

# SSHFC



## **Social Security and Housing Finance Corporation (SSHFC)**

*Annual Report and Financial Statements  
for the year ended 31st December 2018*

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# General information

|                  |  |   |
|------------------|--|---|
| <b>Directors</b> | Sering B. O.Jallow<br>Muhammed Manjang<br>Tamsir Sallah<br>Janet Davies Touray<br>MOD Secka<br>Geoffrey Renner<br>Buba Sanyang | Chairman<br>Managing Director - SSHFC<br>Member<br>Member<br>Member<br>Member<br>Member |
| <b>Secretary</b> | Paul Correa  | SSHFC   |
| <b>Bankers</b>   | Trust Bank Limited<br>3/4 ECOWAS Avenue<br>Banjul, The Gambia  | Guaranty Trust Bank (Gambia) Limited<br>56 Kairaba Avenue<br>Serrekunda, The Gambia     |
|                  | Standard Chartered Bank (Gambia) Limited<br>8 ECOWAS Avenue  | First Bank of Nigeria (Gambia) Ltd<br>48 Kairaba Avenue                                 |
|                  | Mega Bank<br>11 Liberation Avenue<br>Banjul, The Gambia  | Access Bank (Gambia) Limited<br>47 Kairaba Avenue<br>KSMD, The Gambia                   |
|                  | Arab Gambian Islamic Bank Limited<br>7 ECOWAS Avenue<br>Banjul, The Gambia   | Zenith Bank (Gambia) Limited<br>49 Kairaba Avenue<br>KSMD, The Gambia                   |
|                  | First International Bank (Gambia) Limited<br>Kairaba Avenue<br>KSMD, The Gambia  | Bank Saheliene For Investment<br>Kairaba Avenue<br>Fajara, The Gambia                   |
|                  | Eco Bank (Gambia) Limited<br>42 Kairaba Avenue<br>KSMD, The Gambia   | Skye Bank (Gambia) Limited<br>Kairaba Avenue<br>KSMD, The Gambia                        |
| <b>Auditors</b>  | DT Associates<br>1 Paradise Beach Place<br>Bertil Harding Highway – KSMD<br>P.O Box 268  |   |

Banjul, The Gambia

**Solicitors**

Hawa Ceesay Sabally  
60b Antouman Faal street  
Banjul  
The Gambia

Solie Law Chambers  
Fajara East  
KMC  
The Gambia

Amie Bensouda  
SSHFC Crescent, Off Bertil  
Hardingway  
Kanifing Industrial Area  
P.O.Box 907  
Banjul  
The Gambia

**Actuaries**

Muhanna & Co  
6 Nikou Georgiou Street  
Block C Fourth Floor  
1095 Nokosia  
Cyprus

**Registered  
Office**

61 ECOWAS Avenue  
Banjul, The Gambia

# Directors' Report

The directors present their report and the audited financial statements for the year ended 31st December 2018.

## Statement of Directors responsibilities

The Social Security and Housing Finance Corporation Act 2015 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Corporation and of its surplus or deficit for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Corporation and to enable them to ensure that the financial statements comply with the Company's Act 2013 and Social Security and Housing Finance Corporation Act 2015. They are also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Principal activities

The Corporation acts as the sole pension provider to employees in both private and public sector organisations in The Gambia. The Corporation also operates housing schemes on a mortgage or commercial basis to the public.

## Results

The results for the year ended 31st December 2018 are as detailed in the accompanying financial statements.

## Actuarial valuation

In accordance with Section 30 (1) and (3), of the Social Security and Housing Finance Act 2015, the directors are required to carry out an actuarial valuation of the social security scheme at least once every three years. The previous actuarial valuation was in respect of the triennial ending 31 December 2017 on the Federated Pension Scheme and for the Industrial Injuries Compensation Fund. The primary objective of the fund which states that the existing assets should be enough to cover fully the value of the benefits in respect of services already completed has been achieved. The total value of the assets for the Federated Pension Fund (FPS) represents 98.5% of the total actuarial liabilities of the fund i.e. the funding level is 98.5% which mean a deficit of GMD 29.8 Million. This means that the current value of the assets of the FPS is not enough to fully cover the actual liabilities arising from the active and pensioners membership of the fund, it is also noted that the funding level has increased since the last formal actuarial valuation as at 31 December 2014.

As a defined Pensions scheme it is the responsibility of the employers to cover any funding gaps of the scheme. A plan is in place to communicate this information to all employers of the FPS. Existing contribution rates for Industrial Injuries Compensation fund was not adequate to fund the expected benefits over the long term.

## Directors and directors interest

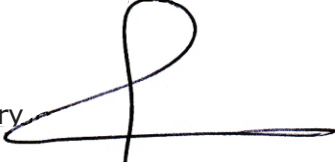
The members of the board of directors are as detailed on page 3.

None of the Directors who held office during the year had any beneficial financial interest in the affairs of the Corporation. The Directors are required to serve for an initial period of three years, but are eligible for re-appointment or election after the expiration of this period.

**Auditors**

The auditors are appointed by the Auditor General.

By Order of the Board of Directors

Secretary 

Date 10th December 2019

## Report of the Independent Auditors – Federation Pension Fund

### **To members of the Social Security and Housing Finance Corporation**

#### **Opinion**

We have audited the financial statements of Social Security and Housing Finance Corporation which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Social Security and Housing Finance Corporation as at 31 December 2018, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles (GAAPs), Social Security and Housing Finance Corporation act 2015 and the requirements of the SSHFC Act 2015.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants (IFAC Code) and we have fulfilled our other ethical responsibilities in accordance with IFAC Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter – Disclosure Deficiency**

We draw your attention to the Directors Report where the Directors disclose that they have carried out an actuarial valuation of the Federated Pension Scheme which has an objective of ensuring that existing assets should be enough to cover fully the value of the benefits in respect of services already completed has been achieved.

The actuarial report according to the Directors states that the total value of the assets for the Federated Pension Fund (FPS) represented 98.5% of the total actuarial liabilities of the fund i.e. the funding level is 98.5% which meant a deficit of GMD 29.8 Million.

Our review of the actuarial valuation report which is as at 31 December 2017, indicated that the asset value was GMD 2.0 Billion. The asset value in the actuarial report does not reconcile to the asset value per 2017 signed financial statements of GMD 1.5 Billion. Assuming the actuarial report used the asset values per the 2017 signed financial statements, the total value of the assets for the Federated Pension Fund (FPS) would have represented 77.0% instead 98.5% of the total actuarial liabilities of the fund and the deficit would have been GMD 464.5 million instead of GMD 29.8 Million.

Our opinion is not qualified in respect of this matter.

# Report of the Independent Auditors (Continued) – Federation Pension Fund

## Other Information

The directors are responsible for the other information. The other information comprises [Statement of Directors' Responsibility and Approval and] the Directors' Report as required by the SSHFC Act 2015. The other information does not include the financial statements and our auditor's report thereon.

## To members of the Social Security and Housing Finance Corporation

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 International Financial Reporting Standards and the requirements of the SSHFC Act 2015, 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 Corporation or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional 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.



## Report of the Independent Auditors (Continued) – Federation Pension Fund

### To members of the Social Security and Housing Finance Corporation

- 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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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

Date: 10<sup>th</sup> December 2019

# Income statement – Federation Pension Fund

for the year ended 31 December 2018  
(In thousands of Gambian Dalasi)

|                                     | Notes  | 31-Dec-18<br>D.000 | 31-Dec-17<br>D.000 |
|-------------------------------------|--------|--------------------|--------------------|
| <b>Income</b>                       |        |                    |                    |
| Investment income                   | 1.3 ,2 | <b>88,255</b>      | 69,945             |
| Other income                        | 3      | <b>4,875</b>       | 8,363              |
| <b>Total income</b>                 |        | <b>93,130</b>      | 78,308             |
| <b>Expenditure</b>                  |        |                    |                    |
| General and administrative expenses | 1.6, 4 | <b>(51,425)</b>    | (49,351)           |
| Provision for doubtful debt         |        | -                  | (16,253)           |
| <b>Total expenditure</b>            |        | <b>(51,425)</b>    | (65,604)           |
| <b>Surplus for the year</b>         |        | <b>41,705</b>      | 12,704             |


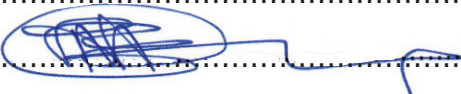
The notes form part of these financial statements.

# Statement of Financial Position – Federation Pension Fund

as at 31st December 2018  
(In thousands of Gambian Dalasi)

| <b>Assets</b>                       | Notes  | <b>31-Dec-18<br/>D.000</b> | 31-Dec-17<br>D.000 |
|-------------------------------------|--------|----------------------------|--------------------|
| <b>Non - current assets</b>         |        |                            |                    |
| Property, plant and equipment       | 1.2, 8 | <b>76,213</b>              | 81,843             |
| Equity investment                   | 1.3, 6 | <b>456,620</b>             | 456,620            |
| Investment properties               | 1.3, 5 | <b>231,935</b>             | 231,935            |
| <b>Total non - current assets</b>   |        | <b>764,768</b>             | 770,398            |
| <b>Current assets</b>               |        |                            |                    |
| Loans to member institutes          | 7      | <b>22,411</b>              | 34,558             |
| Trade and other receivables         | 9      | <b>465,846</b>             | 465,615            |
| Other financial assets              | 10     | <b>435,562</b>             | 279,447            |
| Cash at bank and in hand            | 11     | <b>18,210</b>              | 16,805             |
| <b>Total current assets</b>         |        | <b>942,029</b>             | 796,425            |
| <b>Total assets</b>                 |        | <b>1,706,797</b>           | 1,566,823          |
| <b>Equity and liabilities</b>       |        |                            |                    |
| <b>Capital and reserves</b>         |        |                            |                    |
| Members fund                        |        | <b>1,654,950</b>           | 1,531,280          |
| Revenue reserves                    |        | <b>4,269</b>               | 3,932              |
| Revaluation reserves                |        | <b>21,825</b>              | 21,825             |
| <b>Total equity</b>                 |        | <b>1,681,044</b>           | 1,557,037          |
| <b>Current liabilities</b>          |        |                            |                    |
| Trade and other payables            | 12     | <b>25,753</b>              | 9,786              |
| <b>Total equity and liabilities</b> |        | <b>1,706,797</b>           | 1,566,823          |

These financial statements were approved by the Board of Directors on 10 DECEMBER 2019 and were signed on it's behalf by: .

..... Director  
  
 ..... Director  


The notes form part of these financial statements.

# Statement of changes in members' fund and reserves – Federation Pension Fund

For the year ended 31 December 2018

(In thousands of Gambian Dalasi)

|                                       | Notes | Members<br>Fund<br>D.000 | Revenue<br>Reserve<br>D.000 | Revaluation<br>Reserve<br>D.000 | <b>Total<br/>D.000</b> |
|---------------------------------------|-------|--------------------------|-----------------------------|---------------------------------|------------------------|
| Balance as at 1st January 2017        |       | 1,451,372                | 3,932                       | 21,825                          | <b>1,477,129</b>       |
| Contributions less benefits           |       | 67,204                   | -                           | -                               | <b>67,204</b>          |
| Surplus for the year                  |       | 1,518,576                | 3,932                       | 21,825                          | <b>1,544,333</b>       |
| Revenue allocated to reserves         |       | 12,704                   | -                           | -                               | <b>12,704</b>          |
| Prior year adjustment                 |       |                          | -                           | -                               |                        |
| <b>Balance as at 31 December 2017</b> |       | <b>1,531,280</b>         | <b>3,932</b>                | <b>21,825</b>                   | <b>1,557,037</b>       |
| Balance as at 1st January 2018        |       | 1,531,280                | 3,932                       | 21,825                          | <b>1,557,037</b>       |
| Opening Balance Difference<br>Penalty | 14    | (342)                    | -<br>337                    | -                               | <b>(342)<br/>337</b>   |
| Contributions less benefits           |       | 82,307                   | -                           | -                               | <b>82,307</b>          |
| Surplus for the year                  |       | 41,705                   | -                           | -                               | <b>41,705</b>          |
| <b>Balance as at 31 December 2018</b> |       | <b>1,654,950</b>         | <b>4,269</b>                | <b>21,825</b>                   | <b>1,681,044</b>       |

The notes form part of these financial statements.

# Cash flow statement – Federation Pension Fund

for the year ended 31st December 2018  
(In thousands Gambian Dalasis)

|   | Notes | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 |
|---|-------|----------------------------------|--------------------|
| Surplus(Deficit) for the year                                     |       | <b>41,705</b>                    | 12,704             |
| Depreciation  | 8     | <b>10,996</b>                    | 11,789             |
| (Profit)/loss on disposal of fixed assets                         |       |                                  | 213                |
| Opening balance difference  | 14    | <b>(342)</b>                     | -                  |
| Penalty   |       | <b>337</b>                       |                    |
| Changes in royalties provision                                    |       | <b>-</b>                         | (311)              |
|   |       | <b>52,696</b>                    | 24,395             |
| Movements in working capital                                      |       |                                  |                    |
| Changes in trade and other receivables                            |       | <b>(231)</b>                     | (21,913)           |
| Changes in trade and other payables                               |       | <b>15,967</b>                    | (4,020)            |
| <b>Cash generated from operations</b>                             |       | <b>68,432</b>                    | (1,538)            |
| Cash flows from investing activities                              |       |                                  |                    |
| Increase in other financial assets                                |       | <b>(156,115)</b>                 | (82,592)           |
| Purchase of tangible fixed assets                                 |       | <b>(5,365)</b>                   | (19,644)           |
| Proceeds from the sale of fixed assets                            |       | <b>-</b>                         | 10,239             |
| Changes in loan to member institutions                            |       | <b>12,147</b>                    | 30,856             |
| <b>Net cash used in investing activities</b>                      |       | <b>(149,333)</b>                 | (61,141)           |
| Cash flows from financing activities                              |       |                                  |                    |
| Net contribution members'   | 13    | <b>82,307</b>                    | 67,204             |
| <b>Net cash from financing activities</b>                         |       | <b>82,307</b>                    | 67,204             |
| Net increase in cash and cash equivalents                         | 11    | <b>1,406</b>                     | 4,525              |
| Cash and cash equivalents at the beginning of the financial year  | 11    | <b>16,805</b>                    | 12,280             |
| <b>Cash and cash equivalents at the end of the financial year</b> |       | <b>18,211</b>                    | 16,805             |

The notes on pages form part of these financial statements.

# Notes (forming part of the financial statement) – Federation pension fund

## 1. Accounting policies

### 1.1 Basis of accounting

The financial statements have been prepared under the historic cost convention and modified by the revaluation of certain assets and in accordance with Generally Accepted Accounting Principles and the SSHFC act 2015.

### 1.2 Property, plant and equipment

Property, plant and equipments are depreciated by instalments over their estimated useful lives. The instalments are calculated to reduce the assets to their residual values at the end of the depreciation period. The following depreciation rates are used and are applied consistently:

| Asset category                | Rate (per annum) | Basis            |
|-------------------------------|------------------|------------------|
| Mainframe computer            | 25%              | Straight line    |
| Electricity generator         | 10%              | Straight line    |
| Head office building          | 1%               | Straight line    |
| Office equipment              | 20%              | Reducing balance |
| Office furniture and fixtures | 10%              | Reducing balance |
| Motor vehicles                | 33 1/3 %         | Reducing balance |
| Office bicycle                | 33 1/3 %         | Reducing balance |

The National Provident, Housing, and Industrial Injuries Compensation Funds are charged proportionate amounts in respect of depreciation on fixed assets purchased by the Pension Fund. This is shown as a Pension Fund re-charge in the financial statements.

### 1.3 Investments

Investments held by the Corporation at the Balance sheet date are valued as follows:

- a) Current asset investment  
Where it is the intention of the Corporation to hold investments to maturity, they are valued at cost. No account is taken of market value whether higher or lower than cost except for Treasury Bills and Discount Notes which are stated at cost plus accrued interest.
- b) Investment properties  
Investment properties are stated at their revalue amounts.
- c) Equity investment  
Equity investments are stated at cost.

#### 1.4 Investment income

Investment income is accounted for on an accruals basis.

#### 1.5 Contributions

Contributions are accounted for on an accruals basis. Contributions due, but not received, at the Balance sheet date are estimated on the basis of the most recent contributions received as at that date.

#### 1.6 Allocation of expenditure

Each fund is charged with expenditure, which specifically relates to it. Other recurrent expenditure initially borne by the Pension Fund is apportioned in the ratio 20% to the Housing fund and the balance 40:45:15 between the Pension, National Provident, and Industrial Injuries Compensation Funds respectively.

#### 1.7 Benefits paid

Benefits paid represent all benefit claims paid during the year. This includes lump sum gratuity and periodic pension payment.

#### 1.8 Foreign currencies

Foreign currency transactions are accounted for at the rate of exchange prevailing on the date the transaction took place. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are translated at the year-end rates and any differences arising are accounted for in the revenue account.

### 2. Investment income

|                          | <b>31-Dec-18</b>          | 31-Dec-17 |
|--------------------------|---------------------------|-----------|
|                          | <b>D.000</b>              | D.000     |
| Interest on term deposit | <b>17,042</b>             | 34,045    |
| Dividend income          | <b>53,646</b>             | 32,338    |
| Rental income            | <b>5,889</b>              | 3,562     |
| Income on Govt Bonds     | <b>4,121</b>              | -         |
| Income on Govt Tbills    | <b>7,557</b>              | -         |
|                          | <hr/> <b>88,255</b> <hr/> | 69,945    |

### 3. Other income

|  | Notes | <b>31-Dec-18</b>         | 31-Dec-17 |
|--|-------|--------------------------|-----------|
|  |       | <b>D.000</b>             | D.000     |
| Interest on loans                      |       | <b>3,912</b>             | 7,207     |
| Profit/ (loss) on sale of fixed assets |       | -                        | (213)     |
| Miscellaneous Income                   |       | <b>963</b>               | 673       |
| Income on Govt Bonds                   | 3.a   | -                        | 508       |
| Income on Govt Tbills                  | 3.a   | -                        | 188       |
|  |       | <hr/> <b>4,875</b> <hr/> | 8,363     |

3.a Income on Government bonds and Treasury bills for 2018 was reclassified from Other income to Investment Income.

#### 4. General and administrative expenses

|                              | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 |
|------------------------------|----------------------------------|--------------------|
| Staff cost                   | <b>21,749</b>                    | 20,170             |
| Administrative expenses      | <b>25,408</b>                    | 25,149             |
| Depreciation                 | <b>3,698</b>                     | 3,773              |
| Audit                        | <b>570</b>                       | 259                |
| Provision for doubtful debts | <b>-</b>                         | 16,253             |
|                              | <b>51,425</b>                    | 65,604             |

#### 5. Investment Properties

|                        | Notes | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 |
|------------------------|-------|----------------------------------|--------------------|
| Cotton street building | 5.a   | <b>10,374</b>                    | 10,374             |
| Ocean Bay Hotel        | 5.b   | <b>178,272</b>                   | 178,272            |
| Sunbeach Hotel         | 5.c   | <b>43,289</b>                    | 43,289             |
|                        |       | <b>231,935</b>                   | 231,935            |

##### 5.a Cotton Street Building

The cotton street building was acquired in 1985 as an investment property and let on tenancy since inception.

##### 5.b Ocean Bay Hotel and Resort

Ocean Bay Hotel and Resort is 100% subsidiary of the Corporation and has been leased for a period of 10 years.

##### 5.c Sunbeach Hotel

Sunbeach Hotel located at Cape Points, forms part of the Corporations Investments in the Hotel Industry. The Corporation owns 100% Equity of the Hotel.



## 6. Equity Investment

|                                 | Note | 31-Dec-18<br>D.000 | 31-Dec-17<br>D.000 |
|---------------------------------|------|--------------------|--------------------|
| Equity investment-CFAO          | 6.a  | 550                | 550                |
| Equity investment-SCB(G)LTD     | 6.b  | 24,407             | 24,407             |
| Equity investment-NAWEC         | 6.c  | 4,000              | 4,000              |
| Equity investment-Trust Bank    | 6.d  | 117,396            | 117,396            |
| Equity investment Gamco         |      | -                  | 15,600             |
| Gam Petroleum Equity            | 6.e  | 248,569            | 248,569            |
| GTSC Equity                     | 6.f  | 65,698             | 65,698             |
|                                 |      |                    |                    |
| Prov.for impaired. Gamco invest |      | -                  | (15,600)           |
| Prov. for impaired -Nawec       |      | (4,000)            | (4,000)            |
|                                 |      |                    |                    |
|                                 |      | <b>456,620</b>     | <b>456,620</b>     |

### 6.a CFAO

This is an equity holding of 275,218 share, representing 0.82% of total CFAO shares. The value of the investment is stated at cost.

### 6.b Standard Chattered Bank

SCB is the Corporation' share in Standard Chartered Bank (G) LTD. The Investment is valued at cost and constitutes 24,264,064 numbers of shares representing 16.33% of SCB shares.

### 6.c NAWEC

A 100% provision of the investment in NAWEC has been made.

### 6.d Trust Bank

TRUST BANK is the Corporation' share in Trust Bank (G) LTD. The Investment is valued at cost and constitutes 73,769,253 numbers of shares representing 37 % of TBL shares.

### 6.e Gam- Petroleum

This is the Corporation's equity investment in Gam Petroleum, a Petroleum storage facility in which the approval was given through a Government directive. The Corporation currently holds 1100 shares valued at cost.

### 6.f GTSC

Gambia Transport Services Company is an investment in the former Gambia Public Transport Corporation (GPTC) The Investment is registered as a company 100% fully owned by the Corporation.

## 7. Loans to member institution

|   | Note | 31-Dec-18       | 31-Dec-17 |
|---|------|-----------------|-----------|
|   |      | <b>D.000</b>    | D.000     |
| Loan to Gam. Govt. (Police line barracks)               | 7.a  | <b>675</b>      | 675       |
| Loan to Gam. Govt. (Ic2012/008 John Deere)              | 7.b  | <b>52,226</b>   | 52,226    |
| FPS current loan:Gambia Food and Feed Industries (GFFI) | 7.c  | -               | 1,702     |
| Gambia Family Planning Association (GFPA)               | 7.d  | -               | 27        |
| Gambia International Airlines (GIA)                     | 7.e  | <b>16,253</b>   | 16,253    |
| FPS loan to Gambia Transport Service Corporation (GTSC) | 7.f  |                 |           |
|   |      | <b>22,411</b>   | 32,856    |
|   |      | <b>91,565</b>   | 103,739   |
| Less  |      |                 |           |
| Provision for GIA loan                                  |      | <b>(16,253)</b> | (16,253)  |
| Provision for Gambia Government Loan                    |      | <b>(52,226)</b> | (52,226)  |
| Provision Gambia Family Planning Association (GFPA)     |      | -               | (27)      |
| Provision Gam. Govt. (Police line barracks)             |      | <b>(675)</b>    | (675)     |
|   |      |                 |           |
|   |      | <b>22,411</b>   | 34,558    |

### 7.a Loan to Gam. Govt. (Police line barracks)

The Gambia Government Police Barracks is expenditures incurred by the Corporation on behalf of the Government with regard to Improvements at the Police Barracks. This was a directive from the Gambia Government. There were no loan repayment schedules or agreements. This loan carries no interest.

### 7.b Gambia Government Loan

This was a Government directive for a loan to be given to the Gambia Government. There was no loan repayment schedule or agreement and the loan carries no interest.

### 7.c Gambia Food & Feed Industries (GFFI)

GFFI is a venture gone into by the Government of The Gambia to invest in the food and feed industry. This was expenditures for the operation of GFFI agreed at board level between the shareholders, SSHFC, GPA and GNPC. There is no repayment schedule or agreement. This loan carries no interest.

### 7.d Gambia Family Planning Association (GFPA)

The loan to Gambia Family Planning Association represents an outstanding balance of the loan which was issued in 2002.

### 7.e Gambia International Airlines (GIA)

Gambia International Airlines (GIA) loan was given in 2006 at an interest rate of 2015 for 30 months. However, the loan was restructured in July 2014 over a period of 5 years at an interest rate 1%

### 7.f Gambia Transport Service Corporation (GTSC)

This was a loan of D65, 712,500 given to GTSC in March, 2016 at an interest rate of 17%, payable over a period of 36 months.

## 8. Property, plant and equipment

|  | Land & Building | Motor vehicles | Office equipment & furniture | Computer equipment | Plant & machinery | Work in progress | Total          |
|--|-----------------|----------------|------------------------------|--------------------|-------------------|------------------|----------------|
|  | D.000           | D.000          | D.000                        | D.000              | D.000             | D.000            | D.000          |
| <b>Cost</b>                                |                 |                |                              |                    |                   |                  |                |
| At 1 January 2018                          | 51,008          | 28,804         | 21,351                       | 106,473            | 5,602             | -                | <b>213,238</b> |
| Additions                                  |                 | 4              | 1,102                        | 2,347              | -                 | 1,912            | <b>5,365</b>   |
| <b>At 31 December 2018</b>                 | <b>51,008</b>   | <b>28,808</b>  | <b>22,453</b>                | <b>108,820</b>     | <b>5,602</b>      | <b>1,912</b>     | <b>218,603</b> |
| <b>Depreciation</b>                        |                 |                |                              |                    |                   |                  |                |
| At 1 January 2017                          | 4,550           | 19,491         | 8,951                        | 94,529             | 3,873             | -                | <b>131,394</b> |
| Charge for the year                        | 510             | 3,057          | 1,686                        | 5,363              | 380               |                  | <b>10,996</b>  |
| <b>At 31 December 2018</b>                 | <b>5,060</b>    | <b>22,548</b>  | <b>10,637</b>                | <b>99,892</b>      | <b>4,253</b>      | <b>-</b>         | <b>142,390</b> |
| <b>Net book values At 31 December 2018</b> | <b>45,948</b>   | <b>6,260</b>   | <b>11,816</b>                | <b>8,928</b>       | <b>1,349</b>      | <b>1,912</b>     | <b>76,213</b>  |
| At 31 December 2017                        | 46,457          | 9,313          | 12,400                       | 11,944             | 1,729             | -                | 81,843         |

## 9. Trade and other receivables

|  | Notes | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 |
|--|-------|----------------------------------|--------------------|
| Contributions receivable                           |       | <b>22,236</b>                    | 11,400             |
| Dividend receivable                                |       | -                                | 8,060              |
| Interfund current account - Housing/IICF/Provident |       | <b>336,512</b>                   | 329,660            |
| Sundry debtors                                     |       | <b>317</b>                       | 1,770              |
| Staff loans  |       | <b>124,456</b>                   | 130,806            |
| Student loan                                       |       | <b>1,203</b>                     | 1,203              |
| Staff club loan                                    |       | <b>447</b>                       | 1,097              |
| General Suspense                                   |       | <b>(156)</b>                     | 788                |
|  |       | <b>485,015</b>                   | 484,784            |
| Less: provisions                                   |       |                                  |                    |
| For doubtful contribution arrears                  |       | <b>(11,907)</b>                  | (11,907)           |
| For ex staff loans                                 |       | <b>(7,262)</b>                   | (7,262)            |
|  |       | <b>465,846</b>                   | 465,615            |

## 10. Other financial investments

|                                  | <b>Cost</b><br><b>D.000</b> | <b>Interest</b><br><b>Accrued</b><br><b>D.000</b> | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 |
|----------------------------------|-----------------------------|---|----------------------------------|--------------------|
| Bank term deposit                | 238,000                     | 4,257   | <b>242,257</b>                   | 245,876            |
| Gambia Government Bonds          | 45,000                      | 817   | <b>45,817</b>                    | 15,508             |
| Gambia Government Treasury Bills | 140,868                     | 6,620   | <b>147,488</b>                   | 18,063             |
|                                  | <b>423,868</b>              | <b>11,694</b>                                     | <b>435,562</b>                   | 279,447            |

## 11. Analysis of the cash and bank balance

|              | <b>31-Dec-18</b><br>D.000 | 31-Dec-17<br>D.000 | <b>Changes</b><br><b>in year</b><br><b>D.000</b> |
|--------------|---------------------------|--------------------|--|
| Cash at bank | <b>18,186</b>             | 16,784             | <b>1,402</b>                                     |
| Cash in hand | <b>24</b>                 | 21                 | <b>3</b>   |
|              | <b>18,210</b>             | 16,805             | <b>1,405</b>                                     |

## 12. Current liabilities

|                    | <b>31-Dec-18</b>    | 31-Dec-17   |
|--------------------|---------------------|-------------|
|                    | <b>D.000</b>        | D.000       |
| Unclaimed pensions | <b>4,885</b>        | 4,272       |
| Deferred pensions  | <b>4,340</b>        | 4,340       |
| Sundry creditors   | <b>16,528</b>       | 1,174       |
|                    | <hr/> <b>25,753</b> | <hr/> 9,786 |

## 13. Net contributions from members

|                           | <b>31-Dec-18</b>    | 31-Dec-17    |
|---------------------------|---------------------|--------------|
|                           | <b>D.000</b>        | D.000        |
| Contributions             | <b>189,660</b>      | 155,454      |
| Benefit and refunds       | <b>(31,145)</b>     | (31,024)     |
| Periodic pension payments | <b>(76,208)</b>     | (57,226)     |
|                           | <hr/> <b>82,307</b> | <hr/> 67,204 |

## 14. Opening balance difference

The opening balance difference was due to income royalty adjustment that was mistakenly omitted before the Financial Information System was closed for the year

## Report of the Independent Auditors – National Provident Fund

### **To members of the Social Security and Housing Finance Corporation**

#### **Opinion**

We have audited the financial statements of Social Security and Housing Finance Corporation's National Provident Fund, which comprise the statement of financial position as at 31st December 2018, and the statement of profit or loss and other comprehensive income, 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, the financial statements present fairly, in all material respects, the financial position of the Corporation as at 31st December 2018, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles and have been properly prepared in accordance with the requirements of the Social Security and Housing Finance Corporation Act 2015.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants (IFAC Code) and we have fulfilled our other ethical responsibilities in accordance with IFAC Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Social Security and Housing Finance Corporation Act 2015. 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.

# **Report of the Independent Auditors (Continued) – National Provident Fund**

## **To members of the Social Security and Housing Finance Corporation**

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 and the requirements of the Social Security and Housing Finance Corporation Act 2015 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

# Report of the Independent Auditors (Continued) – National Provident Fund

## To members of the Social Security and Housing Finance Corporation

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

*10<sup>th</sup> December*

Date .....2019



# Income Statement - National Provident Fund

for the year ended 31 December 2018  
(In thousands of Gambian Dalasi)

|  | Notes   | 31-Dec-18<br>D.000 | 31-Dec-17<br>D.000 |
|--|---------|--------------------|--------------------|
| <b>Income</b>                              |         |                    |                    |
| Investment income                          | 1.4 , 2 | <b>87,509</b>      | 69,972             |
| Other income                               | 3       | <b>9,121</b>       | 11,778             |
|  |         | <hr/>              | <hr/>              |
| <b>Total income</b>                        |         | <b>96,630</b>      | 81,750             |
| <b>Expenditure</b>                         |         |                    |                    |
| General and administrative expenses        | 1.6 , 4 | <b>(56,593)</b>    | (60,050)           |
| Interest expense                           | 5       | -                  | (1,878)            |
|  |         | <hr/>              | <hr/>              |
| <b>Total expenditure before impairment</b> |         | <b>(56,593)</b>    | (61,928)           |
| <b>Surplus before impairment</b>           |         | <b>39,647</b>      | 19,822             |
| Equity impairment                          | 6       | <b>(56,146)</b>    | (40,545)           |
| Bad debt provision                         |         | -                  | (2,125)            |
|  |         | <hr/>              | <hr/>              |
| <b>Total impairment</b>                    |         | <b>(56,146)</b>    | (42,670)           |
|  |         | <hr/>              | <hr/>              |
| <b>Deficit for the year</b>                |         | <b>(16,499)</b>    | (22,848)           |
|  |         | <hr/> <hr/>        | <hr/> <hr/>        |


# Statement of Financial Position- National Provident Fund

as at 31st December 2018  
(In thousands of Gambian Dalasi)

| <b>Assets</b>                       | Notes   | <b>31-Dec-18<br/>D.000</b> | 31-Dec-17<br>D.000 |
|-------------------------------------|---------|----------------------------|--------------------|
| <b>Non - current assets</b>         |         |                            |                    |
| Equity Investments                  | 1.3 , 8 | <b>416,769</b>             | 457,313            |
| Investment property                 | 1.3 , 7 | <b>618,926</b>             | 618,926            |
| <b>Total non - current assets</b>   |         | <b>1,035,695</b>           | 1,076,239          |
| <b>Current assets</b>               |         |                            |                    |
| Trade and other receivables         | 9       | <b>154,409</b>             | 132,906            |
| Loans to member institutions        | 10      | <b>167,412</b>             | 226,703            |
| Other financial assets              | 11      | <b>806,878</b>             | 494,846            |
| Cash at bank and in hand            | 12      | <b>27,560</b>              | 16,424             |
| <b>Total current assets</b>         |         | <b>1,156,258</b>           | 870,879            |
| <b>Total assets</b>                 |         | <b>2,191,953</b>           | 1,947,118          |
| <b>Equity and liabilities</b>       |         |                            |                    |
| <b>Capital and reserves</b>         |         |                            |                    |
| Members fund                        |         | <b>3,814,860</b>           | 3,556,030          |
| Revenue reserves                    |         | <b>5,950</b>               | 3,333              |
| Revaluation reserves                |         | <b>63,289</b>              | 63,289             |
| Accumulated reserves                |         | <b>(1,697,372)</b>         | (1,680,646)        |
| <b>Total equity</b>                 |         | <b>2,186,727</b>           | 1,942,006          |
| <b>Current liabilities</b>          |         |                            |                    |
| Trade and other payables            | 13      | <b>5,227</b>               | 5,112              |
| <b>Total equity and liabilities</b> |         | <b>2,191,953</b>           | 1,947,118          |

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

 Director

10 DECEMBER  
 (Director)

The notes form part of these financial statements.

# Statement of changes in members' fund and reserves – National Provident Fund

for the year ended 31 December 2018  
(In thousands of Gambian Dalasi)

|                                       | Notes | Members Fund<br>D.000 | Revenue Reserve<br>D.000 | Revaluation Reserve<br>D.000 | Accumulated Reserve<br>D.000 | <b>Total<br/>D.000</b> |
|---------------------------------------|-------|-----------------------|--------------------------|------------------------------|------------------------------|------------------------|
| <b>Balance as at 1st January 2017</b> |       | 3,349,157             | 3,333                    | 63,289                       | (1,657,797)                  | <b>1,757,982</b>       |
| Contributions less benefits           |       | 206,878               | -                        | -                            | -                            | <b>206,878</b>         |
| Deficit for the year                  |       | -                     | -                        | -                            | (22,848)                     | <b>(22,848)</b>        |
| Prior year adjustment                 |       | (5)                   |                          |                              | (1)                          | <b>(6)</b>             |
| <b>Balance as at 31 December 2017</b> |       | <b>3,556,030</b>      | <b>3,333</b>             | <b>63,289</b>                | <b>(1,680,646)</b>           | <b>1,942,006</b>       |
| <b>Balance as at 1st January 2018</b> |       | 3,556,030             | 3,333                    | 63,289                       | (1,680,646)                  | <b>1,942,006</b>       |
| Contributions less benefits           |       | 258,834               | -                        | -                            | -                            | <b>258,834</b>         |
| Surplus for the year                  |       | -                     | -                        | -                            | (16,499)                     | <b>(16,499)</b>        |
| Penalty contributions                 |       |                       | 2,617                    |                              |                              | <b>2,617</b>           |
| Opening balance difference            | 15    | (4)                   | -                        | -                            | (227)                        | <b>(231)</b>           |
| <b>Balance as at 31 December 2018</b> |       | <b>3,814,860</b>      | <b>5,950</b>             | <b>63,289</b>                | <b>(1,697,372)</b>           | <b>2,186,727</b>       |

The notes form part of these financial statements.

# Statement of cash flow - National Provident Fund

for the year ended 31st December 2018  
(In thousands of Gambian Dalasi)

|  | Notes | 31-Dec-18<br>D.000 | 31-Dec-17<br>D.000 |
|--|-------|--------------------|--------------------|
| (Deficit)/Surplus for the year                                   |       | <b>(16,499)</b>    | (22,848)           |
| Opening Balance Difference                                       |       | <b>(233)</b>       | -                  |
|  |       | <b>23,814</b>      | (22,848)           |
| <b>Movements in working capital</b>                              |       |                    |                    |
| Changes in trade and other receivables                           |       | <b>(21,503)</b>    | (58,270)           |
| Changes in trade and other payables                              |       | <b>115</b>         | (38,320)           |
| Prior year adjustment  |       | -                  | (6)                |
| Cash generated from operations                                   |       | <b>2,426</b>       | (119,446)          |
| <b>Cash flows from investing activities</b>                      |       |                    |                    |
| Purchase of equity investment                                    |       | <b>40,544</b>      | 40,545             |
| Movement in Revenue reserve                                      |       | <b>2,617</b>       |                    |
| Changes in other financial assets                                |       | <b>(312,032)</b>   | (187,998)          |
| Changes in loans to member institution                           |       | <b>59,291</b>      | 56,938             |
| <b>Net cash used in investing activities</b>                     |       | <b>(250,125)</b>   | (90,515)           |
| <b>Cash flows from financing activities</b>                      |       |                    |                    |
| Net contribution members <sup>1</sup>                            | 14    | <b>258,834</b>     | 206,878            |
| <b>Net cash from financing activities</b>                        |       | <b>258,834</b>     | 206,878            |
| Net increase/(decrease) in cash and cash equivalents             | 12    | <b>11,135</b>      | (3,083)            |
| Cash and cash equivalents at the beginning of the financial year | 12    | <b>16,424</b>      | 19,507             |
| Cash and cash equivalents at the end of the financial year       |       | <b>27,560</b>      | 16,424             |

The notes form part of these financial statements.

# Notes (forming part of the financial statement) – National Provident Fund

## 1. Accounting policies

The following accounting policies have been applied in dealing with items which are material in the relation to the National Provident financial statements.

### 1.1 Basis of accounting

The financial statements have been prepared under the historic cost convention and modified by the revaluation of certain assets and in accordance with Generally Accepted Accounting Principles and the SSHFC act 2015.

### 1.2 Property, plant and equipment

Fixed assets purchased by the Federation fund is fully capitalized and depreciated over their useful economic life under the Federation fund account. The total costs of assets purchased are apportioned over useful economic life ratio 32:36:20:12 to federation fund, National Provident fund, Housing Finance Fund and Injuries Compensation Fund respectively.

The National Provident, Housing and Industrial Injuries Compensation Funds are charged proportionate amounts in respect of depreciation on fixed assets purchased by the Pension Fund. This is shown as a Pension Fund re-charge in the financial statements.

### 1.3 Investments

Where it is the intention of the corporation to hold investments to maturity, they are valued at cost. No account is taken of the market value whether higher or lower than cost except for Treasury Bills and Discount Notes which are stated at cost plus accrued interest.

### 1.4 Investment income

Investment income is accounted for on an accruals basis.

### 1.5 Contributions

Contributions are accounted for on an accruals basis. Contributions due, but not received, at the Balance sheet date are estimated on the basis of the most recent contributions received as at that date.

The rates used are as follows:

|                         |                                |
|-------------------------|--------------------------------|
| Employee's contribution | 5% of employee's basic salary  |
| Employer's contribution | 10% of employee's basic salary |

### 1.6 Allocation of expenditure

Each fund is charged with expenditure, which specifically relates to it. Other recurrent expenditure initially borne by the Pension Fund is apportioned in the ratio 20% to the Housing fund and the balance 40:45:15 between the Pension, National Provident, and Industrial Injuries Compensation Funds respectively. The Computer Department's running costs are similarly apportioned in the ratio 20% to the Housing fund and the balance 40:45:15.

### 1.7 Benefits paid

Benefits paid represent all benefit claims paid during the year. This includes payment of NPF balances, partial withdrawals, and refund of non-statutory contributions received.

### 1.8 Foreign currencies

Foreign currency transactions are accounted for at the rate of exchange prevailing on the date the transaction took place. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are translated at the year-end rates and any differences arising are accounted for in the revenue account.

## 2. Investment income

|                                   | 31-Dec-18     | 31-Dec-17     |
|-----------------------------------|---------------|---------------|
|                                   | D.000         | D.000         |
| Income on term deposits           | 29,706        | 48,217        |
| Income on Govt. treasury bills    | 10,653        | 4,109         |
| Dividend income- Gambia Petroleum | 16,968        | 4,893         |
| Rental income- NTC Complex        | 4,121         | 7,045         |
| Lease income- Ocean Bay           | 8,461         | 4,560         |
| Income on Govt Bonds              | 17,600        | 1,148         |
|                                   | <b>87,509</b> | <b>69,972</b> |

## 3. Other income

|                         | 31-Dec-18    | 31-Dec-17     |
|-------------------------|--------------|---------------|
|                         | D.000        | D.000         |
| Corporate loan interest | 9,078        | 10,107        |
| Sundry income           | 43           | 1,671         |
|                         | <b>9,121</b> | <b>11,778</b> |

## 4. General and administrative expenses

|                         | 31-Dec-18     | 31-Dec-17     |
|-------------------------|---------------|---------------|
|                         | D.000         | D.000         |
| Staff cost              | 26,236        | 23,247        |
| Administrative expenses | 42,390        | 32,253        |
| Depreciation            | 3,959         | 4,244         |
| Audit                   | -             | 306           |
|                         | <b>72,585</b> | <b>60,050</b> |

## 5. Interest expense

|                 | 31-Dec-18 | 31-Dec-17    |
|-----------------|-----------|--------------|
|                 | D.000     | D.000        |
| Trust Bank loan | -         | 1,878        |
|                 | <b>-</b>  | <b>1,878</b> |

## 6. Equity Impairment

Equity impairment of D56 million relates to final 25% provision for Gallia.

## 7. Investment properties

|                            | Notes | 31-Dec-18<br>D.000 | 31-Dec-17<br>D.000 |
|----------------------------|-------|--------------------|--------------------|
| Old Law Court              | 7.a   | <b>11,153</b>      | 11,153             |
| NTC Complex                | 7.b   | <b>100,300</b>     | 100,300            |
| Ocean Bay Hotel and Resort | 7.c   | <b>338,948</b>     | 338,948            |
| Sunbeach Hotel             | 7.d   | <b>168,525</b>     | 168,525            |
|                            |       | <hr/>              |                    |
|                            |       | <b>618,926</b>     | 618,926            |

**7.a Old Law Court** was acquired in 1992 for rental but currently demolished.

**7.b NTC Complex** was acquired in 2012 and let out to various tenants on an annual basis.

**7.c Ocean Bay Hotel and Resort** is 100% subsidiary of Social Security and Housing Finance Corporation and has been leased for a period of 10 years to BP Investment Group FZE. This investment was acquired in 2003.

**7.d Sunbeach Hotel** is a 100% subsidiary of Social Security and Housing Finance Corporation. This investment was acquired in 2012.

## 8. Equity investments

|   | Note | 31-Dec-18<br>D.000 | 31-Dec-17<br>D.000 |
|---|------|--------------------|--------------------|
| Qatari equity                               | 8.a  | <b>133,606</b>     | 133,605            |
| Gallia Holdings                             | 8.b  | <b>162,180</b>     | 162,180            |
| Investment in Gampetroleum                  | 8.c  | <b>103,156</b>     | 103,156            |
| Gambia Transport Service Corporation (GTSC) | 8.d  | <b>246,810</b>     | 246,810            |
|   |      | <hr/>              |                    |
|   |      | <b>645,752</b>     | 645,751            |
| Less Provision:                             |      |                    |                    |
| Qatari                                      |      | <b>(66,803)</b>    | (66,803)           |
| Gallia                                      |      | <b>(162,180)</b>   | (81,090)           |
|   |      | <hr/>              |                    |
|   |      | <b>416,769</b>     | 497,858            |

**8.a Qatari Investment** relates to Gam Food & Feed Industries (GFFI) which was a venture gone into by the Government of The Gambia in 2010. The Corporation received a Government directive to invest in the venture. Shareholding of the e Corporation is 65%.

**8.b Gallia Holdings** relates to SSHFC investment in the joint venture between the Government of The Gambia and Gallia Holdings Ltd in 2011 with regard to investment in ferries. The investment was a directive from the Government of the Gambia.

**8.c The Gam- Petroleum** Investment is the Corporation's investment share in the Petroleum Storage Facility in which the approval was granted by a Government Directive.

**8.d The former Gambia Public Transportation Company (GTSC)** was wholly acquired by the Corporation in 2013 and named after Gambia Transport Service Corporation (GTSC).

## 9. Trade and other receivables

|                                | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 |
|--------------------------------|----------------------------------|--------------------|
| Contributions receivable       | <b>178,371</b>                   | 93,674             |
| Sundry Debtors and prepayments | <b>4,635</b>                     | 23,537             |
| Interfund - FPS//HFF/IICF      | <b>(13,647)</b>                  | 30,645             |
| Rent receivable                | <b>6,269</b>                     | 6,269              |
|                                | <b>175,628</b>                   | 154,125            |
| Less Provisions:               |                                  |                    |
| Doubtful contributions         | <b>(21,219)</b>                  | (21,219)           |
|                                | <b>154,409</b>                   | 132,906            |

## 10. Loans to Member Institutions

|   | Notes | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 |
|---|-------|----------------------------------|--------------------|
| Loan to Gamcel                            | 10.a  | <b>74,889</b>                    | 87,712             |
| Loan to GAM.GOV'T                         | 10.b  | <b>152,611</b>                   | 152,611            |
| Loan to GGC                               | 10.c  | <b>19,720</b>                    | 19,720             |
| Loan to NAWEC                             | 10.d  | <b>55,914</b>                    | 78,814             |
| Loan to GPA                               | 10.e  | <b>37,700</b>                    | 58,867             |
| NAWEC GENERATOR (BOT)                     | 10.f  | <b>74,517</b>                    | 74,517             |
| Loan to GAM GOVT.(POLICE BARRACKS)        | 10.g  | <b>2,125</b>                     | 2,125              |
| Loan to NAWEC ( ITFC/ISDB)                | 10.h  | <b>821,501</b>                   | 821,501            |
| Loan to GAM GOVT.(LC 2012/008 JOHN DEERE) | 10.i  | <b>4,866</b>                     | 4,866              |
| Loan to GAM GOVT.(OP)                     | 10.j  | <b>141,573</b>                   | 141,573            |
| Loan(GAURANTEE) GRTS                      | 10.k  | <b>46,950</b>                    | 46,950             |
| GGC Loan GUARANTEE                        | 10.l  | <b>92,995</b>                    | 92,995             |
| GCCA (FIRE TENDERS & AMBULANCE)           | 10.m  | <b>98,143</b>                    | 100,543            |
| Loan to GFFI                              | 10.n  | <b>1,309</b>                     | 1,309              |
|   |       | <b>1,624,811</b>                 | 1,684,103          |
| Less Provison:                            |       |                                  |                    |
| Loan to NAWEC                             |       | <b>(896,018)</b>                 | (896,018)          |



|                                    |                  |           |
|------------------------------------|------------------|-----------|
| Loan to GCAA                       | <b>(100,543)</b> | (100,544) |
| Loan to GRTS                       | <b>(46,950)</b>  | (46,950)  |
| Loan to GGC                        | <b>(112,714)</b> | (112,714) |
| Loan to GAM GOVT                   | <b>(299,050)</b> | (299,050) |
| Loan to GAM GOVT.(POLICE BARRACKS) | <b>(2,125)</b>   | (2,125)   |
|                                    |                  |           |
|                                    | <b>167,412</b>   | 226,703   |

#### **10.a Loan to Gamcel**

The loan to Gamcel was a directive to the Corporation to give a loan to Gamcel to upgrade their Internet Facility.

#### **10.b Loan to Gambia Government**

These loans to the government of The Gambia represents partial calls o guarantee in respect of loans taken by GAMTEL, Gamco and GRTS at Trust Bank Limited which the Corporation guaranteed. It also takes into account other loans taken by the Government. These guarantees and loans were based on Government directives received. There are no loan repayment schedules or agreements. These loans carry no interest.

#### **10.c GGC Loan Guarantee**

The Corporation was given a directive to act as guarantee to GGC as collateral in the event of default in their loans. GGC defaulted and SSHFC had to settle the loan and capture it as a loan to GGC. There are no loan repayment schedules or agreements. These loans carry no interest.

#### **10.d Loans to NAWEC**

The loan to National Water and Electricity Company (NAWEC) represents an amount of D188million awarded during the last quarter of 2007 at an interest rate of 17% per annum and repayable over four years from December 2008.

#### **10.e Loan to GPA**

The loan to GPA represents an amount of D150million awarded in the second quarter of 2010 at an interest rate of 12% with a grace period of two years.

#### **10.f Loans to NAWEC – Generator BOT**

In October 2010, SSHFC and the Gambia Government signed an engineering Procurement Construction (EPC). An agreement for the installation, testing and commission of two existing HFO- fired generators at the Brikama Power Plant. There are no loan repayment schedules or agreements. These loans carry no interest.

#### **10.g Gambia Government Police Baracks**

The Gambia Government Police Baracks is expenditures incurred by the Corporation on behalf of the Government with regards to improvements at the Police Baracks. This was a directive from the Government and all expenditures have been grouped under the Government of The Gambia, Police Baracks. There are no loan repayment schedules or agreements. These loans carry no interest.

#### **10.h Loans to NAWEC – ITFC**

The NAWEC – ITFC relates to loan repayments of NAWEC to the Islamic Trade Finance Corporation in which NAWEC did not meet up with repayment obligations. The Corporation had to step in to settle the repayments based on directives from the Government of The Gambia and now captured as a loan to NAWEC. There are no loan repayment schedules or agreements. These loans carry no interest.

### 10.i Loan to Gambia Government – (LC John Deere)

These loans are loans to The Gambia Government in which a directive was given for the corporation to settle the LC with regard to the John Deere agricultural machinery ordered to boost the Agricultural Sector. There are no loan repayment schedules or agreements. These loans carry no interest.

### 10.j Loan to Gambia Government (OP)

The loan to The Government of The Gambia represents an amount of D41.8million awarded in the first quarter of 2010. An additional amount of USD 1million was granted in March 2011, USD 0.2million and D6.4million were awarded in June 2011 and August 2011 respectively. There are no loan repayment schedules or agreements. These loans carry no interest.

### 10.k Loan to GRTS

The loan to Gambia Radio and Television Services represents a guarantee SSHFC made in respect of a loan granted by Trust Bank Limited to GRTS. GRTS failed to meet their repayment obligations and the Bank debited SSHFC's account. SSHFC classified the amount as a loan to GRTS. There are no loan repayment schedules or agreements. These loans carry no interest.

### 10.l GGC Loan Guarantee

The Corporation was given a directive to act as guarantee to GGC as collateral in the event of default in their loans. GGC defaulted and SSHFC had to settle the loan and capture it as a loan to GGC. There are no loan repayment schedules or agreements. These loans carry no interest.

### 10.m GCAA Fire Tenders & Ambulances

These are loans to GCAA as per directives from the Government to finance the purchase of Fire Tenders & Ambulances for Banjul International Airport. There are no loan repayment schedules or agreements. These loans carry no interest.

### 10.n Loans to Gam Food & Feed Industries (GFFI)

GFFI is a venture gone into by The Government of The Gambia to invest in Food and Feed Industry. This was expenditures on behalf of the Government based on directives incurred with regard to the investment and to be re-paid to the Corporation. There are no loan repayment schedules or agreements. These loans carry no interest.

## 11. Other financial assets

Other financial assets include;

|                                  | Cost<br>D.000  | Interest<br>accrued<br>D.000 | 31-Dec-18<br>D.000 | 31-Dec-17<br>D.000 |
|----------------------------------|----------------|------------------------------|--------------------|--------------------|
| Gambia Government Treasury Bills | 126,298        | -                            | <b>126,298</b>     | 105,978            |
| Bank term deposits               | 429,052        | 19,984                       | <b>449,036</b>     | 319,244            |
| Gambia Govt Bonds                | 226,976        | 4,568                        | <b>231,544</b>     | 69,624             |
|                                  | <b>782,326</b> | <b>24,552</b>                | <b>806,878</b>     | <b>494,846</b>     |

## 12. Analysis of the balances of cash as shown in the Statement of financial position

|              | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 | <b>Changes</b><br><b>in year</b><br><b>D.000</b> |
|--------------|----------------------------------|--------------------|--|
| Cash at bank | <b>27,560</b>                    | 16,424             | <b>11,136</b>                                    |
|              | <b>27,560</b>                    | 16,424             | <b>11,136</b>                                    |

## 13. Trade and other payables

|                  | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 |
|------------------|----------------------------------|--------------------|
| Sundry creditors | <b>4,265</b>                     | 25                 |
| General suspense | -                                | 4,352              |
| Royalties        | <b>961</b>                       | 735                |
|                  | <b>5,227</b>                     | 5,112              |

## 14. Net contributions from members

|                     | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 |
|---------------------|----------------------------------|--------------------|
| Contributions       | <b>348,668</b>                   | 293,138            |
| Benefit and refunds | <b>(89,834)</b>                  | (86,260)           |
|                     | <b>258,834</b>                   | 206,878            |

## Report of the Independent Auditors – Housing Finance Fund

### **To the members of Social Security and Housing Finance Corporation- Housing Finance Fund**

#### **Opinion**

We have audited the financial statements of Social Security and Housing Finance Corporation's Housing Finance Fund, which comprise the statement of financial position as at 31st December 2018, and the statement of profit or loss and other comprehensive income, 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, the financial statements present fairly, in all material respects, the financial position of the Corporation as at 31st December 2018, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles and have been properly prepared in accordance with the requirements of the Social Security and Housing Finance Corporation Act 2015.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants (IFAC Code) and we have fulfilled our other ethical responsibilities in accordance with IFAC Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Social Security and Housing Finance Corporation Act 2015. 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.

# **Report of the Independent Auditors (Continued) – Housing Finance Fund**

## **To the members of Social Security and Housing Finance Corporation- Housing Finance Fund**

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 and the requirements of the Social Security and Housing Finance Corporation Act 2015 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

## Report of the Independent Auditors (Continued) – Housing Finance Fund

### To the members of Social Security and Housing Finance Corporation- Housing Finance Fund

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

Date *10<sup>th</sup> December*.....2019

# Income statement - Housing Finance Fund

for the year ended 31 December 2018  
(In thousands of the Gambian Dalasi)

|                                   | Notes   | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 |
|-----------------------------------|---------|----------------------------------|--------------------|
| <b>Income</b>                     |         |                                  |                    |
| Project Income                    | 2       | <b>85,092</b>                    | 52,117             |
| Investment income                 | 1.4 , 4 | <b>7,762</b>                     | 10,783             |
| Other income                      | 5       | <b>3,527</b>                     | 5,215              |
| <b>Net project cost</b>           |         | <b>96,381</b>                    | 68,115             |
| Project cost                      | 3       | <b>(7,017)</b>                   | (9,139)            |
| General & administrative expenses | 1.5 , 6 | <b>(34,046)</b>                  | (38,954)           |
| <b>Total expenditure</b>          |         | <b>(41,063)</b>                  | (48,093)           |
| <b>Surplus for the year</b>       |         | <b>55,318</b>                    | 20,022             |


The notes form part of these financial statements.

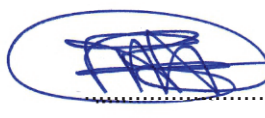
# Statement of Financial Position - Housing Finance Fund

as at 31st December 2018  
(In thousands of Gambian Dalasi)

| <b>Assets</b>                       | Notes   | <b>31-Dec-18<br/>D.000</b> | 31-Dec-17<br>D.000 |
|-------------------------------------|---------|----------------------------|--------------------|
| <b>Non - current assets</b>         |         |                            |                    |
| Property, plant and equipment       | 1.2 , 9 | <b>939</b>                 | 941                |
| Equity investments                  | 1.3 , 8 | <b>30,756</b>              | 30,756             |
| Investment properties               | 1.3 , 7 | <b>96,055</b>              | 96,031             |
| Mortgages                           | 10.a    | <b>154,617</b>             | 154,617            |
| <b>Current assets</b>               |         | <b>282,367</b>             | 282,345            |
| <b>Total current assets</b>         |         |                            |                    |
| Trade and other receivables         | 12      | <b>103,661</b>             | 103,780            |
| Other financial assets              | 13      | <b>86,608</b>              | 95,637             |
| Mortgages                           | 10.b    | <b>65,052</b>              | 65,681             |
| Project work in progress            | 11      | <b>2,962</b>               | 2,962              |
| Cash at bank and in hand            | 15      | <b>53,549</b>              | 42,661             |
| <b>Total current assets</b>         |         | <b>311,833</b>             | 310,721            |
| <b>Total assets</b>                 |         | <b>594,200</b>             | 593,066            |
| <b>Equity and liabilities</b>       |         |                            |                    |
| <b>Capital and reserves</b>         |         |                            |                    |
| Revaluation reserves                |         | <b>13,417</b>              | 13,417             |
| Accumulated reserves                |         | <b>251,011</b>             | 195,693            |
| <b>Total equity</b>                 |         | <b>264,428</b>             | 209,110            |
| <b>Current liabilities</b>          |         |                            |                    |
| Trade and other payables            | 14      | <b>329,772</b>             | 383,956            |
| <b>Total liabilities</b>            |         | <b>329,772</b>             | 383,956            |
| <b>Total equity and liabilities</b> |         | <b>594,200</b>             | 593,066            |

These financial statements were approved by the Board of Directors on <sup>10 DECEMBER</sup> .....2019 and were signed on its behalf by:

 Director

 Director

The notes form part of these financial statements.



# Statement of changes in members' fund and reserves – Housing Finance Fund

for the year ended 31 December 2018  
(In thousands of Gambian Dalasi)

|                                       | Notes | Accumulated Reserve<br>D.000 | Revaluation Reserve<br>D.000 | <b>Total<br/>D.000</b> |
|---------------------------------------|-------|------------------------------|------------------------------|------------------------|
| Balance as at 1st January 2017        |       | 175,671                      | 13,417                       | 189,088                |
| Restated Opening balance              |       | 175,671                      | 13,417                       | 189,088                |
| Surplus for the year                  |       | 20,022                       | -                            | 20,022                 |
| Balance as at 31 December 2017        |       | <u>195,693</u>               | <u>13,417</u>                | <u>209,110</u>         |
| Balance as at 1st January 2018        |       | 195,693                      | 13,417                       | <b>209,110</b>         |
| Surplus for the year                  |       | 55,318                       | -                            | <b>55,318</b>          |
| <b>Balance as at 31 December 2018</b> |       | <b><u>251,011</u></b>        | <b><u>13,417</u></b>         | <b><u>264,428</u></b>  |

The notes form part of these financial statements.

# Statement of cash flow - Housing Finance Fund

for the year ended 31 December 2018  
(In thousands of Gambian Dalasi)

|   | Notes | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 |
|---|-------|----------------------------------|--------------------|
| Operating profit  |       | <b>55,318</b>                    | 20,022             |
| Depreciation  | 9     | <b>235</b>                       | 301                |
|   |       | <b>55,553</b>                    | 20,323             |
| <b>Movements in working capital</b>                               |       |                                  |                    |
| Changes in trade and other receivables                            |       | <b>118</b>                       | 48                 |
| Changes in trade and other payables                               |       | <b>(54,184)</b>                  | 33,464             |
|   |       | <b>(54,066)</b>                  | 33,512             |
| Cash generated from operations                                    |       | <b>1,487</b>                     | 53,835             |
| <b>Cash flows from investing activities</b>                       |       |                                  |                    |
| Purchase of tangible fixed assets                                 |       | <b>(233)</b>                     | (54)               |
| Proceeds on sale of fixed assets                                  |       | -                                | -                  |
| Changes in Financial assets                                       |       | <b>9,029</b>                     | (28,664)           |
| Changes in investment   |       | <b>(24)</b>                      | (5,817)            |
| Changes in investment properties                                  |       | -                                | 26,104             |
| Changes in mortgages  |       | <b>629</b>                       | (25,454)           |
| Changes in project cost work in progress                          |       | -                                | 7,352              |
| Net cash generated/(used) in investing activities                 |       | <b>9,401</b>                     | (26,533)           |
| <b>Cash flows from financing activities</b>                       |       |                                  |                    |
| Increase / (Decrease) in borrowings                               |       | -                                | -                  |
| Net cash from financing activities                                |       | -                                | -                  |
| Net increase/(decrease) in cash and cash equivalents              | 15    | <b>10,888</b>                    | 27,302             |
| Cash and cash equivalents at the beginning of the financial year  | 15    | <b>42,661</b>                    | 15,359             |
| <b>Cash and cash equivalents at the end of the financial year</b> |       | <b>53,549</b>                    | 42,661             |

The notes form part of these financial statements.

# Notes (forming part of the financial statement) – Housing Finance

## 1. Accounting policies

The following accounting policies have been applied in dealing with items which are material in the relation to the National Provident financial statements.

### 1.1 Basis of accounting

The financial statements have been prepared under the historic cost convention and modified by the revaluation of certain assets and in accordance with Generally Accepted Accounting Principles and the SSHFC ACT 2015.

### 1.2 Property, plant and equipment

Property, plant and equipments are depreciated by instalments over their estimated useful lives. The instalments are calculated to reduce the assets to their residual values at the end of the depreciation period. Motor vehicle, Electricity generator and Head Office Building are depreciated using the straight line method. The rest are charged using reducing method. The following depreciation rates are used and are applied consistently:

| Asset category                | Rate (per annum) |
|-------------------------------|------------------|
| Mainframe computer            | 25%              |
| Electricity generator         | 10%              |
| Head office building          | 1%               |
| Office equipment              | 20%              |
| Office furniture and fixtures | 10%              |
| Motor vehicles                | 33 1/3 %         |
| Office bicycle                | 33 1/3 %         |

Fixed assets purchased by the Federation fund is fully capitalized and depreciated over their useful economic life under the Federation fund account. The total costs of assets purchased are apportioned over useful economic life ratio 32:36:20:12 to federation fund, National Provident fund, Housing Finance Fund and Injuries Compensation Fund respectively.

### 1.3 Investments

Investments held by the Corporation at the Balance sheet date are valued as follows:

#### a) Current asset investment

Where it is the intention of the Corporation to hold investments to maturity, they are valued at cost. No account is taken of market value whether higher or lower than cost except for Treasury Bills and Discount Notes which are stated at cost plus accrued interest.

#### b) Investment properties

Investment properties are stated at their revalue amounts.

### c) Equity investment

Equity investments are stated at cost.

#### 1.4 Investment income

Investment income is accounted for on an accruals basis.

#### 1.5 Allocation of expenditure

Each fund is charged with expenditure, which specifically relates to it. Other recurrent expenditure initially borne by the Pension Fund is apportioned in the ratio 20% to the Housing fund and the balance 40:45:15 between the Pension, National Provident, and Industrial Injuries Compensation Funds respectively. The Computer Department's running costs are similarly apportioned in the ratio 20% to the Housing fund and the balance 40:45:15.

#### 1.6 Foreign currencies

Foreign currency transactions are accounted for at the rate of exchange prevailing on the date the transaction took place. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are translated at the year-end rates and any differences arising are accounted for in the revenue account.

## 2. Project Income

|                                   | Notes | 31-Dec-18<br>D.000 | 31-Dec-17<br>D.000 |
|-----------------------------------|-------|--------------------|--------------------|
| Mortgage interest                 |       | 24,722             | 32,272             |
| Mortgage sales Brikama            |       | -                  | 2,971              |
| Mortgage sales Tujereng           |       | -                  | 1,114              |
| Outright sales Brikama            |       | 200                | 68                 |
| Outright sales Tujereng           |       | 1,002              | 1,642              |
| Outright sales Jabang             |       | 1,689              | 900                |
| Outright sales Bru 1/Ext          |       | 1,800              | 7,100              |
| Outright sales Bru 2              | 2.1   | 55,079             | -                  |
| Sale of commercial plots Tujereng |       | 600                | 300                |
| Sale of commercial plots Jabang   |       | -                  | 4,100              |
| Sale of commercial plots B/Jamisa |       | -                  | 1,650              |
|                                   |       | <b>85,092</b>      | <b>52,117</b>      |

### 2.1 Outright Sales Brusubi Phase

These represent the revenue from the sales of 84 Plots. The selling price includes title deeds and processing fees for various sizes of plots

## 3. Project cost

|                              | 31-Dec-18<br>D.000 | 31-Dec-17<br>D.000 |
|------------------------------|--------------------|--------------------|
| Infrastructure contract cost | -                  | 7,352              |
| Operational Cost             | 113                | -                  |
| Other contract cost          | 6,381              | 203                |
| Miscellaneous expenses       | 523                | 217                |
| Land compensation / purchase | -                  | 1,367              |
|                              | <b>7,017</b>       | <b>9,139</b>       |

#### 4. Investment income

|                                     | <b>31-Dec-18</b> | 31-Dec-17 |
|-------------------------------------|------------------|-----------|
|                                     | <b>D.000</b>     | D.000     |
| Income on Gambia Government T/bills | <b>3,115</b>     | 4,835     |
| Bank deposit interest               | <b>1,210</b>     | 5,237     |
| Income on Govt bonds                | <b>3,437</b>     | 711.00    |
|                                     | <hr/>            |           |
|                                     | <b>7,762</b>     | 10,783    |
|                                     | <hr/> <hr/>      |           |

#### 5. Other income

|   | <b>31-Dec-18</b> | 31-Dec-17 |
|---|------------------|-----------|
|   | <b>D.000</b>     | D.000     |
| Rental income Bakoteh                   | <b>3</b>         | 11        |
| Rental income Kanifing                  | <b>68</b>        | 272       |
| Rental income Bru1/Ext                  | <b>787</b>       | 814       |
| Exchange Gain                           | <b>14</b>        | 2,319     |
| Miscellaneous income                    | <b>354</b>       | 61        |
| Rental income guest house               | <b>1,359</b>     | 995       |
| Profit on sale of fixed assets          | <b>-</b>         | (1)       |
| RENTAL INCOME: JANJANBUREH GUEST HOUSES | <b>662</b>       | 539       |
| RENTAL INCOME: MANSA KONKO GUEST HOUSES | <b>280</b>       | 197       |
| RENTAL INCOME: KEREWAN GUEST HOUSES     | <b>-</b>         | 8         |
|   | <hr/>            |           |
|   | <b>3,527</b>     | 5,215     |
|   | <hr/> <hr/>      |           |

#### 6. General & Administrative expenses

|   | <b>31-Dec-18</b> | 31-Dec-17 |
|---|------------------|-----------|
|   | <b>D.000</b>     | D.000     |
| Staff cost                              | <b>15,282</b>    | 13,735    |
| Administrative expenses                 | <b>16,304</b>    | 22,386    |
| Depreciation                            | <b>2,432</b>     | 2,663     |
| Audit fees                              | <b>357</b>       | 170       |
| Decrease in provision for doubtful debt | <b>(329)</b>     | -         |
|   | <hr/>            |           |
|   | <b>34,046</b>    | 38,954    |
|   | <hr/> <hr/>      |           |

## 7. Investment properties

|  | Note | 31-Dec-18     | 31-Dec-17     |
|--|------|---------------|---------------|
| Bakoteh Housing estate                 | 7.a  | 6,560         | 6,560         |
| Kanifing Market                        | 7.b  | 9,183         | 9,183         |
| Kanifing school                        | 7.b  | 3,116         | 3,116         |
| Basse investment properties            | 7.c  | 2,590         | 2,590         |
| Mansakonko investment property         | 7.c  | 5,300         | 5,300         |
| Janjanbureh investment property        | 7.c  | 8,268         | 8,268         |
| Apartment Building- Bru 2              | 7.d  | 1,733         | 1,733         |
| Tujereng sample house                  | 7.e  | 8,862         | 8,838         |
| Land purchase Lamin Makumbaya          | 7.f  | 30,000        | 30,000        |
| Land purchase Kanifing industrial area | 7.g  | 15,000        | 15,000        |
| HFF Brusubi(2) sample house            | 7.h  | 5,443         | 5,443         |
|  |      | <b>96,055</b> | <b>96,031</b> |

### 7.a Bakoteh Market

The Bakoteh market investment property was recognized initially in 1985 at cost ,after initial recognised the properties were measured and carried at fair value. However the last revaluation was in 2009.

### 7.b Kanifing Market /school

The kanifing (market/school) investment properties were initially recognized in 1995 at cost. After initially recognition the properties were measured and carried at fair value. However the last revaluation was in 2009.

### 7.c Basse , Mansakonko and Janjangburreh Guest House

The Basse , Mansakonko and Janjangburreh Guest house investment properties were handed over by the Gambia government to SSHFC to manage . These properties are still measured and carried at cost. They are yet to be revalued.

### 7.d Brusubi Apartment Building PH1 & 2

This investment properties were initially recognized in 2009, measured and carried at cost ever since.

### 7.e Tujereng Sample House

This investment was initially recognized in 2015 at cost. However, the property is yet to be revalued.

### 7.f Lamin Makumbaya

This investment property represents 300 plots purchase from Mam Sait in 2009. The property was initially recognized at cost. However the property is yet to be revalued.

### 7.g Kanifing Industrial Area

This investment property was initially recognized in 2009 at cost. This property was an offer from Gambia government to purchase the land. However, the property is yet to be revalued.

### 7.h HFF Brusbi (2) Sample houses

This is a research and development project geared toward the vision of affordable housing.

## 8. Equity investment

|                                      | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 |
|--------------------------------------|----------------------------------|--------------------|
| Home Finance Company                 | <b>14,520</b>                    | 14,520             |
| Standard Chartered Bank              | <b>15,225</b>                    | 15,225             |
| Gambia Transport Service Corporation | <b>1,011</b>                     | 1,011              |
|                                      | <b>30,756</b>                    | 30,756             |

## 9. Property, plant and equipment

|                        | Motor<br>vehicles<br>D.000 | Motor<br>cycle<br>D.000 | Computers<br>D.000 | Fixtures &<br>Fittings<br>D.000 | Office<br>equipment<br>D.000 | <b>Total</b><br>D.000 |
|------------------------|----------------------------|-------------------------|--------------------|---------------------------------|------------------------------|-----------------------|
| <b>Cost</b>            |                            |                         |                    |                                 |                              |                       |
| At 1st Jan 2017        | 3,085                      | 334                     | 2,788              | 892                             | 554                          | <b>7,653</b>          |
| Additions              |                            |                         |                    |                                 | 233                          | <b>233</b>            |
| <b>At 31 Dec 2017</b>  | 3,085                      | 334                     | 2,788              | 892                             | 787                          | <b>7,886</b>          |
| <b>Depreciation</b>    |                            |                         |                    |                                 |                              |                       |
| At 1st Jan 2017        | 2,921                      | 254                     | 2,726              | 434                             | 377                          | <b>6,712</b>          |
| Charge for the<br>year | 55                         | 27                      | 51                 | 46                              | 56                           | <b>235</b>            |
| Disposal               |                            |                         |                    |                                 |                              |                       |
| <b>At 31 Dec 2018</b>  | 2,976                      | 281                     | 2,777              | 480                             | 433                          | <b>6,947</b>          |
| <b>Net book values</b> |                            |                         |                    |                                 |                              |                       |
| <b>At 31 Dec 2018</b>  | <b>109</b>                 | <b>53</b>               | <b>11</b>          | <b>412</b>                      | <b>354</b>                   | <b>939</b>            |
| At 31st Dec<br>2017    | 164                        | 80                      | 62                 | 458                             | 177                          | 941                   |

## 10.a Mortgage receivables

|  | <b>31-Dec-18</b> | 31-Dec-17 |
|--|------------------|-----------|
|  | <b>D.000</b>     | D.000     |
| <b>Long term mortgage debtors</b>        |                  |           |
| Mortgage debtors Bakoteh Housing Estate  | <b>36</b>        | 36        |
| Mortgage debtors Kanifing                | <b>5,120</b>     | 5,120     |
| Mortgage debtors Brusubi                 | <b>25,578</b>    | 25,578    |
| Mortgage debtors Tujereng Housing Estate | <b>24,912</b>    | 24,912    |
| Mortgage debtors Jabang Housing Estate   | <b>10,472</b>    | 10,472    |
| Mortgage debtors Bru1/Ext                | <b>77,268</b>    | 77,268    |
| Mortgage debtors Brikama/ Jamisa         | <b>11,231</b>    | 11,231    |
|  | <b>154,617</b>   | 154,617   |

## 10.b Current mortgage debtors

|  |                |         |
|--|----------------|---------|
| Bakoteh mortgage debtors                         | <b>36</b>      | 41      |
| Kanifing mortgage debtors                        | <b>822</b>     | 613     |
| Brusubi mortgage debtors                         | <b>24,225</b>  | 24,321  |
| Tujereng mortgage debtors                        | <b>16,529</b>  | 15,735  |
| Jabang mortgage debtors                          | <b>9,683</b>   | 9,884   |
| Brikama Jamisa mortgage debtors                  | <b>18,782</b>  | 20,164  |
| Brusubi phase 1 Ext mortgage debtors             | <b>903</b>     | 1,179   |
|  | <b>70,980</b>  | 71,937  |
| <b>Less provisions for bad and doubtful debt</b> |                |         |
| Bakoteh mortgage debtors                         | <b>(62)</b>    | (62)    |
| Kanifing mortgage debtors                        | <b>(3,559)</b> | (3,887) |
| phase 1/ Ext mortgage debtors                    | <b>(2,307)</b> | (2,307) |
|  | <b>65,052</b>  | 65,681  |

## 11. Project work-in – progress

|  | <b>31-Dec-18</b> | 31-Dec-17 |
|--|------------------|-----------|
|  | <b>D.000</b>     | D.000     |
| HFF WORK-IN-PROG INFRASTR. COST Jabang | <b>2,962</b>     | 2,962     |
|  | <b>2,962</b>     | 2,962     |



## 12. Other receivables

|                                    | <b>31-Dec-18</b> | 31-Dec-17 |
|------------------------------------|------------------|-----------|
|                                    | <b>D.000</b>     | D.000     |
| HFF Infrast. Cost Kanilai          | <b>34,943</b>    | 34,943    |
| Deferred cost compt. house Kanilai | <b>66,532</b>    | 66,532    |
| Miscellaneous sundry debtors       | <b>2,186</b>     | 2,305     |
|                                    | <hr/>            |           |
|                                    | <b>103,661</b>   | 103,780   |
|                                    | <hr/> <hr/>      |           |

## 13. Other financial assets

| Other financial assets include:  | Cost        | Accrued           | <b>31-Dec-18</b> | 31-Dec-17 |
|----------------------------------|-------------|-------------------|------------------|-----------|
|                                  | D.000       | interest<br>D.000 | <b>D.000</b>     | D.000     |
| Gambia Government treasury bills | 36,147      | 1,772             | <b>37,919</b>    | 46,327    |
| Bank term deposit                | 17,000      | 1,124             | <b>18,124</b>    | 23,853    |
| Investment in Bonds              | 29,746      | 819               | <b>30,565</b>    | 25,457    |
|                                  | <hr/>       |                   |                  |           |
|                                  | 82,893      | 3,715             | <b>86,608</b>    | 95,637    |
|                                  | <hr/> <hr/> |                   |                  |           |

## 14. Trade and other payables

|                               | <b>31-Dec-18</b> | 31-Dec-17 |
|-------------------------------|------------------|-----------|
|                               | <b>D.000</b>     | D.000     |
| HFF contract creditor         | <b>8,739</b>     | 10,927    |
| Sundry creditors              | <b>3,155</b>     | 4,590     |
| HFF client legal fees payable | <b>2,039</b>     | 655       |
| Royalties                     | <b>6,442</b>     | 7,443     |
| deferred income               | <b>2,776</b>     | 2,830     |
| General Suspense              | <b>3,021</b>     | 547       |
| Inter fund account            | <b>303,600</b>   | 356,964   |
|                               | <hr/>            |           |
|                               | <b>329,772</b>   | 383,956   |
|                               | <hr/> <hr/>      |           |

## 15. Analysis of the balances of cash as shown on the statement of financial position

|              | <b>31-Dec-18</b> | 31-Dec-17 | <b>Changes</b> |
|--------------|------------------|-----------|----------------|
|              | <b>D.000</b>     | D.000     | <b>in year</b> |
|              |                  |           | <b>D.000</b>   |
| Cash at bank | <b>53,549</b>    | 42,661    | <b>10,888</b>  |
|              | <hr/>            |           |                |
|              | <b>53,549</b>    | 42,661    | <b>10,888</b>  |
|              | <hr/> <hr/>      |           |                |

## Report of the Independent Auditors Injuries -Compensation Fund

### **To the members of Social Security and Housing Finance Corporation- Injury Compensation Fund**

#### **Opinion**

We have audited the financial statements of Social Security and Housing Finance Corporation's Injury Compensation Fund, which comprise the statement of financial position as at 31st December 2018, and the statement of profit or loss and other comprehensive income, 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, the financial statements present fairly, in all material respects, the financial position of the Corporation as at 31st December 2018, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles and have been properly prepared in accordance with the requirements of the Social Security and Housing Finance Corporation Act 2015.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants (IFAC Code) and we have fulfilled our other ethical responsibilities in accordance with IFAC Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Social Security and Housing Finance Corporation Act 2015. 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.

## **Report of the Independent Auditors (Continued) - Injuries Compensation Fund**

### **To the members of Social Security and Housing Finance Corporation- Injury Compensation Fund**

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 and the requirements of the Social Security and Housing Finance Corporation Act 2015 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

## Report of the Independent Auditors (Continued) - Injuries Compensation Fund

### To the members of Social Security and Housing Finance Corporation- Injury Compensation Fund

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

Date .....*10<sup>th</sup> December*.....2019

# Income statement - Industrial Injuries Compensation Fund

for the year ended 31st December 2018  
(In thousands of Gambian Dalasi)

|                                     | Notes   | 31-Dec-18<br>D.000 | 31-Dec-17<br>D.000 |
|-------------------------------------|---------|--------------------|--------------------|
| <b>Income</b>                       |         |                    |                    |
| Investment income                   | 1.4 , 2 | <b>24,074</b>      | 26,574             |
| Other Income                        | 3       | <b>53</b>          | 55                 |
| <b>Total income</b>                 |         | <b>24,127</b>      | 26,629             |
| <b>Expenditure</b>                  |         |                    |                    |
| General and administrative expenses | 1.6 , 4 | <b>(18,994)</b>    | (19,419)           |
| <b>Total expenditure</b>            |         | <b>(18,994)</b>    | (19,419)           |
| <b>Surplus for the year</b>         |         | <b>5,133</b>       | 7,210              |

The notes form part of these financial statements.


# Statement of Financial Position - Industrial Injuries Compensation Fund

as at 31 December 2018  
(In thousands of Gambian Dalasi)

|                                     | Notes  | 31-Dec-18<br>D.000 | 31-Dec-17<br>D.000 |
|-------------------------------------|--------|--------------------|--------------------|
| <b>Non - current assets</b>         |        |                    |                    |
| Investment Properties               | 1.3, 5 | 3,539              | 3,539              |
| Equity investments                  | 1.3, 6 | 44,346             | 44,346             |
| <b>Total Non-current assets</b>     |        | <b>47,885</b>      | 47,885             |
| <b>Current assets</b>               |        |                    |                    |
| Other financial assets              | 8      | 219,614            | 216,227            |
| Trade and other receivables         | 9      | 54,617             | 4,923              |
| Cash at bank and in hand            | 11     | 24,863             | 2,622              |
| <b>Total current assets</b>         |        | <b>299,094</b>     | 223,772            |
| <b>Total assets</b>                 |        | <b>346,979</b>     | 271,657            |
| <b>Equity and liabilities</b>       |        |                    |                    |
| Members fund                        |        | 279,760            | 271,075            |
| Revenue reserve                     |        | 98                 | 23                 |
| <b>Total equity and liabilities</b> |        | <b>279,858</b>     | 271,098            |
| <b>Current liabilities</b>          |        |                    |                    |
| Trade and other payables            | 10     | 67,121             | 559                |
| <b>Total equity and liabilities</b> |        | <b>346,979</b>     | 271,657            |

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

 Director

10 DECEMBER  
 Director

The notes form part of these financial statements.

# Statement of changes in members' fund and reserves – Injuries Compensation Fund

for the year ended 31 December 2018  
(In thousands of Gambian Dalasi)

|                                       | Notes | Members<br>Fund<br>D.000 | Revenue<br>Reserve<br>D.000 | Total<br>D.000 |
|---------------------------------------|-------|--------------------------|-----------------------------|----------------|
| Balance as at 1st January 2017        |       | 250,929                  | 23                          | 250,952        |
| Opening balance difference            |       | 8                        | -                           | 8              |
| <hr/>                                 |       |                          |                             |                |
| Restated Opening Balance              |       | 250,937                  | 23                          | 250,960        |
| Contributions less benefits           |       | 12,928                   | -                           | 12,928         |
| Surplus for the year                  |       | 7,210                    | -                           | 7,210          |
| <hr/>                                 |       |                          |                             |                |
| Balance as at 31 December 2017        |       | 271,075                  | 23                          | 271,098        |
| <hr/>                                 |       |                          |                             |                |
| Balance as at 1st January 2018        |       | 271,075                  | 23                          | 271,098        |
| Opening balance difference            |       | (19)                     | -                           | (19)           |
| Contributions less benefits           |       | 3,572                    | -                           | 3,572          |
| Surplus for the year                  |       | 5,132                    | -                           | 5,132          |
| Penalty contribution                  |       | -                        | 75                          | 75             |
| <hr/>                                 |       |                          |                             |                |
| <b>Balance as at 31 December 2018</b> |       | <b>279,760</b>           | <b>98</b>                   | <b>279,858</b> |

## Opening Balance Difference

The opening balance difference was due to income royalty adjustment that was mistakenly omitted before the Financial Information System was closed for the year 2017

The notes form part of these financial statements.

# Statement of cash flow - Industrial injuries Compensation fund

for the year ended 31st December 2018  
(In thousands of Gambian Dalasi)

|  | Notes | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 |
|--|-------|----------------------------------|--------------------|
| Surplus for the year   |       | <b>5,132</b>                     | 7,210              |
| Net contributions from members'                                  | 12    | <b>3,572</b>                     | 12,928             |
| Opening balance difference                                       |       | <b>(19)</b>                      | 8                  |
| Penalty contribution   |       | <b>75</b>                        | -                  |
|  |       | <b>8,760</b>                     | 20,146             |
| <b>Movements in working capital</b>                              |       |                                  |                    |
| Changes in trade and other receivables                           |       | <b>(49,694)</b>                  | 32,863             |
| Changes in trade and other payables                              |       | <b>66,562</b>                    | (23)               |
|  |       | <b>16,868</b>                    | 32,840             |
| <b>Cash generated from operations</b>                            |       | <b>25,628</b>                    | 52,986             |
| <b>Cash flows from investing activities</b>                      |       |                                  |                    |
| Changes in financial assets                                      |       | <b>(3,387)</b>                   | (69,834)           |
| <b>Net cash used in investing activities</b>                     |       | <b>(3,387)</b>                   | (69,834)           |
| Net increase in cash and cash equivalents                        | 11    | <b>22,241</b>                    | (16,848)           |
| Cash and cash equivalents at the beginning of the financial year | 11    | <b>2,622</b>                     | 19,470             |
| Cash and cash equivalents at the end of the financial year       |       | <b>24,863</b>                    | 2,622              |

The notes form part of these financial statements.



# Notes (forming part of the financial statement) – National Provident Fund

## **1. Accounting policies**

The following accounting policies have been applied in dealing with items which are material in the relation to the National Provident financial statements.

### **1.1 Basis of accounting**

The financial statements have been prepared under the historic cost convention and modified by the revaluation of certain assets and in accordance with Generally Accepted Accounting Principles and the SSHFC act 2015.

### **1.2 Property, plant and equipment**

Fixed assets purchased by the Federation fund is fully capitalized and depreciated over their useful economic life under the Federation fund account. The total costs of assets purchased are apportioned over useful economic life ratio 32:36:20:12 to federation fund, National Provident fund, Housing Finance Fund and Injuries Compensation Fund respectively.

### **1.3 Investments**

Where it is the intention of the corporation to hold investments to maturity, they are valued at cost. No account is taken of the market value whether higher or lower than cost except for Treasury Bills and Discount Notes which are stated at cost plus accrued interest.

### **1.4 Investment income**

Investment income is accounted for on an accruals basis.

### **1.5 Contributions**

Contributions are accounted for on an accruals basis. No provision has been made for outstanding contributions at the balance sheet.

Employees contribution is 1% of gross pay or D15.00 maximum payable by the employer.

### **1.6 Allocation of expenditure**

Each fund is charged with expenditure, which specifically relates to it. Other recurrent expenditure initially borne by the Pension Fund is apportioned in the ratio 20% to the Housing fund and the balance 40:45:15 between the Pension, National Provident, and Industrial Injuries Compensation Funds respectively. The Computer Department's running costs are similarly apportioned in the ratio 20% to the Housing fund and the balance 40:45:15.

### **1.7 Benefits paid**

Benefits paid represent all benefit claims paid during the year. This includes payment of NPF balances, partial withdrawals, and refund of non-statutory contributions received.

### **1.8 Foreign currencies**

Foreign currency transactions are accounted for at the rate of exchange prevailing on the date the transaction took place. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are translated at the year-end rates and any differences arising are accounted for in the revenue account.

## 2. Investment income

|                                  | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 |
|----------------------------------|----------------------------------|--------------------|
| Gambia Government Treasury bills | <b>2,667</b>                     | 439                |
| Income on term deposit           | <b>13,031</b>                    | 24,582             |
| Dividend income                  | <b>3,695</b>                     | 673                |
| Income on Gambia Govt Bonds      | <b>4,681</b>                     | 880                |
|                                  | <hr/> <b>24,074</b> <hr/>        | <hr/> 26,574 <hr/> |

## 3. Other income

|                      | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 |
|----------------------|----------------------------------|--------------------|
| Miscellaneous income | <b>53</b>                        | 55                 |
|                      | <hr/> <b>53</b> <hr/>            | <hr/> 55 <hr/>     |

## 4. General administrative expenses

|                         | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 |
|-------------------------|----------------------------------|--------------------|
| Staff cost              | <b>9,556</b>                     | 8,687              |
| Administrative expenses | <b>7,904</b>                     | 9,216              |
| Depreciation            | <b>1,320</b>                     | 1,414              |
| Audit                   | <b>214</b>                       | 102                |
|                         | <hr/> <b>18,994</b> <hr/>        | <hr/> 19,419 <hr/> |

## 5. Investment properties

|                            | Notes | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 |
|----------------------------|-------|----------------------------------|--------------------|
| Ocean Bay Hotel and Resort | 5.a   | <b>3,539</b>                     | 3,539              |
|                            |       | <hr/> <b>3,539</b> <hr/>         | <hr/> 3,539 <hr/>  |

**5.a Ocean Bay Hotel and Resort** is 100% subsidiary of the Corporation. This investment is split between Federated Pension Fund, National Provident Fund and Industrial Injuries Compensation Fund.

## 6. Equity investment

|                                      | Notes | 31-Dec-18<br>D.000 | 31-Dec-17<br>D.000 |
|--------------------------------------|-------|--------------------|--------------------|
| Gampetroleum                         | 6.a   | 25,346             | 25,346             |
| Gambia Transport Service Corporation | 6.b   | 19,000             | 19,000             |
|                                      |       | <b>44,346</b>      | 44,346             |

**6.a 31% share holding in Gampetroleum** was purchased in 2008. 2.6% of this was funded from the Industrial Injury Compensation Fund.

**6.b The former Gambia Public Transportation Company (GPTC)** was wholly acquired by the Corporation in 2013 and named after Gambia Transport Service Corporation (GTSC).

## 7. Loans to member Institutions

|   | Notes | 31-Dec-18<br>D.000 | 31-Dec-17<br>D.000 |
|---|-------|--------------------|--------------------|
| Gambia Civil Aviation Authority (GCAA)                | 7.a   | 35,250             | 35,250             |
| Gambia Government (Office of The President)           |       | -                  | 15,000             |
| GGC loan Guarantee                                    | 7.b   | 69,000             | 69,000             |
|   |       | <b>104,250</b>     | 119,250            |
| Less:   |       |                    |                    |
| Provision Gambia Civil Aviation Authority (GCAA) loan |       | (35,250)           | (35,250)           |
| Provision Gambia Government (Office of The President) |       | -                  | (15,000)           |
| Provision GGC loan Guarantee                          |       | (69,000)           | (69,000)           |
|   |       | <b>-</b>           | -                  |

### 7.a GCAA

This was a loan issued to GCAA in 2012 for lighting and pavement works contract at an interest rate of 12% for a period of 24 months. This has been fully provided for.

### 7.b GGC loan guarantee

The Corporation was given a directive to act as guarantee to GGC as collateral in the event of default in their loans. GGC defaulted and SSHFC had to settle the loan and capture it as a loan to GGC. There are no loan repayment schedules or agreements. These loans carry no interest. This has been fully provided for.

## 8. Other financial assets

Other financial assets include:

|                                  | Cost           | Accrued interest | <b>31-Dec-18</b>      | 31-Dec-17      |
|----------------------------------|----------------|------------------|-----------------------|----------------|
|                                  | D.000          | D.000            | <b>D.000</b>          | D.000          |
| Gambia Government treasury bills | 41,620         | 2,368            | <b>43,988</b>         | 6,252          |
| Gambia Govt. Bonds               | 57,500         | 747              | <b>58,247</b>         | 29,880         |
| Bank term deposit                | 113,000        | 4,379            | <b>117,379</b>        | 180,095        |
|                                  |                |                  |                       |                |
|                                  | <u>212,120</u> | <u>7,494</u>     | <u><b>219,614</b></u> | <u>216,227</u> |

## 9. Trade and other receivables

|   | <b>31-Dec-18</b>     | 31-Dec-17     |
|---|----------------------|---------------|
|   | <b>D.000</b>         | D.000         |
| Contribution receivable                   | <b>22,432</b>        | 23,300        |
| Inter-fund current acc- NPF               | <b>39,164</b>        | 34,991        |
| Inter- fund current acc.Housing fund      | <b>5,714</b>         | 13,518        |
| Inter fund current acc.Pension fund       | -                    | (54,193)      |
| Inter fund loan-IICF/HFF                  | <b>2,353</b>         | 2,353         |
|   |                      |               |
|   | <u><b>69,663</b></u> | <u>19,969</u> |
| less Provision for doubtful contributions | <b>(15,046)</b>      | (15,046)      |
|   |                      |               |
|   | <u><b>54,617</b></u> | <u>4,923</u>  |

## 10. Trade and other payables

|                                     | <b>31-Dec-18</b>     | 31-Dec-17  |
|-------------------------------------|----------------------|------------|
|                                     | <b>D.000</b>         | D.000      |
| Unclaim pension                     | <b>106</b>           | 91         |
| Sundry creditors                    | <b>37</b>            | -          |
| Royalties payable                   | <b>492</b>           | 468        |
| Inter fund current acc.Pension fund | <b>66,486</b>        |            |
|                                     |                      |            |
|                                     | <u><b>67,121</b></u> | <u>559</u> |

**11. Analysis of the balances of cash as shown on the Statement of financial position**

|              | 31-Dec-18<br>D.000 | 31-Dec-17<br>D.000 | <b>Changes<br/>in year<br/>D.000</b> |
|--------------|--------------------|--------------------|--------------------------------------|
| Cash at bank | 24,863             | 2,622              | <b>22,241</b>                        |
|              | <hr/>              |                    |                                      |
|              | <b>24,863</b>      | <b>2,622</b>       | <b>22,241</b>                        |

**12. Net contributions from members**

|                           | <b>31-Dec-18<br/>D.000</b> | 31-Dec-17<br>D.000 |
|---------------------------|----------------------------|--------------------|
| Contributions             | <b>4,794</b>               | 14,296             |
| Benefit and refunds       | <b>(814)</b>               | (981)              |
| Periodic pension payments | <b>(408)</b>               | (387)              |
|                           | <hr/>                      |                    |
|                           | <b>3,572</b>               | 12,928             |

# Consolidated revenue account

for the year ended 31st December 2018  
(In thousands of Gambian Dalasi)

|   | <b>31-Dec-18</b><br><b>D.000</b> | 31-Dec-17<br>D.000 |
|---|----------------------------------|--------------------|
| <b>Income</b>                                 |                                  |                    |
| Investment income                             | <b>207,600</b>                   | 177,274            |
| Project income                                | <b>85,092</b>                    | 52,117             |
| Other income                                  | <b>17,576</b>                    | 25,411             |
|   |                                  |                    |
| <b>Total income</b>                           | <b>310,268</b>                   | 254,802            |
|   |                                  |                    |
| <b>Expenditure &amp; Impairment</b>           |                                  |                    |
| Project cost                                  | <b>(7,017)</b>                   | (9,139)            |
| General and administrative expenses           | <b>(161,448)</b>                 | (167,774)          |
| Interest expense                              | -                                | (1,878)            |
|   |                                  |                    |
| <b>Total Expenditure before impairment</b>    | <b>(168,465)</b>                 | (178,791)          |
|   |                                  |                    |
| <b>Surplus before impairment</b>              | <b>141,803</b>                   | 76,011             |
| Provision for Bad debt                        | -                                | (18,378)           |
| Impairment of equity investment               | <b>(56,147)</b>                  | (40,545)           |
|   |                                  |                    |
| <b>Total impairment</b>                       | <b>(56,147)</b>                  | (58,823)           |
|   |                                  |                    |
| <b>Net new money available for investment</b> | <b>85,656</b>                    | 17,088             |

# Consolidated Balance Sheet

as at 31 December 2018  
(In thousands of Gambian Dalasi)

|                               | 31-Dec-18<br>D.000 | 31-Dec-17<br>D.000 |
|-------------------------------|--------------------|--------------------|
| <b>Non - current assets</b>   |                    |                    |
| Property, plant and equipment | 77,152             | 82,784             |
| Equity Investments            | 948,491            | 989,035            |
| Investment properties         | 950,455            | 950,431            |
| Mortgages                     | 154,617            | 154,617            |
|                               | <b>2,130,715</b>   | 2,176,867          |
| <b>Current assets</b>         |                    |                    |
| Trade and other receivables   | 778,534            | 707,224            |
| Loans to member institutions  | 189,823            | 261,261            |
| Other financial assets        | 1,548,662          | 1,086,157          |
| Mortgages                     | 65,052             | 65,681             |
| Project work in progress      | 2,962              | 2,962              |
| Cash at bank and in hand      | 124,183            | 78,512             |
|                               | <b>2,709,216</b>   | 2,201,797          |
| <b>Total current assets</b>   | <b>2,709,216</b>   | 2,201,797          |
| <b>Total assets</b>           | <b>4,839,931</b>   | 4,378,664          |
| <b>Equity and liabilities</b> |                    |                    |
| <b>Capital and Reserves</b>   |                    |                    |
| Members fund                  | 5,749,570          | 5,358,385          |
| Revenue reserve               | 10,318             | 7,288              |
| Revaluation reserve           | 98,531             | 98,531             |
| Accumulated funds             | (1,446,361)        | (1,484,953)        |
|                               | <b>4,412,058</b>   | 3,979,251          |
| <b>Current liabilities</b>    |                    |                    |
| Trade and other payables      | 427,873            | 399,413            |
|                               | <b>427,873</b>     | 399,413            |
| <b>Total liabilities</b>      | <b>427,873</b>     | 399,413            |
| Total equity and liabilities  | <b>4,839,931</b>   | 4,378,664          |

## **Contingent Liabilities**

### Isatou Dibba and 2 Others V SSHFC

The plaintiffs are suspended employees of the defendant who have filed an application seeking for the interpretation of the Labour Act and the Service Rules of the defendant regarding their suspension and nonpayment of salaries. If they succeed they would be paid six months salaries.

## **Subsequent Events**

There were no subsequent events affecting the corporation.