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1. General Information

Directors

Amadou Colley	Chairman
Chief Bakary M Badjie	Member
Anthony Carvalho	Managing Director
Mustapha Colley	Deputy Managing Director
The Permanent Secretary - Ministry of Finance and Economic Affairs	Member
The Permanent Secretary - Ministry of Agriculture	Member
The Permanent Secretary - Ministry of Trade, Industry and Employment	Member

Bankers

Trust Bank Limited
3/4 Ecowas Avenue, Banjul

Guaranty Trust Bank (Gambia) Limited
56 Kairaba Avenue, Serrekunda

Skye Bank (Gambia) Limited
70 Kairaba Avenue, Serrekunda

Ecobank (Gambia) Limited
42 Kairaba Avenue, Serrekunda

First International Bank (Gambia) Limited
2 Kairaba Avenue, Serrekunda

Mega Bank Gambia Limited
11A Liberation Avenue Banjul

AGIB Bank Limited
Becca Plaza Banjul

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

2. 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 30th September 2017.

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 2017.

Property, plant and equipments

The Corporation's property, plant and equipment are detailed in note 8.21 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 8.21 of the financial statements.

Going concern

The directors confirm that it is appropriate to adopt the going concern basis in preparing the financial statement.

Directors and directors 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: 29th November 2019

3. Report of the Independent Auditors

To the members of National Food Security Processing and Marketing Corporation

Opinion

We have audited the accompanying financial statements of National Food Security, Processing and Marketing Corporation for the year ended 30th September 2017, which comprise of the statement of financial position as at 30th September 2017, 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 financial statements present fairly, in all material respects, the financial position of National Food Security, Processing and Marketing Corporation as at 30th September 2017, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles (GAAPs) and the requirements of the Companies Act 2013.

Basis for Opinion

Included in the debtors shown on the balance sheet is a balance totaling GMD 308 million due from the Government of The Gambia. The balance has been non-moving and no assurance has been provided on the debtor's part to settle this balance. On the basis that no assurance has been provided and the balance non moving except for the interest being charged by management on it, in our opinion management should make a full provision for impairment of GMD 308 million reducing profit before taxation for the year and net assets at 30th September 2017 by that amount.

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.

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.

Report of the Independent Auditors (Continued...)

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 Company'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 Company 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 scepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Company'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 Company 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.

Report of the Independent Auditors (Continued...)

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.

DT Associates

DT Associates

Chartered Accountants

Registered Auditors

Aji Penda Sankareh

Date: *24th December* 2019

4. Income statement

For the year ended 30th September 2017
(In Gambian Dalasi)

	Notes	Sept. 2017	Restated Sept. 2016
Income			
Operating Income	8.3, 8.12	345,256,908	436,604,092
Cost of sales	8.13	(228,749,756)	(403,210,531)
Gross profit		116,507,152	33,393,561
Other income	8.14	58,387,739	49,862,632
Grant income	8.22	8,304,069	8,549,312
Total income less cost of sales		183,198,960	91,805,505
Expenditures			
Production and processing cost	8.15	(9,877,174)	(19,094,589)
Administration expenses	8.17	(16,039,519)	(20,759,820)
Staff cost	8.18	(20,304,748)	(22,777,972)
Finance cost	8.19	(28,756,773)	(23,757,090)
Depreciation	8.21	(4,445,907)	(10,059,463)
Translation (loss) gain	8.6	(865,082)	10,877,043
Total expenditure		(80,289,202)	(85,571,892)
Profit / (Loss) before tax		103,909,757	6,233,614
Taxation	8.7, 8.20	(27,785,634)	(6,549,061)
Profit / (Loss) after tax		75,124,123	(315,447)

The notes form part of these financial statements

5. Balance sheet

as at 30th September 2017
(in Gambian Dalasi)

		Sept. 2017	Sept. 2016
Assets			
Non-current assets			
Property, Plant and equipment	8.4, 8.21	303,842,100	20,381,954
Total Non-current Assets		303,842,100	20,381,954
Current Assets			
Cash and bank balances	8.23	8,299,194	39,639,817
Inventory	8.11, 8.25	125,631,695	145,325,462
Receivables	8.26	496,545,822	443,352,354
Short term investments	8.27	17,000,000	23,500,000
Total current Assets		647,476,710	651,817,633
Total Assets		951,318,811	672,199,587
Equity & liabilities			
Equity			
Share Capital	8.30	75,500,000	75,500,000
Retained earnings		25,337,159	(49,786,964)
Total equity		100,837,159	25,713,036
Liabilities			
Bank Overdrafts	8.24	181,247	110,607
Accruals & other payables	8.28	22,097,710	8,945,210
Loans	8.29	456,209,183	566,705,842
Taxation	8.7, 8.20	72,482,332	50,696,698
Capital grant	8.22	299,511,179	20,028,195
Total liabilities		850,481,652	646,486,552
Total equity & liabilities		951,318,811	672,199,586

These Financial Statements were approved by the Board of Directors on 24th December 2019, and were signed on their behalf by:

 Chairman
 Director

The notes form part of these financial statements

6. Statement of changes in equity

for the year ended 30th September 2017
(In Gambian Dalasi)

	Share capital	Retained earnings	Total
Opening balance 1st Oct. 2016	75,500,000	(49,786,964)	25,713,036
Profit (Loss) for the period	-	75,233,586	75,233,586
Closing balance as at 30th September 2017	<u>75,500,000</u>	<u>25,337,159</u>	<u>100,837,159</u>

The notes form part of these financial statements

7. Statement of cash flow

for the year ended 30th September 2017
(In Gambian Dalasi)

	Sept. 2017	Sept. 2016
Cash flows from operating activities		
Profit (Loss) before tax	102,909,757	6,233,614
Add Depreciation	4,445,907	10,059,462
Grant income released	(8,304,069)	(8,549,312)
Changes in receivables	(53,193,467)	(16,185,955)
Changes in inventories	19,693,767	43,724,388
Changes in payables	13,152,501	252,509
Cash generated from operations	78,704,396	35,534,705
Income taxes paid	(6,000,000)	(6,071,089)
Net cash from operating activities	72,704,396	29,463,616
Cash flows from investing activities		
Purchase of property, plant and equipment	(287,906,055)	(411,090)
Capital Grant received	287,787,055	-
Short term investments	6,500,000	49,500,000
Net cash used by investing activities	6,381,000	49,088,910
Cash flows from financing activities		
Changes in Long-term Borrowing	(110,496,659)	(97,197,983)
Changes in Bank Overdrafts	70,640	(557,053)
Net cash used by financing activities	(110,426,020)	(97,755,036)
Net (decrease) increase in cash and cash equivalents	(31,340,623)	(19,202,510)
Cash & cash equivalent at the beginning of period	39,639,817	58,842,327
Cash & cash equivalent at the end of period	8,299,194	39,639,817

The notes form part of these financial statements

8. Notes to the financial statements

8.1 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.

8.2 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.

8.3 Revenue recognition

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

8.4 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%

8.5 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 capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the income statement as an expense as incurred.

8.6 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.

8.7 Taxation

Tax is charged on the basis of the higher of 1.5% of gross income and 30% of tax adjusted accounting profits in accordance with Income Tax laws of The Gambia.

8.8 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.

8.9 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.

8.10 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.

8.11 Inventory

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

8.12 Operating income

	Notes	Sept. 2017	Sept. 2016
Sale of Hand Picked selection		17,812	103,230,241
Sale of crude groundnut oil		55,468,998	155,571,245
Sale of Groundnut cake		143,708	80,870,468
Sale of Groundnut sludge		177,400	(357,440)
Sale of fertilizer	8.12a	289,131,070	97,229,579
Sale of Groundnut Shells		27,000	60,000
Sale of Seed Nuts		290,920	-
		345,256,908	436,604,093

8.12a. The sale of fertilizer figure of D289,131,070 included a figure of D110,093,466 representing 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).

8.13 Cost of sales

	Sept. 2017	Sept. 2016
Opening stock	128,612,387	171,192,479
Purchase of groundnut in shell	61,705,386	208,007,941
Purchase of fertilizer	129,079,892	132,846,500
Groundnut subsidy from GOTG	51,350	-
Purchase of raw cashew nuts	-	(1,907,208)
Depot expenses	10,389,531	14,061,456
Evacuation expenses	890,216	2,150,510
Port dues and shipping charges	748,509	2,645,293
Buying Commission to CPMS'	630,789	2,820,583
Addition cost CPMS at furthest point	-	5,364
Closing stock	<u>(103,358,303)</u>	<u>(128,612,387)</u>
	<u>228,749,756</u>	<u>403,210,531</u>

8.13 Cost of sales

	Sept. 2017	Sept. 2016
Opening stock	128,612,387	171,192,479
Purchase of groundnut in shell	61,705,386	208,007,941
Purchase of fertilizer	129,079,892	132,846,500
Groundnut subsidy from GOTG	51,350	-
Purchase of raw cashew nuts	-	(1,907,208)
Depot expenses	10,389,531	14,061,456
Evacuation expenses	890,216	2,150,510
Port dues and shipping charges	748,509	2,645,293
Buying Commission to CPMS'	630,789	2,820,583
Addition cost CPMS at furthest point	-	5,364
Closing stock	(103,358,303)	(128,612,387)
	<u>228,749,756</u>	<u>403,210,531</u>

8.14 Other income

	Sept. 2017	Sept. 2016
Interest on current accounts	33,564	82,211
Sundry Income	157,213	118,800
Sale of scrap metal	92,380	-
Interest on subsidy, LC	50,454,222	46,385,755
Interest on term deposits	2,631,012	2,966,642
Interest on staff loans	1,767	21,280
tender fee for fertilizer supply	230,000	80,000
Interest received pre-finance private traders	9,240	131,603
Weighing Scrap Metal	-	650
Revenue Grant Received	3,582,151	-
claims on performance bond	979,020	-
Sales of Assets	210,000	-
Pre financing- private traders	7,170	75,691
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	58,387,739	49,862,632

8.15 Production & processing cost

	Sept. 2017	Sept. 2016
Production staff cost	428,031	2,817,480
Electricity and water	1,299,049	5,175
Repairs of plant & machinery	678,274	852,117
Other production cost	5,215,764	11,730,660
Repairs & maintenance of Genset	242,960	314,563
Spare parts	2,013,096	3,374,594
Hire of oil storage facilities	-	-
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	9,877,174	19,094,589

8.16 Profit/ (Loss) after taxation

	Sept. 2017	Sept. 2016
after charging depreciation and amortization		
	75,124,123	(315,447)

8.17 Administration Expenses

	Sept. 2017	Sept. 2016
Electricity and water	3,444,869	5,366,714
Vehicle running cost	2,180,488	3,625,909
Communication cost	636,442	554,802
Local transport cost	634,971	1,036,553
Overseas travel cost	240,642	636,347
Consultancy and professional cost	2,158,897	1,627,732
Repairs & refurbishments	1,013,126	1,147,468
Directors fees	299,000	276,000
GPPA levy	-	500,448
Tarpaulines	-	31,600
Subscriptions	-	174,850
Printing & Stationery	933,820	1,158,881
Donations	72,900	193,500
Insurances	926,679	882,989
Advertisement	139,075	81,165
General Expenses	3,358,611	3,464,862
	16,039,519	20,759,820

8.18 Staff cost

	Sept. 2017	Sept. 2016
Wages & salary	11,746,382	13,910,707
Overtime	440,330	644,728
Leave in leau of pay	116,186	453,060
Charge allowance	263,769	218,138
Residential allowance	3,386,304	3,648,215
Provincial allowance	1,392,372	685,859
Responsibility allowance	963,824	985,193
Rent allowance	35,138	33,890
Vehicle Allowances	-	2,000
Rent Allowances	-	8,050
Risk allowance	-	4,800
Telephone allowance	208,904	195,000
Staff Annual Leave Allowance	155,753	226,763
Industrial Attachment Allowance	20,856	(2,000)
Injury compensation	52,480	77,593
National Provident fund (NPF)	891,190	1,152,891
Gratuties	275,697	50,345
Medical expenses	191,023	116,210
Staff uniforms, Boiler suits & hard hats	66,565	295,150
Staff training expenses	97,975	71,380
	<hr/>	
	20,304,748	22,777,972
	<hr/>	

8.19 Financing cost

	Sept. 2017	Sept. 2016
Bank charges	8,692,163	1,053,822
Interest on loans	20,064,610	22,703,268
	<u>28,756,773</u>	<u>23,757,090</u>

8.20 Taxation

	Sept. 2017	Sept. 2016
Tax charge for the year	<u>27,826,121</u>	<u>6,549,061</u>
Balance b/d	50,696,698	50,218,726
Current year charge	27,785,634	6,549,061
Tax payments	(6,000,000)	(6,071,089)
	<u>72,482,332</u>	<u>50,696,698</u>

8.21 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 1/10/16	27,915,128	58,954,112	1,228,985	1,571,578	64,129,111	22,233,905	16,605,008	1,966,216	-	194,604,043
Additions	63,968,692	130,737,516	-	-	8,775,407	8,959,459	22,507,717	-	52,957,264	287,852,055
Disposal	-	-	-	-	-	-	1,320,000	-	-	1,320,000
Balance c/f 30/9/17	91,883,820	189,691,628	1,228,985	1,571,578	72,904,518	31,193,364	37,792,725	1,966,216	52,957,264	481,190,098
Depreciation										
Balance b/d 1/10/16	(15,784,096)	(58,954,112)	(876,008)	(1,448,071)	(64,129,111)	(16,563,521)	(14,763,095)	(1,704,076)	-	(174,222,090)
Charge for the year	(1,116,605)	(2,700)	(122,899)	(83,317)	-	(2,226,641)	(768,720)	(125,025)	-	(4,445,907)
Disposals	-	-	-	-	-	-	1,320,000	-	-	1,320,000
Balance c/f 30/9/17	(16,900,701)	(58,956,812)	(998,907)	(1,531,388)	(64,129,111)	(18,790,162)	(14,211,815)	(1,829,101)		(177,347,997)
NBV										
At 30th September 2017	74,983,119	130,680,816	230,078	40,190	8,775,407	12,403,202	23,580,910	137,115		303,842,101
At 30th September 2016	12,131,032	-	352,977	123,507	-	5,670,384	1,841,913	262,140		20,381,953

8.22 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 1/10/16	4,165,067	39,367,712	128,992	247,138	31,513,739	12,816,655	4,573,000		92,812,303
Additions	63,968,692	130,683,516	-	-	8,775,407	8,894,459	22,507,717	52,957,264	287,787,055
Closing balance @ 30/9/17	4,165,067	39,367,712	128,992	247,138	31,513,739	12,816,655	4,573,000	52,957,264	380,599,358
Amortisation Rate of amortization	4%	10%	10%	33.33%	10%	10%	20%		
Opening balance 1/10/16	(1,166,220)	(35,676,185)	(90,294)	(247,138)	(22,059,616)	(8,971,657)	(4,573,000)		(72,784,108)
Additions	(166,603)	(3,691,527)	(12,899)	-	(3,151,374)	(1,281,666)			(8,304,069)
Closing balance @ 30/9/17	(1,332,823)	(39,367,712)	(103,193)	(247,138)	(25,210,990)	(10,253,323)	(4,573,000)		(81,088,177)
Carrying value @ 30th September 2017	66,800,936	130,683,516	25,799	-	15,078,156	11,457,792	22,507,717	52,957,264	299,511,181
30th September 2016	2,998,847	3,691,527	38,698	-	9,454,123	3,844,999			20,028,194

8.23 Cash & Bank balances

	Sept. 2017	Sept. 2016
	D	D
Trust Bank A/c. # 110-100-760-01	1,707,522	10,344
GTBank A/c. # 153388-4/1/1/0	359,875	311,163
GT BANK US (\$) Dollar Account	41,444	23,227,713
Trust Bank - 100-100-760-04	3,486,997	2,556,284
TBL US\$ 120-107446-05	832,058	10,786,549
TBL Euro 120-107446-06	28,141	26,649
TBL - Pound 120- 107446-07	-	124
Skye Bank A/c. #11588	293,731	204,060
FIB A/C # 00101008665-01	569,291	412,827
FIB Fertilizer A/C #605928-01	-	303,972
Skye bank \$ A/C	23,053	1,173,448
Eco Bank A/c. # 2701	76,821	1,751
AGIB US\$ A/c # 101-201-010193565-294	16,073	-
AGIB GMD A/c # 101-201-010193565-197	52,210	-
Eco Bank A/c # 153270-02	34	34
Mega Bank	263,969	199,447
Cash in hand	547,974	425,454
	8,299,194	39,639,817

8.24 Bank Overdraft

	Sept. 2017	Sept. 2016
	GMD	GMD
Trust Bank A/c. # 110-100-760-01	-	110,607
Trust Bank Ltd. A/C. # 760.02	181,247	-
	181,247	110,607

8.25 Inventory

	Note	Sept. 2017 GMD	Sept. 2016 GMD
Spare Parts Stock		27,057,434	21,929,886
Gas Oil Stock		763,792	444,211
Oil & Lubricant		133,464	81,116
Stationery		206,125	145,284
Electrical Appliances		663,121	663,121
Miscellaneous Stock		32,583	32,583
Stock of produce	8.25a	44,206,903	50,181,887
Stock of fertilizer	• 8.25b	59,151,400	78,430,500
Quality control material		45,540	45,540
Provision for Stock Obsolescence		(6,628,666)	(6,628,666)
		125,631,695	145,325,462

8.25a 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.

8.25b 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 2017.

8.26 Receivables

	Note	Sept. 2017 GMD	Sept. 2016 GMD
Trade debtors	8.26a	81,028,274	111,711,542
2007/08 trade season debtors	8.26b	15,137,119	15,137,119
GTOG/ Subsidy on Fertilizer & Farm -gate Price 2017	8.26c	110,093,466	-
GOTG Subsidy	8.26c	191,212,635	159,928,011
Staff loans		641,325	670,717
Other Debtors GOTG		127,703	106,809
GOTG L/C Account	8.26d	117,037,505	97,888,800
GoTG Subsidy Accrued		-	76,691,466
FD Interest accrued		175,973	126,068
Provision for Bad & Doubtful Debts		(18,908,178)	(18,908,178)
		496,545,822	443,352,354

8.26a 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 2017, the amount outstanding stood at D81,028,274.

8.26b 2007/08 trade season debtors

During the trade season of 2007/2008, the Corporation pre-financed a number of private traders to buy un-decorticated groundnuts on its behalf. However, most of them defaulted in repayment of the amount owed to the corporation. Through a court judgment, the amount owed by them is now being repaid. However this amount stated on the balance should have been fully provided for.

8.26c GOTG Subsidy (D191,212,635)

This is a subsidy on the farm-gate price of previous years which has been increasing by way of annual interest addition of 18% for the period. This amount is unsettled by Government.

8.26d 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% for the period. This amount is unsettled by Government.

8.26e CPMS and private traders

CPMS' and Private Traders that the Corporation finances to buy un-decorticated groundnuts on its behalf during trade seasons.

8.27 Short Term Investments

	Sept. 2017 GMD	Sept. 2016 GMD
Term Deposit with Eco Bank	5,000,000	
Term deposit with TBL 04	12,000,000	-
Term deposit with GT Bank	-	15,000,000
Term deposit with mega bank	-	8,500,000
	17,000,000	23,500,000

8.28 Accruals & other payables

	Sept. 2017 GMD	Sept. 2016 GMD
Accruals	4,625,444	4,625,444
Amount owed to CPMS and private traders	13,218,400	-
cash surplus/shortage Modou Balajo	89,500	-
Net Pay Control	9	-
AGIB 2016/2017/18 Crop finance loan	503	-
Unclaimed wages	-	57,590
Staff PAYE	(4,950)	(471)
Cash surplus	-	93,842
Ministry of Agriculture	4,168,805	4,168,805
	22,097,710	8,945,210

8.29 Loans

	Notes	Sept. 2017 GMD	Sept. 2016 GMD
SSHFC Loan	8.29a	222,623,735	222,623,735
ITFC (IDB) Loan	8.29b	233,585,447	344,082,107
		<u>456,209,182</u>	<u>566,705,842</u>

8.29a 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. However, this condition is not met thus the Corporation incurred additional interest charges on the loan. 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.

8.29b 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 groundnut, fertilizer and cashew nut based on the Murahaba Financing Principles.

8.29.1

The Gearing ratio (Total Liabilities over Share capital) for the corporation stands at 856.27%. This asserts that the corporation is in debt the value of more than eight times its total share capital contribution. This potentially renders the use of the going concern assumption for the corporation questionable as future debt repayments may prove to be a problem.

8.30 Share Capital

	Number of shares	30-Sep-17 D. 000	Number of shares	30-Sep-16 D. 000
Authorised				
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

8.30.1 Ownership Structure

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