-	4,487,821
	<u>8,696,603</u>	<u>17,701,637</u>
<b>17. Loan</b>		
SSHFC Loan ( <i>Note 17.1</i> )	222,898,735	222,423,736
ITFC (IDB) Loan ( <i>Note 17.2</i> )	-	251,030,062
Sale of Scrap/Stock GOTG ( <i>Note 17.3</i> )	21,000,000	21,000,000
AGIB 2020/2021 Crop finance loan ( <i>Note 17.4</i> )	669,271,857	-
	<u>913,170,592</u>	<u>494,453,797</u>

### 17.1 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, 17<sup>th</sup> 2010. In addition, all crop finance commercial bank loans secured by SSHFC; in which the Corporation defaulted in repayments, were settled by SSHFC. There is now an agreement dated 27<sup>th</sup> February 2020 or a payment plan of GMD200,000 yearly entered between National Food Security Processing and Marketing Corporation and Social Security and Housing Finance Corporation.

### 17.2 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 20<sup>th</sup> 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.

### 17.3 Sale of Scrap Payable

The Sale of Scrap payable was part of the settlement agreement reached between the Corporation and the GOTG where in the Government paid off the outstanding loan to ITFV in 2020 to be recovered from the Corporation's scrap metal issues.

### 17.4 AGIB 2020/2021 Crop Finance Loan

In 2021 Financial Period, a Facility was obtained from AGIB to support in the Crop Financing for the Corporation.

## 18. Share Capital

	No . of Shares	30 <sup>th</sup> Sep. 21 GMD'000	No. of Shares	30 <sup>th</sup> Sep 20 GMD'000
<b>Authorized</b>				
Ordinary Shares (D10 each)	10,000,000	100,000	10,000,000	100,000
<b>Issues and Fully Paid</b>				
Ordinary Shares (D10 each)	7,550,000	75,500	7,550,000	75,500

## 19. Prior Year Adjustment – GMD755,118

There is a prior year adjustment of GMD755.118 in the retained earning due to differences between the closing balance of Accumulated Fund in the Accounting System and the Closing Accumulated Fund from the 30<sup>th</sup> September 2020 audit report.

## 20. Ownership Structure

The ownership structure of the Corporation is as follows;

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



## **21. Events After the Reporting Period**

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

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## **SUPPLEMENTARY INFORMATION**

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	30 <sup>th</sup> Sep. 2021 GMD	30 <sup>th</sup> Sep. 2020 GMD
<b>Administration Expenses</b>		
Land Rent & Rates	2,616,979	2,054,236
Rent Allowances	-	15,000
Electricity and Water	665,441	6,292,909
Vehicle Fuel & Oil	1,061,813	845,024
Vehicle Repairs & Maintenance	1,096,648	1,425,415
Vehicle Insurance	4,490	239,292
Vehicle Licences & Road Tax	19,100	445,500
Miscellaneous Vehicle Expenses	114,868	27,900
Postage & Currier Services	61,885	77,085
Telephones & Internet Services	892,989	854,384
Trek Allowance	2,104,761	771,710
Ferry Crossings	57,085	45,150
Transport Hire	87,697	-
Taxi Fares	85,300	45,750
Per Diem Allowance	23,453	105,300
Air Fares	-	21,982
Road Transport Fares	-	5,730
Other Incidental Expenses	871,585	5,575
Consultancy and professional Cost	45,590	37,500
Legal and Retainer fee	265,000	148,000
Adverts & Publicity - Local	1,461,941	821,590
Groundnut Sub-Sector consultancy Fees	-	1,746,266
Other Consultancies	1,369,098	631,646
Repairs & Maintenance- Office Equipment	52,150	111,855
Repairs & Maint. Comp. Eup.	298,064	56,375
Repairs & Refurbs - Furn., Fittings & Fixtures	5,500	13,000
Repairs & Refubs - Office & premises	340,650	794,060
Repairs & Maint. Gensets	61,600	-
Refub & Rehabilitation Warehouse	9,690	-
Director Fees	1,430,500	1,136,000
Trade & Business Licences	221,000	400,000
National Education Levy	-	115,000
Refreshments	56,100	-
Office Supplies	19,450	234,273
Ex- Gratia Payment	166,500	5,000
News Paper & Periodicals	5,076	41,206
Entertainment	443,235	19,750
Refund	-	416,705
Sundry Expenses	2,341,404	1,483,177
Printing and stationery	944,188	849,693
Donations	165,000	405,000
Hired security cost	3,000	469,660
Insurances	-	445,216
Audit Fee	431,250	260,000
<b>Total</b>	<b>19,900,079</b>	<b>23,918,914</b>