



Ref No. 598 of 1998

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22. 9. 1999
63 High Street
Kenaston, Georgetown,
Guyana

AG:143/99

28 September 1999

**REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE
NATIONAL FREQUENCY MANAGEMENT UNIT
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998**

I have audited the attached financial statements of the National Frequency Management Unit for the year ended 31 December 1998 as set out on pages 1 to 6. 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 these statements, based on these assertions and to report my opinion thereon.

Basis of Opinion

I conducted my audit in accordance with generally accepted auditing standards. 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.

Qualified Opinion Arising from a Limitation in Scope

No debtors balance was reflected in the financial statements and it was noted that the National Frequency Management Unit did not maintain a register of all its subscribers. As a result, it could not be determined whether any amounts were owing by subscribers at the end of the year.

The amount of \$45,974,710 shown as provisions for taxation represents sums owing for previous years. However, no provision was made for Corporation or Property taxes for the year 1998. Had this been done, the net profit of \$25,522,123 would have been reduced.

Except for any adjustments which might have been shown to be necessary as a result of the matters referred to in the preceding paragraphs, in my opinion, the financial statements present fairly in all material respects the state of affairs of the National Frequency Management Unit as at 31 December 1998, and of its net profit and cash flows for the year then ended in conformity with generally accepted accounting principles.


S A GOOLSARRAN
AUDITOR GENERAL

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

**National Frequency Management Unit
Balance Sheet
As at December 31, 1998**

	Notes	Dec.31, 1998 G\$	Dec.31, 1997 G\$
Tangible Fixed Assets	2(d)&3	12,848,905	6,117,994

Current Assets

Stocks		90,745	0
Debtors		970,875	1,338,358
Suspense		0	49,850
Cash at Bank		181,955,983	146,951,693
		<u>183,017,603</u>	<u>148,339,901</u>

Less: Current Liabilities

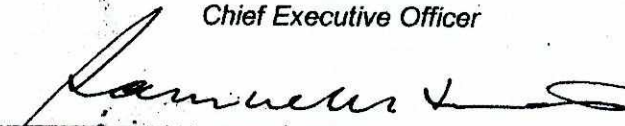
Creditors & Accruals		2,763,356	613,637
Prepayment - Licence Fees		13,811,071	74,298
Provision for Taxation		45,974,710	45,974,710
		<u>62,549,137</u>	<u>46,662,645</u>
Net Current Assets		120,468,466	101,677,255
Net Assets		<u><u>133,317,371</u></u>	<u><u>107,795,248</u></u>

Represented By:

Capital	4	2,044,255	2,044,255
Accumulated Surplus		131,273,116	105,750,993
		<u><u>133,317,371</u></u>	<u><u>107,795,248</u></u>



Penelope Bersaud
Chief Executive Officer



Hon. Samuel A. Hinds
Prime Minister

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

**National Frequency Management Unit
Income and Expenditure Account
For the year ended December 31, 1998**

Income	Notes	Dec.31,1998		Dec.31, 1997
		G\$	G\$	G\$
License Fees			50,313,332	34,867,092
Investment Income			10,365,359	10,232,993
Other Income			350,000	0
			<u>61,028,691</u>	<u>45,100,085</u>
<u>Less - Administrative & General Expenses</u>				
Salaries		20,126,841		7,530,284
Uniform Expenses		0		182,896
Training Course		39,409		257,175
Advertising		134,190		68,570
Telephone		528,352		151,803
Electricity		316,635		172,372
Overseas Travelling		0		403,700
Rent		694,400		886,400
Auditing Fees		75,500		183,727
Consultancy Fees		0		380,000
Motor Vehicle Expenses		1,081,557		1,141,660
R & M - Building etc.	5	5,061,170		446,180
Miscellaneous		1,866,042		30,000
Stationery & Office Supplies		594,998		596,350
Meals and Accommodation		0		1,326,120
Seminar & Conference		2,173,186		0
Donation & Subscription		247,962		16,200
Depreciation		<u>2,566,326</u>		<u>1,145,103</u>
			<u>35,506,568</u>	<u>14,918,540</u>
Net Profit before Taxation			25,522,123	30,181,545
Taxation			0	8,095,323
Net Profit after Taxation			<u>25,522,123</u>	<u>22,086,222</u>
Accumulated Surplus Jan. 1			105,750,993	83,664,771
Accumulated Surplus Dec.31			<u>131,273,116</u>	<u>105,750,993</u>