

National Water and Electricity Company Limited

*Annual report and financial statements
for the year ended 31 December 2015*





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for the year ended 31 December 2015

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General Information

| | | |
|--------------------------|--|--|
| Directors | Mr. Alhagie E.F. Conteh | Board Chair - Upto July 2017 |
| | Mr. Akl Jeremiah | Board Chair - From August 2017 |
| | 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 |
| 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 BankGambia 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 | |
| | Prime Bank (Gambia) Limited | |
| | 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 present their report and the audited financial statements for the year ended 31 December 2015.

Statement of directors responsibilities

The Companies Act 2013 requires the directors to prepare financial statements 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 those 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

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 relevant regulations. 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.

Principal activities

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

Results

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

Property, plant and equipment

The Company's Property, Plant and Equipment are 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.



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 to the Companies Act 2013.

By Order of the Board of Directors

 Secretary 

Date: 29th March 2018

Report of the Independent Auditors

To the members of National Water and Electricity company Limited

We have audited the accompanying financial statements of National Water and Electricity Company Limited (NAWEC) set out on pages 7 to 20, which comprise the Statement of Financial Position as at December 31, 2015, Statement of profit and Loss, and statement of cash flow for the year then ended, and significant accounting policies, financial summary and other explanatory information.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies Act 2013, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Emphasis of Matter

We draw attention to Note 18 in the financial statements which indicates that the Company incurred cumulative losses at the year ended 31 December 2015 of D5.8 billion, and at that date the Company's liabilities exceeded its assets by net D3.6 billion resulting in deficit in shareholders' equity of D4.1 billion. Additionally the Company defaulted in settling the existing bond of D1.9 billion resulting in restructuring of the Agreement in 2016. These conditions along with other matters as set forth in the financial statements indicate the existence of uncertainty regarding the Company's ability to continue as a going concern and increased liquidity constraints. 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.

Basis for Adverse Opinion

Inventory

As detailed in note 12 of the financial statement, inventory is stated at carrying value of D304 Million as at 31 December 2015. From our audit work, we noted a difference of D10 Million between the stock valuation report and the General Ledger Balance. The difference was not supported, reconciled or corrected by Management.

D6.9 million was charged as provision on slow moving goods, but the basis of provision was not provided or supported with a list of the identified slow moving stock.

From a sample of stock items tested during the audit, we noted that some stock items were wrongly priced resulting in an overstatement of the stock values by D19 million. The difference noted was not corrected by Management.

Due to the above significant limitations 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 2015.

Receivables

As detailed in note 13 of the financial statement, net receivable balance was D909 million as at the year end. During our audit, we noted a difference of D54 Million between the receivable listing from Billing System and the amount recorded in the financial statement. 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 D63 million. The basis of provisions 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.

Payables

Payable balance of D636million was reported as detailed in note 14 of the financial statements. From our audit, we noted that the total payable listing was greater than the recorded general ledger balance by D13million. The difference was not reconciled and corrected by Management.

Furthermore, the listing included a total debit balance of D26m which could not be explained by Management. We could not carry further tests on payables as we were not provided with supplier statements for a selected sample of D607m.

We also noted total difference of D31.8m between the records of the Company and amounts confirmed by suppliers. The difference is not reconciled or explained by Management. Other audit procedures could not be performed to ascertain the existence and completeness of the recorded payable balance.

Cash and Bank

The Company reported cash balance of D95 million and overdrawn bank balance of D120million 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 D890million that were not cleared up to the time of reporting.

We also noted total difference of D173 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. Consequently, we could not determine the possible adjustments if any that might have been necessary for the year ended 31 December 2015

Long term loans

D8.7 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. We noted differences of D94.8 million between confirmation replies received and the amount recorded in the general ledger with confirmation replies being higher. 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.

VAT payable

Included in interest expense stated in Note 14 is D178 million, from our audit work we recomputed the expected VAT Payable but noted a difference of D73million between the amount recorded in the General Ledger and our computation with the general ledger balance being higher. We were not satisfied with Management's explanation that it related to System error as this was not substantiated or corrected. We were unable to ascertain the accuracy of VAT payable reported in the Financial Statement.

Exchange loss/gain

A difference of D184Million noted between the stock valuation report and the amount recorded in the general ledger, was adjusted by Management as exchange loss in the Income statement with no justification supporting the adjustment.

Additionally a difference of D8million noted between ING euro loan recorded in the General ledger and bank statement balance was recognized as exchange gain in the Income statement.

During our audit, we were unable to obtain sufficient information and justifications for the above journals to determine the appropriateness of these adjustments.

Additionally, a write off of D975Million was also made to settle Euro Financing, Euro Africa and Global Trading Group but the basis of this write off cannot be determined. Other audit procedures could not be performed in order to ascertain the occurrence of this account balance.

Opinion

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not give a true and fair view of the financial position of National Water and Electricity Company Limited as at 31 December 2015, and of its financial performance and its statement of cash flows for the year then ended; the company has kept books of account, which are not in agreement with the statement of financial position and income statement, in the manner required by Generally Accepted Accounting Principles and the Companies Act 2013.

DT Associates

DT Associates

Chartered Accountants

Registered Auditors

Dated *29th March* 2018

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Statement of Profit or Loss
for the year ended 31 December 2015

| | Notes | 31-Dec-15 D.000 | 31-Dec-14 D.000 |
|--------------------------------------|-----------|--------------------|--------------------|
| Revenue | 2, 1d | 2,684,802 | 2,126,955 |
| Cost of sales | 9 | (1,838,720) | (2,043,589) |
| Gross profit | | 846,083 | 83,366 |
| Administration costs | | (737,020) | (866,632) |
| Depreciation charge | 10,11, 1c | (273,735) | (328,469) |
| Release of capital grants | 8, 1k | 514,133 | 804,779 |
| Other operating income | 3. | 284,140 | 23,224 |
| Net operating expenses | | (212,482) | (367,098) |
| Operating /profit | | 633,601 | (283,732) |
| Interest expense and similar charges | 6 | (268,998) | (193,694) |
| Loss on Foreign Exchange Translation | | (858,487) | (508,883) |
| Loss for the year | | (493,884) | (986,309) |

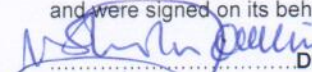
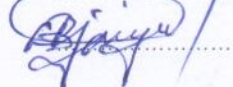
The notes on pages 11 to 19 form an integral part of these financial statements.

National Water and Electricity Company Limited
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Statement of Financial Position
as at 31 December 2015

| | Notes | 31-Dec-15 D'000 | 31-Dec-14 D'000 |
|--------------------------------|---------|--------------------|--------------------|
| Assets | | | |
| Non current assets | | | |
| Property, plant and equipment | 10, 1c | 4,823,590 | 4,727,763 |
| Intangibles | 11 | 10,848 | 12,224 |
| Investments | | 2,000 | - |
| | | 4,836,438 | 4,739,987 |
| Current assets | | | |
| Inventories | 12, 1b | 420,413 | 539,951 |
| Trade and other receivables | 13 | 908,591 | 546,971 |
| Cash at bank and in hand | 19 | 97,212 | 65,870 |
| | | 1,426,216 | 1,152,792 |
| Total assets | | 6,262,655 | 5,892,779 |
| 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 | (5,809,539) | (5,334,416) |
| | | (4,159,699) | (3,684,575) |
| Non current liabilities | | | |
| Deferred capital grants | 16, 1k | 596,287 | 617,914 |
| Borrowings | 15, 15a | 8,194,029 | 5,844,047 |
| | | 8,790,316 | 6,461,961 |
| Current liabilities | | | |
| Trade and other payables | 14 | 971,041 | 2,623,531 |
| Loans | 15, 15a | 539,153 | 338,526 |
| Bank Overdraft | 19 | 121,843 | 153,336 |
| | | 1,632,037 | 3,115,393 |
| | | 6,262,655 | 5,892,779 |

These financial statements were approved by the Board of Directors on 29TH MARCH 2018, and were signed on its behalf by:

 Director
 Director

The notes on pages 11 to 19 form an integral part of these financial statements.

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Statement of changes in equity
for the year ended 31 December 2015

| | Share capital D'000 | Revaluatio n reserve D'000 | Retained earnings D'000 | Total D'000 |
|------------------------|------------------------|----------------------------------|-------------------------------|----------------|
| At 1 January 2015 | 68,466 | 1,581,375 | (5,334,416) | (3,684,575) |
| Adjustment in Reserves | - | - | 18,761 | 18,761 |
| Profit for the year | - | - | (493,884) | (493,884) |
| At 31 December 2015 | 68,466 | 1,581,375 | (5,809,539) | (4,159,699) |

The notes on pages 11 to 19 form an integral part of these financial statements.




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Statement of cash flow

for the year ended 31 December 2015

| | Notes | 31-Dec-15 D'000 | 31-Dec-14 D'000 |
|---|-------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Operating(loss)/ profit | 10,11 | 633,601 | (283,732) |
| Depreciation and amortisation | 8 | 273,735 | 328,469 |
| Release of capital grants | 12 | (514,133) | (804,779) |
| (Increase)/decrease in inventories | 13 | 119,538 | (268,630) |
| (Increase)/ decrease in trade receivables | 14 | (361,620) | 42,881 |
| (Decrease) in trade payables | | (1,652,490) | (31,701) |
| Adjustment in reserves | | 18,761 | - |
| Cash generated from operations | | (1,482,608) | (1,017,492) |
| Interest paid | 6 | (268,998) | (193,694) |
| Exchange gains | | (858,487) | (508,883) |
| Net cash generated from operating activities | | (2,610,093) | (1,720,069) |
| Cash flows from investing activities | | | |
| Purchase of non current assets | 10 | (368,187) | (292,613) |
| Development Funding Aqua | | (2,000) | |
| Net cash used by investing activities | | (370,187) | (292,613) |
| Cash flows from financing activities | | | |
| Loans received | 8 | 2,550,609 | 1,251,826 |
| Grants received during the year | | 492,505 | 783,152 |
| Net cash generated from financing activities | | 3,043,114 | 2,034,978 |
| (Decrease)/increase in cash and cash equivalents | 19 | 62,834 | 22,296 |
| Cash and cash equivalents at the beginning of the year | 19 | (87,465) | (109,761) |
| Cash and cash equivalents at the end of the year | 19 | (24,631) | (87,465) |

The notes on pages 11 to 19 form an integral part of these financial statements.

Notes (forming parts 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

| | |
|-------------------------|---------|
| 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-15 D'000 | 31-Dec-14 D'000 |
|---------------------|--------------------|--------------------|
| Billing revenue | 2,661,601 | 2,037,076 |
| Service connections | 2,199 | 83,659 |
| Service extensions | 21,002 | 6,220 |
| | <u>2,684,802</u> | <u>2,126,955</u> |

3. Other operating income

| | 31-Dec-15 D'000 | 31-Dec-14 D'000 |
|---------------------------------|--------------------|--------------------|
| Reconnection fees | 953 | 730 |
| Sundry General Trading income | 20 | 68 |
| Surcharge income | 3,513 | 3,681 |
| Water in bulk revenue | 31 | 60 |
| Meter transfers | 1,432 | 858 |
| Sales Tangible Fixed Assets | - | 953 |
| Reconnection fees - Electricity | 128 | 207 |
| AQUA Gambia | 57 | - |
| Sewerage unblockage - GBA | 780 | - |
| Other Marginal Activities | 273,895 | - |
| Other Exceptional Income | 3,295 | - |
| Penalty on Returned Cheque | 36 | - |
| others | - | 16,667 |
| | <u>284,140</u> | <u>23,224</u> |

4. Profit before tax

The profit for the year before tax is stated:

| | 31-Dec-15 D'000 | 31-Dec-14 D'000 |
|------------------------|--------------------|--------------------|
| after charging | | |
| Auditors remuneration | 850 | 850 |
| Depreciation | 273,735 | 328,469 |
| Directors remuneration | 334 | 222 |
| | <u></u> | <u></u> |

5. Staff number and costs

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

| | 31-Dec-15 | 31-Dec-14 |
|--------------------|-------------|-------------|
| Executive director | 1 | 1 |
| General staff | 1854 | 1888 |
| | <u>1855</u> | <u>1889</u> |

The aggregate payroll costs were as follows:

| | 31-Dec-15 D'000 | 31-Dec-14 D'000 |
|--------------------|--------------------|--------------------|
| salaries and wages | 209,943 | 201,777 |
| | <u>209,943</u> | <u>201,777</u> |

6. Interest Expenses and similar charges

| | 31-Dec-15 D'000 | 31-Dec-14 D'000 |
|------------------------------|--------------------|--------------------|
| Interest on long term loans | 241,602 | 102,630 |
| Bank charges and commissions | 27,396 | 91,064 |
| | <u>268,998</u> | <u>193,694</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.

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8. Grant Income

| | 31-Dec-15 D'000 | 31-Dec-14 D'000 |
|-------------------------------|--------------------|--------------------|
| Amortisation of Dutch grant | 16,573 | 16,573 |
| Amortisation of Danish grant | 5,055 | 5,055 |
| ECOWAS revenue grant received | 492,505 | 783,151 |
| | <u>514,133</u> | <u>804,779</u> |
| | 31-Dec-15 D'000 | 31-Dec-14 D'000 |

9 Cost of Sales

| | | |
|----------------------------------|------------------|------------------|
| Chemicals | 1,547 | 1,532 |
| Service connection –water | 40,262 | 33,801 |
| Oils & Lubricants | 100,203 | 119,606 |
| Vehicle & Equipment Spares | 8,064 | 8,861 |
| Service Connection – Electricity | 56,140 | 44,286 |
| Service Extension – water | 3,397 | 3,319 |
| Service Extension – Electricity | 4,355 | 2,558 |
| Discount on Scratch Card | 1,043 | - |
| Heavy Fuel | 1,069,906 | 1,562,008 |
| Light fuel oil | 378,458 | 233,476 |
| Spare parts water equipment | 22 | 95 |
| Generator parts | 175,323 | 34,047 |
| | <u>1,838,720</u> | <u>2,043,589</u> |

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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 2015 | 1,620,363 | 232,152 | 3,274,841 | 103,664 | 50,453 | 564,918 | 622,692 | 6,469,083 |
| Additions | 341,026 | 477 | 11,927 | 5,770 | 3,757 | 4,784 | 293 | 368,034 |
| At 31 December 2015 | 1,961,389 | 232,629 | 3,286,768 | 109,434 | 54,210 | 569,702 | 622,985 | 6,837,117 |
| Depreciation | | | | | | | | |
| At 1 January 2015 | - | 33,387 | 1,262,436 | 81,283 | 17,289 | 175,991 | 170,934 | 1,741,320 |
| Charge for the year | - | 6,702 | 185,723 | 9,605 | 5,942 | 34,902 | 29,333 | 272,207 |
| At 31 December 2015 | - | 40,089 | 1,448,159 | 90,888 | 23,231 | 210,893 | 200,267 | 2,013,527 |
| Net book value | | | | | | | | |
| At 31 December 2015 | 1,961,389 | 192,540 | 1,838,609 | 18,546 | 30,979 | 358,809 | 422,718 | 4,823,590 |
| At 31 December 2014 | 1,620,363 | 198,765 | 2,012,405 | 22,381 | 33,164 | 388,927 | 451,758 | 4,727,763 |

11. Intangible Asset - Billing Software

| | 31-Dec-15 D'000 | 31-Dec-14 D'000 |
|--------------------------|--------------------|--------------------|
| Balance as at 1 Jan 2015 | 12,224 | 13,752 |
| Addition | 153 | - |
| Less amortization | (1,528) | (1,528) |
| | <u>10,848</u> | <u>12,224</u> |

12. Inventory

| | 31-Dec-15 D'000 | 31-Dec-14 D'000 |
|----------------------------------|--------------------|--------------------|
| Inventory comprises | | |
| Electrical spares | 178,847 | 292,768 |
| Water equipment spares | 132,079 | 129,412 |
| Vehicles spares | 2,510 | 3,824 |
| Stationery | 7,180 | 5,632 |
| | <u>320,616</u> | <u>431,636</u> |
| Less: Provision for obsolescence | <u>(6,697)</u> | <u>(15,562)</u> |
| | 313,919 | 416,074 |
| Fuel and lubricants | 106,494 | 123,877 |
| | <u>420,413</u> | <u>539,951</u> |

13. Trade and other receivables

| | 31-Dec-15 D'000 | 31-Dec-14 D'000 |
|---------------------------|--------------------|--------------------|
| Trade debtors | 1,036,057 | 614,074 |
| Staff debtors | 24,459 | 26,554 |
| Other Debtors | 5,828 | 2,846 |
| | <u>1,066,344</u> | <u>643,474</u> |
| Provision for bad debt | (155,645) | (94,395) |
| Provision for staff loans | (2,108) | (2,108) |
| | <u>908,591</u> | <u>546,971</u> |

14. Trade and other payables

| | 31-Dec-15 D'000 | 31-Dec-14 D'000 |
|---------------------|--------------------|--------------------|
| Trade creditors | 636,885 | 2,271,307 |
| Interest payable | 74,697 | 66,224 |
| Other Accruals | 81,095 | 96,739 |
| Vat Payable | 177,681 | 188,578 |
| 10% Withholding tax | 683 | 683 |
| | <u>971,041</u> | <u>2,623,531</u> |

| 15. Borrowings | 31-Dec-15 D'000 | 31-Dec-14 D'000 |
|---|--------------------|--------------------|
| Gambia Government Loans | 2,645,890 | 1,735,394 |
| NAWEC Bond | 1,941,152 | - |
| Trust bank Ltd Loan | - | 204,382 |
| EBID Loan for RE P Extention | 187,950 | 199,721 |
| Badea Loan for Kotu Power Station Expansion | 95,638 | 4,674 |
| SSHFC Loans | 1,009,223 | 1,009,223 |
| ING Bank loan | 473,218 | 601,171 |
| Ecobank Gambia Ltd. Loans | 7,500 | - |
| Opec Fund for International Development | 333,268 | 172,079 |
| IDB Loans | 1,054,444 | 1,286,851 |
| GNPC | 45,000 | 45,000 |
| Guaranty Trust Bank Loan | - | 2,630 |
| Reliance short term loan | - | 4,136 |
| BSIC Bank Loan | 5 | 26,685 |
| AGIB Loans | 45,147 | 41,982 |
| Venezuela Loan | 894,748 | 888,645 |
| | <u>8,733,182</u> | <u>6,182,573</u> |
| | <u>(539,153)</u> | <u>(338,526)</u> |
| Repayable in one year | <u>8,194,029</u> | <u>5,844,047</u> |

| 15a. 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 | 1,941,152 | 304,224 | 1,636,928 |
| EBID Loan for RE P Extention | 187,950 | - | 187,950 |
| Badea Loan for Kotu Power Station Expansion | 95,638 | - | 95,638 |
| SSHFC Loans | 1,009,223 | 60,000 | 949,223 |
| ING Bank loan | 473,218 | 77,277 | 395,941 |
| Ecobank Gambia Ltd. Loans | 7,500 | 7,500 | - |
| Opec Fund for International Development | 333,268 | - | 333,268 |
| IDB Loans | 1,054,444 | - | 1,054,444 |
| GNPC | 45,000 | 45,000 | - |
| BSIC Bank Loan | - | - | - |
| BSIC ING Loan | 5 | 5 | - |
| AGIB Loans | 45,147 | 45,147 | - |
| Venezuela Loan | 894,748 | - | 894,748 |
| | <u>8,733,182</u> | <u>539,153</u> | <u>8,194,029</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

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

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.

- 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
- 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 **Ecobank Loan** This was loan acquired by NAWEC to complete an ING in September 2015.
- 15.1l **AGIB** This was a loan to purchase operational vehicles and cash power meters

16. Deferred revenue

| | The Dutch grant D'000 | Danish Govt grant D'000 | Total D'000 |
|-------------------------------|-----------------------------|----------------------------|------------------|
| At beginning of the year | 580,068 | 37,846 | 617,914 |
| Amortised to income statement | (16,572) | (5,055) | (21,627) |
| Grant in the year | - | - | - |
| At end of the year | 563,496 | 32,791 | (596,287) |




17. Share capital

| | No of shares | 31-Dec-15 D'000 | 31-Dec-14 D'000 |
|-----------------------------|--------------|--------------------|--------------------|
| Authorised: | | | |
| Ordinary shares of D10 each | 50,000,000 | 500,000 | 500,000 |
| <hr/> | | | |
| | No of shares | D'000 | D'000 |
| Issued and fully paid | | | |
| Ordinary shares of D10 each | 6,846,600 | 68,466 | 68,466 |
| <hr/> | | | |

18. Statement of movement in reserves

| | Retained earnings D'000 | Revaluation reserves D'000 | Total D'000 |
|--------------------------|-------------------------------|----------------------------------|----------------|
| At beginning of the year | (5,334,416) | 1,581,375 | (3,753,041) |
| Loss for the year | (493,884) | - | (493,884) |
| <hr/> | | | |
| At end of the year | (5,809,539) | 1,581,375 | (4,246,925) |
| <hr/> | | | |

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

| | 31-Dec-15 D'000 | 31-Dec-14 D'000 | Changes D'000 |
|----------------|--------------------|--------------------|------------------|
| Cash at bank | 97,164 | 61,174 | (61,126) |
| Cash in Hand | 48 | 4,696 | |
| | 97,212 | 65,870 | (61,126) |
| <hr/> | | | |
| Bank overdraft | (121,843) | (153,335) | 31,492 |
| | (24,631) | (87,465) | (29,634) |
| <hr/> | | | |

| Administration expenses | 31-Dec-15 D | 31-Dec-14 D |
|--|----------------|----------------|
| Personnel expenses | 209,943 | 201,777 |
| Building rentals | 2,705 | 6,614 |
| Hire of equipment and plant | 14,587 | 13,298 |
| Repairs & maintenance | 19,913 | 26,557 |
| Insurance - vehicles | 870 | 961 |
| Insurance - fire & machine breakdown | 40,904 | 48,259 |
| Training expenses | 18,679 | 22,865 |
| Management & consultancy | 4,030 | 4,063 |
| Legal & professional fees | 10,824 | 7,241 |
| Expatriate salaries | 10,639 | 7,190 |
| Advertisements | 2,409 | 2,432 |
| Donations & subscriptions | 2,573 | 5,768 |
| Travelling expenses | 20,324 | 20,574 |
| Stationery & printing | 5,600 | 5,461 |
| Cement | 1,346 | 584 |
| Other local taxes | 2,773 | 9,301 |
| vehicle maintenance | 31,393 | 35,081 |
| Entertainment | 35 | - |
| Postage, stamps & courier | 1,161 | 544 |
| Telephone, telex & fax | 12,780 | 12,152 |
| Sundry expenses | 41,828 | 36,303 |
| Board allowances | 334 | 222 |
| Consumables | 12,822 | 6,825 |
| Restaurant/entertainment/hotel | 1,966 | 2,862 |
| PURA fees | 4,000 | 4,000 |
| Decrease in provision for obsolete stock | (8,866) | 6,262 |
| Provision for trade Debtors | 61,250 | - |
| Rental for Building (including charges) | 975 | 386 |
| Pipes and Fitting | 15,201 | 15,252 |
| Mechanical & Electricity Supplies | 1,281 | 1,572 |
| Timber | 174 | 709 |
| Other Material & suppliers | 9,619 | 6,686 |
| Tools | 652 | 1,501 |
| Medical Insurance | 21,792 | 32,456 |
| Sand & Gravel | 3,822 | 3,871 |
| Own consumption | 166,582 | 269,186 |
| Stock Adjustment | (9,900) | 47,794 |
| | | 23 |
| Administration expenses | <u>737,020</u> | <u>866,632</u> |