



Social Security and Housing Finance Corporation(SSHFC)

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



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1 General Information

Directors	Momodou Aki Bayo	Chairman (up to April 2016)
	Sulayman Samba	Chairman (from April 2016)
	Edward Graham	Managing Director – SSHFC
	Saibatou Faal	Deputy Managing Director
	Oreme Joiner	FPS Rep- Member
	Malick Foon	Pensioners Rep
	Ebrima Barry	Employer Rep
	Bulli Dibba	PS MOL
	Lamin Sima	Staff Rep
Secretary	Baboucarr .A. Foon	SSHFC
Bankers	Trust Bank Limited	Guaranty Trust Bank (Gambia) Limited
	3/4 ECOWAS Avenue	56 Kairaba Avenue
	Banjul, The Gambia	Serrekunda, The Gambia
	Standard Chartered Bank (Gambia) Limited	First Bank of Nigeria (Gambia) Ltd
	8 ECOWAS Avenue	48 Kairaba Avenue
	Mega Bank	Access Bank (Gambia) Limited
	11 Liberation Avenue	47 Kairaba Avenue
	Banjul, The Gambia	KSMD, The Gambia
	Arab Gambian Islamic Bank Limited	Zenith Bank (Gambia) Limited
	7 ECOWAS Avenue	49 Kairaba Avenue
	Banjul, The Gambia	KSMD, The Gambia



First International Bank (Gambia) Limited
Kairaba Avenue
KSMD, The Gambia

Bank Saheliene For Investment
Kairaba Avenue
Fajara, The Gambia

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

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

Auditors

DT Associates
1 Paradise Beach Place
Bertil Harding Highway - KSMD
P.O Box 268
Banjul, The Gambia

Solicitors

Lords Chambers
Dippa Kunda
KMC
The Gambia

Solie Law Chambers
Fajara East
KMC
The Gambia

Actuaries

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

FPF William M Mercer Limited
United Kingdom

IICF U.K. Government Actuary
United Kingdom

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 2016.

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 the financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the 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 of the private and public sector organisations in The Gambia. The Corporation also operates housing schemes to the public.

Results

The results for the year ended 31st December 2016 are as detailed in the accompanying financial statements.

Royalties

Royalties payable to the Government of The Gambia are computed on the basis of 1.5% of gross income.



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 2014 on the Federated Pension Scheme and the Industrial Injuries Compensation Fund. The primary objective of the fund which states that the existing assets should be sufficient to cover fully the value of the benefits in respect of services already completed has been achieved. The total value of the assets of the fund represents the 72.7% of the total actuarial liabilities of the fund i.e the funding level is 72.7%. This means that the current value of the assets of the fund is not enough to fully cover the actuarial liabilities arising from the current active and pensioner membership. As a result the Fund has an actuarial deficit. 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 5.

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.

Going concern

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

Auditors

The auditors are appointed by the Auditor General.

By Order of the Board of Directors

[Handwritten signature]

Secretary

Date... 27th December ...2018



Report of the Independent Auditors Federated Pension Fund

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

Opinion

We have audited the financial statements of Social Security and Housing Finance Corporation's Federated Pension Fund, which comprise the statement of financial position as at 31st December 2016, 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's Federated Pension Fund as at 31st December 2016, 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.

Emphasis of matter

We draw attention to the Actuarial report included in the Directors' Report on pages 7 to 8. The primary objective of the fund which states that the existing assets should be sufficient to cover fully the value of the benefits in respect of services already completed has been achieved. The total value of the assets of the fund represents the 72.7% of the total actuarial liabilities of the fund i.e the funding level is 72.7%. This means that the current value of the assets of the fund is not enough to fully cover the actuarial liabilities arising from the current active and pensioner membership. As a result the Fund has an actuarial deficit. Our opinion is not qualified in respect of this matter.



Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the 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.

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

DT Associates

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DT Associates

DT Associates
Chartered Accountants
Registered Auditors
Aji Penda Sankareh
Partner

Date *27th December*2018



Income Statement - Federated Pension fund

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

	Notes	31-Dec-16 D.000	31-Dec-15 D.000
Income			
Investment income	2	56,536	78,279
Other income	3	9,582	582
Total income		66,118	78,861
Expenditure			
General and administrative expenses	4	64,963	56,579
Provision for doubtful debt	8	52,928	-
Royalties	5	992	1,182
Total expenditure		(118,883)	(57,761)
(Deficit)/Surplus for the year		(52,765)	21,100

The notes form part of these financial statements.



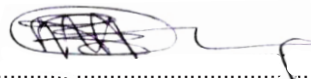
Balance Sheet- Federated Pension fund

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

	Notes	31-Dec-16 D.000	31-Dec-15 D.000
Assets			
Non - current assets			
Property, plant and equipment	9	84,129	73,343
Equity investment	7	456,620	678,607
Investment properties	6	231,935	10,374
Total non - current assets		772,684	762,324
Current assets			
Loans to member institutes	8	65,414	50,015
Trade and other receivables	10	443,702	487,844
Other financial assets	11	196,855	150,050
Cash at bank and in hand	12	12,280	7,302
Total current assets		718,251	695,211
Total assets		1,490,935	1,457,535
Equity and liabilities			
Capital and Reserve			
Members fund		1,451,372	1,418,223
Revenue reserves		3,932	3,932
Revaluation reserves		21,825	21,825
Total equity		1,477,129	1,443,980
Current liabilities			
Trade and other payables	13	13,806	13,555
Total equity and liabilities		1,490,935	1,457,535

These financial statements were approved by the Board of Directors on 27th Dec......2018 and signed on its behalf by:


..... Director


..... Director

The notes form part of these financial statements.



Statement of changes in members' fund and reserves - Federated Pension fund

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

	Members Fund D.000	Revenue Reserve D.000	Revaluation Reserve D.000	Total D.000
Balance as at 1st January 2015	1,342,054	3,794	21,825	1,367,673
Contributions less benefits	59,331	-	-	59,331
Surplus for the year	21,100	-	-	21,100
Revenue allocated to reserves	-	138	-	138
Prior year adjustment	(4,262)	-	-	(4,262)
Balance as at 31 December 2015	1,418,223	3,932	21,825	1,443,980
Balance as at 1st January 2016	1,418,223	3,932	21,825	1,443,980
Prior year adjustment	28,991	-	-	28,991
Restated opening balance	1,447,214	3,932	21,825	1,472,971
Contributions less benefits	56,923	-	-	56,923
Deficit for the year	(52,765)	-	-	(52,765)
Balance as at 31 December 2016	1,451,372	3,932	21,825	1,477,129

Prior year adjustment of D28.9mis as a result of GIA loan provision done in 2010 amounting to D18.6m which was later restructured in 2014 and not reversed. It also includes an adjustment for contribution arrears in respect of GRTS amounting to D10.3m that was omitted from the books of the Corporation.

The notes form part of these financial statements.



Statement of cash flows - Federated Pension Fund

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

	Notes	31-Dec-16	31-Dec-15
		D.000	D.000
(Deficit)/Surplus for the year		(52,765)	21,100
Depreciation		8,950	7,993
Profit /loss on disposal of fixed assets		(21)	-
(Decrease) / increase in royalties provision		26	(353)
		(43,810)	28,740
Movements in working capital			
Changes in trade and other receivables		44,142	(126,735)
Changes in trade and other payables		246	(746)
Cash generated from operations		578	(98,741)
Cash flows from investing activities			
Changes in bank term deposits		(46,805)	43,292
Purchase of tangible fixed assets		(19,736)	(13,535)
Changes in loan to member institutions		(15,399)	4,957
Changes in Equity investments		221,987	15,600
Changes in investment properties		(221,561)	-
Movement in Revenue Reserve		-	138
Prior year adjustment		28,991	(4,262)
Net cash used in investing activities		(52,523)	46,190
Cash flows from financing activities			
Net contribution members'	14	56,923	59,331
Net cash from financing activities		56,923	59,331
Net increase in cash and cash equivalents	12	4,978	6,780
Cash and cash equivalents at the beginning of the financial year	12	7,302	522
Cash and cash equivalents at the end of the financial year		12,280	7,302

The notes form part of these financial statements.



Notes (forming part of the financial statements) - Federated 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 Companies ACT 2013.

1.2 Property, plant and equipment

Property, plant and equipments are depreciated by installments over their estimated useful lives. The installments are calculated to reduce the assets to their residual values at the end of the depreciation period. Motor vehicles, 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:

Mainframe computer	25%
Electricity generator	10%
Head office building	1%
Office equipment	20%
Office furniture and fixtures	10%
Motor vehicles	33.3%
Office bicycle	33.3%

Fixed assets purchased by the Federated Pension Fund is fully capitalized and depreciated over their useful economic life under the Federated Pension Fund account. The total costs of assets purchased are apportioned over the useful economic life in the ratio 32:36:20:12 to Federated Pension, 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 revalued 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

Expenditure initially borne by the Federated Pension Fund and apportioned between the funds in the ratio 32:36:20:12 to Federated Pension Fund, National Provident Fund, Housing Finance Fund and Injuries Compensation Fund 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

	31-Dec-16 D.000	31-Dec-15 D.000
Interest on term deposit	23,487	35,610
Dividend income	32,049	41,559
Rental income	1,000	1,110
	<u>56,536</u>	<u>78,279</u>

3. Other income

	31-Dec-16 D.000	31-Dec-15 D.000
Interest on loans	8,908	842
Profit/ (loss) on sale of fixed assets	21	(2,067)
Miscellaneous Income	653	1,807
	<u>9,582</u>	<u>582</u>

4. General and administrative expenses

	31-Dec-16 D.000	31-Dec-15 D.000
Staff cost	19,585	17,897
Administrative expenses	42,328	30,342
Depreciation	2,791	7,995
Audit	259	345
	<u>64,963</u>	<u>56,579</u>



5. Royalties

	31-Dec-16 D.000	31-Dec-15 D.000
1.5% of gross income	992	1,182
	<u>992</u>	<u>1,182</u>

Royalties are charged on 1.5% of total investment and other income.

6. Investment Properties

		31-Dec-16 D.000	31-Dec-15 D.000
Cotton street building	6a	10,374	10,374
Ocean Bay Hotel	6b	178,272	-
Sunbeach Hotel	6c	43,289	-
		<u>231,935</u>	<u>10,374</u>

6a. Cotton street building was acquired in 1985 as an investment property and let on tenancy since inception.

6b. Ocean Bay Hotel and Resort is an investment property of the Corporation and has been leased for a period of 10 years.

6c. Sunbeach Hotel located at Cape Points, forms part of the Corporations Investments in the Hotel Industry and has been leased.

7. Equity Investment

	31-Dec-16 D.000	31-Dec-15 D.000
Equity investment-CFAO	550	976
Equity investment-SCB(G)LTD	24,407	24,407
Equity investment-NAWEC	4,000	4,000
Equity investment-Trust Bank	117,396	117,396
Equity investment-Ocean Bay Hotel	-	178,272
Equity investment: Gamco	15,600	15,600
Gam Petroleum Equity	248,569	248,569
Equity investment-Sunbeach Hotel	-	43,289
GTSC Equity	65,698	65,698
	<u>(15,600)</u>	<u>(15,600)</u>
prov. for impair. Gamco invest.	<u>(4,000)</u>	<u>(4,000)</u>
Prov. for impaired -Nawec	<u>456,620</u>	<u>678,607</u>



GAMCO

A 100% provision of the investment in Gamco has been made as the company has been fully liquidated.

Ocean Bay Hotel and Resort

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

Sunbeach Hotel

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

Gam- Petroleum

The Gam-Petroleum Investment is the Corporations investment share in the Petroleum Storage Facility in which the approval was granted by a Government Directive.

GTSC

Gambia Transport Service Corporation (GTSC), the former Gambia Public Transport Company (GPTC) has been acquired by the corporation and named after Gambia Transport Service Corporation (GTSC) which is a 100% Subsidiary of the Corporation.

NAWEC

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

8. Loans to member institution and Government of The Gambia

	31-Dec-16	31-Dec-15
	D.000	D.000
Loan to Gam. Govt. (Police line barracks)	675	675
Loan to Gam. Govt. (Ic2012/008 John Deere)	52,226	52,226
Gambia Food and Feed Industries (GFFI)	1,702	1,169
Gambia Family Planning Association (GFPA)	27	27
Gambia International Airlines (GIA)	16,253	14,551
Gambia Transport Service Corporation (GTSC)	47,459	-
	118,342	68,648
Less		
Provision for GIA loan	-	(18,633)
Provision for Gambia Government Loan(John Deere)	(52,226)	-
Provision Gambia Family Planning Association (GFPA)	(27)	-
Provision Gam. Govt. (Police line barracks)	(675)	-
	65,414	50,015



9. 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
Cost							
At 1 January 2016	50,723	22,088	15,879	94,304	5,602	-	188,596
Additions	284	8,185	3,646	3,822	-	3,799	19,736
Disposal	-	(1,420)	-	-	-	-	(1,420)
At 31 December 2016	51,007	28,853	19,525	98,126	5,602	3,799	206,912
Depreciation							
At 1 January 2016	3,530	15,894	6,096	86,621	3,112	-	115,253
Charge for the year	509	2,982	1,502	3,577	380	-	8,950
Disposal	-	(1,420)	-	-	-	-	(1,420)
At 31 December 2016	4,039	17,456	7,598	90,198	3,492	-	122,783
Net book values At 31 December 2016	46,968	11,397	11,927	7,928	2,110	3,799	84,129
At 31 December 2015	47,193	6,194	9,783	7,683	2,490	-	73,343



10. Trade and other receivables

	Notes	31-Dec-16 D.000	31-Dec-15 D.000
Contributions receivable		23,105	20,443
Dividend receivable		8,060	21,680
Interfund current account - Housing/IICF/Provident		300,152	264,478
Sundry debtors		175	85,971
Prepayments		692	-
Staff loans		127,973	106,842
Student loan		1,213	1,216
Staff club loan		1,500	1,500
		462,870	502,130
Less: provisions			
For doubtful contribution arrears		(11,907)	(11,907)
For ex staff loans		(7,261)	(2,379)
		443,702	487,844

11. Other financial investments

	Cost D.000	Interest Accrued D.000	31-Dec-16 D.000	31-Dec-15 D.000
Bank term deposit	183,000	13,855	196,855	150,050
	183,000	13,855	196,855	150,050

12. Analysis of the cash and bank balance

	31-Dec-16 D.000	31-Dec-15 D.000	Changes in year D.000
Cash at bank	12,275	7,302	4,973
Cash in hand	5	-	5
	12,280	7,302	4,978

13. Current liabilities

31-Dec-16 31-Dec-15



	D.000	D.000
Unclaimed pensions	3,320	2,374
Deferred pensions	4,340	4,340
Gambia Government Royalties	17	495
Sundry creditors	4,012	4,689
Other liabilities	2,117	1,624
Wages	-	33
	13,806	13,555

14. Net contributions from members

	31-Dec-16 D.000	31-Dec-15 D.000
Contributions	153,989	133,489
Benefit and refunds	(36,874)	(74,158)
Periodic pension payments	(60,192)	-
	56,923	59,331



Report of the Independent Auditors National Provident Fund

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

Opinion

We have audited the financial statements of Social Security and Housing Finance Corporation -National Provident fund, which comprise the statement of financial position as at 31st December 2016, 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' National Provident fund as at 31st December 2016, 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.

Going concern

We draw attention to the Statement of Changes in members' fund and reserves which details that the National Provident Fund has incurred cumulative losses at the year ended December 31, 2016 of D1.6 billion. This condition as set forth in the financial statements indicate the existence of a material uncertainty that may cast significant doubt about the Fund's ability to continue as a going concern. However, the directors believe that it is unlikely that the Fund would wind up in the future as it has



adequate support from the Government of The Gambia. Our opinion is not qualified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the 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.

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. 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 Associate

DT Associates
Chartered Accountants
Registered Auditors
Aji Penda Sankareh
Partner

27th December
Date2018



Income Statement - National Provident Fund

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

	Notes	31-Dec-16 D.000	31-Dec-15 D.000
Income			
Investment income	2	60,417	29,408
Other income	3	14,086	34,628
		<hr/>	<hr/>
Total income		74,503	64,036
Expenditure			
General and administrative expenses	4	66,832	72,440
Interest expense	5	19,479	-
Royalties	6	1,118	961
Provision for doubtful debt	11	1,455,276	-
Impairment of equity investment	9	147,893	-
Interest on members' funds	7	-	5,698
		<hr/>	<hr/>
Total expenditure		(1,690,598)	(79,099)
		<hr/>	<hr/>
Deficit for the year		(1,616,095)	(15,063)
		<hr/> <hr/>	<hr/> <hr/>





Balance Sheet- National Provident Fund

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

Assets	Notes	31-Dec-16 D.000	31-Dec-15 D.000
Non - current assets			
Equity Investments	9	497,858	1,152,080
Investment property	8	618,926	111,453
Total non - current assets		1,116,784	1,263,533
Current assets			
Trade and other receivables	10	74,634	165,949
Loans to member institutions	11	283,641	1,734,369
Other financial assets	12	306,848	140,813
Cash at bank and in hand	13	19,507	11,464
Total current assets		684,630	2,052,595
Total assets		1,801,414	3,316,128
Equity and liabilities			
Capital and reserves			
Members fund		3,349,157	3,221,918
Revenue reserves		3,333	3,333
Revaluation reserves		63,289	63,289
Accumulated reserves		(1,657,797)	(41,702)
Total equity		1,757,982	3,246,838
Current liabilities			
Trade and other payables	14	43,432	69,290
Total equity and liabilities		1,801,414	3,316,128

These financial statements were approved by the Board of Directors on ^{27th} Dec.2018 and signed on its behalf by:


..... Director


..... 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 2016
(In thousands of Gambian Dalasi)

	Members Fund D.000	Revenue Reserve D.000	Revaluation Reserve D.000	Accumulated Reserve D.000	Total D.000
Balance as at 1st January 2015	3,086,625	3,333	63,289	(30,160)	3,123,087
Contributions less benefits	129,595	-	-	-	129,595
Deficit for the year	-	-	-	(15,062)	(15,062)
Interest on member fund transfer from fund account	5,698	-	-	-	5,698
Prior year adjustment	-	-	-	3,520	3,520
Balance as at 31 December 2015	3,221,918	3,333	63,289	(41,702)	3,246,838
Balance as at 1st January 2016	3,221,918	3,333	63,289	(41,702)	3,246,838
Contributions less benefits	127,239	-	-	-	127,239
Deficit for the year	-	-	-	(1,616,095)	(1,616,095)
Balance as at 31 December 2016	3,349,157	3,333	63,289	(1,657,797)	1,757,982

The notes form part of these financial statements.



Statement of cash flows – National Provident Fund

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

	Notes	31-Dec-16 D.000	31-Dec-15 D.000
Deficit for the year		(1,616,095)	(15,063)
interest on members' fund		-	5,698
		(1,616,095)	(9,365)
Movements in working capital			
Changes in trade and other receivables		91,315	14,414
Changes in trade and other payables		(25,858)	(32,445)
Prior year adjustment		-	3,520
Cash generated from/used by operations		65,457	(23,876)
Cash flows from investing activities			
Purchase of equity investment		654,222	(6,251)
Purchase of Investment		(507,473)	(104,563)
Changes in bank term deposit		(166,035)	-
Loans to member institution and others		1,450,728	-
Net cash generated from/ used in investing activities		1,431,442	(110,814)
Cash flows from financing activities			
Net contribution members'		127,239	129,596
Net cash from financing activities		127,239	129,596
Net increase/(decrease) in cash and cash equivalents	13	8,043	(5,094)
	13		
Cash and cash equivalents at the beginning of the financial year		11,464	16,558
Cash and cash equivalents at the end of the financial year		19,507	11,464

The notes form part of these financial statements.



Notes (forming part of the financial statements) - National Provident fund

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are material in relation to the National Provident Fund 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 Companies ACT 2013.

1.2 Property, plant and equipment

Fixed assets purchased by the Federated Pension Fund is fully capitalized and depreciated over their useful economic life under the Federated Pension Fund account. The total costs of assets purchased are apportioned over the useful economic life in the ratio 32:36:20:12 to Federated Pension, 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 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

Expenditure initially borne by the Federated Pension Fund and apportioned between the funds in the ratio 32:36:20:12 to Federated Pension Fund, National Provident Fund, Housing Finance Fund and Injuries Compensation Fund respectively.

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-16 D.000	31-Dec-15 D.000
Income on term deposits	40,116	15,206
Income on Govt. treasury bills	4,126	233
Investment income- GTSC	-	750
Dividend income- Gambia Petroleum	5,200	3,361
Rental income- NTC Complex	7,821	5,712
Lease income- Ocean Bay	3,154	4,146
	<u>60,417</u>	<u>29,408</u>

3. Other income

	31-Dec-16 D.000	31-Dec-15 D.000
Corporate loan interest	12,907	27,973
Sundry income	1,179	6,655
	<u>14,086</u>	<u>34,628</u>

4. General and administrative expenses

31-Dec-16	31-Dec-15
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	D.000	D.000
Staff cost	22,012	16,520
Administrative expenses	41,389	53,886
Pension fund recharge	3,139	1,646
Audit	292	388
	<u>66,832</u>	<u>72,440</u>

5. Interest expense

	31-Dec-16 D.000	31-Dec-15 D.000
Trust Bank loan	19,479	-
	<u>19,479</u>	<u>-</u>

6. Royalties

	31-Dec-16 D.000	31-Dec-15 D.000
1.5% of gross income	1,118	961
	<u>1,118</u>	<u>961</u>

Royalties are charged on 1.5% of total investment and other income, excluding contributions received and receivable.

7. Interest on Members Fund

	31-Dec-16 D.000	31-Dec-15 D.000
Interest on members fund	-	5,698
	<u>-</u>	<u>5,698</u>

The interest on the Member's Funds is normally calculated as the average return on investments, less an allowance for administration cost of 2%, on the average Member's Fund for the year. The National provident fund had a deficit of D1.6 Billion during the period under review and as such Management could not pay interest on member's fund.



8. Investment Properties

		31-Dec-16 D.000	31-Dec-15 D.000
Old Law Court	8a.	11,153	11,153
NTC Complex	8b.	100,300	100,300
Ocean Bay	8c.	338,948	-
Sun Beach		168,525	-
		<u>618,926</u>	<u>111,453</u>

8a. Old Law Court was acquired in 1992 for rental purposes.

8b. NTC Complex was acquired in 2012 and let out to various tenants on an annual basis.

8c. Ocean Bay Hotel and Resort is an investment property 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.

9. Equity investments

		31-Dec-16 D.000	31-Dec-15 D.000
Ocean Bay Hotel and Resort		-	338,946
Qatari equity		133,605	133,605
Gallia Holdings		162,180	161,274
Investment in Gampetroleum		103,156	103,156
Sunbeach Hotel		-	168,289
Gambia Transport Service Corporation (GTSC)		246,810	246,810
		<u>645,751</u>	<u>1,152,080</u>
Less Provision:			
Qatari		(66,803)	-
Gallia		(81,090)	-
		<u>497,858</u>	<u>1,152,080</u>

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%.

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.

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.



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

Equity Impairment

Equity impairment of D147.9 million relates to 50% provision for Gallia and Qatari investments.

10. Trade and other receivables

	31-Dec-16	31-Dec-15
	D.000	D.000
Contributions receivable	65,142	88,021
Sundry Debtors and prepayments	36,524	89,772
Interfund - FPS//HFF/IICF	(10,919)	4,704
Rent receivable	5,106	3,672
Dividend receivable	-	999
	95,853	187,168
Less Provisions:		
Doubtful contributions	(21,219)	(21,219)
	74,634	165,949



11. Loans to Member Institutions / Government of The Gambian

	31-Dec-16	31-Dec-15
	D.000	D.000
Loan to Gamcel	93,446	77,834
Loan to GAM.GOV'T	152,611	115,486
Loan to GGC	19,720	19,719
Loan to NAWEC	105,392	131,534
Loan to GPA	81,367	103,417
NAWEC GENERATOR (BOT)	74,517	74,517
Loan to GAM GOVT.(POLICE BARRACKS)	2,125	2,125
Loan to NAWEC (ITFC/ISDB)	821,501	821,501
Loan to GAM GOVT.(LC 2012/008 JOHN DEERE)	4,866	4,866
Loan to GAM GOVT.(OP)	141,573	141,573
Loan(GAURANTEE) GRTS	46,950	46,950
GGC Loan GUARANTEE	92,995	92,995
GCCA (FIRE TENDERS & AMBULANCE)	100,543	100,543
Loan to GFFI	1,311	1,309
	<hr/>	<hr/>
	1,738,917	1,734,369
Less Provision:		
Loan to GAM.GOV'T	(152,611)	-
Loan to GGC	(19,720)	-
NAWEC GENERATOR (BOT)	(74,517)	-
Loan to NAWEC (ITFC/ISDB)	(821,501)	-
Loan to GAM GOVT.(LC 2012/008 JOHN DEERE)	(4,866)	-
Loan to GAM GOVT.(OP)	(141,573)	-
Loan(GAURANTEE) GRTS	(46,950)	-
GGC Loan GUARANTEE	(92,995)	-
GCCA (FIRE TENDERS & AMBULANCE)	(100,543)	-
	<hr/>	<hr/>
	283,641	1,734,369

Loan to Gamcel

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

Loan to Gambia Government

These loans to the government of The Gambia represents partial calls on 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.

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.



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.

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.

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.

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.

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.

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.

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.

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 fail 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.

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.



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.

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.

Bad Debt Provision

Bad debt provision of D1.455 Billion relates to 100% provision for Gambia Government Loan, GGC Loan, GRTS Loan, GCAA Loan and NAWEC Loan.

12. Other financial assets

Other financial assets include

	Cost D.000	Interest accrued D.000	31-Dec-16 D.000	31-Dec-15 D.000
Gambia Government Treasury Bills	-	-	-	20,239
Bank term deposits	275,572	31,276	306,848	120,574
	<u>275,572</u>	<u>31,276</u>	<u>306,848</u>	<u>140,813</u>

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

	31-Dec-16 D.000	31-Dec-15 D.000	Changes in year D.000
Cash at bank	19,507	11,464	8,043
	<u>19,507</u>	<u>11,464</u>	<u>8,043</u>



14. Trade and other payables

	31-Dec-16 D.000	31-Dec-15 D.000
Sundry creditors	9	6
Other liabilities	4,352	4,355
Royalties	1,424	1,040
Trust Bank loan	37,647	63,889
	<hr/>	<hr/>
	43,432	69,290
	<hr/> <hr/>	<hr/> <hr/>

15. Net contributions from members

	31-Dec-16 D.000	31-Dec-15 D.000
Contributions	227,391	236,873
Benefit and refunds	(100,153)	(107,277)
	<hr/>	<hr/>
	127,238	129,596
	<hr/> <hr/>	<hr/> <hr/>



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 2016, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of the Corporation's Housing Fund as at 31st December 2016, 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 Qualified 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.

Qualified Opinion

Included in note 3 of the financial statements under Project Cost is land compensation with an amount of D16.4million as at 31 December 2016. From our audit tests, we noted that the payment was made through the Ministry of lands of which D6.8m was not retired, supported or explained by the Ministry. We were unable to obtain sufficient appropriate audit evidence about the unretired balance of D6.8m



included in the balance of D16.4m as at 31st December 2016. Consequently, we were unable to determine whether any adjustments to these accounts were necessary.

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.

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:

DT AssociatesDT

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

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

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

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DT Associate

DT Associates
Chartered Accountants
Registered Auditors
Aji Penda Sankareh
Partner

27th December
Date2018

Income Statement - Housing Finance Fund

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

	Notes	31-Dec-16	31-Dec-15
Mortgage income	2	84,936	64,531
Investment income	4	10,891	3,422
Other income	5	2,768	5,216
		98,595	73,169
Project cost	3	41,093	33,482
General & administrative expenses	6	52,689	41,911
Finance cost		-	1,046
Royalties	7	1,479	1,097
Total expenditure		(95,261)	(77,536)
Surplus/(deficit) for the year		3,334	(4,367)

The notes form part of these financial statements.





Balance Sheet- Housing Finance Fund

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

Assets	Notes	31-Dec-16 D.000	31-Dec-15 D.000
Non - current assets			
Property, plant and equipment	10	1,188	5,053
Equity investments	9	30,756	40,914
Investment properties	8	90,214	33,576
Mortgages	11	180,721	192,980
Total non - current assets		302,879	272,523
Trade and other receivables	13	103,828	103,248
Other financial assets	14	66,973	28,397
Mortgages	11	40,227	42,310
Project work in progress	12	10,314	76,287
Cash at bank and in hand	16	15,359	12,766
Total assets		539,580	535,531
Equity and liabilities			
Capital and reserves			
Revaluation reserves		13,417	13,417
Accumulated reserves		175,671	190,564
Total equity		189,088	203,981
Current liabilities			
Trade and other payables	15	350,492	331,550
Total liabilities		350,492	331,550
Total equity and liabilities		539,580	535,531

These financial statements were approved by the Board of Directors on 27th Dec. 2018 and 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 2016
(In thousands of Gambian Dalasi)

	Brusubi Estate D.000	Accumulated Reserve D.000	Revaluation Reserve D.000	Total D.000
Balance as at 1st January 2015	3,514	243,271	13,417	260,202
Amortisation during the year	(3,514)	-	-	(3,514)
Deficit for the year	-	(4,367)	-	(4,367)
Prior year adjustment	-	(48,340)	-	(48,340)
Balance as at 31 December 2015	-	190,564	13,417	203,981
Balance as at 1st January 2016	-	190,564	13,417	203,981
Prior year adjustment	-	(18,227)	-	(18,227)
Restated Opening balance	-	172,337	13,417	185,754
Surplus for the year	-	3,334	-	3,334
Balance as at 31 December 2016	-	175,671	13,417	189,088

The prior year adjustment of D18.2 million is as a result of adjustment in respect of mortgage interest accrued on customers' accounts in relation to prior period.

When a mortgage customer's plot is repossessed or a mortgage customer opts out of the scheme, they do not pay for the accrued interest; instead they are refunded the total amount of their mortgage repayment less D5, 000 administrative charges on service plots. Any accrued mortgage interest balance on their account is adjusted through for when the mortgage customer is derecognised in the books.

The notes form part of these financial statements.



Statement of cash flows – Housing Finance Fund

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

	Notes	31-Dec-16 D.000	31-Dec-15 D.000
Operating profit/ (loss)		3,334	(4,367)
Depreciation		507	938
loss on sale of fixed asset		3,358	884
Share price devaluation		10,158	-
		<u>17,357</u>	<u>(2,545)</u>
Movements in working capital			
Changes in trade and other payables		18,942	18,374
Changes in trade and other receivables		13,762	39,379
Prior year adjustment		(18,227)	(48,340)
		<u>14,492</u>	<u>9,413</u>
Cash generated from operations		31,834	6,868
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(1,235)
Proceeds on sale of fixed assets		-	(431)
Changes in bank term deposit		(38,576)	(22,493)
Changes in investment		(56,638)	(973)
Changes in project cost work in progress		65,973	37,531
		<u>(29,241)</u>	<u>12,399</u>
Net cash generated/(used) in investing activities			
Cash flows from financing activities			
Increase / (Decrease) in borrowings		-	(13,001)
Brusubi Estate		-	(3,515)
		<u>-</u>	<u>(16,516)</u>
Net cash from financing activities			
Net increase/(decrease) in cash and cash equivalents	16	2,593	2,751
Cash and cash equivalents at the beginning of the financial year		12,766	10,015
		<u>15,359</u>	<u>12,766</u>

The notes on pages 13 to 22 form part of these financial statements.



Notes (forming part of the financial statements) - Housing Finance Fund

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are material in relation to the Housing Finance Fund 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 Companies ACT 2013.

1.2 Property, plant and equipment

Property, plant and equipments are depreciated by installments over their estimated useful lives. The installments are calculated to reduce the assets to their residual values at the end of the depreciation period. Motor vehicles, 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:

Mainframe computer	25%
Electricity generator	10%
Head office building	1%
Office equipment	20%
Office furniture and fixtures	10%
Motor vehicles	33.3%
Office bicycle	33.3%

Fixed assets purchased by the Federated Pension Fund is fully capitalized and depreciated over their useful economic life under the Federated Pension Fund account. The total costs of assets purchased are apportioned over the useful economic life in the ratio 32:36:20:12 to Federated Pension, 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:

d) 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.

e) Investment properties

Investment properties are stated at their revalued amounts.

f) 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.

Expenditure initially borne by the Federated Pension Fund and apportioned between the funds in the ratio 32:36:20:12 to Federated Pension Fund, National Provident Fund, Housing Finance Fund and Injuries Compensation Fund respectively.

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. Mortgage income

	31-Dec-16 D.000	31-Dec-15 D.000
Mortgage interest	33,233	39,035
Mortgage sales Brikama	1,502	6,884
Mortgage sales Tujereng	7,144	8,130
Outright sales Brikama	300	100
Outright sales Tujereng	3,684	2,313
Outright sales Jabang	5,828	550
Outright sales Bru 1/Ext	5,500	4,500
Outright sales Kanifing	-	1,200
Mortgage sales Brusubi Extension 1	295	669
Outright sales Completed houses	-	1,150
Sale of commercial plots Tujereng	7,365	-
Sale of commercial plots Jabang	15,985	-
Sale of commercial plots B/Jamisa	4,100	-
	<hr/>	<hr/>
	84,936	64,531
	<hr/> <hr/>	<hr/> <hr/>

3. Project cost

	31-Dec-16 D.000	31-Dec-15 D.000
Infrastructure contract cost	20,973	32,537
Operational Cost	80	5
Other contract cost	275	256
Miscellaneous expenses	3,312	684
Land compensation / purchase	16,453	-
	<hr/>	<hr/>
	41,093	33,482
	<hr/> <hr/>	<hr/> <hr/>



4. Investment income

	31-Dec-16 D.000	31-Dec-15 D.000
Income on Gambia Government T/bills	4,108	-
Bank deposit interest	6,727	3,422
Dividend income	56	-
	<u>10,891</u>	<u>3,422</u>

5. Other income

	31-Dec-16 D.000	31-Dec-15 D.000
Rental income Bakoteh	17	18
Rental income Kanifing	119	19
Rental income Bru1/Ext	900	720
Exchange Gain	13	79
Miscellaneous income	276	2,417
Rental income guest house	1,443	2,394
Profit on sale of fixed assets	-	(431)
	<u>2,768</u>	<u>5,216</u>

6. General & Administrative expenses

	31-Dec-16 D.000	31-Dec-15 D.000
Staff cost	12,198	10,372
Administrative expenses	38,079	30,385
Depreciation	2,250	938
Audit fees	162	216
	<u>52,689</u>	<u>41,911</u>



7. Royalties

	31-Dec-16 D.000	31-Dec-15 D.000
1.5% of gross income	1,479	1,097
	<u>1,479</u>	<u>1,097</u>

Royalties are charged on 1.5% of total investment and other income, excluding contributions received and receivable.

8. Investment properties

	31-Dec-16 D.000	31-Dec-15 D.000
Bakoteh Housing estate	6,560	6,560
Kanifing Market	8,989	8,698
Kanifing school	3,116	3,116
Sannon Investment	-	2,545
Basse investment properties	2,590	1,105
Mansakonko investment property	5,300	1,424
Janjanbureh investment property	8,268	7,175
Apartment Building- Bru 2	1,733	1,733
Tujereng sample house	8,658	1,220
Land purchase Lamin Mamkumbaya	30,000	-
Land purchase Kanifing industrial area	15,000	-
	<u>90,214</u>	<u>33,576</u>

Bakoteh Market

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

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.



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.

Brusubi Apartment Building PH1 & 2

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

Tujereng Sample House

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

Lamin Makumbaya

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

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.

9. Equity investment

	31-Dec-16	31-Dec-15
	D.000	D.000
Home Finance Company	14,520	24,678
Standard Chartered Bank	15,225	15,225
Gambia Transport Service Corporation	1,011	1,011
	<hr/>	<hr/>
	<u>30,756</u>	<u>40,914</u>



10. Property, plant and equipment

	Motor Vehicles D.000	Motor cycle D.000	Computers D.000	Fixtures & Fittings D.000	Office equipment D.000	Total D.000
Cost						
At 1st Jan 2016	3,085	334	2,788	2,023	3,213	11,443
Additions	-	-	-	-	-	-
Disposal	-	-	-	(1,157)	(2,672)	(3,829)
At 31 Dec 2016	3,085	334	2,788	866	541	7,614
Depreciation						
At 1st Jan 2016	2,716	155	2,464	588	467	6,390
Charge for the year	123	60	164	77	83	507
Disposal	-	-	-	(233)	(238)	(471)
At 31 Dec 2016	2,839	215	2,628	432	312	6,426
Net book values						
At 31 Dec 2016	246	119	160	434	229	1,188
At 31st Dec 2015	369	179	324	1,435	2,746	5,053



11. Mortgage receivables

	31-Dec-16 D.000	31-Dec-15 D.000
Long term mortgage debtors		
Mortgage debtors Bakoteh Housing Estate	36	36
Mortgage debtors Kanifing	5,120	5,120
Mortgage debtors Brusubi	31,059	31,059
Mortgage debtors Tujereng Housing Estate	33,009	34,089
Mortgage debtors Jabang Housing Estate	14,108	21,227
Mortgage debtors Bru1/Ext	82,361	86,876
Mortgage debtors Brikama/ Jamisa	15,028	14,573
	<u>180,721</u>	<u>192,980</u>
Current mortgage debtors		
Bakoteh mortgage debtors	41	41
Kanifing mortgage debtors	787	829
Brusubi mortgage debtors	16,251	12,486
Tujereng mortgage debtors	12,911	16,818
Jabang mortgage debtors	6,920	2,433
Brikama Jamisa mortgage debtors	7,627	4,177
Brusubi phase 1 Ext mortgage debtors	1,946	11,782
	<u>46,483</u>	<u>48,566</u>
Less provisions for bad and doubtful debt		
Bakoteh mortgage debtors	(62)	(62)
Kanifing mortgage debtors	(3,887)	(3,887)
phase 1/ Ext mortgage debtors	(2,307)	(2,307)
	<u>40,227</u>	<u>42,310</u>



12. Project work-in – progress

	31-Dec-16 D.000	31-Dec-15 D.000
HFF WORK-IN-PROG INFRAST. COST Tujereng	1,495	20,334
HFF WORK-IN-PROG INFRAST. COST Jabang	2,962	2,962
HFF WORK-IN-PROG INFRAST. COST Brikama	5,857	7,991
Work in progress	-	45,000
	10,314	76,287

13. Other receivables

	31-Dec-16 D.000	31-Dec-15 D.000
HFF INFRAST. COST KANILAI	34,943	34,943
DEFERRED COST COMPT. HOUSE KANILAI	66,532	66,532
MISCELLANEOUS SUNDRY DEBTORS	2,353	1,773
	103,828	103,248

Kanifing Housing Estate Project

The mortgage repayment for this project started in 1993 and for a repayment period of twenty–five years. However, the repayment term expired in January 2018. A list of defaulters has been forwarded to the Coporation's solicitor for possible legal action.

Brusubi Phase 2 AND PH 2/ EXT (Core houses and complete houses)

The mortgage repayment for this project started in 2004 and it is for a repayment period of fifteen years for Core houses and eight years for complete houses. However, the repayment period for the core houses is yet to expire but that of complete houses has elapsed. A list has been forwarded to the Coporation's solicitor for possible legal action against serious defaulters. Judgment has been obtained in some cases and is being enforced. Over the years some of the completed houses were repossessed and later re -allocated.

Brusubi Phase 1/EXT.(Bungalor and storey building)

The mortgage repayment for this project started in 2009 and it is for a repayment period of fifteen years. However, the repayment period for the project is yet to expire. But a list of serious defaulters has been forwarded to the Coporation's solicitor for possible legal action to recover the arrears.

Tujering, Jabang and Brikama Jamissa housing projects (service plots)

The mortgage repayment for these projects started in 2009 and it is for a repayment period of eight years. However, the repayment period for the project is expiring in 2017. Over the years some of the plots



were repossessed and later re-allocated on same mortgage terms. The focus of management now is any plot repossessed will be sold outright and not mortgaged.

14. Other financial assets

Other financial assets include:	Cost D.000	Accrued interest D.000	31-Dec-16 D.000	31-Dec-15 D.000
Gambia Government treasury bills	22,484	4,108	26,592	-
Bank term deposit	35,207	5,174	40,381	28,397
	<u>57,691</u>	<u>9,282</u>	<u>66,973</u>	<u>28,397</u>

15. Trade and other payables

	31-Dec-16 D.000	31-Dec-15 D.000
HFF contract creditor	10,927	17,931
Sundry creditors	6,829	6,217
HFF client legal fees payable	1,054	2,822
Royalties	7,443	5,979
deferred income	7,905	17,174
Unallocated receipts	529	377
Inter fund account	315,805	281,050
	<u>350,492</u>	<u>331,550</u>

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

	31.12.16 D.000	31.12.15 D.000	Changes in year D.000
Cash at bank	15,359	12,766	2,593
	<u>15,359</u>	<u>12,766</u>	<u>2,593</u>



Report of the independent auditors Injuries Compensation Fund

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

Opinion

We have audited the financial statements of Social Security and Housing Finance Corporation's Industrial Injury Compensation Fund, which comprise the statement of financial position as at 31st December 2016, 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's Injuries Compensation Fund as at 31st December 2016, 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.

Emphasis of matter

We draw attention to the Actuarial report included in the directors' report on page 8. As per the report, existing contribution rates for Industrial Injury Compensation fund was not adequate to fund the expected benefits over the long term. However, our opinion is not qualified in respect of this matter.

DT Associates

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DT Associate

DT Associates
Chartered Accountants
Registered Auditors
Aji Penda Sankareh
Partner

Date *27th December*.....2018



Income Statement - Industrial Injury Compensation Fund

for the year ended 31 December 2016

(In thousands of Gambian Dalasi)

	Notes	31-Dec-16 D.000	31-Dec-15 D.000
Income			
Investment income	2	26,290	22,997
Other Income	3	62	929
		<hr/>	<hr/>
Total income		26,352	23,926
		<hr/>	<hr/>
General and administrative expenses	4	22,051	19,769
Provision for doubtful debts	7	119,250	-
Royalties	5	395	357
		<hr/>	<hr/>
Total expenditure		(141,696)	(20,126)
		<hr/>	<hr/>
(Deficit)/Surplus for the year		(115,344)	3,800
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements.



Balance Sheet- Industrial Injury Compensation Fund

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

	Notes	31-Dec-16 D.000	31-Dec-15 D.000
Non - current assets			
Investment Properties	13	3,539	-
Equity investments	6	44,346	47,885
Current assets			
Other financial assets	8	146,393	136,211
Loans to member institution	7	-	119,250
Trade and other receivables	9	37,786	51,003
Cash at bank and in hand	11	19,470	12,253
Total current assets		203,649	318,717
Total assets		251,534	366,602
Equity and liabilities			
Members fund		250,929	365,893
Revenue reserve		23	23
Total equity and liabilities		250,952	365,916
Current liabilities			
Trade and other payables	10	582	686
Total equity and liabilities		251,534	366,602

These financial statements were approved by the Board of Directors on.....2018 and signed on its behalf by:

..... Director

..... 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 2016
(In thousands of Gambian Dalasi)

	Members Fund D.000	Revenue Reserve D.000	Total D.000
Balance as at 1st January 2015	320,746	23	320,769
Contributions less benefits	42,945	-	42,945
Surplus for the year	3,800	-	3,800
Prior year adjustment	(1,598)	-	(1,598)
	<hr/>	<hr/>	<hr/>
Balance as at 31 December 2015	<u>365,893</u>	<u>23</u>	<u>365,916</u>
Balance as at 1st January 2016	365,893	23	365,916
Prior year adjustment	<u>(11,000)</u>	<u>-</u>	<u>(11,000)</u>
Restated Opening Balance	354,893	23	354,916
Contributions less benefits	11,380	-	11,380
Deficit for the year	(115,344)	-	(115,344)
	<hr/>	<hr/>	<hr/>
Balance as at 31 December 2016	<u>250,929</u>	<u>23</u>	<u>250,952</u>

Prior year adjustment of D11m is as a result of payment made by Gambia Government in the previous year which was not accrued for in the books of the Corporation.

The notes form part of these financial statements.



Statement of cash flows – Injuries Compensation Fund

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

	Notes	31-Dec-16 D.000	31-Dec-15 D.000
(Deficit)/Surplus for the year		(115,344)	3,800
Net contributions from members'		11,380	42,945
Prior year adjustment		(11,000)	-
		(114,964)	46,745
Movements in working capital			
Changes in trade and other receivables		13,217	(3,442)
Changes in trade and other payables		(104)	(894)
		13,113	(4,336)
Cash generated from operations		(101,851)	42,409
Cash flows from investing activities			
Changes in bank deposits		(10,182)	(22,576)
Changes in loan to member institution		119,250	(8,000)
Prior year adjustment		-	(1,598)
		109,068	(32,174)
Net cash used in investing activities		109,068	(32,174)
Net increase in cash and cash equivalents		7,217	10,235
Cash and cash equivalents at the beginning of the financial year		12,253	2,018
Cash and cash equivalents at the end of the financial year		19,470	12,253

The notes form part of these financial statements.



Notes (forming part of the financial statements) - Injuries Compensation Fund

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are material in relation to the Industrial Injuries Compensation Fund 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 Companies ACT 2013.

1.2 Property, plant and equipment

Fixed assets purchased by the Federated Pension Fund is fully capitalized and depreciated over their useful economic life under the Federated Pension Fund account. The total costs of assets purchased are apportioned over the useful economic life in the ratio 32:36:20:12 to Federated Pension, 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 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 accrual 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

Expenditure initially borne by the Federated Pension Fund and apportioned between the funds in the ratio 32:36:20:12 to Federated Pension Fund, National Provident Fund, Housing Finance Fund and Injuries Compensation Fund respectively.

1.7 Benefits paid

Benefits paid represent all benefit claims paid during the year. No provision is made for unsettled but valid claims at the Balance Sheet date.

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-16 D.000	31-Dec-15 D.000
Gambia Government Treasury bills	2,552	65
Income on term deposit	23,429	21,892
Dividend income	309	1,040
	26,290	22,997

3. Other income

	31-Dec-16 D.000	31-Dec-15 D.000
Miscellaneous income	62	929
	62	929



4. General administrative expenses

	31-Dec-16	31-Dec-15
	D.000	D.000
Staff cost	8,125	5,507
Administrative expenses	12,782	13,584
Pension fund recharge	1,047	549
Audit	97	129
	<u>22,051</u>	<u>19,769</u>

5. Royalties

	31-Dec-16	31-Dec-15
	D.000	D.000
15% of gross income	395	357
	<u>395</u>	<u>357</u>

6. Equity investment

		31-Dec-16	31-Dec-15
		D.000	D.000
Ocean Bay Hotel and Resort		-	3,539
Gampetroleum	7a.	25,346	25,346
Gambia Transport Service Corporation	7b.	19,000	19,000
		<u>44,346</u>	<u>47,885</u>

Ocean Bay Hotel and Resort is 100% owned by the Corporation. This investment is split between Federated Pension Fund, National Provident Fund and Industrial Injuries Compensation Fund.

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

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



7. Loans to member Institutions

	31-Dec-16 D.000	31-Dec-15 D.000
Gambia Civil Aviation Authority (GCAA)	35,250	35,250
Gambia Government (Office of The President)	15,000	15,000
GGC loan Guarantee	69,000	69,000
	<hr/>	<hr/>
	119,250	119,250
Less:		
Provision Gambia Civil Aviation Authority (GCAA) loan	(35,250)	-
Provision Gambia Government (Office of The President)	(15,000)	-
Provision GGC loan Guarantee	(69,000)	-
	<hr/>	<hr/>
	-	119,250
	<hr/> <hr/>	<hr/> <hr/>

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 is fully provided for during the period under review.

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 is fully provided for during the period under review.

8. Other financial assets

Other financial assets include:

	Cost D.000	Accrued interest D.000	31-Dec-16 D.000	31-Dec-15 D.000
Gambia Government treasury bills	-	-	-	12,068
Bank term deposit	132,825	13,568	146,393	124,143
	<hr/>	<hr/>	<hr/>	<hr/>
	132,825	13,568	146,393	136,211
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



9. Trade and other receivables

	31-Dec-16	31-Dec-15
	D.000	D.000
Contribution receivable	26,251	53,867
Inter-fund current acc- NPF	54,721	32,527
Inter- fund current acc.Housing fund	13,943	(57)
Inter fund current acc.Pension fund	(44,436)	(24,232)
Inter fund loan-IICF/HFF	2,353	3,635
Dividend receivable	-	309
	52,832	66,049
less Provision for doubtful contributions	(15,046)	(15,046)
	37,786	51,003

10. Trade and other payables

	31-Dec-16	31-Dec-15
	D.000	D.000
Unclaimed pension	91	82
Sundry creditors	23	23
Royalties payable	468	581
	582	686

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

	31.12.16	31.12.15	Changes
	D.000	D.000	in year
			D.000
Cash at bank	19,470	12,253	7,217
	19,470	12,253	7,217



12. Net contributions from members

	31-Dec-16 D.000	31-Dec-15 D.000
Contributions	12,435	44,254
Benefit and refunds	(576)	(1,309)
Periodic pension payments	(479)	-
	<hr/> 11,380 <hr/>	<hr/> 42,945 <hr/>

13. Investment properties

	31-Dec-16 D.000	31-Dec-15 D.000
Ocean Bay Hotel and Resort	3,539	-
	<hr/> 3,539 <hr/>	<hr/> - <hr/>

Ocean Bay Hotel and Resort is 100% owned by the Corporation. This investment is split between Federated Pension Fund, National Provident Fund and Industrial Injuries Compensation Fund.



Consolidated Revenue Account

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

	31-Dec-16 D.000	31-Dec-15 D.000
Income		
Investment income	154,134	134,106
Mortgage income	84,936	64,531
Other income	26,498	41,355
	<hr/>	<hr/>
Total income	265,568	239,992
	<hr/>	<hr/>
Expenditure		
Project cost	41,093	33,482
General and administrative expenses	206,535	190,699
Interest expense	19,479	1,046
Interest on members fund	-	5,698
Royalties	3,984	3,597
Provision for Bad debt	1,627,454	-
Impairment of equity investment	147,893	-
	<hr/>	<hr/>
Total expenditure	(2,046,438)	(234,522)
	<hr/>	<hr/>
Net new money(unavailable) available for investment	(1,780,870)	5,470
	<hr/> <hr/>	<hr/> <hr/>



Consolidated Balance Sheet

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

	31-Dec-16 D.000	31-Dec-15 D.000
Non - current assets		
Property, plant and equipment	85,317	78,396
Equity Investments	1,029,580	1,919,486
Investment properties	944,614	155,403
Mortgages	180,721	192,980
	2,240,232	2,346,265
Current assets		
Trade and other receivables	659,950	808,044
Loans to member institutions	349,055	1,903,634
Other financial assets	717,069	455,471
Mortgages	40,227	42,310
Project work in progress	10,314	76,287
Cash at bank and in hand	66,616	43,785
	1,843,231	3,329,531
Total current assets	1,843,231	3,329,531
Total assets	4,083,463	5,675,796
Equity and liabilities		
Capital and Reserves		
Members fund	5,051,458	5,006,034
Revenue reserve	7,288	7,288
Revaluation reserve	98,531	98,531
Accumulated funds	(1,482,126)	148,862
	3,675,151	5,260,715
Current liabilities		
Trade and other payables	408,312	415,081
	408,312	415,081
Total liabilities	408,312	415,081
Total equity and liabilities	4,083,463	5,675,796



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.

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