

**FINANCIAL STATEMENTS**

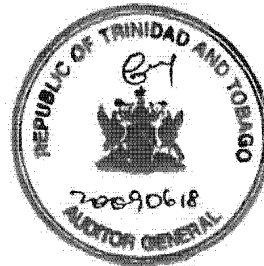
**FOR THE FIFTEEN MONTH PERIOD ENDED**

**SEPTEMBER 30, 2005**

## Balance Sheet


As at September 30, 2005

	Note	2005
<b>ASSETS</b>		\$
<b>Non-Current Assets</b>		
Fixed assets	2	1,714,571
<b>Current Assets</b>		
Prepayment		58,622
Receivables		209
Cash and bank balance	3	4,524,873
		<u>6,298,275</u>
Represented by:		
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Deferred income	4	1,714,571
<b>Current liabilities</b>		
Accounts payable and accruals		463,579
Amount Due to Consolidated Fund	5	4,120,125
		<u>6,298,275</u>



The notes on pages 5 to 9 form an integral part of these financial statements.

Signed on behalf of the Board

  
Executive Director (Ag.)

  
Executive Manager, Finance, Accounting and HR

## TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

2

## Income and Expenditure Statement - Recurrent

For the Fifteen (15) Month Period Ended September 30, 2005

	Note	2005
<b>Income</b>		<b>\$</b>
Government grant		14,933,649
Deduct: Fixed assets purchased		<u>1,326,240</u>
Radio Television & Cable Operators B/Cast Licence		1,331,428
Mobile Handset Licence		41,700
Broadcasting, Receiving and Transmitting		148,086
Dealers Licences - Wireless Telegraphy		200
Request for Proposals (RFP)		9,000
Application Fees		18,354
Documents		3,841
Bank Interest		16,884
Miscellaneous		49,903
Other Income	6	25,796,164
Amortization of deferred income		<u>407,671</u>
<b>Sub-total</b>		<b>41,430,750</b>
GORTT - Transfer of Funds to Consolidated Fund		<u>(21,185,431)</u>
<b>Total Income</b>		<b>20,245,319</b>
<b>Expenses</b>		
Remuneration to Board Members		471,065
Travelling and Subsistence		6,304
Uniforms		2,679
Electricity		105,749
Telephones		385,572
Rent/Lease - Office Accommodation		759,000
Rent/Lease - Vehicles and Equipment		18,074
Office Stationery and Supplies		207,943
Books and Periodicals		37,252
Maintenance of Vehicles		36,196
Repairs and Maintenance - Equipment		10,547
Contract Employment		4,336,365
Training		811,823
Repairs and Maintenance - Building		2,351
Fees		5,777,306
Official Overseas Travel		257,932
Other Contracted Services		1,963,673
Janitorial Services		53,489
Security Services		453,320
Postage		9,239
Insurance		30,144
Promotions, Publicity and Printing		789,949
Depreciation		<u>407,672</u>
<b>Total Expenses</b>		<b>16,914,444</b>
<b>Surplus Due to Consolidated Fund</b>		<b><u>3,330,875</u></b>

The notes on pages 5 to 9 form an integral part of these financial statements.

TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

3

Income and Expenditure Statement - Public Sector Investment Programme

For the Fifteen (15) Month Period Ended September 30, 2005

	\$	2005
<b>Income</b>		
Government Subvention	1,403,000	
Deduct: Fixed Assets Purchased	<u>540,626</u>	862,374
<b>Expenditure</b>		
Development of IT Support Systems for the Telecommunication Sector		58,107
Development of a Universal Strategy and Implementation Plan		7,415
Development of an Advanced Automated Spectrum and Mgt System		<u>7,602</u>
		<u>73,124</u>
<b>Surplus Due to Consolidated Fund</b>		<u>789,250</u>

The notes on pages 5 to 9 form an integral part of these financial statements.

## Cash Flow Statement

For the Fifteen (15) Month Period Ended September 30, 2005

	2005	
	\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Surplus/(deficit) for the period Due to Consolidated Fund	4,120,125	
Adjustments for non cash items:		
Amortization of deferred income	(407,671)	
Depreciation	<u>407,671</u>	
	4,120,125	
Prepayment	(58,622)	
Receivables	(209)	
Payables ( Outstanding commitments)	<u>463,579</u>	
Net cash from/(used in) operating activities		4,524,873
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	<u>(1,744,689)</u>	
Net cash from/(used in) investing activities		(1,744,689)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Government grant	<u>1,744,689</u>	
Net cash from/(used in) financing activities		<u>1,744,689</u>
Net increase/(decrease) in cash and cash equivalents		4,524,873
Cash and cash equivalents at start of period		<u>0</u>
Cash and cash equivalents at end of period		<u>4,524,873</u>

The notes on pages 5 to 9 form an integral part of these financial statements.

**Significant Accounting Policies**

**For the Fifteen (15) Month Period Ended September 30, 2005**

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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 period then ended. Actual amounts could differ from those estimates.

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

**(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.

Government grant related to income is included in the Income and Expenditure Statement in the period received.

**(d) Cash and Cash Equivalents**

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

**(e) Reserves**

There have been no reserves set up in the period under review.

**TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO**

**Significant Accounting Policies (continued)**

**For the Fifteen (15) Month Period Ended September 30, 2008**

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**Significant Accounting Policies (continued)**

**(f) 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	25%
Office furniture and equipment	20%
Motor vehicles	25%
Books	10%
Telecommunication equipment	25%

Additions for the period include purchase commitments of Fixed Assets .

**(g) Comparative Statements**

No comparatives are presented in these Financial Statements as this is the first period of operation.

## Notes To The Financial Statements

For the Fifteen (15) Month Period Ended September 30, 2005

**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. The Authority is charged with the responsibility for the liberalization 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. Fixed Assets****Transferred Assets**

Assets which have been transferred from the Ministry of Public Administration & Information have been included at net book value where costs were determined and at estimated market value where cost could not be determined. These costs relate only to assets transferred at the Balance Sheet date. There may be further transfers which will be accounted for when effected.

	Fixtures & Fittings	Computer Equipment	Office Furniture & Equipment	Motor Vehicles	Books	Telecommunication Equipment	Total
Cost	\$	\$	\$	\$	\$	\$	\$
At July 1, 2004	4,146	167,298	98,092	26,487	-	85,682	377,553
Additions for the period	31,588	1,078,119	368,615	232,914	1,809	31,644	1,744,689
At September 30, 2005	36,734	1,245,385	463,707	258,401	1,809	117,206	2,122,242
<b>Depreciation</b>							
Charge for the period	5,572	234,563	82,197	66,366	122	28,851	407,671
At September 30, 2005	5,572	234,563	82,197	66,366	122	28,851	407,671
<b>Net Book Value</b>							
At September 30, 2005	30,162	1,010,822	381,510	202,035	1,687	88,355	1,714,571



## Notes To The Financial Statements (continued)

For the Fifteen (15) Month Period Ended September 30, 2005

<b>3.</b>	<b>Cash and Bank Balance</b>	<b>\$</b>
	Cash at Bank	4,523,558
	Cash In Hand	<u>1,315</u>
		<u>4,524,873</u>
<b>4.</b>	<b>Deferred Income</b>	
		<b>\$</b>
	Government grant relating to fixed asset	1,744,689
	Transfer of assets from MPA&I	377,653
	Amortization	<u>(407,671)</u>
		<u>1,714,571</u>
<b>5.</b>	<b>Amount Due to Consolidated Fund</b>	
		<b>\$</b>
	Recurrent	3,330,875
	PSIP	<u>789,250</u>
	Total	<u>4,120,125</u>

**6. Other Income**

Other income in the Income Statement relates to income of \$25,795,164 collected up to May 2005 on behalf of the Ministry of Public Administration and Information in accordance with a Memorandum of Understanding.

**7. 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 subvention in the sum of \$16,336,649 from GORTT for the period ended September 30, 2005 of which \$1,403,000 relates to P.S.I.P funding and \$1,744,689 relates to fixed assets.

**8. Establishment**

As at September 30, 2005 the Authority had in its employ thirty-six staff comprising six (6) managerial, ten (10) professional, four (4) senior and sixteen (16) junior employees.

**9. Litigation**

Pursuant to Claim No. CV 2005 - 0004 the Global Organization for People of Indian Origin (GOPIO) Inc. vs The Telecommunications Authority of Trinidad and Tobago, GOPIO has filed legal proceedings for judicial review against the Authority and has asked the Court to grant certain reliefs one of which is general damages. Legal costs of \$152,600.00 were paid on September 11, 2006 and this matter has since been settled.

Notes To The Financial Statements (continued)

For the Fifteen (15) Month Period Ended September 30, 2005

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10. Surplus

Surplus funds in the amount of \$668,689 were returned to the Consolidated Fund at September 30, 2004 by the Ministry of Public Administration and Information.

11. 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.