


Balance Sheet

As at September 30, 2006

	Note	2006 \$	2005 \$
ASSETS			
Non-Current Assets			
Net fixed assets	2	4,004,759	1,714,571
Current Assets			
Prepayment		-	58,622
Receivables		209,164	209
Cash and bank balance		7,009,558	4,524,873
		<u>11,223,481</u>	<u>6,298,275</u>
Represented by:			
RESERVES AND LIABILITIES			
Non-Current Liabilities			
Deferred income	3	4,004,759	1,714,571
Current Liabilities			
Accounts payable and accruals		1,963,001	463,579
Amount due to Consolidated Fund	4	5,255,721	4,120,125
		<u>11,223,481</u>	<u>6,298,275</u>

The notes on pages 5 to 10 form an integral part of these financial statements

On 10th July 2009 these financial statements were authorised for issue by the Executive Director (Ag.)


Executive Director (Ag.)




Executive Manager, Finance, Accounting and HR

Income and Expenditure Statement - Recurrent

For the Year Ended September 30, 2006

	Note	2006	15-month period ended 2005 September 30
\$		\$	\$
Income			
Government grant		19,083,000	
Deduct: Fixed assets purchased		<u>1,141,316</u>	
		17,941,684	13,607,409
Other Income	5	102,943	6,213,355
Bank Interest		77,877	16,884
Amortization of deferred income		<u>567,445</u>	<u>407,671</u>
Sub-total		748,265	6,637,910
Total Income		18,689,949	20,245,319
Expenses			
Communications, Marketing & Policy Expenses	6	1,669,456	1,499,746
Fees	7	987,206	5,777,306
Training	8	1,610,589	849,075
Utilities		412,892	491,321
Rent/Lease Expenses		637,971	777,075
Staff Costs	9	6,817,034	4,345,348
Repairs and Maintenance		50,475	49,094
Other Administrative Costs	10	1,651,929	2,717,808
Depreciation		<u>567,445</u>	<u>407,671</u>
Total Expenses		14,404,996	16,914,444
Due Consolidated Fund	11	4,284,953	3,330,875

The notes on pages 5 to 10 form an integral part of these financial statements

Income and Expenditure Statement - Public Sector Investment Programme

For the Year Ended September 30, 2006

	Note	2006	15-month period ended 2005 September 30
\$		\$	\$
Income			
Government Subvention		2,900,000	
Deduct: Fixed assets purchased/commitment		<u>1,844,273</u>	862,374
Expenditure			
Development of IT Support Systems for the Telecommunication Sector		980	58,107
Development of a Universal Strategy and Implementation Plan		-	7,415
Development of an Advanced Automated Spectrum Mgt and Mtsc. System		<u>83,979</u>	<u>7,602</u>
		<u>84,959</u>	<u>73,124</u>
Due Consolidated Fund	11	<u>970,768</u>	<u>789,250</u>

Cash Flow Statement

For the Year Ended September 30, 2006

	2006	15-month period ended 2005 September 30
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the Period Due to Consolidated Fund	5,255,721	4,120,125
Adjustment for Non-Cash Items:		
Amortisation of deferred income	(567,445)	(407,671)
Depreciation	567,445	407,671
	5,255,721	4,120,125
Decrease in Prepayment	58,622	(58,622)
Receivables	(208,955)	(209)
Payables (Outstanding commitments)	1,499,422	463,579
Net cash from operating activities	6,604,810	4,524,873
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(2,857,633)	(1,744,689)
Net cash used in investing activities	(2,857,633)	(1,744,689)
CASH FLOW FROM FINANCING ACTIVITIES		
Amount Paid to Consolidated Fund	(4,120,125)	-
Proceeds from Government grant	2,857,633	1,744,689
Net cash from financing activities	(1,262,492)	1,744,689
Net increase in cash and cash equivalents	2,484,685	4,524,873
Cash and cash equivalents at start of period	4,524,873	-
Cash and cash equivalents at end of period	7,009,558	4,524,873

Accounting Policies**For the Year Ended September 30, 2006**

The principal accounting policies adopted in the preparation of these Financial Statements are set out below:

(a) Basis of Preparation

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Financial Statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, contingent assets and contingent liabilities at the balance sheet date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

Where assumptions and estimates are significant to the financial statements they are disclosed in the Notes.

(b) Reporting Currency

These financial statements are expressed in Trinidad and Tobago dollars.

(c) Government Grants

Government grant related to fixed assets is deferred in the balance sheet and amortised over the estimated useful lives of the assets to which it relates.

Where the grant is to lend assistance for current or future expenses, it is recognized as income over the period of the expense to which it specifically relates.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and in bank.

(e) Fixed Assets

Fixed assets are stated at cost and are depreciated on the reducing balance basis at the following rates per annum:

Fixtures and fittings	20%
Computer equipment and Software	25%
Office furniture and equipment	20%
Motor vehicles	25%
Books	10%
Telecommunication Equipment and Related Software	25%

(f) Comparatives

Where necessary comparative figures have been adjusted to conform to changes in presentation in the current year. The first period of operation covered fifteen (15) months from July 2004 to September 2005.

Notes To The Financial Statements

For the Year Ended September 30, 2006

1. Incorporation and Principal Activities

The Telecommunications Authority of Trinidad and Tobago is an independent regulatory body, established by the Telecommunications Act No. 4 of 2001, as amended by Act No. 17 of 2004. The Authority is charged with the responsibility for the Liberalisation and regulation of the telecommunications and broadcasting sectors. These functions were previously performed by the Telecommunications Division of the Ministry of Public Administration and Information. The Authority became operational on July 1, 2004. It is located at BEN Court, 76 Boundary Road, San Juan.

The Authority reports to the Ministry of Public Administration and Information.

2. Net Fixed Assets

	Fixtures & Fittings	Computer Equipment & Software	Office Furniture & Equipment	Motor Vehicles	Books	Telecommunication Equipment and Related Software	Total
Cost	\$	\$	\$	\$	\$	\$	\$
At October 1, 2005	35,734	1,245,385	463,707	258,401	1,809	117,206	2,122,242
Additions/Adjustments	37,674	1,941,654	144,104	542	-	733,659	2,857,633
At September 30, 2006	73,408	3,187,039	607,811	258,944	1,809	850,865	4,979,875
Depreciation							
At October 1, 2005	5,572	234,563	82,197	56,366	122	28,851	407,671
Charge for the period	9,305	294,286	90,542	50,770	169	122,373	567,445
At September 30, 2006	14,877	528,849	172,739	107,136	291	151,224	975,116
Net Book Value							
At September 30, 2005	\$ 30,162	1,010,822	381,510	202,035	1,687	88,355	1,714,571
At September 30, 2006	58,531	2,658,189	435,072	151,808	1,518	699,641	4,004,759

Additions for the period include purchase commitments of Fixed Assets.

Notes To The Financial Statements

For the Year Ended September 30, 2006

Significant Accounting Policies (continued)**3. Deferred Income****(a) Deferred Income**

	2006	15-month period ended 2005 September 30
	\$	\$
Government grant relating to fixed asset Amortization	4,979,875	2,122,242
	(975,116)	(407,671)
	4,004,759	1,714,571

(b) Government Subvention

Funding for the operations of the Authority is provided via subvention from the Government of the Republic of Trinidad and Tobago (GORTT). The Authority received subventions in the sum of \$21,983,000 from GORTT for the period ended September 30, 2006 of which \$2,900,000 relates to P.S.I.P Funding

4. Amount Due to Consolidated Fund

	2006	2005
	\$	\$
Recurrent	4,284,953	3,330,875
PSIP	970,768	789,250
Total	5,255,721	4,120,125

5. Other Income

Other Income in the Income Statement for the 15 month period ended 2005 September 30 relates to income of \$25,796,164 collected up to May 2005, on behalf of the Ministry of Public Administration and Information in accordance with the Memorandum of Understanding less an amount of \$21,185,431 paid over to the Ministry of Public Administration and Information plus other various licences and fees totalling \$1,178,067.00. However in the Income Statement for the year ended 2006 September 30, Other Income of \$6,213,365 relates to Sale of Documents and RFP Fees.

6. Communications, Marketing and Policy Expenses

	2006	15-month period ended 2005 September 30
	\$	\$
Promotions, Publicity and Printing	1,077,884	769,949
Official Overseas Travel	205,092	257,932
Remuneration to Board Members	386,480	471,865
	1,669,456	1,499,746

Notes To The Financial Statements

For the Year Ended September 30, 2006

7. Fees

These fees comprise mainly of legal fees incurred in compliance and enforcement and opinions from Senior Counsel. The 2005 amount was related to the Auction of the Mobile Spectrum.

8. Training

In accordance with section 18(n) of the Act, the Authority is committed to continuous training of its personnel to ensure that the industry standards are in compliance with:

- (1) International standards of the Telecommunications Union Convention
- (2) Testing and certifying of telecommunications equipment
- (3) Other relevant training necessary to achieve the objectives of the Act as outlined in Section 3 of the Act.

9. Staff Costs

	2006	15-month period ended 2005 September 30
	\$	\$
Salaries	6,713,848	4,336,365
Short Term Employment	92,150	-
Other Personnel Expenses	11,036	8,983
Total	6,817,034	4,345,348

The total number of employees as at 30th September 2006 was 40. The comparative figure for 2005 was 36.

10. Other Administrative Costs

	2006	15-month period ended 2005 September 30
	\$	\$
Security	361,409	453,321
Janitorial Services	55,151	53,489
Supplies	145,420	207,943
Other Contracted Services	1,040,350	1,963,673
Other Administrative costs	49,599	39,383
	1,651,929	2,717,808

11. Due to the Consolidated Fund

The following have been charged in arriving at the amount due to the Consolidated Fund:

	2006	15-month period ended 2005 September 30
	\$	\$
Staff Costs (See Note 9)	6,817,034	4,345,348
Directors' Fees and Expenses	386,480	471,865
Depreciation	567,445	407,671

Notes To The Financial Statements**For the Year Ended September 30, 2006**

12. Contingent Liabilities and Assets, Commitments**(a) Operating Lease Commitments**

The Authority has a licence to occupy its facilities which include executive and administrative offices. Substantially the licence provides that the licensee shall pay maintenance, insurance and certain other operating expenses applicable to the licenced property. The licence also includes renewal options.

There were no material finance leases.

(b) Legal Proceedings

- (i) In September 2006, Dr John Prince, Executive Director filed suit against the Authority for alleged breach of Contract of Employment and restraining the Authority from terminating his employment.
- (ii) Proceedings commenced by the Authority under Section 65 of the Act alleging broadcasting without a licence by Radio Vision Limited.

The Authority is a party to the above suits and proceedings. These proceedings are at various stages of litigation and their outcomes are difficult to predict. In management's opinion, however, the disposition of these matters is not likely to have a materially adverse effect on its financial condition or results of operation.

13. Financial Risk Management**(a) Cash flow and fair value interest rate risk**

As the Authority has no significant interest bearing assets, the Authority's income and operating cash flows are substantially independent of changes in market interest rates.

(b) Operational Risk

A significant part of the authority's revenue from providers will be derived from the two leading providers of telecommunications service in the industry.



Notes to the Financial Statements

For the Year ended September 30, 2006

14. Escrow Account

The Escrow account was opened with funds deposited by Digicel and Laqtel which represents 25% downpayment arising from the Mobile Services Auction and is held by our Bankers. These amounts are not included in the Bank Balances of the Authority.