

**OFFICE OF THE REGULATOR**

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**FINANCIAL STATEMENTS**

**30 JUNE 2020**

**OFFICE OF THE REGULATOR  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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**OFFICE OF THE REGULATOR  
CERTIFICATION BY MANAGEMENT  
FOR THE YEAR ENDED 30 JUNE 2020**

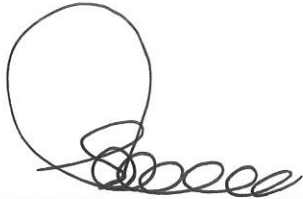
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We certify that the attached financial statements for the Office of the Regulator comprising of the Statement of Financial Position, Income Statement, Statement of Changes in Equity, Statement of Cash Flows and Notes forming part of the financial statements for the year ended 30 June 2020:

- a) give a true and fair view of the matters to which they relate; and
- b) have been prepared in accordance with International Financial Reporting Standards; and
- c) comply with the Public Finance Management Act 2001 in relation to the form or content of financial statements made under the Public Bodies (Performance and Accountability) Act 2001.

We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on behalf of the Office of the Regulator



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*Lematua Gisa Fuatai Purcell*  
**Regulator**  
Office of the Regulator  
Apia, Samoa  
/ /



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*Lotu Latai*  
**Acting ACEO-Corporate Services**  
Office of the Regulator  
Apia, Samoa  
01/02/ 2021



## **Independent Auditor's Report**

### **TO THE CONTROLLER and AUDITOR GENERAL – OFFICE OF THE REGULATOR**

#### **Report on the Audit of the Financial Statements**

##### ***Qualified Opinion***

We have audited the accompanying Financial Statements of the Office of The Regulator, which comprise the statement of financial position as at 30 June 2020, statement of income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Office of the Regulator as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), Public Finance Management Act 2001, Public Bodies (Performance and Accountability) Act 2001, Telecommunications Act 2001, Telecom and License Fee Regulation 2007 and Radio Spectrum Fees Regulation 2007.

##### ***Basis for Qualified Opinion***

The VAGST receivable of \$500,207 included in Accounts and Other Receivables in the Statement of Financial Position at 30 June 2020 has not been reconciled. The last VAGST return file was for January/February 2020 and was showing a credit (receivable) of only \$33,337. We were unable to confirm or verify the fairness of this amount of \$500,207 of VAGST receivable.

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Office of the Regulator in accordance with the International Ethics Standards Board for Accountant's *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Samoa and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### ***Key Audit Matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The office of the Office of the Regulator at Mulinuu was completely destroyed by fire in April 2020. The entity's financial records were all destroyed in this fire. The accompanying financial statements were reconstructed from various sources available, including third party confirmations, to the entity and the specialized consultants engaged for the reconstruction and preparation of the financial statements. This process took sometime to complete and delayed the audit process as well.

##### ***Responsibility of Those Charged with Governance for the Financial Statements***

Directors and management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with requirements of the Public Finance Management Act 2001, Public Bodies Act 2001, and such internal control as the directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Office of the Regulator or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Regulator's financial reporting process.



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

Under Section 104 Public Finance Management Act 2001, where a public body shall submit to the Minister of Finance and the Responsible Minister the audited financial statements within four months after the end of the public body's financial year. The Regulator has not complied with the mentioned Section, as it has not submitted its audited financial statements for the year ended 30 June 2020 before the deadline of 31 October 2020. This is due to the difficulties in the reconstruction of the Office of the Regulator's financial records that were lost in the fire of April 2020 that completely destroyed the Office.

In our opinion:

- (a) proper books of account have been kept by the Regulator, so far as it appears from our examination of those books; and
- (b) the financial statements are in agreement with the books of account; and
- (c) to the best of our knowledge and according to explanations given to us the financial statements give the information required by the Public Finance Management Act 2001 in the manner so required.

*Lesā ma Penn*

Apia, Samoa  
Date: 1 February 2021


Lesā ma Penn  
Chartered Accountants

OFFICE OF THE REGULATOR  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020

ASSETS	NOTE	2020 SAT\$	2019 SAT\$
<b>Current Assets</b>			
Cash and Cash Equivalents	3	345,921	472,073
Accounts and Other Receivables	4	5,054,994	4,077,361
<b>Total Current Assets</b>		<b>5,400,915</b>	<b>4,549,434</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	7	579,257	878,577
<b>Total Non-Current Assets</b>		<b>579,257</b>	<b>878,577</b>
<b>TOTAL ASSETS</b>		<b>5,980,172</b>	<b>5,428,011</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>EQUITY</b>			
Government Contribution	6	1,300,015	1,300,015
Accumulated Funds		(765,850)	(423,238)
<b>Total Equity</b>		<b>534,165</b>	<b>876,777</b>
<b>Current Liabilities</b>			
Accounts and Other Payables	8	5,446,007	4,551,234
<b>Total Current Liabilities</b>		<b>5,446,007</b>	<b>4,551,234</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>5,980,172</b>	<b>5,428,011</b>

The relevant accompanying notes form an integral part of the above Statement of Financial Position.

We authorise the attached financial statements for issue on behalf of the Office of the Regulator



Lematua Gisa Fuatai Purcell  
**Regulator**  
Office of the Regulator  
Apia, Samoa  
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Lotu Latai  
**Acting ACEO-Corporate Services**  
Office of the Regulator  
Apia, Samoa  
01/02/2021

**OFFICE OF THE REGULATOR  
INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2020**

<b>INCOME</b>	<b>NOTE</b>	<b>2020 SAT\$</b>	<b>2019 SAT\$</b>
<b>Fees collected for Government:</b>			
Telecom Licence Fees		2,656,555	3,034,972
Radio Spectrum License Fees		489,731	1,431,863
Administrative fees			8,786
Broadcasting fees		32,191	46,151
Electricity fees		800,950	656,497
Total		<u>3,979,426</u>	<u>5,178,269</u>
Less Paid to Government		<u>(3,979,426)</u>	<u>(5,178,269)</u>
Balance			
<b>Other income:</b>			
Government Grants		1,947,138	1,854,325
Other	9	<u>38,997</u>	<u>96,845</u>
<b>TOTAL INCOME</b>		<u><b>1,986,134</b></u>	<u><b>1,951,170</b></u>
<b>EXPENSES</b>			
Allowances		65,249	67,529
Audit Fees		33,835	35,600
Consultancy Fees		34,634	82,379
Doubtful debts	5	-	98,039
Depreciation	7	333,555	345,321
Other Operating Expenses	10	457,164	377,971
Personnel Expenses	11	1,394,366	1,242,592
Office Renovations		9,941	53,639
<b>TOTAL EXPENSES</b>		<u><b>2,328,745</b></u>	<u><b>2,303,070</b></u>
<b>SURPLUS/(DEFICIT)</b>		<u><b>(342,611)</b></u>	<u><b>(351,900)</b></u>

*The relevant accompanying notes form an integral part of the above Income Statement.*

OFFICE OF THE REGULATOR  
 STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	Government Contribution SAT\$	Accumulated Funds SAT\$	Total SAT\$
<b>2019</b>				
Balance at 1 July 2018		1,300,015	(71,338)	1,228,677
Profit for the period		-	(351,900)	(351,900)
<b>Balance at 30 June 2019</b>		<b>1,300,015</b>	<b>(423,238)</b>	<b>876,777</b>
<b>2020</b>				
Balance at 1 July 2019		1,300,015	(423,239)	876,776
(Loss)/Profit for the period		-	(342,611)	(342,611)
<b>Balance at 30 June 2020</b>		<b>1,300,015</b>	<b>(765,850)</b>	<b>534,165</b>

*The relevant accompanying notes form an integral part of the above Statement of Changes in Equity.*



OFFICE OF THE REGULATOR  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 SAT\$	2019 SAT\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash received from customers		3,001,793	4,827,019
Cash paid to suppliers and employees		(1,027,067)	(1,495,581)
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>		<b>1,974,726</b>	<b>3,331,438</b>
<b>CASH FLOWS FROM/(TO) INVESTING ACTIVITIES</b>			
Acquisition of fixed assets		(107,587)	(53,988)
<b>Net Cash Outflow from Investing Activities</b>		<b>(107,587)</b>	<b>(53,988)</b>
<b>CASH FLOWS FROM/(TO) FINANCING ACTIVITIES</b>			
Grant from the Government of Samoa		1,947,138	1,854,325
Payment to the Government of Samoa		(3,940,430)	(5,081,424)
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>		<b>(1,993,292)</b>	<b>(3,227,099)</b>
Net Decrease In Cash Flows		(126,152)	50,351
Cash and Cash Equivalent at the beginning of year		472,073	421,722
<b>CASH AND CASH EQUIVALENT AT YEAR END</b>	<b>3</b>	<b>345,921</b>	<b>472,073</b>

The relevant accompanying notes form an integral part of the above Statement of Cash Flows.

**OFFICE OF THE REGULATOR  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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**1. GENERAL INFORMATION**

The Office of the Regulator was established in July 2006 and its mandate is set out in Section 3 of the Telecommunications Act 2005, Section 3 of the Broadcasting Act 2010, Section 3 of the Postal Services Act 2010 and Section 3 of the Electricity Act 2010. The main purpose of the Office is to regulate the Telecommunications, Broadcasting, Postal and Electricity Sectors in Samoa.

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Set out below is a summary of significant accounting policies adopted by the Office in the preparation of its financial statements.

**(a) Statement of Compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).

**(b) Basis of preparation**

The financial statements are prepared on the basis of historical costs. Reporting financial statements in accordance with International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period and future periods.

**(c) Comparative information**

Comparative information has been restated where necessary to achieve consistency in disclosure with and current financial year amounts.

**(d) Functional and presentation currency**

The financial statements are presented in Samoan Tala (SAT\$), which is the Office's functional currency all values presented in Samoan Tala have been rounded to the nearest tala.

**(e) Foreign currency**

Transactions in foreign currency are translated to Samoan tala at the foreign exchange rate ruling at the date of the transaction. Amounts receivable and payable denominated in foreign currencies are translated at the rates of exchange ruling at balance sheet date. Foreign exchange differences arising on translation are recognised in the income statement.

**(f) Bad and doubtful debts provision**

Collectability of receivables is reviewed on an ongoing basis. A provision is raised for any doubtful debt based on a general review of the outstanding amounts at the end of the reporting period. Bad debts are written off against the provision for doubtful debts in the period in which they are identified as unrecoverable. Unless there was no provision raised before, then write off in income statement.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (g) Revenue Recognition

Revenue from rendering of services is recognised by reference to the stage of completion of the transaction at the reporting date. The revenue is recognised when:

- The amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- The probable economic benefits with the transaction will flow to the entity.

No revenue is recognized if there are significant uncertainties regarding collection of the revenue due.

#### **Government Grant**

Grants from the Government of Samoa which are intended to support and finance the operations of the Office are taken to income in the period they are receivable.

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. They are not credited directly to shareholder's equity. When the grant relates to an asset, the fair value is credited to a deferred income account and amortised to income statement in the same amount as the related depreciation expense on the asset. That is, amortised over the expected useful life of the relevant asset by equal annual instalments.

### (h) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash at bank and on hand. Cash is recognised at its nominal amount.

### (i) Accounts and other receivables

Accounts and other receivables are recorded at expected realization value after providing for bad and doubtful debts. At the end of each reporting period, the carrying amounts of accounts and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the income statement.

VAGST collected is included in Accounts Receivables.

### (j) Provisions

A provision is recognized in the balance sheet when the Office has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

### (k) Accounts and other payables

Accounts payable and other payables are recognized at cost and represent liabilities for goods and services provided to the Office before the end of the financial year that are unpaid and arise when the Office becomes obliged to make future payments in respect of the purchase of these goods and services.

### (l) Income Tax

The Office is exempt from income tax.

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(m) Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method.

The following rates are used for the depreciation of property, plant and equipment:-

Item	Annual rate
Furniture and Fittings	20%
Office equipment	20%
Motor vehicles	20%
Spectrum Monitoring Mobile System	20%
Computer software	20%

**(n) Leases**

The Office of the Regulator currently leasing land and building from the Ministry of Natural Resources & Environment at \$12,000 per annum. However, the Land Board approved the request by the Office of the Regulator to renovate the building and to offset \$12,000 per annum against total costs of renovations to the building. Renovations to the building cost \$449,229.00 (correct value of renovations per signed lease agreement). The term of lease is for 20 years commencing 1 July 2009.

Any new improvements to the site will be at the Regulator's expense.

**(o) Grants to Ministry of Finance**

All daily collections received from Licenses Fees and other fees relating to Office operations are issued a master receipt by the Ministry of Finance and lodged into the Treasury Revenue Fund. Therefore cash paid back is treated as an expense of the office.

**(p) Employee benefits**

***i) Salaries and wages, annual leave and long service leave***

Liabilities for employees' entitlements to salaries and wages, annual leave, long service leave and other current employee entitlements (that are expected to be paid within twelve months) are accrued at undiscounted amounts, and calculated at amounts expected to be paid as at reporting date.

***i) Salaries and wages, annual leave and long service leave***

Liabilities for other employee entitlements, which are not expected to be paid or settled within twelve months of reporting date, are accrued in respect of all employees at the present value of future amounts expected to be paid.

No provision is made for non-vesting sick leave as the pattern of sick leave taken indicates that no additional liability will arise for non-vesting sick leave.

***ii) Superannuation contributions***

The Office contributes towards the Samoa National Provident Fund (NPF), a defined contribution plan in accordance with local legislation and to which it has no commitment beyond the payment of contribution. Obligations for contributions to the defined contribution plan are recognised immediately in the income statement.

OFFICE OF THE REGULATOR  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

3. CASH AND CASH EQUIVALENTS	2020 SAT\$	2019 SAT\$
Petty Cash	500	500
Cash at Bank	345,421	471,573
	<u>345,921</u>	<u>472,073</u>

4. ACCOUNTS AND OTHER RECEIVABLES		
Accounts and other receivables are specified as follows:		
Accounts receivables	3,622,696	2,541,672
Less: Provision for doubtful debts	(106,681)	(106,681)
	<u>3,516,015</u>	<u>2,434,991</u>
<b>Add: Other Receivables</b>		
Prepayments	11,895	10,498
VAGST Receivable	500,207	509,139
Accrued Revenue	1,026,877	1,122,733
<b>Total accounts and other receivables</b>	<u>5,054,994</u>	<u>4,077,361</u>

Accrued Revenue represents estimated revenue from telecommunications licence fees for this financial year that have not yet been invoiced. Estimates based on previous periods' licence fees once invoices are issued, the relevant amounts will be transferred to Accounts Receivables. The amount of licence fees are in accordance with the Telecommunications Licence Fee Regulations 2007.

5. PROVISION FOR DOUBTFUL DEBTS		
Balance at the beginning of the year	106,681	38,017
Add: Additional provision	-	98,039
	<u>106,681</u>	<u>136,056</u>
<b>Less:</b>		
Debts written off	-	-
Doubtful debts recovered	-	(29,375)
Reversal of doubtful debts	-	-
<b>Balance as at year end</b>	<u>106,681</u>	<u>106,681</u>

6. GOVERNMENT CONTRIBUTION		
Net book value of Fixed Assets transferred from the Ministry of Communications & Information Technology as at 1 July 2007	156,734	156,734
Net book value of Fixed Assets purchased by the World Bank Telecommunications & Postal Sector Project as at 1 July 2007	1,143,281	1,143,281
	<u>1,300,015</u>	<u>1,300,015</u>

The cost of fixed assets transferred from the Ministry of Communications and Information Technology and those acquired through the World Bank Telecommunications and Postal Sector Reform Project are determined by reference to its net book value at 1 July 2007, the date when the Office of the Regulator operated independently.

OFFICE OF THE REGULATOR  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

7. PROPERTY, PLANT & EQUIPMENT

	Furniture & Fittings	Office Equipment	Motor Vehicles	Spectrum Monitoring Mobile System	Computer Software	RE Project Equipment	TOTAL
<b>COST</b>							
Balance at 1 July 2018	140,825	163,604	363,456	1,393,291	68,308	64,632	2,194,115
Additions	14,964	28,587	-	1,826	8,611	-	53,988
Disposals	(1,325)	(20,162)	(556)	(556)	-	-	(22,600)
Balance at 1 July 2019	<b>154,464</b>	<b>172,029</b>	<b>362,900</b>	<b>1,394,561</b>	<b>76,919</b>	<b>64,632</b>	<b>2,225,504</b>
Additions	44,457	55,288	-	6,395	1,448	-	107,587
Disposals	(146,939)	(175,044)	(72,149)	(6,395)	(72,361)	-	(472,887)
Balance at 30 June 2020	<b>51,981</b>	<b>52,273</b>	<b>290,751</b>	<b>1,394,560</b>	<b>6,006</b>	<b>64,632</b>	<b>1,860,203</b>
<b>ACCUMULATED DEPRECIATION</b>							
Balance at 1 July 2018	120,510	134,769	192,351	487,289	55,798	29,388	1,020,105
Depreciation	9,166	14,972	48,295	253,962	5,999	12,926	345,321
Disposals	(1,285)	(17,029)	(166)	(19)	-	-	(18,499)
Balance at 1 July 2019	<b>128,391</b>	<b>132,712</b>	<b>240,480</b>	<b>741,232</b>	<b>61,797</b>	<b>42,314</b>	<b>1,346,928</b>
Depreciation	8,248	10,790	44,307	253,369	3,914	12,926	333,555
Disposals	(129,893)	(137,778)	(70,243)	-	(61,623)	-	(399,537)
Balance at 30 June 2020	<b>6,746</b>	<b>5,723</b>	<b>214,544</b>	<b>994,602</b>	<b>4,089</b>	<b>55,241</b>	<b>1,280,946</b>
<b>30 June 2019</b>	<b>26,072</b>	<b>39,317</b>	<b>122,420</b>	<b>653,328</b>	<b>15,122</b>	<b>22,318</b>	<b>878,576</b>
<b>30 June 2020</b>	<b>45,235</b>	<b>46,550</b>	<b>76,206</b>	<b>399,958</b>	<b>1,918</b>	<b>9,391</b>	<b>579,257</b>

8. ACCOUNTS AND OTHER PAYABLES

Accounts and other payables are specified as follows:

	2020 SAT\$	2019 SAT\$
Accounts payables	67,899	68,083
Provision for Audit fees	42,765	35,000
	<b>110,664</b>	<b>103,083</b>
<b>Add: Other Payables</b>		
Payable to Government	4,745,428	3,664,404
Accrued allowances & salaries	-	59,154
Other employee benefits accrued	27,842	58,441
Revenue received in advance	508,076	663,903
Deferred Revenue	45,593	-
Withholding tax payable	8,403	2,249
<b>Total accounts and other payables</b>	<b>5,446,007</b>	<b>4,551,234</b>

Deferred revenue relates to both telecommunications and radio spectrum licence fees for the next financial year that have already been invoiced in the current financial year. This amount will be reversed in the next financial year and revenue will be recognised then.

OFFICE OF THE REGULATOR  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	SAT\$	SAT\$
<b>9. OTHER INCOME</b>		
Doubtful debts recovered	-	29,375
Other	38,997	67,470
	<u>38,997</u>	<u>96,845</u>
<b>10. OTHER OPERATING EXPENSES</b>		
Advertising	53,768	29,117
Bank charges	889	1,424
Electricity	30,713	48,592
Insurance	20,269	25,347
Internet & email	18,797	26,089
Loss on disposal of fixed assets	73,446	4,101
Motor vehicle running expenses	28,124	30,997
Office equipment	30,186	20,456
Other operating expenses	140,895	170,105
Postages and telephone	14,260	4,823
Stationery	22,972	14,759
Subscription to publications	22,846	2,161
	<u>457,164</u>	<u>377,971</u>
<b>11. PERSONNEL EXPENSES</b>		
Salaries and Wages	1,161,873	1,148,230
ACC Levy & NPF Contribution	232,493	94,362
	<u>1,394,366</u>	<u>1,242,592</u>
<b>12. RELATED PARTIES</b>		
<b>i) Key management personnel costs</b>		
The remuneration of key management personnel during the year were as follows:		
<b>Salaries and short term employment benefits</b>	<u>498,389</u>	<u>498,389</u>
<b>Employers contribution to:</b>		
National Provident Fund	34,887	34,887
Accident Compensation Levy	4,984	4,984
ii) There were no other transactions with Related Parties during the year.	<u>39,871</u>	<u>39,871</u>

**OFFICE OF THE REGULATOR  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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**13. CAPITAL COMMITMENTS**

The Office of the Regulator is not aware of any capital commitments as at 30 June 2020 (2019: SAT\$nil)

**14. CONTINGENT LIABILITIES**

The Office of the Regulator is not aware of any contingent liabilities as at 30 June 2020 (2019: SAT\$nil)

**15. APPROVAL OF FINANCIAL STATEMENTS**

The Management of the Office of the Regulator approved the financial statements on \_\_\_\_\_.