

THOMAS, STOLL, DIAS & CO.
ACCOUNTANTS.

21st April,

The Chairman & Member of the Board
Guyana Broadcasting Services,
Hadfield Street,
Georgetown.

Sirs,

We have recently concluded our audit of the books and accounts of Guyana Broadcasting Services for the month ended 31st December 1972 and have much pleasure in submitting herewith the Balance Sheet as at 31st December 1972 and the Profit and Loss Account for the month ended December 31, 1972 and our report and comments thereon.

Incorporation of the Guyana Broadcasting Services

The Guyana Broadcasting Services which until November 30, 1972 operated as a department of the Ministry of Information and Culture was by Order No. 76 of 1972 dated 27th September 1972 and Notice under that Order dated 1st December 1972 made a Corporation under the Corporation Act (Ordinance 23rd of 1962) with effect from December 1, 1972.

Appointment of Auditors

We were appointed Auditors on August 14, 1973.

Books of Account and Records

Although the Guyana Broadcasting Services was incorporated as a Corporation with effect from December 1, 1972 and ceased to be a department of the Ministry of Information and Culture, there was no closing off of the books of the services as a department on 30th November, 1972 and the opening of new books and accounts of the Corporation as a separate and distinct entity as from December 1, 1972. Books of accounts and records continued to be kept and have so continued to be kept as if there was no change of entity.

/2.....

No Balance Sheet as at November 30, 1972 or at December 1, 1972 was prepared by the Accounting Staff of the Corporation and presented to us for audit,

Our first task therefore, was to ascertain what was the position of the business of the Guyana Broadcasting Services as at November 30, 1972.

Besides auditing the books and accounts relating to the pre-incorporation period ended 30th November 1972, we had to analyse the entries in the books subsequent to November 30, 1972 to ascertain whether they related to business operations, prior to, or subsequent to November 30, 1972. We had to ascertain whether there was any items of income or expenditure and of assets or liabilities outstanding as at November 30, 1972 and to make the requisite adjustments to the assets, liabilities, income and expenditure to determine the true position as at November 30, 1972 and accordingly the assets and liabilities as at December 1, 1972 which were taken over by the Corporation and for which the Board became responsible.

Adjustments to Assets Valuations

Buildings and Broadcasting Equipment

Buildings

We learned that the cost of the Administration Buildings at Lodge constructed by the Ministry of Works and Hydraulics as at August 1968, valued at \$31,550.00 was not entered into the books until 1973. This we adjusted so as to include it as an asset as at November 30, 1972.

(See Note 1 to Balance Sheet as at November 30, 1972)..

Station Equipment

From information furnished to us, we learned that station equipment installed under a United Kingdom Loan Agreement prior to November 30, 1972 to the value of £95,066:- had not been entered into the books until 1973. We adjusted this to include it as an asset as at November 30, 1972. (See Note 2 to Balance Sheet as November 30, 1972).

/3.....

Depreciation on Building and Equipment

Certain adjustments to the provision for depreciation made in the books in 1973 were in respect of years prior to 1973. We adjusted these to take account of them before the transfer to the Corporation.

We have also made provision for depreciation of the Station Equipment and Administration Building referred to above (See Note 3 and 4 to Accounts for the period ended November 30, 1972).

Balance Sheet and Profit and Loss Account

We have prepared:-

- (a) Balance Sheet of the Guyana Broadcasting Services at at November, 30, 1972.
- (b) Profit and Loss Account of the Guyana Broadcasting Services for the period ended November 30, 1972.
- (c) Balance Sheet of the Guyana Broadcasting Services as at December, 1, 1972.
- (d) Balance Sheet of the Guyana Broadcasting Services as at December 31, 1972 and
- (e) Profit and Loss Account for the Guyana Broadcasting Services for the month ended December 31, 1972.

The purposes of preparing in respect of the Guyana Broadcasting Services:-

- (a) Balance Sheet as at November 30, 1972 and
- (b) Profit and Loss for the period ended November 30, 1972 were:- (1) to ascertain the assets, liabilities and equity position of the business as at the date immediately prior to the transfer of the business to the Corporation.

(2) to determine the income (profit or loss), of operations for the 11 months ended November 30, 1972 which would be allocable to the services prior to incorporation.

/4.....

Having arrived at the position of the business as at November 30, 1972, a balance sheet of the Corporation as at the commencement of its business on December 1, 1972 was prepared, setting out the assets, liabilities and equity of the Corporation as at that date.

Differences between Balance Sheets as at November 30 and December 1, 1972

We wish to draw your attention to the principal differences between the Balance Sheets as at November 30, 1972 and December 1, 1972.

Fixed Assets

The Balance Sheet as at November 30, 1972 shows the fixed assets at original cost, (\$674,776.55) less accumulated depreciation (\$187,642.37) net value \$487,134.18 As the Corporation acquired these assets at book value as at 30th November, 1972, the balance sheet as at December 1, 1972 shows only the net value of \$487,134.18

Equity

In the Balance Sheet as at November 30, 1972 accumulated profit is shown as \$243,181.15 and the amount due to the Ministry of Information as \$521,440.43

In the Balance Sheet as at December 1, 1972 these are combined and shown as the amount then invested by Government under the head "Government of Guyana" \$764,621.58

Audit Procedures

You will appreciate the normal audit procedures are designed primarily to enable us to form our opinion on the accounts as a whole and therefore do not necessarily bring to light at each audit all the weaknesses in internal control or accounting practices which a special investigation might reveal.

Our report on the accounts for the month ended 31 December 1972, will be dealt with under the following heads:-

1. Petty Cash
2. Cash
3. Sales
4. Purchases
5. Fixed Assets
6. General.

/5.....

1. Petty Cash

We checked the petty cash payments to the petty cash book from the vouchers and supporting documents for the month of December 1972.

It was found thatt the vouchers were not numbered or in any form of sequence. Dates and transactions were not entered in the petty cash book. At certain periods of the month, entries were made in the petty cash book only at reimbursement time. These entries were made in a summarised form.

2. Cash

(a) Receipts

We checked for the month of December to the Cash Book from duplicate and triplicate copies of receipts. Deposits for the month were checked from the cash books to the bank statement via paying in books.

(b) Payments

Payment vouchers and supporting documents were checked to the Cash Book f r December and the returned cheques matched to the Cash Book and bank statement. A reconciliation was prepared and agreed with the Cash Book balance.

3. Sales

We checked the computation of the invoices by examining the contracts to verify that all agencies and individuals were billed for the month of December; the rates charged and calculations were correct.

4. Purchases

The charge bills and supporting documents were checked to the expenditure analysis for December and found to be accurate.

5. Fixed Assets

There is no fixed assets register. The monthly total purchases are posted to the Asset Account in the General Ledger. The items are not itemised.

/6.....

6. General

Necessary adjusting entries will have to be made to give effect to the Order of Incorporation and to bring the books and accounts into line with the new status of the Services. We would recommend our being consulted by the accounting staff as to the necessary entries.

Finally, in concluding we wish to thank management and staff for providing information and for the kind assistance given us during the audit.

(SGD.) THOMAS, STOLL DIAS & CO.

COPY

21st April, 1975

AUDITOR'S REPORT

We have examined the accounts for the Guyana Broadcasting Services, which are in agreement with the books of the Services and report that we have obtained all the information and explanations we considered necessary for the purpose of our audit.

In our opinion and to the best of our knowledge and belief the accompanying Balance Sheet and Profit and Loss Account present fairly the financial position of the Services as at 31st December, 1972 and of the excess of income over expenditure for the year ended on that date, in accordance with generally accepted accounting principles.

(SGD.) THOMAS, STOLL, DIAS & CO.

GUYANA BROADCASTING SERVICES
BALANCE SHEET AS AT 1ST DECEMBER, 1972

CAPITAL INVESTMENT

Government of Guyana (Note 1)

SUNDRY CREDITORS

Guyana Broadcasting Co. Ltd 28,755.82
 Sundry Creditors 37,623.97
 Salary- Deduction Creditors 6,783.21
 Bank Overdraft-Guy.Nat.Co-op.Bnk 8,450.38

\$
764,621.58

81,613.38

\$846,234.96

FIXED ASSETS

Buildings
 Station Equipment
 Office Machinery
 Office Furniture & Fittings
 Motor Vehicles

W.I.Progress-Studio .(proposed)
CURRENT ASSETS

Stock
 Valves 251.22
 Equipment Spares 41,758.04
 Tools 673.06
 Cassettes 349.48
 Tapes 25.30
 Records 7,936.53
 Chess Board 16.87

SUNDRY DEBTORS

Airtime 255,360.70
 Staff 4,063.48
 Min. of Agri. 99.10

C.B.U. -General 29,006.51
 C.B.U. -Project 1 1,962.16

C.B.C. - B'dos 3,230.61
 Radio - 610 T'dad 3,402.60
 Radio ZWS Bahamas 100.00

Cost re accident P2208
 Deposit-Electricity Corp.
 Royal Bank of Canada
 Cash - Petty

\$
108,097.25
348,968.07
9,457.55
13,030.68
7,580.63
487,134.18

10,010.00

51,009.50

297,225.16
618.89
75.00
63.23
100.00

349,090.78
\$ 846,234.96

GUYANA BROADCASTING SERVICES

NOTE 1

Ministry of Information as at 30th November, 1972	\$521,440.43
Add:	
Profit brought down as at 30th November, 1972	243,181.15
	\$764,621.58

GUYANA BROADCASTING SERVICES
BALANCE SHEET AS AT 31st DECEMBER, 1972

Capital Investment (Govt. of Guyana) Note 1

Sundry Creditors

Guyana Broadcasting Co. Ltd. 28,755.82
Sundry Creditors 20,793.36
Salary Deduction Creditors 4,901.65

Bank Overdraft (GNCB)

Net Profit

31.12.72
\$764,621.58

54,450.83

34,361.48

2,129.03

FIXED ASSETS

	Cost	Depreciation	31.12.72
Buildings	\$108,561.25	\$ 214.95	\$108,346.30
Station Equip.	349,058.07	4,425.27	344,632.80
Office Machinery	9,457.55	87.70	9,369.85
Office Furniture and fittings	13,447.43	118.03	13,329.40
Motor vehicles	<u>7,580.63</u>	516.44	<u>7,064.19</u>
	488,104.93	<u>5,362.39</u>	482,742.54

W.I. Progress - Studio Building (Proposed) 10,260.00
Curtains for Studio 1,078.86

CURRENT ASSETS

Stock

Equipment Spare	43,758.04	
Tools	865.00	
Cassettes	300.00	
Records	<u>8,085.00</u>	53,008.04

Sundry Debtors

Airtime	264,362.50	
Staff	4,336.03	
Min. of Agri.	99.10	
		268,797.63

C.B.U.-General	29,781.51	
C.B.U.-Project I	<u>2,182.16</u>	
		31,963.67

C.B.C.B'dos	3,230.61	
Radio 610	3,402.60	
Radio ZNS Bahamas	<u>211.60</u>	
		6,844.81

Cost Re; Accident PZ2208	618.89	
Deposit - Electricity Corporation	75.00	
Royal Bank of Canada	62.23	
C.C.W.U.	10.00	
P.S.A.	1.25	
Petty Cash	<u>100.00</u>	361,481.52

\$855,562.92

\$855,562.92

GUYANA BROADCASTING SERVICES

NOTE 1

Ministry of Information as at 30th November, 1972	\$521,440.43
Add:	
Profit brought down as at 30th November, 1972	
	<u>\$764,621.58</u>

GUYANA BROADCASTING SERVICES

PROFIT AND LOSS ACCOUNT FOR THE MONTH ENDED 31st DECEMBER, 1972

INCOME

\$

Sale of Airtime	50,934.19
Sale of Programme Materials	1,637.65
Sundry Receipts	<u>14.99</u>
	52,586.83

EXPENDITURE

Programme Expenses Sustaining

Salaries and Wages Administration	700.00	
Salary		
Announcers/Producers	6,315.11	
" Operators	2,622.12	
" Other Programme staff	<u>2,772.45</u>	
		12,409.68
Cassettes Used		49.48
Tapes Used		25.30
Talent Fees - Other		750.00
O.B. Rights		75.00
Other Expenses		239.48
Travelling Allowance (incl. car hire)		617.13
" (correspondent)		45.40
Studio Rental		<u>800.00</u>
		15,011.47

SPONSORED PROGRAMMES EXPENSES

Syndicated Programme		659.70
Talent Fees - Staff	210.00	
Other	<u>165.00</u>	
		375.00
O.B. Rights		182.80
Other Expenses		<u>292.50</u>
		1,510.00

NEWS & SPORTS

Salaries	3,624.18	
Talent Fees	200.00	
Travelling (Incl. car hire)	372.50	
News Service - Reuters	1,084.54	
" " - Creed	83.70	
Fees - Correspondent	715.92	
Travelling Correspondent	<u>24.52</u>	
		<u>6,105.36</u>

C/FWD.

\$22,626.83 \$52,586.83

GUYANA BROADCASTING SERVICES

PROFIT AND LOSS ACCOUNT FOR THE MONTH ENDED 31st DECEMBER 1972

	B/FWD.	✓	\$22,626.83	\$52,586.83
<u>OPERATING EXPENSES</u>				
Salary & Wages				
(Engineers & Technicians)	1,934.36			
Salary & Wages (General)	<u>3,010.79</u>			
			4,945.15	
Travelling			188.77	
Other allowances			20.00	
Power			2,507.00	
Motor Vehicle Expenses			806.39	
Other Expenses			8.45	
Equipment Maintenance		(1,499.13)		
Rental of Test Equipment			10.00	
General Maintenance			<u>207.43</u>	
				7,194.06
<u>SELLING EXPENSES</u>				
Salary & Wages				
			1,325.00	
Publicity			2,052.47	
Travelling Allowances			<u>70.00</u>	
				3,447.47
<u>ADMINISTRATIVE EXPENSES</u>				
Salaries (Admin)				
	3,030.00			
Salary & Wages (Office)	<u>2,103.00</u>			
			5,133.00	
Rent			920.30	
Insurance			1,869.05	
Maintenance of Premises			110.29	
Telephone			224.80	
Postage			41.89	
Cables			20.14	
Maintenance of Furniture and Fittings			552.70	
Printing & Stationery			368.70	
Travelling Staff			297.39	
Entertainment			223.48	
Donations			31.87	
General Expenses			134.43	
National Insurance			722.80	
Staff Welfare - Medical			255.64	
- Other			28.41	
Security - National Park			573.00	
	C/FWD		\$ 11,507.89	\$33,268.36
				\$52,586.83

GUYANA BROADCASTING SERVICES
PROFIT AND LOSS ACCOUNT FOR THE MONTH ENDED 31st DECEMBER, 1972

	B/FWD	\$11,507.89	\$33,268.36	\$52,586.83
Clearance Charges - Customs		<u>78.54</u>	11,586.43	
 <u>Depreciation</u>				
Station Equipment		4,425.27		
Buildings		214.95		
Office Machinery		87.70		
Office Furniture & Fittings		118.03		
Vehicles		516.44		
Loose Tools		72.14		
Records		<u>168.48</u>		
			<u>\$5,603.01</u>	
				<u>\$50,457.80</u>
	Net Profit			<u>\$2,129.03</u>

COPY

27th June, 1975

Thomas, Stoll and Dias
Auditors,
5 America Street,
Georgetown.

Sirs,

Please be advised of the undermentioned things arising from your report on the audit of books and accounts of the Guyana Broadcasting Service ending 31st December, 1972.

1. Petty Cash (Page 4 of your report)
 - (a) The numbering of vouchers began in the GBS in January, 1974.
 - (b) The dating of transactions began being entered in the petty-cash book in January 1974.
 - (c) The reason for entries being made in the petty-cash book only at re-imbusement time was that GBS offices were separate (at Lodge and at ALICO Building, Georgetown) and payments were made, from petty cash in both locations. The entries for payments made in Lodge were done on a once-a-month basis by the accounts section in Georgetown. Since GBS united its operations in Lodge in 1973, that practice ceased.

2. Fixed Assets (Page 5 of your report)

Subsequent to your report, GBS is in the process of compiling a fixed assets register after consultation with your people. Discussions between us took place in May 1975.

3. General (Page 5 of your report)

The adjusting entries, which had to be made to give effect to the order of incorporation, have been completed after consultation between your people and the accounts department of GBS. We wish to thank you for the work done on our 1972 accounts and we feel sure that 1973 and 1974 will be speedily audited to facilitate our placing the audit reports before Parliament.

Yours faithfully,
(SGD.) Ronald Sanders
General Manager/Programme Director.

c.c. Secretary/ - GUYSTAC.