



**NATIONAL WATER & ELECTRICITY COMPANY LIMITED**

**(NAWEC)**

**FINANCIAL STATEMENTS AND REPORTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2013**

**AUGUSTUS PROM  
AUDIT. TAX. ADVISORY  
REGISTERED AUDITORS**

**3 KAIRABA AVENUE  
3<sup>RD</sup> FL. CENTENARY BUILDING  
SERREKUNDA, KSMD  
THE GAMBIA**

**DECEMBER 2014**

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**NATIONAL WATER & ELECTRICITY COMPANY LIMITED**

**GENERAL INFORMATION**

**BOARD OF DIRECTORS:**

Mr. Mustapha Colley	Chairman
Mr. Abdoulie Jallow	Ministry of Finance & Economic Affairs
Mr. Ebrima Sanyang	Managing Director NAWEC
Mr. Saihou Omar Sallah	Member
Ms. Mama Fatima Singhateh	Member
Hon. Bintanding Jarju	Member
Ms. Isatou Auber	Office of the President
Mr. Ada Gaye	Ministry of Energy
Mr. Shola Joiner	Member

**BOARD SECRETARY:**

Mr. Ebrima Sanyang

**BANKERS:**

Standard Chartered Bank (UK)  
Euro Account

Trust Bank Limited  
3/4 Ecowas Avenue  
Banjul, The Gambia

Arab Gambian Islamic Bank Limited  
Ecowas Avenue  
Banjul, The Gambia

Guaranty Trust Bank (Gambia) Limited  
56 Kairaba Avenue  
KSMD, The Gambia

Standard Chartered Bank (Gambia) Limited  
8 Ecowas Avenue  
Banjul, The Gambia

First International Bank Limited  
Kairaba Avenue  
KSMD, The Gambia

Access Bank (Gambia) Limited  
Kairaba Avenue  
KSMD, The Gambia

Prime Bank (Gambia Limited)  
Kairaba Avenue  
KSMD, The Gambia

Eco Bank (Gambia) Limited  
Kairaba Avenue  
KSMD, The Gambia

Reliance Financial Services Limited  
Kairaba Avenue  
KSMD, The Gambia

Skye Bank (Gambia) Limited  
Kairana Avenue  
KSMD, The Gambia

Bank Sahelo-Sahanienne Pour L'industrie et Commerce (BSIC)  
Kairaba Avenue  
KSMD, The Gambia

Zenith Bank  
Kairaba Avenue  
KSMD, The Gambia

Central Bank of The Gambia  
Ecowas Avenue  
Banjul

**EXTERNAL AUDITOR:**

Augustus Prom  
Audit. Tax. Advisory.  
Registered Auditors

Kairaba Avenue,  
3<sup>rd</sup> Fl. Centenary Building  
Serrekunda, KSMD  
The Gambia

**SOLICTORS:**

Janet Sallah Njie  
Torodo Chambers  
3 – 4 Liberation Avenue  
Banjul, The Gambia

**REGISTERED OFFICE:**

53 Mamady Manjang Highway  
Kanifing, KMC  
P.O. Box 609  
Banjul  
The Gambia  
Tel: (+220) 4376606 /7 /8  
Fax: (+220) 4375990

**NATIONAL WATER & ELECTRICITY COMPANY LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2013**

1. The Directors present the audited financial statements of the Company for the year ended 31<sup>st</sup> December 2013.

2. **STATE OF AFFAIRS:**

The results for the year ended 31<sup>st</sup> December 2013 are as set out in the attached financial statements.

3. **PRINCIPAL ACTIVITIES:**

The principal activities of the Company have been the nationwide provision of electricity, water and sewerage services.

4. **DIRECTORS:**

The Directors who held office during the year are as detailed on page 2.

None of the Directors who held office had any beneficial interest in the shares of the Company.

5. **DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS:**

The Companies (Gambia) Act, 2013 requires the Company's Directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the company 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 Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any given time, the financial position of the Company and to enable them to ensure that the financial statements comply with the provisions of the Companies (Gambia) Act, 2013.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

6. **PROPERTY, PLANT AND EQUIPMENT:**

The additions and disposals are as detailed in note 6 of the financial statements. There has not been any permanent diminution in the value of the company's property plant and equipment.

7. **RESULTS:**

The results for the year are as shown in the accompanying financial statements.

8. **EXTERNAL AUDITOR:**

The audits, Augustus Prom, who were appointed by the national Audit and having indicated their willingness, will continue in office pursuant to section 155 (2) of the Companies Act 2013.

**BY ORDER OF THE BOARD OF DIRECTORS**

**CHAIRMAN OF THE BOARD**  
  
**COMPANY SECRETARY**  


**DATE:** .....

**REGISTERED OFFICE**

53 Mamady Manjang Highway  
Kanifing, KMC  
P.O. Box 609  
Banjul  
The Gambia





**AUGUSTUS PROM**  
**AUDIT. TAX. ADVISORY.**



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E-mail: [admin@augustusprom.com](mailto:admin@augustusprom.com) [www.augustus-prom.gm](http://www.augustus-prom.gm)

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**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF THE**  
**NATIONAL WATER & ELECTRICITY COMPANY LIMITED (NAWEC)**

We have audited the Company's financial statements and notes thereto for the year ended 31<sup>st</sup> December 2013 set out on pages 8 to 21. The financial statements have been prepared under the historical cost convention.

**DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS:**

The Directors are responsible for the preparation and the fair presentation of these financial statements in accordance with the Companies (Gambia) Act, 2013 and Generally Accepted Accounting Principles (GAAP). These responsibilities also include, maintaining adequate internal controls relevant to the preparation of financial statements that are to be free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies that are consistent with Generally Accepted Accounting Principles and making reasonable accounting estimates.

**AUDITOR'S RESPONSIBILITIES:**

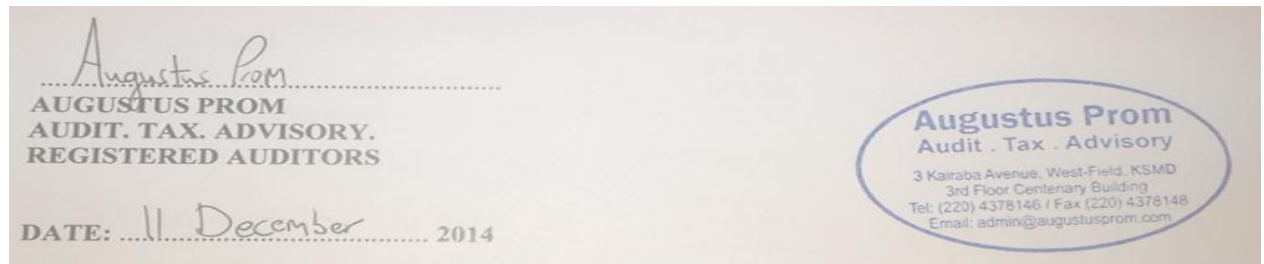
Our objective is to express an independent opinion on the Company's financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). These standards require that we comply with ethical requirements, plan and perform the audit in-order to obtain reasonable assurance, as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**OPINION**

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31<sup>st</sup> December 2013 and of its financial performance and cash flow statement for the year then ended and has been prepared in accordance with Generally Accepted Accounting Principles, adhering to the Companies (Gambia) Act, 2013.

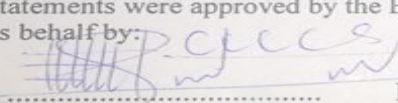
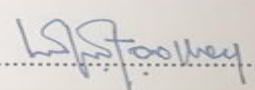


## Balance Sheet

As at 31st December 2013

		2013	2012
	Notes	GMD'000	GMD'000
<b>ASSETS:</b>			
<b><u>Non-Current Assets</u></b>			
Property, Plant and Equipment	2	4,762,091	4,630,088
Intangibles	3	13,752	15,280
<b><u>Current Assets</u></b>			
Inventories	4	271,321	202,042
Trade and other receivables	5	589,852	487,628
Cash and cash equivalents	6	27,365	32,997
		<b>888,538</b>	<b>722,667</b>
<b>TOTAL ASSETS</b>		<b>5,664,381</b>	<b>5,368,035</b>
		=====	=====
<b><u>EQUITY &amp; LIABILITIES:</u></b>			
<b><u>Capital and Reserves</u></b>			
Share Capital (See Page 10)		68,466	68,466
Revaluation reserve (See page 10)		1,581,375	1,581,375
Retained earnings (See page 10)		(4,348,107)	(3,123,059)
		<b>(2,698,266)</b>	<b>(1,473,218)</b>
<b><u>Non-Current Liabilities</u></b>			
Loans	7	3,747,335	3,018,903
Deferred capital grants	8	639,542	661,170
		<b>4,386,877</b>	<b>3,680,073</b>
<b><u>Current Liabilities</u></b>			
Loans	7(i)	1,183,412	829,975
Trade and other payables	9	2,655,232	2,125,932
Bank overdraft	6	137,126	205,273
		<b>3,975,770</b>	<b>3,161,180</b>
		=====	=====
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>5,664,381</b>	<b>5,368,035</b>
		=====	=====

The Financial Statements were approved by the Board of Directors on 11<sup>TH</sup> DEC 2014  
and signed on its behalf by:

DIRECTOR:  DIRECTOR: 

The notes on pages 12 to 22 form an integral part of these financial statements.

## Income statement

*For the year ended 31<sup>st</sup> December 2013*

	<i>Notes</i>	<b>2013</b> <b>GMD'000</b>	2012 GMD'000
<b>Revenue</b>	<i>10(a)</i>	<b>2,021,430</b>	1,856,746
<b>Cost of sales</b>	<i>10(c)</i>	<b>(2,000,823)</b>	(1,590,966)
<b>Gross Profit</b>		<b>20,607</b>	265,780
<b>Operating Expenses</b>			
Administration and other expenses	<i>11</i>	<b>(552,004)</b>	(511,465)
Depreciation & Ammort. Charges	<i>2 &amp; 3</i>	<b>(327,462)</b>	(334,274)
Release of Capital Grants	<i>8</i>	<b>21,628</b>	21,628
Other Operating Income	<i>10(b)</i>	<b>25,928</b>	45,910
<b>Net Operating Expenses</b>		<b>(811,303)</b>	(512,421)
<b>Finance Related Cost</b>			
Interest expense	<i>12a</i>	<b>(161,413)</b>	(140,466)
Loss on Foreign Exchange Translation	<i>12b</i>	<b>(404,646)</b>	(206,212)
<b>(Loss) before Tax</b>		<b>(1,377,362)</b>	(859,099)
Taxation	<i>13</i>	-	(28,540)
<b>(Loss) for the year</b>		<b>(1,377,362)</b>	(887,639)
		=====	=====

The notes on pages 12 to 22 form an integral part of these financial statements.

## Statement of Changes in Equity

*For the year ended 31<sup>st</sup> December 2013*

	Share Capital GMD'000	Revaluation Reserve GMD'000	Retained Earnings GMD'000	Total GMD'000
At 1 <sup>st</sup> January 2012	68,466	1,581,375	(2,228,296)	(578,455)
Prior Year Adjustment	-	-	(7,124)	(7,124)
Loss for the year	-	-	(887,639)	(887,639)
At 31 <sup>ST</sup> December 2012	<u>68,466</u> =====	<u>1,581,375</u> =====	<u>(3,123,059)</u> =====	<u>(1,473,218)</u> =====
At 1 <sup>st</sup> January 2013	<b>68,466</b>	<b>1,581,375</b>	<b>(3,123,059)</b>	<b>(1,473,218)</b>
Prior Year Adjustment (See Note 19)	-	-	<b>152,314</b>	<b>152,314</b>
Loss for the year (See Page 9)	-	-	<b>(1,377,362)</b>	<b>(1,377,362)</b>
At 31 <sup>st</sup> December 2013	<u><b>68,466</b></u> =====	<u><b>1,581,375</b></u> =====	<u><b>(4,348,107)</b></u> =====	<u><b>2,698,266</b></u> =====

The notes on pages 12 to 22 form an integral part of these financial statements.

## Cash Flow Statement

*For the year ended 31<sup>st</sup> December 2013*

	<i>Notes</i>	<b>2013</b> <b>GMD'000</b>	<b>2012</b> <b>GMD'000</b>
<b><u>OPERATING ACTIVITIES</u></b>			
Operating (Loss) before Interest Expenses		<b>(1,215,949)</b>	(718,633)
Depreciation and Ammortization		<b>327,463</b>	334,274
Release of capital grants		<b>(21,628)</b>	(21,628)
(Increase) in inventory		<b>(69,279)</b>	(57,717)
(Increase) in receivables		<b>(102,224)</b>	(102,419)
(Decrease) in payables		<b>529,300</b>	322,831
Prior year adjustment		<b>152,314</b>	(7,124)
<b>Cash generated from operations</b>		<b>(400,003)</b>	(250,416)
Interest paid	4	<b>(161,413)</b>	(140,466)
<b>Cash flows from operating activities</b>		<b>(561,416)</b>	(390,882)
<b><u>INVESTING ACTIVITIES</u></b>			
Acquisition of property, plant and equipment		<b>(457,938)</b>	(280,522)
Acquisition of intangible fixed assets		-	(352)
<b>Cash flows from investing activities</b>		<b>(457,938)</b>	(280,874)
<b><u>FINANCING ACTIVITIES</u></b>			
Loan received		<b>1,081,869</b>	598,674
<b>Cash flows from financing activities</b>		<b>1,081,869</b>	598,674
Net increase/ (decrease) in cash & cash equivalents		<b>62,515</b>	(73,081)
Cash and cash equivalent at 1st January 2013		<b>(172,276)</b>	(99,195)
<b>Cash and cash equivalent at 31<sup>st</sup> December 2013</b>		<b>(109,761)</b>	(172,276)
		=====	=====

The notes on pages 12 to 22 form an integral part of these financial statements

## Notes to the Accounts

### 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 relevant provisions of Schedule Eight of the Companies (Gambia) 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 cost 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 and sewage services as well as prepaid electricity 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<sup>st</sup> January 2004, the company contributes 15% of employees' gross 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 receipts becomes certain.

**h) Consumer Deposits (Application fee)**

The consumer deposits resulted from an accumulation of deposits for service connections since incorporation of the Gambia Utilities Corporation. The Directors adopted a policy of amortising these deposits to the income statement on a straight line basis.

**i) 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.

**j) 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.

**k) 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 assets.

**l) 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.

## 2. Property, Plant and Equipment

	Assets Under Construction GMD'000	Land and Building GMD'000	Plant and Machinery GMD'000	Motor Vehicle GMD'000	Office Equipment &Furniture GMD'000	Electricity Network GMD'000	Water Sewerage Network GMD'000	Total GMD'000
<b><u>COST/VALUATION</u></b>								
At 1 <sup>st</sup> Jan 2013	1,118,142	230,877	3,073,879	83,183	30,836	559,788	621,827	<b>5,718,532</b>
Additions	426,644	1,275	2,158	15,729	7,148	4,294	690	<b>457,938</b>
<b>At 31 Dec 2013</b>	<b>1,544,786</b>	<b>232,152</b>	<b>3,076,037</b>	<b>98,912</b>	<b>37,984</b>	<b>564,082</b>	<b>622,517</b>	<b>6,176,470</b>
At 1 <sup>st</sup> January 2013	-	20,008	784,836	62,987	8,758	106,165	105,690	<b>1,088,444</b>
Charge for the year	-	6,683	238,247	9,330	4,163	34,894	32,618	<b>325,935</b>
<b>At 31 Dec 2013</b>	<b>-</b>	<b>26,691</b>	<b>1,023,083</b>	<b>72,317</b>	<b>12,921</b>	<b>141,059</b>	<b>138,308</b>	<b>1,414,379</b>
	=====	=====	=====	=====	=====	=====	=====	=====
<b><u>NET BOOK VALUE</u></b>								
<b>At 31<sup>st</sup> Dec 2013</b>	<b>1,544,786</b>	<b>205,461</b>	<b>2,052,954</b>	<b>26,595</b>	<b>25,063</b>	<b>423,023</b>	<b>484,209</b>	<b>4,762,091</b>
	=====	=====	=====	=====	=====	=====	=====	=====
At 31 <sup>st</sup> Dec 2012	1,118,142	210,869	2,289,043	20,196	22,078	453,623	516,137	4,630,088
	=====	=====	=====	=====	=====	=====	=====	=====

**3. Intangible Asset- Billing software**

	2013 GMD'000	2012 GMD'000
Balance as at 1 Jan 2013	15,280	14,928
Additions	-	352
Less amortisation	(1,528)	-
<b>Balance as at 31 Dec 2013</b>	<b>13,752</b>	<b>15,280</b>
	=====	=====

**4. Inventories**

Electrical Spares	185,489	148,901
Water Equipment Spares	44,154	22,637
Vehicle Spare	1,703	1,912
Stationery	5,464	4,251
	<u>236,810</u>	<u>177,700</u>
Provision for obsolescence	(9,301)	(14,437)
	<u>227,509</u>	<u>163,263</u>
Fuel and Lubricants	43,812	38,779
	<u>271,321</u>	<u>202,042</u>
	=====	=====

**5. Receivables**

Trade Debtors	653,285	541,269
Staff Debtors	30,649	29,607
Other Debtors	2,421	2,351
	<u>686,355</u>	<u>573,227</u>
Provision for bad debt	(94,395)	(85,599)
Provision for staff loans	(2,108)	-
	<u>589,852</u>	<u>487,628</u>
	=====	=====

**6. Cash and Cash Equivalents**

Cash at bank	27,356	30,552
Cash in hand	9	2,445
	<u>27,365</u>	<u>32,997</u>
Bank overdraft	(137,126)	(205,273)
<b>Total</b>	<b>(109,761)</b>	<b>(172,276)</b>
	=====	=====

**7. Loans**

	<b>2013</b>	<b>2012</b>
	<b>GMD'000</b>	<b>GMD'000</b>
The Gambia Government Loan	<b>1,047,063</b>	1,048,116
Trust bank Ltd. Loan	<b>188,822</b>	-
EBID Loan for REP Extension	<b>167,857</b>	8,729
Badea Loan for Kotu Power Station Expansion	<b>1,013</b>	-
SSHFC Loan	<b>861,652</b>	665,588
ING Bank Loan	<b>590,937</b>	477,483
Eco Bank Loan	<b>30,000</b>	26,887
Opec Fund for International Development	<b>36,832</b>	856
IDB Loan	<b>1,162,437</b>	887,076
GNPC Loan	<b>45,000</b>	45,000
Guaranty Trust Bank Loan	<b>6,158</b>	8,611
NAWEC Staff Association Loan (for 2013,2014 & 1x6)	<b>2,500</b>	-
Reliance short term Loan	-	3,400
AGIB Loan	<b>10,417</b>	1,000
Bank PHB vehicle loan	-	2,916
AGIB Espace Motors Loan	<b>3,233</b>	5,452
Venezuela Loan	<b>776,826</b>	667,763
	<b>4,930,747</b>	3,848,877
<b>Repayable in one year</b>	<b>(1,183,412)</b>	<b>(829,975)</b>
	<b>3,747,335</b>	3,018,902
	=====	=====

**7(i). Loan Repayment Schedule**

	<b>Total</b>	<b>Due within 1 year</b>	<b>Due within 2–5 years</b>
	<b>GMD'000</b>	<b>GMD'000</b>	<b>GMD'000</b>
Gambia Government Loan	<b>1,047,063</b>	-	1,047,063
Trust Bank Ltd. Loan	<b>188,822</b>	150,000	38,822
EBID Loan for REP Extension	<b>167,857</b>	-	167,857
Badea Loan for Kotu Power Station Exp.	<b>1,013</b>	-	1,013
SSHFC Loan	<b>861,652</b>	861,652	-
ING Bank Loan	<b>590,937</b>	77,277	513,660
Eco Bank (G) Ltd. Loan	<b>30,000</b>	30,000	-
Opec Fund for International	<b>36,832</b>	-	36,832
IDB Loan	<b>1,162,437</b>	-	1,162,437
GNPC Loan	<b>45,000</b>	45,000	-
Guaranty Trust Bank Loan	<b>6,158</b>	3,333	2,825
NAWEC Staff Association Loan (for 2013 2014 & 1x6)	<b>2,500</b>	2,500	-
AGIB Loan	<b>10,417</b>	10,417	-
AGIB Expance Motors Loan (Murabaha)	<b>3,233</b>	3,233	-
Venezuela Loan	<b>776,826</b>	-	776,826
	<b>4,930,747</b>	<b>1,183,412</b>	<b>3,747,335</b>
	=====	=====	=====

## 8. Capital Grants

	<b>Dutch Grant GMD'000</b>	<b>Danish Grant GMD'000</b>	<b>Total GMD'000</b>
At 1st January 2013	613,214	47,956	661,170
Amortised to income statement	(16,573)	(5,055)	(21,628)
<b>As at 31 December 2013</b>	<b>596,641</b>	<b>42,901</b>	<b>639,542</b>
	=====	=====	=====

## 9. Trade and Other Payables

	<b>2013 GMD'000</b>	<b>2012 GMD'000</b>
Trade Creditors	2,450,564	1,818,836
Company tax	-	158,087
Interest payable	66,224	60,976
Other Accruals	78,969	87,767
Vat Payable	59,210	-
10% Tax Payable to GRA on Local Contractors	265	265
	<b>2,655,232</b>	<b>2,125,932</b>
	=====	=====

## 10. SUPPLEMENTARY

### a. Revenue

Billing	1,897,311	1,730,827
Service Connections	119,246	118,980
Service Extensions	4,873	6,939
	<b>2,021,430</b>	<b>1,856,746</b>
	=====	=====

### b. Other Income

Reconnection fees – water	800	679
Sundry General Trading Income	209	19,843
Surcharge Income	8,862	4,034
Water in bulk revenue	91	173
Meter Transfers	521	787
Sales Tangible Fixed Assets	-	898
Reconnection fees – Electricity	316	525
Others	15,129	18,971
	<b>25,928</b>	<b>45,910</b>
	=====	=====

	2013 GMD'000	2012 GMD'000
<b>c. <u>Cost of Sales</u></b>		
Chemicals	1,052	3,932
GEG Energy Supply	294,709	468,698
Service connection – water	22,840	23,678
Oils & Lubricants	88,902	34,204
Vehicle & Equipment Spares	9,178	10,922
Service Connection – Electricity	49,118	33,565
Service Extension – water	5,495	2,053
Service Extension – Electricity	2,643	873
Net work Maintenance	-	-
Heavy Fuel	1,237,745	811,436
Light fuel oil	254,466	191,885
Spare parts water equipment	1,110	1,229
Generator parts	33,565	8,493
	<u>2,000,823</u>	<u>1,590,966</u>
	=====	=====

## **11. Administration and Other Expenses**

Personnel Expenses (Note 15)	186,151	176,464
Building Repairs	6,184	3,519
Hire of Equipment & Plant	4,902	3,692
Repairs & Maintenance	19,030	11,414
Insurance – vehicle	619	1,113
Insurance – Fire & Machine breakdown	30,165	30,028
Training /Studies	18,979	21,230
Management / Consulting Fees	2,585	2,265
Legal & Professional fees	4,968	5,244
Advertisement	2,187	1,907
Donations & Subscription	9,030	8,355
Travelling Expenses	14,066	13,071
Stationery & Printing	5,136	6,604
Cement	3,357	779
Other Local Taxes	13,352	21,316
Vehicle Maintenance	32,932	27,318
Entertainment	100	-
Postage, Stamps & Courier	513	550
Telephone & fax	13,730	10,997
Sundry Expenses	24,606	22,050
Board Allowance	142	146
Consumables	5,056	5,694
Hotel & Restaurant Expenses	857	2,901
PURA fees	4,000	4,000

	2013 GMD'000	2012 GMD'000
<b>11. <u>Administration and Other Expenses (Con't)</u></b>		
Decrease in Provision for obsolescence stock	(5,136)	(9,257)
Increase in provision for Trade Debtors debts	8,795	16,247
Increase in Provision for staff loan	2,108	-
Rental for Build (Including Charges)	665	362
Pipes & Fitting	11,962	11,948
Mechanical & Electricity Supplies	7,404	1,695
Timber	450	141
Other Materials & suppliers	3,451	6,066
Tools	1,127	1,586
Project Expenses	228	1,680
Medical Insurance	22,163	14,145
Sand & Gravel	2,270	1,663
Own Consumption	91,105	83,790
Stock Adjustment	2,765	-
Bank Reconciliation write-off	-	747
	<u>552,004</u> =====	<u>511,465</u> =====

## **12. Interest Expenses & Finance Related Cost**

### **12a. Interest Expense**

Interest on long term loans	111,518	78,725
Bank charges and commissions	49,895	61,741
	<u>161,413</u> =====	<u>140,466</u> =====

### **12b. Loss on Foreign Exchange Translation**

Loss on Translation	404,646 =====	206,212 =====
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The Loss on exchange rates is as a result of the conversion of foreign monetary balances which are translated into GMD at the balance sheet date to ensure that all foreign monetary balances reflects the Dalasi Market Value at 31<sup>st</sup> December 2013 which is in line with General Accepted Accounting Principles (GAAP).

	<b>2013</b>	2012
	<b>GMD'000</b>	GMD'000
<b>13. <u>Taxation</u></b>		
<i><b>Income Statement</b></i>		
Total revenue	<b>2,047,358</b>	1,902,656
Tax charged at 1.5% (2% 2012) of Total revenue	-	28,546
	=====	=====
<i><b>Balance Sheet</b></i>		
At beginning of the year	<b>158,088</b>	129,548
Prior year adjustment ( <i>See Note 20</i> )	<b>(158,088)</b>	28,540
Charge for the year	-	
	-----	-----
At end of the year	-	158,088
	=====	=====

**Note**

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.

**14. Loss on ordinary activities before tax**

The loss on ordinary activities before taxation is stated after charging the following:

Auditors remuneration	<b>800</b>	<b>800</b>
Directors remuneration	<b>140</b>	<b>140</b>
Depreciation	<b>327,462</b>	<b>389,806</b>
	-----	-----

**15. Staff numbers and costs**

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

Executive Director	<b>1</b>	1
Management and General Staff	<b>1,738</b>	1,543
	-----	-----
	<b>1,739</b>	1,544
	-----	-----

	<b>2013</b>	2012
	<b>GMD'000</b>	GMD'000
The aggregate payroll costs were as follows:		
Wages and salaries	<b>186,151</b>	176,464
	=====	=====

	2013 GMD'000	2012 GMD'000
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**16. Share Capital**

Issued and paid up ordinary shares	68,466	68,466
	=====	=====

The authorized share capital of the company is 50,000,000 ordinary shares at GMD10 each. 6,846,600 shares were issued and fully paid at GMD10 per share.

**17. Contingent Liabilities**

There were no contingent liabilities for the year under review.

**18. Capital Commitment**

Project Title	Project Cost		Balance to be Disbursed	
	USD(\$) '000	Euros '000	USD(\$) '000	Euros '000
Brikama Wartsilla	498	11,495	151	15
Gunjur Water Supply	4,740	-	236	-
Kotu Ring	12,873	-	3,655	-
Rural Electrification	20,966	-	15,650	-
Venezuela	22,000	-	3,165	-
Energy Dev.& Access Expansion.	6,000	-	1,392	-
Western Region Electrification.	5,000	-	5,000	-
	72,077	11,495	29,249	15

**19. Prior Year Adjustments**

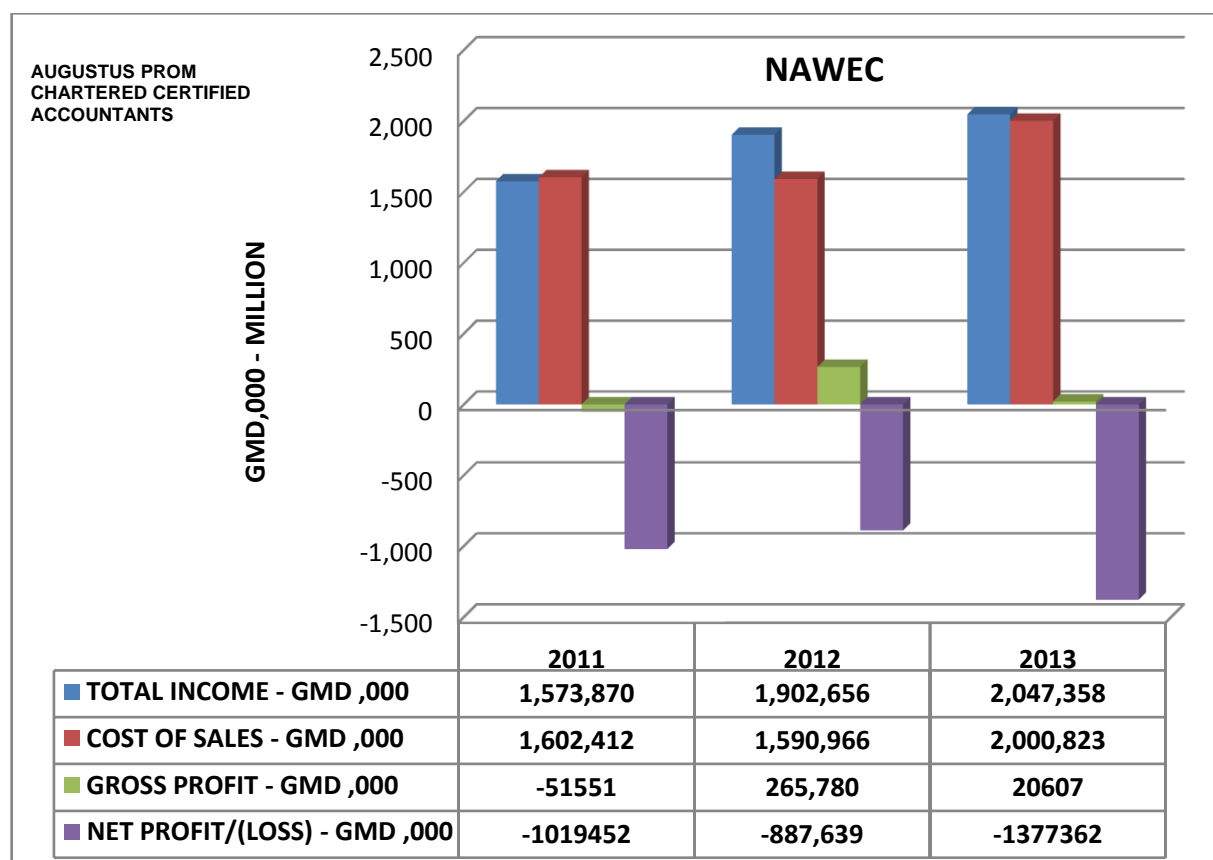
There has been a prior year adjustment in the Financial Statements as at 31<sup>st</sup> December 2013 which relates to the tax exemption received from the Government of The Gambia. This has been adjusted to take into account the corporate tax provided for in previous years. The amount totals to GMD158m as per note 13.

A difference of GMD 6million was noted between the creditor control account balances relating to 2012 and the trial balance figure which was adjusted as prior year.

**20. Going Concern**

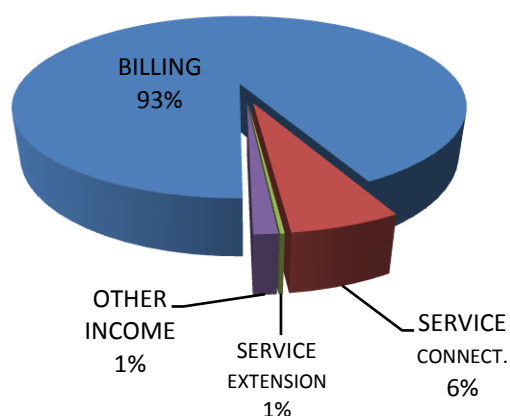
The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continuing financial support from the Government of The Gambia. In view of this uncertainty, Ministry of Finance & Economic Affairs is fully committed to fund the operations and expansion of the company if need be when its management has difficulty in meeting its business/ financial obligations. The financial statements do not include any adjustments that would result from the removal of this support. In the opinion of the directors, it is appropriate to prepare the financial statements on a going concern basis.

**NATIONAL WATER & ELECTRICITY COMPANY LIMITED**  
**FINANCIAL HIGHLIGHTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2013**



\*\* Total Income also comprises of Other Operating Income.

**NAWEC - 2013 INCOME**



**NAWEC - 2013 EXPENDITURE**

