



*Office of the Auditor General*

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AG:156/2002

30 July 2002

**REPORT OF THE AUDITOR GENERAL  
TO THE MEMBERS OF THE  
NATIONAL FREQUENCY MANAGEMENT UNIT  
ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2001**

*I have audited the attached financial statements of the National Frequency Management Unit for the year ended 31 December 2001 as set out on pages 1 to 9. These statements have been prepared under the historical cost convention and in accordance with the accounting policies as set out on Page 4.*

***Respective Responsibilities of Management and Auditors***

*The responsibility of the preparation of the financial statements, including assertions relating to their completeness, accuracy and validity, and compliance with applicable laws, regulations and contractual obligations is that of management. My responsibility is to express an independent opinion on the statements, based on these assertions and to report my opinion to you.*

***Basis of Opinion***

*I conducted my audit in accordance with generally accepted auditing standards (including those of INTOSAI). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.*

**Opinion**

*In my opinion, the financial statements referred to above present fairly the results of operations of the National Frequency Management Unit for the year ended 31 December 2001 and the financial position as at that date, in conformity with generally accepted accounting principles.*

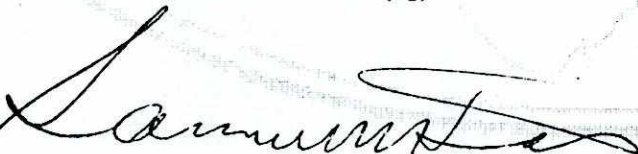


**OFFICE OF THE AUDITOR GENERAL  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA**

**National Frequency Management Unit  
Balance Sheet  
As at December 31, 2001**

	<i>Notes</i>	<b>Dec.31,2001</b>	<b>Dec.31, 2000</b>
		<b>G\$</b>	
<b>Tangible Fixed Assets</b>	<b>2(d) &amp; 3</b>	<b>20,271,199</b>	<b>12,187,869</b>
<b><u>Current Assets</u></b>			
Stock		212,561	261,411
Debtors	7	9,848,720	157,824,746
Cash at Bank		168,724,020	137,337,709
Cash in Hand		73,163	83,280
Prepayments		190,000	8,696,185
		<b>179,048,464</b>	<b>304,203,331</b>
<b><u>Less: Current Liabilities</u></b>			
Creditors & Accruals		4,084,794	3,194,351
Deferred Income - Licence Fees		6,811,998	7,027,555
Provision for Taxation		45,974,710	45,974,710
		<b>56,871,502</b>	<b>56,196,616</b>
Net Current Assets		122,176,962	248,006,715
Net Assets		<b>142,448,181</b>	<b>260,194,584</b>
<b><u>Represented By:</u></b>			
Capital	4	2,044,255	2,044,255
Accumulated Surplus		140,403,926	258,150,329
		<b>142,448,181</b>	<b>260,194,584</b>

  
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 Valmiki P. Singh  
 Chief Executive Officer (ag)

  
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 Hon. Samuel A. Hinds  
 Prime Minister of Guyana

The notes on pages 4 to 7 form an integral part of these accounts

**National Frequency Management Unit  
Income and Retained Earnings  
For the year ended December 31, 2001**

<i>Income</i>	<i>Notes</i>	<i>Dec. 31, 2001</i>	<i>Dec. 31, 2000</i>
		<i>G\$</i>	<i>G\$</i>
<i>License Fees</i>		109,436,861	113,387,979
<i>Investment Income</i>		19,230,477	15,172,877
<i>Other Income</i>		144,913	0
		<b>128,812,251</b>	<b>128,560,856</b>
 <b><u>Less - Administrative &amp; General Expenses</u></b>			
<i>Salaries</i>		34,407,784	38,143,125
<i>Uniform Expenses</i>		955,540	496,007
<i>Training Course</i>		723,412	949,243
<i>Advertising</i>		148,000	266,860
<i>Telephone &amp; Internet</i>		1,096,820	998,041
<i>Electricity</i>		1,879,811	1,580,905
<i>Overseas Travelling</i>		1,434,516	0
<i>Rent</i>		1,533,000	2,003,000
<i>Auditing Fees</i>		150,000	144,039
<i>Consultancy Fees</i>		3,657,700	722,000
<i>Motor Vehicle Expenses</i>		583,313	659,358
<i>R &amp; M - Building etc.</i>	5	17,538,226	1,313,362
<i>Miscellaneous</i>		1,601,836	6,310,175
<i>Stationery &amp; Office Supplies</i>		577,538	921,172
<i>Meals and Accommodation</i>		46,895	123,200
<i>Seminar &amp; Conference</i>		3,692,336	3,831,362
<i>Donation &amp; Subscription</i>		11,132,431	1,092,198
<i>Depreciation</i>		3,416,494	2,033,595
<i>GOG Contribution - Mod. of Tel. Exp.</i>		9,321,022	0
<i>Technological Development</i>		20,000	0
<i>Security Charges</i>		1,119,000	506,705
<i>Reform Telecoms</i>		1,523,000	792,547
<i>Bad debt</i>		0	771,553
		<b>96,558,674</b>	<b>63,658,447</b>
<i>Net Profit before Taxation</i>		<b>32,253,577</b>	<b>64,902,409</b>
<i>Taxation</i>		<b>0</b>	<b>0</b>
<i>Net Profit after Taxation</i>		<b>32,253,577</b>	<b>64,902,409</b>
<i>Accumulated Surplus Jan. 1, 2001</i>		<b>258,150,329</b>	<b>193,247,920</b>
<i>Sub Total</i>		<b>290,403,906</b>	<b>258,150,329</b>
<i>Less transfer to Consolidated Funds</i>		<b>150,000,000</b>	
<i>Accumulated Surplus Dec. 31, 2001</i>		<b>140,403,906</b>	<b>258,150,329</b>