



National Water and Electricity Company Limited

Annual Report and Financial Statements
for the year ended 31 December 2016



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General information

Directors	Mr. Alhagie E.F. Conteh	Board Chair - Upto July 2017
	Mr. Aki Jeremiah	Board Chair - From August 2017
	Mr. Ousman Muhammed Cham	Board Chair - From January 2019
	Mr. Momodou P. Bah	Vice Chairperson – From January 2019
	Secretary General	Office of the President
	Permanent secretary	Ministry of Finance
	Mr. Ebrima Sanyang	NAWEC Managing Director - Up to March 2017
	Mr. Baba Fatajo	NAWEC Managing Director - From March 2017
	Permanent secretary	Ministry of Energy Ex officio
	Tijan Bahoum	Mechanical Engineer - From April 2017
	Buba Janneh	Financial Expert - From April 2017
	Charles Mbye	Representative from the Private Sector - From April 2017
	Mr William Shola Joiner	Civil Engineer - From April 2017
	Mr Mod K Ceesay	Member - From December 2017
Mr. Saihou Omar Sallah	Member - Up to April 2017	
Ms.Mariane George	Ministry of Justice - Up to April 2017	
Hon. Bintanding Jarju	Member - Up to April 2017	
Mr. Crispin Grey Johnson	Member	
Mr. Kebba Sanyang	Member	
Mr. Gumbo Touray	Member	
Mr. Lamin Camara	PS, Ministry of Petroleum and Energy -Member	
Mr. Alhagie Nyagado	Director of Monitoring & Evaluation OP-Member	
Secretary	Ms. Anna Dibba	
Auditors	DT Associates 1 Paradise Beach Place, Kololi P.O Box 268 Banjul, The Gambia	
Bankers	Zenith Bank (Gambia) Limited Trust Bank (Gambia) Limited Arab Gambian Islamic Bank Limited Guaranty Trust Bank (Gambia) Limited Mega Bank Gambia Limited Standard Chartered Bank (Gambia) Limited First International Bank Limited Access Bank (Gambia) Limited Ecobank (Gambia) Limited Reliance Financial Services	

Bank Sahelo-Sahanienne Pour L'industrie et Commerce (BSIC)
Central Bank of The Gambia
Skye Bank (Gambia) Limited

Solicitor Janet Sallah - Njie
Torodo Chambers
3 - 4 Liberation Avenue
Banjul

Registered office Mamady Manjang Highway, Kanifing



Directors' report

The Directors of the company present their report and the audited financial statements for the year ended 31 December 2016.

Statement of directors' responsibility

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 company 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 company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2013. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal business activity

The principal activity of the company has been the nationwide provision of electricity, water and sewerage services.

Results and dividends

The results of the company are as detailed in the accompanying financial statements. The directors do not recommend the payment of a dividend.

Property, plant and equipment

The property, plant and equipment of the company are as detailed in note 10 of the financial statements. There has not been any permanent diminution in the value of the company's property, plant and equipment.

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 3. None of the directors who held office had any beneficial interest in the shares of the company.

Auditors

The auditors, DT Associates, who were appointed by the National Audit Office and having indicated their willingness, will continue in office pursuant section 342 (2) of the Companies Act 2013.

By Order of the Board of Directors

A handwritten signature in blue ink, appearing to read 'A. D. Danga', is written over a horizontal dotted line.

Secretary

A handwritten signature in blue ink, appearing to read 'February', is written over a horizontal dotted line.

Date.....2019

Independent Auditor's Report

To the members of National Water and Electricity Company Limited (NAWEC)

Adverse Opinion

We have audited the financial statements of National Water and Electricity Company Limited (NAWEC), set out on pages 10 to 26, which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the financial statements do not present fairly the financial position of [National Water and Electricity Company Limited (NAWEC), as at 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles (GAAP), and in the manner required by the Companies Act, 2013.

Basis for Adverse Opinion

The prior year financial statements were also qualified with respect to the matters below:

Inventory

As detailed in note 12 of the financial statement, inventory is stated at carrying value of D415.3 million as at 31 December 2016. From our audit work, we noted a difference of D31.6 million between the stock valuation report and the General Ledger Balance. The difference was not supported, reconciled or corrected by Management.

Due to the above significant limitation on inventory, we could not ascertain the valuation and existence of the inventory balance in the financial statement. Consequently, we could not determine the possible adjustments if any that might have been necessary for the year ended 31 December 2016.

Receivables

As detailed in note 13 of the financial statement, net receivable balance was D803.7 million as at the year end. During our audit, we noted a difference of D55 million between the receivable listing from the Billing System and the amount recorded in the financial statements. The difference was not reconciled or corrected by Management.

Provision for bad and doubtful debt was charged at a flat rate of 15% on current receivables amounting to D135 million. The basis of provision was not in line with the current provision policy of the Company and was not supported with a Debtor's Age Listing.

We were not provided with sufficient information and justifications to enable us determine the valuation and completeness of receivables recorded in the financial statements.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Payables

Payable balance of D862.3 million was reported as detailed in note 14 of the financial statements. From our audit, we noted that the total payable listing was less than the recorded general ledger balance by D11million. The difference was not reconciled and corrected by Management.

Furthermore, the listing included a total debit balance of D56.4m which could not be explained by Management, further audit work revealed that supplier invoices were settled but not appropriately accounted. We could not carry further tests on payables as we were also not provided with supplier statements for a selected sample of D691m.

We also noted total difference of D1.79m between the records of the Company and amounts confirmed by suppliers. The difference is not reconciled or explained by Management.

Included in the payable listing is a balance of D57.3m relating to VAT receivable, our recomputation of VAT indicated a VAT payable amount of D263 million, Management could not support or provide adequate explanations for the VAT receivable amount of D57.3m.

Other audit procedures could not be performed to ascertain the existence and completeness of the recorded payable balance.

Borrowings

D8.8 billion is reported as long term loans in note 15 of the financial statement. Management did not provide us with the relevant Loan Agreements or supporting loan schedules. With insufficient evidence from Management, we were unable to ascertain the completeness and existence of the loan balance and there were no other procedures we could perform to ascertain the existence of this balance.

Cash and Bank

The Company reported cash balance of D181.7 million and overdrawn bank balance of D142.4million as detailed in note 19 of the financial statement. From our audit test on cash and bank balances, we noted long reconciling items in the bank reconciliation amounting to D328million that were not cleared up to the time of reporting.

We also noted total difference of D13 million between the adjusted bank balances and the General ledger balance. These were not reconciled.

We were unable to establish the completeness and valuation of the cash balance with such significant reconciling differences.

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 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



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Material Uncertainty Related to Going Concern

We draw attention to Note 18 in the financial statements which indicates that the Company incurred cumulative losses at the year ended 31 December 2016 of D5.7 billion, negative net assets of D4.0 billion and equal deficit in shareholders' equity. Additionally the Company defaulted in settling the existing bond of D1.7 billion resulting in restructuring of the Agreement in 2016. These conditions as set forth in the financial statements indicate the existence of uncertainty regarding the Company's ability to continue as a going concern and an increased liquidity risk. These financial statements do not include adjustments that might arise from the uncertainty of the Company to continue as a going concern. Our opinion is not qualified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises 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 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 (GAAP) 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



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 judgement 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.

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
Partner

07th February2019



Income Statement

(In thousands of Gambian Dalasi)
for the year ended 31 December 2016

	Notes	31-Dec-16 D.000	31-Dec-15 D.000
Revenue	2, 1d	2,887,635	2,684,802
Cost of sales	9	(1,484,324)	(1,838,720)
Gross profit		1,403,311	846,082
Administration costs	20	(656,884)	(737,020)
Depreciation charge	10,11, 1c	(322,824)	(273,735)
Release of capital grants	8, 1k	21,628	514,133
Other operating income	3.	(15,429)	284,140
Net operating expenses		(973,507)	(212,482)
Operating /profit		429,804	633,600
Interest expense and similar charges	6	(299,061)	(268,998)
Loss on Foreign Exchange Translation		(18,329)	(858,487)
Profit for the year		112,414	(493,884)

The notes form part of these financial statements.

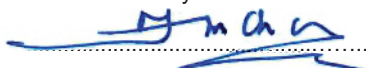



Balance Sheet

as at 31 December 2016
(In thousands of Gambian Dalasi)

	Notes	31-Dec-16 D'000	31-Dec-15 D'000
Assets			
Non current assets			
Property, plant and equipment	10, 1c	4,931,393	4,823,590
Intangibles	11	9,320	10,848
Investments		5,500	2,000
		4,946,213	4,836,438
Current assets			
Inventories	12, 1b	415,279	420,413
Trade and other receivables	13	803,724	908,591
Cash at bank and in hand	19	181,734	97,212
		1,400,737	1,426,216
Total assets		6,346,950	6,262,655
Equity and liabilities			
Capital and reserves			
Share capital	17	68,466	68,466
Revaluation reserve	18	1,581,375	1,581,375
Retained earnings	18	(5,696,309)	(5,809,539)
		(4,046,467)	(4,159,698)
Non current liabilities			
Deferred capital grants	16, 1k	574,659	596,287
Borrowings	15a	8,257,167	8,194,029
		8,831,826	8,790,316
Current liabilities			
Trade and other payables	14	862,382	971,041
Loans	15a	556,767	539,153
Bank Overdraft	19	142,442	121,843
		1,561,591	1,632,037
		6,346,950	6,262,655

These financial statements were approved by the Board of Directors on 7TH FEB. 2019 and were signed on its behalf by:

.....  Director  Director

The notes form part of these financial statements



Statement of changes in equity

for the year ended 31 December 2016

	Share capital D'000	Revaluation reserve D'000	Retained earnings D'000	Total D'000
At 1 January 2016	68,466	1,581,375	(5,809,539)	(4,159,698)
Opening balance difference	-	-	816	816
Profit for the year	-	-	112,414	112,414
At 31 December 2016	68,466	1,581,375	(5,696,309)	(4,046,468)

The notes form part of these financial statements.



Statement of cash flows

for the year ended 31 December 2016
(In thousands of Gambian Dalasi)

	Notes	31-Dec-16 D'000	31-Dec-15 D'000
Cash flows from operating activities			
Operating(loss)/ profit		429,804	633,601
Depreciation and amortisation	10,11	322,824	273,735
Release of capital grants	8	(21,628)	(514,133)
Changes in inventories	12	5,134	119,538
Changes in trade receivables	13	104,867	(361,620)
Changes in trade payables	14	(108,659)	(1,652,490)
Opening balance difference		816	
Adjustment in reserves		-	18,761
Cash generated from operations		733,158	(1,482,608)
Interest paid	6	(299,061)	(268,998)
Exchange gains		(18,329)	(858,487)
Net cash generated from operating activities		415,768	(2,610,093)
Cash flows from investing activities			
Purchase of non current assets	10	(429,096)	(368,187)
Development Funding Aqua		(3,500)	(2,000)
Net cash used by investing activities		(432,596)	(370,187)
Cash flows from financing activities			
Loans received		80,752	2,550,609
Grants received during the year	8	-	492,505
Net cash generated from financing activities		80,752	3,043,114
(Decrease)/increase in cash and cash equivalents	19	63,924	62,834
Cash and cash equivalents at the beginning of the year	19	(24,631)	(87,465)
Cash and cash equivalents at the end of the year	19	39,293	(24,631)

The notes form part of these financial statements.



Notes (forming part of the financial statements)

1 Accounting policies

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

a) Accounting convention

The financial statements have been prepared under the historic cost convention in accordance with generally accepted accounting principles using an accruals basis of accounting and the Companies Act 2013.

b) Inventories

Inventories are valued at the lower of cost and net realisable value. The cost is determined using a standard method where cost is the purchase cost together with the related duty, freight, insurance and commission charges on a first in first out basis.

c) Property, plant and equipment

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 is provided on property, plant and equipment, excluding land, at annual rates calculated to write off the cost of each asset over its estimated useful life on a straight line basis as follows:

Plant and machinery	4 - 10%
Furniture and equipment	20%
Vehicles	20%
Building	2%
Electricity Network	2.5%
Water Network	2.5%

d) Revenue recognition

Revenue represents the invoiced amount of bills issued for the financial year for electricity, water ,sewerage services and Prepaid Electricity(cash power) provided to the public.

e) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are converted at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at



the rate ruling at the date of the transaction. Gains and losses on exchange are transferred to the income statement in the period in which they arise.

f) Pension scheme

Effective 1 January 2004, the company contributes 15% of employees basic salaries to the Social Security and Housing and Finance Corporation Pension Fund.

g) Government subsidies

Government subsidies are recognised in the period in which they are received or the period in which their future receipt becomes certain.

h) Fixed and current asset investments

Income from equity and other investments are recognised in the income statement when earned whether the amounts are received or not. Fixed asset investments are recorded in the balance sheet at historical cost less any impairment loss on the carrying value of those investments. Current asset investments are shown in the balance sheet at cost plus income receivable up to the balance sheet date.

i) Surcharge income

Surcharge income arises when illegal service connections or tampered meters are detected. Invoices are raised when an estimate of the potential financial loss to the company is established with reasonable certainty. Recognition of revenue in the profit and loss account however is based on the actual receipt of cash as a matter of prudence as some of these invoices are re-negotiated or cancelled.

j) Government grants

Grants used to acquire non-current assets are recognised as deferred income in the balance sheet and released to the income statement over the useful economic life of the non-current asset.

k) Taxation

The Government of The Gambia has granted the National water & Electricity Company Ltd exemption from the payment of annual corporate tax to the Gambia Revenue Authority

2 Revenue

All revenue arose in The Gambia from the following activities:

	31-Dec-16 D'000	31-Dec-15 D'000
Billing revenue	2,673,639	2,661,601
Service extensions	5,810	2,199
Service connections	208,186	21,002
	2,887,635	2,684,802



3 Other operating income

	31-Dec-16 D'000	31-Dec-15 D'000
Reconnection fees	907	953
Sundry General Trading income	123	20
Surcharge income	3,084	3,513
Water in bulk revenue	116	31
Meter transfers	496	1,432
Reconnection fees - Electricity	97	128
AQUA Gambia	61	57
Sewerage unblockage - GBA	-	780
Other Marginal Activities	(13,361)	273,895
Other Exceptional Income	518	3,295
Penalty on Returned Cheque	20	36
others	(7,488)	-
	(15,429)	284,140

4 Profit before tax

The profit for the year before tax is stated:

	31-Dec-16 D'000	31-Dec-15 D'000
after charging		
Auditors remuneration	870	850
Depreciation	322,824	273,735
Directors remuneration	450	334

5 Staff number and costs

The average number of staff employed (including directors) during the year are as follows:

	31-Dec-16	31-Dec-15
Executive director	1	1
General staff	1854	1854
	1855	1855



The aggregate payroll costs were as follows:

	31-Dec-16 D'000	31-Dec-15 D'000
salaries and wages	221,163	209,943
	<u>221,163</u>	<u>209,943</u>

6 Interest Expenses and similar charges

	31-Dec-16 D'000	31-Dec-15 D'000
Interest on long term loans	277,926	241,602
Bank charges and commissions	21,135	27,396
	<u>299,061</u>	<u>268,998</u>

7 Taxation

The Government of The Gambia has granted National Water and Electricity Company (NAWEC) Ltd exemption from the payment of Yearly corporate tax to the Gambia Revenue Authority through the Public Enterprise Act Cap, 87:01 through the Utilities Holding Corporation Act (Revocation) order in Section 3.

8 Grant Income

	31-Dec-16 D'000	31-Dec-15 D'000
Amortisation of Dutch grant	16,573	16,573
Amortisation of Danish grant	5,055	5,055
ECOWAS revenue grant received	-	492,505
	<u>21,628</u>	<u>514,133</u>



31-Dec-16
D'000

31-Dec-15
D'000

9 Cost of Sales

Chemicals	1,196	1,547
Service connection –water	28,200	40,262
Oils & Lubricants	112,684	100,203
Vehicle & Equipment Spares	6,461	8,064
Service Connection – Electricity	36,735	56,140
Service Extension – water	1,931	3,397
Service Extension – Electricity	7,239	4,355
Discount on Scratch Card	3,231	1,043
Heavy Fuel	1,037,254	1,069,906
Light fuel oil	150,689	378,458
Spare parts water equipment	-	22
Generator parts	98,704	175,323
	<u>1,484,324</u>	<u>1,838,720</u>



10 Property, plant and equipment

	Assets under construction D'000	Land and building D'000	Plant and machinery D'000	Motor vehicle D'000	Office equipment & furniture D'000	Electricity network D'000	Water & Sewerage network D'000	Total D'000
Cost								
At 1 January 2016	1,961,389	232,629	3,286,768	109,434	54,210	569,702	622,985	6,837,117
Additions	390,895	104	3,820	15,076	7,205	10,410	1,587	429,096
Transfer	(1,153,464)		216,436			937,028		-
At 31 December 2016	1,198,820	232,733	3,507,023	124,510	61,415	1,517,141	624,572	7,266,214
Depreciation								
At 1 January 2016	-	40,089	1,448,159	90,888	23,231	210,893	200,267	2,013,527
Charge for the year	-	6,712	208,447	10,883	7,311	58,565	29,376	321,295
At 31 December 2016	-	46,801	1,656,606	101,771	30,542	269,458	229,643	2,334,821
Net book value At 31 December 2016	1,198,820	185,932	1,850,417	22,739	30,873	1,247,683	394,929	4,931,393
At 31 December 2015	1,961,389	192,540	1,838,609	18,546	30,979	358,809	422,718	4,823,590



11 Intangible Asset - Billing Software

	31-Dec-16 D'000	31-Dec-15 D'000
Balance as at 1 Jan 2015	10,848	12,224
Addition		153
Less amortization	<u>(1,528)</u>	<u>(1,528)</u>
	<u>9,320</u>	<u>10,848</u>

12 Inventory

Inventory comprises	31-Dec-16 D'000	31-Dec-15 D'000
Electrical spares	258,770	178,847
Water equipment spares	106,849	132,079
Vehicles spares	2,350	2,510
Stationery	<u>4,805</u>	<u>7,180</u>
	372,774	320,616
Less: Provision for obsolescence	<u>(13,673)</u>	<u>(6,697)</u>
	359,101	313,919
Fuel and lubricants	56,178	106,494
	<u>415,279</u>	<u>420,413</u>



13 Trade and other receivables

	31-Dec-16 D'000	31-Dec-15 D'000
Trade debtors	907,328	1,036,057
Staff debtors	29,529	24,459
Other Debtors	4,905	5,828
	<hr/>	<hr/>
Provision for bad debt	941,762 (135,058)	1,066,344 (155,645)
Provision for staff loans	(2,980)	(2,108)
	<hr/>	<hr/>
	803,724	908,591

14 Trade and other payables

	31-Dec-16 D'000	31-Dec-15 D'000
Trade creditors	671,166	636,885
Interest payable	166,098	74,697
Other Accruals	82,233	81,095
Vat Payable	(57,330)	177,681
10% Withholding tax	214	683
	<hr/>	<hr/>
	862,382	971,041



15 Borrowings

		31-Dec-16 D'000	31-Dec-15 D'000
Gambia Government Loans	15.1a	2,645,890	2,645,890
NAWEC Bond	15.1d	1,717,608	1,941,152
EBID Loan for RE P Extention	15.1h	208,683	187,950
Badea Loan for Kotu Power Station Expansion	15.1i	425,009	95,638
SSHFC Loans	15.1b	999,764	1,009,223
ING Bank loan	15.1f	401,705	473,218
Opec Fund for International Development	15.1j	281,588	333,268
IDB Loans	15.1e	1,159,936	1,054,444
GNPC	15.1c	-	45,000
Guaranty Trust Bank Loan		1,809	-
BSIC Bank Loan		4	5
AGIB Loans	15.1k	73,078	45,147
Venezuela Loan	15.1g	867,580	894,748
Mega Bank Loan		31,281	-
		<u>8,813,934</u>	<u>8,725,682</u>
Repayable in one year		<u>(556,767)</u>	<u>(539,153)</u>
		<u>8,257,167</u>	<u>8,186,529</u>

15

a. Loan repayment schedule

	Total D'000	Due within 1 year D'000	Due within 2 - 5 years D'000
Gambia Government Loans	2,645,890	-	2,645,890
NAWEC Bond	1,717,608	304,224	1,413,384
EBID Loan for RE P Extention	208,683		208,683
Badea Loan for Kotu Power Station Expansion	425,009		425,009
SSHFC Loans	999,764	60,000	939,764
ING Bank loan	401,705	86,376	315,329
Mega Bank Loan	31,281	31,281	
Opec Fund for International Development	281,588		281,588
IDB Loans	1,159,936		1,159,936
GNPC	-		
Guaranty Trust Bank Loan	1,809	1,809	
BSIC ING Loan	4		4
AGIB Loans	73,078	73,078	
Venezuela Loan	867,580		867,580
	<u>8,813,934</u>	<u>556,767</u>	<u>8,257,167</u>



- 15.1a The Gambia Government Loans are as a result of Generators acquired for Kotu Power Station and payments made by Central Government to ITFC, Venezuela, ING Bank etc. on behalf of NAWEC for HFO, interest on Water and Electricity projects respectively at critical times when NAWEC was unable to pay
- 15.1b SSHFC loan was a result of Generators acquired for Brikama Power Plant (Former GEG) and other payments to ITFC on behalf of NAWEC for HFO at critical times when NAWEC was unable to pay due to cash flow constraints.
- 15.1c Gambia National Petroleum This was as a result of payments made by GNPC to ITFC on behalf of NAWEC. This was been fully paid in 2016
- 15.1d NAWEC 5 YEAR BOND (REVISED TO 7 YEAR) In February 2015 Ministry of Energy (MOE), Ministry of Finance and Economic Affairs (MOFEA), Central Bank of The Gambia (CBG), Commercial Banks, Euro African Group (EAGL) and NAWEC implemented the restructuring EAGL and NAWEC exposures to commercial Banks and NAWEC's liabilities to EAGL to a Five (5) year NAWEC Bond at an interest rate 15% annual.
An ESCROW Account was opened by NAWEC at CBG to deposit D51 million monthly which will be redistributed to Banks concerned at the end of each quarter according to their quota to the bond. However, this Bond was revised on 29th August 2017 at in interest rate of 12% annual over a period of seven years.
- 15.1e IDB Loan This is as a result of Water and Electricity projects acquired by government on behalf of NAWEC example: Kotu Ring, Gunjur Water supply Brikama Power Plant, Rural Electrification Project (REP & REEP) etc
- 15.1f ING LOAN (GBA WATER PROJECT) This Loan was as a result of a loan in Euros for the Brikama Water Treatment Plant to supply Brikama, Jambajelly down to Brusubi along the Coastal Area. This project was implemented from 1996 to 2006 and the Loan is paid bi-annually with an amount of Euro 855,000.00
- 15.1g VENEZUELA LOAN This was a \$22 million loan acquired by government on behalf of NAWEC for the rehabilitation of the T&D in the GBA
- 15.1h EBID LOAN This is a loan for the Rural Electrification Expansion Project and it is ongoing.
- 15.1i BADEA LOAN This was a loan for the Kotu Expansion Project for the acquisition of an 11 MW HFO Generator jointly funded with OPEC. This Project is expected to be completed in March 2018
- 15.1j OPEC Fund Loan This was a loan for the Kotu Expansion Project for the acquisition of an 11 MW HFO Generator jointly funded with BADEA. This Project is expected to be completed in March 2018
- 15.1k AGIB This was a loan to purchase operational vehicles and cash power meters
- 15.1l MEGA BANK LOAN This was a loan taken in June 2016 to repay ITFC facility for a period of 18months
- 15.1m GTB LOAN This Loan was acquired to purchase Management Vehicles as per Gambia Government Senior Management Vehicle Policy
- 15.1 n BSIC LOAN This was taken to repay ING Loan for the Brikama Water Treatment Plant
- 15.1o A Memorandum of Understanding was signed between NAWEC and Ministry of Finance & Economic Affairs (MOFEA)



16 Deferred revenue

	The Dutch grant D'000	Danish Govt grant D'000	Total D'000
At beginning of the year	563,496	32,791	596,287
Amortised to income statement	(16,573)	(5,055)	(21,628)
Grant in the year	-	-	-
At end of the year	546,923	27,736	(574,659)

17 Share capital

	No of shares	31-Dec-16 D'000	31-Dec-15 D'000
Authorised: Ordinary shares of D10 each	50,000,000	500,000	500,000
Issued and fully paid Ordinary shares of D10 each	6,846,600	68,466	68,466



18 Statement of movement in reserves

	Retained earnings	Revaluation reserves	Total
	D'000	D'000	D'000
At beginning of the year	(5,809,539)	1,581,375	(4,228,164)
Adjustment in reserves	816	-	816
Loss for the year	112,414	-	112,414
At end of the year	(5,696,309)	1,581,375	(4,114,934)

19 Analysis of the balances of cash as shown in the balance sheet

	31-Dec-16	31-Dec-15	Changes
	D'000	D'000	D'000
Cash at bank	176,760	97,164	79,596
Cash in Hand	4,974	48	4,926
	181,734	97,212	84,522
Bank overdraft	(142,442)	(121,843)	(20,599)
	39,293	(24,631)	63,924



20 Administration expenses

	31-Dec-16 D	31-Dec-15 D
Personnel expenses	221,163	209,943
Building rentals	1,717	2,705
Hire of equipment and plant	20,654	14,587
Repairs & maintenance	14,755	19,913
Insurance - vehicles	900	870
Insurance - fire & machine breakdown	127	40,904
Training expenses	16,069	18,679
Management & consultancy	11,139	4,030
Legal & professional fees	8,012	10,824
Expatriate salaries	13,049	10,639
Advertisements	2,899	2,409
Donations & subscriptions	4,730	2,573
Travelling expenses	18,016	20,324
Stationery & printing	6,725	5,600
Cement	1,231	1,346
Other local taxes	32,736	2,773
vehicle maintenance	23,824	31,393
Entertainment	-	35
Postage, stamps & courier	1,335	1,161
Telephone, telex & fax	19,951	12,780
Sundry expenses	39,330	41,828
Board allowances	450	334
Consumables	5,970	12,822
Restaurant/entertainment/hotel	1,657	1,966
PURA fees	4,000	4,000
Decrease in provision for obsolete stock	6,977	(8,866)
Decrease in Provision for trade Debtors	(20,586)	61,250
Increase in Provision for Staff Loans	873	
Rental for Building (including charges)	880	975
Pipes and Fitting	10,763	15,201
Mechanical & Electricity Supplies	1,467	1,281
Timber	89	174
Other Material & suppliers	15,376	9,619
Tools	607	652
Medical Insurance	10,720	21,792
Sand & Gravel	3,217	3,822
Own consumption	155,798	166,582
Stock Adjustment	266	(9,900)
	<hr/>	<hr/>
Administration expenses	656,884	737,020



21 Subsequent events after the year end

21.1 Karpower

In February 2018 NAWEC signed a two-year contract with Karpower International for the purchase of 30 MW on a take or pay basis with fuel as a pass-through. The contract is denominated in US\$ and NAWEC pay approximately US\$3.5 million per month. This IPP has boosted the production figures and help in stabilising electricity in the GBA.

21.2 MW Solar Project

NAWEC shall undertake the full implementation of a 10MW Solar Project. The Contract has been signed and works was expected to start in the second quarter of 2017 but because of land issues and few challenges with the civil works hopefully it will be cleared in the first quarter of 2019.

21.3 SENELEC

In July 2017 NAWEC signed an agreement with Senelec of Senegal for the supply of electricity up to 10 MW renewable every year. Operation started in Farafenni and Barra in August 2017 and April 2018 respectively. This interconnection has boosted electricity supply in the Provincial area. On average, NAWEC spend D4 to D6 million per month.

21. 4 Electricity Expansion and Rehabilitation Project in the GBA

The US \$22.5 million project signed in October 2014 envisages the expansion of GBA Network from Kalagi to Kwinella with "T: at Sankandi to Keneba. Eighty (80) communities will be covered by the project in GBA, WCR and LRR. Scope: 2x5MVA, 33/11Kv Primary Substations, 350 kM of 33kV Line, 125 Km of 11 kV Line, over 900 kM of LV Line and 80 Distribution Transformers for 80 Communities. This project is finance by Exim Bank of India.

21.5 Asbestos Replacement and Water Network Expansion Project GBA

This project involves Seventy-Six (76) KM of Asbestos to be replaced in GBA and Rural Area, eight (8) new Boreholes and Reservoir, two (2) Elevated Tanks including Transmission and Distribution Water Network. Construction Works is to last for eighteen (18) Months. EPC Contract negotiation was held in Banjul and the contract was successfully negotiated and signed with most responsive Bidder on the 14th and 15th March, 2018.

21.6 Kotu Power Plant Expansion Project

This project is US\$22.32 million funded by BADEA & OFID. The scope of works includes Design Review, Material Procurement, Construction, Installation and Commissioning of an 11MW Slow Speed Engine at KPS and lasted for twenty-four (24) Months. The Engine was successfully commissioned in May, 2018 and it has been utilized fully.