

MISSION STATEMENT

To be part of the global regulatory systems by making consumer education, protection, quality of service and fair competition amongst operators our golden rule.

VISION

To be a leading Telecommunications Regulator in Africa by meeting the full range of regulatory challenges and always seeking the best interest of all stakeholders.

OUR VALUES

Transparency, Integrity, Fairness, Industry Participation, Resourcefulness and Awareness

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Profiles of the Chairman and the Commissioners of NATCOM



Chairman and Commissioner Siray Timbo is trained in Architecture, Urban Planning and Project Management. He holds a Masters Degree in Architecture from University of Bucharest. He is a renowned architect and senior managing partner at Ideas Ltd., one of Sierra Leone's leading architectural firms. He is a registered member of the Association of Project Managers (UK) and the Association of House Builders (USA) Arc. Timbo also serves as Director of Reliance Trust Corporation, a leading insurance group in the country. He is President Ernest Bai Koroma's Special envoy to the Middle East. He is a devout Muslim, married with three children.



Commissioner Saidu Turay is a dedicated and conscientious Sierra Leonean with vast experience in the public and private Sectors of both Sierra Leone and the United States of America. Commissioner Turay also doubles as Corporate Secretary to ASSASI Ltd. a Business and Investment Consultancy and before his appointment at NATCOM he worked in the US as Project Manager and Technical Expert to ADT in Totowa, New Jersey and before that was front office Manager at Best Western Hotel in Morristown, New Jersey. Mr. Turay holds a Bachelors of Arts Degree in Communications from the University of Houston, Texas.



Commissioner Frank E. Jarrett, Executive with 39 years experience in the field of Telecommunications, IT, ICT Systems and Managerial Positions. Incorporated Executive Portfolios in Engineering, Commercial Development and Strategic innovation. Over the last 15 years, provided expertise to Telecommunications Carriers, Service Providers and Industry Associations. Currently, I am serving as a Commissioner, in The National Telecommunications Commission. M.Sc Degree (Microwave Solid State Physics). University of Portsmouth- UK.

Certificate of Honor: European Market Research Center : Brussels: 1994 –Awarded certificate of Honor , for Most Diverse Aspects of Trade , Industry and Services, in Management, Quality, Technical Innovation, Service, Business Level and Prestige in the European Market.

Profiles of the Chairman and the Commissioners of NATCOM



Commissioner Sahr Raikes Tumoe retired as Managing Director of Sierra Leone's incumbent Operator, the Sierra Leone Telecommunications Company Limited (SierraTel). Before that, he served both as Deputy MD of SierraTel and Managing Director of the Sierra Leone National Telecommunications Company respectively. He also served as a Director on the NPA Board from 2003/2005 and is a member of the National Council for Technical, Vocational and other Academic Awards, representing the Professional Engineers Regulation Council.

Commissioner Tumoe studied Electronics and Communications at the Southampton College of Technology in the United Kingdom where he graduated in 1966 obtaining graduate membership of the Institution of Electronic and Radio Engineers. He did post graduate studies in Telecommunications Systems at Essex University in 1983/84 and also completed post graduate studies in Technological Economics at Stirling University in 1984/85



Commissioner Ibrahim Kabia has a background in Environmental Health, Human Rights and Consumer Rights Activism.

He was trained in consumerism in Kaduna, Nigeria. He later read Environmental Protection and Pollution Control techniques. Mr. Kabia also studied standardisation and is an active member of the Task Force on standardisation at Sierra Leone's Bureaus of Standards



Commissioner Frank Manja has a background in Computer Networking and was before his Appointment with NATCOM a supervisor at the Data Support Centre of Dendrite Inc, a Software Company in the United States Specializing in Pharmaceutical Management Software Design and Support. Commissioner Manja holds a Bachelor of Science, degree in Mathematics and Computer Science from TOURO College, NY, New York.



Commissioner Richard Kargbo has a background in Business Administration and Marketing and has served various companies in Sierra Leone and the United States of America. He has vast experience in both the private and public sectors of the two countries.

Commissioner Kargbo returned home to answer to the President's clarion call for Sierra Leoneans to invest in agriculture. He holds an associate degree in applied sciences (IT) and an MCSE Certificate on Computers. He presently doubles as a master farmer in addition to his meritorious service to the Commission.

Chairman's Message



I have great pleasure to present the second edition of this Annual Report that covers the work of NATCOM from January 1 to 31 December 2010.

It had indeed been a year of emerging challenges. But it had also been a year of fulfillment and pride. About the youngest Regulatory Authority in the sub-region, NATCOM's Board of Commissioners and Management remained ever committed to pursuing the President's vision in making Sierra Leone an ICT knowledge based environment; with ICT being progressively utilized as tools for socio-economic development. In this vein, we undertook numerous strategic initiatives that would ensure a vibrant ICT sector.

We are grateful to our esteemed leadership and Government for the confidence they repose in NATCOM. We would continue to strive to match the ranks of leading global telecommunications regulatory authorities by demonstrating international best practice; and seeking premium quality training for our staff in diverse regulatory and technical course curriculum by our international partners. Standing tall in this aspect are our cherished partners in the USA; namely, the United States Telecommunications Training Institute (USTTI), who have stood by us in advancing our bedrock goal of making modern communications a reality for all the citizens in the country. Over the past twelve months, NATCOM made significant advances towards achieving the strategic objectives of the National ICT Policy and meaningfully contributed to the wind of transformation and modernization

blowing the telecom sector. Our initiative to provide several Wireless Internet hot spots at our international airport and on Fourah Bay College campus as part of our contribution to the Government's Re-branding strategy within the broader context of the President's Agenda for Change, is evident of our steadfastness to bridge the digital divide in Sierra Leone.

During the year under review, we committed efforts and financial resources by engaging the technical assistance of the Commonwealth Telecommunications Organization (CTO) in the conduct of a Rural Access Gap Study for the object of producing an Access Gap Model. The purpose of the Access Gap Model is to help analyse the ICT market in Sierra Leone and to guide the development of policies and plans for the Universal Access Development Fund (UADF). Specifically, the Model is designed to evaluate the estimated net costs associated with prospective deployment of ICT network infrastructure and facilities to un-served and underserved regions of the country; and the associated levels of UADF subsidy funding that may be required to support expansion of services to those areas.

Since its establishment in 2006, NATCOM has been an independent public authority. This has given us the flexibility to develop regulations, monitor the market and implement consultation in relevant fields. I am confident that NATCOM will forge ahead with even more momentum to achieve our goals for the development of the sector, the promotion of competition and the protection of consumer interests, to keep the ICT sector as one of the most important sectors supporting the national economy.

Concluding, I can only express my thanks to my fellow Commissioners of the Board, management and staff of NATCOM, the Ministers and Officials of the Ministry of Information and Communication, and to all those who cooperated with us, for their support and active participation in the year 2010, which led to these positive results and success, while we brace up for meeting the challenges in the coming years, key among them being tackling cyber crime and SIM Box Fraud.

Senior Management Staff



Mohamed Bangura
Director General



Senesie Kallon
Deputy Director General



Dr. Abass H. Kamara
Director Corporate Resource Management



John Eddison Tarawallie
Director of Finance



Michala Mackay
Director of Legal & Licenses



Cho Ansu
Director of Consumer Industrial
Affairs



Musa Nur Kamara
Corporate Secretary



Abu Bakarr Jalloh
Senior Internal Auditor



Victor Findlay
Director of Engineering &
Technical Services



5.1 DEPARTMENT OF LEGAL & LICENSES

Following the recruitment of a new Director of the Legal and Licensing in March 2010, activities executed by the Legal and Licensing department and sub-committee are outlined below under two categories: Internal and External Services.

INTERNAL

1. Staff handbook

NATCOM prides itself in protecting the welfare and interest of its staff. In the year under review NATCOM secured the services of an HR Consultant to review its staff handbook. The Legal Department worked in close partnership with the consultant to ensure the following:

- The rights of employees are protected in accordance with the Labour Laws and regulations in force in Sierra Leone.
- The rights of the Commission are protected and in particular that all matters classified as ‘confidential’ remains as such.
- Creation of equal opportunity
- Clearly defined terms and conditions of service that form an integral part of an employee’s contract
- Guidelines on health and safety within the confines of NATCOM’s premises
- Medical and other benefits due employees

2. Medical Retainers

The Commission has retained the services of suitably qualified medical practitioners in Freetown and district head quarter towns where the Commission maintains offices to provide medical services to Commission, Staff and registered dependents. Contracts have been signed with retained medical practitioners.

3. Memorandum of Understanding entered into between NATCOM and the University of Sierra Leone

Legal review was undertaken prior to the execution of the Memorandum of Understanding entered into between the University of Sierra Leone and NATCOM. The objective of this agreement was to establish and maintain partnership between the two institutions for the growth and development of ICTs in the education sector. A start up of this partnership was to equip Fourah Bay College with a total of fifty computers and ten printers. The draft of a commercial agreement for the sale and supply of the computers was prepared to ensure that the supplier who awarded the contract following due process would supply equipment subject to the terms and conditions therein. Detailed terms and conditions were drafted to as far as possible secure goods of highest standards and at reasonable price.

4. Alternate Dispute Resolution and Management Training

In order to better equip the Commission in executing its mandate to adjudicate in disputes pursuant to section 39 of the Telecommunications Act 2006 (as amended), the Director or Legal and Licensing coordinated the conduct of training in Alternate Dispute Resolution (ADR) and Management. This training was done in partnership with the Commonwealth Telecommunications Organization (CTO) and ADR Group London. A total of nineteen participants were trained including representatives from licensed Operators, Parliamentary Oversight Committee on Information and Communications,

Sierra Leone Chamber of Commerce, Independent Media Commission and NATCOM. The training sought to empower participants to resolve disputes economically and speedily while preserving business relations.

5. Contract for Security Services

NATCOM owns and operate offices situated in six district head quarter towns namely: Kenema, Makeni, Bo, Moyamba, Kono, and Port Loko. In order to protect the Commission's assets and the person of staff members, the services of a Security Company that had exhibited the capability to provide services were secured.

EXTERNAL SERVICES

West African Regional Communications Infrastructure Program (WARCIP - Sierra Leone Project)

The recently concluded negotiations between the Government of Sierra Leone and the World Bank saw the intervention of the National Telecommunications Commission duly represented by the Director of Legal and Licensing. The Government of Sierra Leone through its 100% owned subsidiary Sierra Leone Cable Limited (SALCAB) would secure access to capacity on a regional submarine cable system which is expected to provide cheaper and higher quality international connectivity to Sierra Leone. Legal services rendered to SALCAB via the Ministry of Information and Communications included though not limited to:

- Review of and advise the Ministry on Africa Coast to Europe Consortium agreement prior to its execution in Paris, on the 5th June 2010
- Review of and advise the Ministry on the World Bank project documents
- Evaluation of technical and financial proposals and selection of Consultant for the preparation of the Environmental and Social Management Framework Report and the Resettlement Policy Framework for the Sierra Leone Project
- Negotiating with the World Bank for the Credit of US\$31,000,000 (thirty one million United States dollars) to finance the Sierra Leone Project under WARCIP.

These negotiations led to the Commission being listed as a direct beneficiary of the project under the arm of "strengthening of the policy and regulatory environment for improved connectivity and open and non discriminatory access to communications infrastructure, including for the cable landing facility, and liberalization of Sierra Leones international gateway.

6. Standard of Performance

The Legal and Licensing Department for the period under review drafted new terms and conditions of Operator license to ensure the following:

- quality of service was maintained through clearly defined parameters for service delivery
- monitoring and evaluation mechanisms were adopted
- Protection of consumer rights
- The provision of nondiscriminatory services
- Appropriate penalties are applicable in instances of a default
- Compliance with the telecommunication act as amended and any regulations in force in Sierra Leone at any given point in time.

New terms and conditions of the Third Generation License (Terrestrial 3G/HSPA IMT-2000 and IMT -2000 Advanced) and Internet Service Provider License was drafted and now in force.

A communiqué signed off by all radio stations sought to incorporate standards for the use of frequency assigned to radio stations individually. It was a successful attempt to regularize cases where stations had been assigned frequency but with no clearly defined bounds within which to operate. Standards agreed upon with operators are consistent with International Telecommunications Union standard.

7. Regulations

The Commission is mandated by law to put in place regulations to support its effective operations and contribute to the attainment of its object as defined under section 9 of the Telecommunications Act 2006 (as amended). The Following regulations are under review for implementation in the second quarter of 2011.

- Spectrum Management
- Numbering
- Access and Interconnection
- Tariff
- Universal Access Services
- Personal Data Protection
- Computer Misuse and Cybercrime

8. ICT Access Gap Study

It is the mandate of the Commission to ensure universal availability of efficient reliable and cost effective telecommunications services throughout Sierra Leone. In light of this and taking into consideration the establishment of the Universal Access Development Fund (UADF), there was the need to conduct a study on the status of ICT's nationwide.

The Legal Department coordinated the conduct of this study following engagement of the services of the Commonwealth Telecommunications Organization (CTO). The primary objective of the study was to undertake an analysis of the status of Information and Communication Technology. Thereafter, the Commission intends to design effective economic strategies and interventions to improve access to ICTs in remote rural and under-served areas in Sierra Leone. At time of reporting the said study is ongoing a spreadsheet model has been designed to simulate and estimate economic characteristics of the various ICT market segments in Sierra Leone. Assumptions to be used in the model including cost assumptions, network development and revenue assumptions are to be agreed upon by the Commission.

In addition, daily support is rendered to all Departments of the Commissions to ensure the Commission's compliance with the Telecommunications Act 2006 (as amended) and other regulations in force. Such support includes though not limited to:

- Liaison with operators on SIM CARD Registration and other regulatory matters
- Dispute Resolutions – Operator and Operator /Operator and Consumer
- Debt Collection
- Scrutiny of prospective Operator's business plan in placing an application for a license.
- Public Awareness and Sensitization on matters relating to the role of the Commission in the industry growth and development

Licenses

For year under review, after due process the following Operators where licensed in the categories indicated:

| ITEM | NAME OF OPERATOR | LICENSE CATEGORY |
|------|---------------------------|--------------------------|
| 1. | Airtel SL Limited | 3G License (Terrestrial) |
| 2. | GS Telecom Africa Limited | ISP |
| 3. | | |



5.2 DEPARTMENT OF ENGINEERING & TECHNICAL SERVICES

The year under review is not without challenges, despite some achievements made. This segment of the report therefore, broadly highlights the achievements made and the challenges faced by the Department of Engineering and Technical Services. Structurally, the report captures staffing, capacity building and key activities carried out by the department during the previous year.

On the whole, the Department fulfilled its fundamental and pivotal function of monitoring and managing the Radio Frequency Spectrum to ensure fair play and standard practice among actors - Operators, Service Providers and end users – as the rule rather than an exception.

STAFF

The Department is headed by a Director, who is supported by other technical and professional staff. They include two Managers for IT/Quality of Service, and for Spectrum respectively; three Engineers for Spectrum, IT & Standards, and Quality of Service; and one Technician. The former Director of the Department was appointed to the position of Deputy Director General and the position of Director occupied by the former Manager of Spectrum.

Finally, the operations of the Department are guided and supervised by the Chairman of the Sub-Committee on Engineering on a rotational basis among six of the seven Commissioners on the Board of Commissioners.

CAPACITY BUILDING

The Commission is committed to building the capacity of its employees through training programs, and the department has benefited from that every year. In the year under review, two staff of the department attended training courses in China and in the United States conducted by the Chinese Government and the US Telecommunications Training Institute (USTTI) and TCI.

ACTIVITIES

The Department performed routine activities including Spectrum Planning, Management and Monitoring, Equipment Type Approval and Quality of Service Measurements.

- **Spectrum Planning** – Planning has been crucial as rapid development continues to take place in the sector. Planning generally follows ITU recommendations for Region 1. However, when various operators compete for the same spectrum in order to offer the same services, country specific planning is done. The CDMA 850 band was subject to a planning review to accommodate a new entrant. Whereas this new entrant has still not taken up the offer, the planning has been done. Microwave point-to-point links continue to be in demand as ICT services extend nationwide. We encouraged Operator to Operator coordination and advised Operators to efficiently use the spectrum assigned to them.
- To achieve this Department has come up with a spectrum resource formula in which the spectrum fee is seen to be a function of bandwidth and band value.
- **Spectrum Management and Monitoring** – The Department sees the two functions of managing and monitoring as complementing each other and therefore treats both as the same function. The acquisition of the Spectrum Monitoring Vehicle and the spectrum analyzer, coupled with the appointment of new staff, greatly increased the capacity and out-put of the department in performing this function.

- Routine monitoring of the FM band for example showed an excess of thirty broadcasters in Freetown; an indication that most of them were broadcasting outside parameters stated in their spectrum certificates, resulting in the incidence of interference.
- These findings prompted the Department to organize a day's **workshop for all FM Stations broadcasting in the Western Area on the theme "Promoting interference-free Broadcasting in the FM Band"**. The workshop resulted in the signing of a communiqué committing participating broadcasters to adhere to conditions indicated in their certificates.
- **Monitoring** in the year under review unveiled various unlicensed users of telecommunications equipment in the VHF band, which are now being licensed. Another triumph of monitoring was the location of an illegal broadcasting station in the peninsula area. The transmitter was confiscated and appropriate action taken against the proprietors.
- **Type Approval** – The Department type approved a number of equipment for use in Sierra Leone. In the absence of a type approval laboratory though, tests were not actually done on equipment. Alternatively, applicants were requested to produce proof of internationally recognized certificates they had obtained for the products. These were ascertained before issuance of type approval certificates. A key challenge of the Commission and the Department in particular, is to have a type approval laboratory up and running in the very near future.
- **Quality of Service (QOS)** – Plans are underway to purchase a QOS measuring tool which would enable the Commission to determine the level of QOS delivered by service providers. In the absence of such a tool, the Department conducted a consumer perception survey to measure the perceptions of consumers with respect to QOS; the findings of the survey were subsequently passed on to the Operators for action to improve on the quality of their services.

LICENSING

The Engineering and Technical Services Department assisted the Legal and License Department in the licensing of new entrants (Operators), providing the specifics in terms of allocated frequency, type of service and other relevant technical information that facilitated the issuance of the appropriate licences.

Various licences were issued in the FM and TV Broadcast and VHF bands.

Two Internet Service Providers were licensed during the period under review using the licence free band for terrestrial point-to-multipoint distribution.

COOPERATION WITH OTHER UNITS AND COMMITTEES

The Department also worked with specialized units and committees within and outside the Commission. Such was the instance of the Department being represented in the Cyber Security Unit which helps to combat cyber crime such as SIM Box Fraud and illegal VoIP operations.

Furthermore, the Department was represented in the International Gateway Liberalisation Committee. This committee has produced a report which has been submitted to the Hon. Minister of Information and Communication.

The Department is also represented in the Technical Committee of the Independent Media Commission (IMC). The IMC is responsible to license and regulate the print and electronic media (radio, TV and newspaper) in terms of content, whereas NATCOM is responsible for allocating spectrum. The inclusion of the representative from this department has led to the standardization of the application form used by the IMC and NATCOM.

CHALLENGES

In the upcoming year, there are a number of challenges – some already highlighted in previous paragraphs - facing the Commission as a whole and this department in particular. These include but are not limited to the following:

- Analogue to Digital TV Transition
- Control and Type Approval of telecommunications equipment entering Sierra Leone
- Cross border interference
- Notifications to the ITU
- Fiber Regulation with respect to the ACE project and the ECOWAN project.
- VoIP

CONCLUSION

In the midst a host of challenges, the Commission is well poised (with emphasis on capacity building) to tackle these challenges and report favorably at the end of this year.



5.3 THE CONSUMER–INDUSTRY AND PUBLIC AFFAIRS DEPARTMENT (CIPA)

The Department of Consumer, Industry Relations and Public Affairs (CIPA) is one of the six (6) Departments of the National Telecommunications Commission. It is subdivided into three units, namely; Consumer-Industry Relations, Public Affairs and Quality of Service and Economic Assessment, each headed by a Manager, who reports directly to a Director.

CIPA's Public Affairs Unit has the primary responsibility of empowering the consumer through a robust and strategic communication strategy using mainly the electronic and print media, and other communication tools such as Town Hall Meetings. The Department also tracked market trends to help consumers make informed decisions on the purchase and utility of telecom services, equipment and supplies. On the whole, the Department routinely collects and analyses information on consumer and industry related issues for policy formulation, planning and implementation.

COMPOSITION:

The Department is headed by a Director working with three (3) Managers and seven supervisors; one stationed in Freetown, and six manning the Zonal Offices in Makeni, Port Loko, Bo, Kenema, Moyamba and Kono. Together, these officers constitute the Departmental Management Team that is responsible for planning, implementing, coordinating and reporting on activities to the Board and the Senior Management. During the year under review, the Department engaged in the following activities.

1. MONITORING:

The Department embarked on Call Monitoring of both local and International calls throughout the year. The objective of this exercise was to ascertain the authenticity of the tariffs of Operators per call as they claimed in their numerous promos. During the exercise we discovered that what they actually charged was far

We later proved our findings by making an on-the-spot international call monitoring on the premises of the Operators. It was discovered that calls made on the 18th June to USA and Canada were charged at 30 units for 62 seconds instead of 20 units as advertised.

The Department requested a written explanation from the Operators on the variation in airtime, and the matter was further taken up by the Chairman and his Board.

In addition to Call Monitoring the Department also reviewed media reports in the print and electronic media, and online sources. The Public Affairs Manager on a routine basis, reads newspaper reports, listens to current affairs programs on radio and TV and visits the websites of other Regulatory Authorities in order to track down adverse reports against the Commission and/or to catch up with latest regulatory instruments and new technologies in the telecom industry.

2. CONSUMER SURVEY:

In January 2010, CIPA conducted a pilot Consumer Satisfaction Survey aimed at establishing the level of satisfaction and or dissatisfaction of consumers of telecoms services in the western area. The survey lasted for one week and had an intended function of improving the quality of telecoms services and products in the country. Ten enumerators including five University Students and five Members of the Consumer Task Force were recruited to administer one thousand questionnaires, as a research method. A total of 1000 respondents were targeted.

The statistical data collected represents a picture of how consumers perceive the services they get for their money value; as a department the consumer is paramount. The issues captured in the questionnaire include customer care, coverage, internet speed and Quality of Service (QoS). Findings showed that 60% of the consumers were not satisfied with the services provided by their service providers in terms of network coverage, internet speed, customer care and quality of telecoms products.

The Department collated and critically analyzed the data from the responses of the consumers and proffered recommendations contained in a comprehensive report on the survey available in the Library.

3. DATA COLLECTION:

The Department had also been very routinely engaged in data collection at both national and international levels. A questionnaire and indicator spread sheet were developed by the Department and sent to the Operators. The information on the Spread-Sheet would be instrumental in determining trends in the industry domestically and internationally.

4. CONFLICT RESOLUTION:

In the absence of a conflict resolution/mediation unit in place, the Department received and addressed consumer complaints throughout the year. CIPA intervened in facilitating dialogue between operators and complaining consumers, resulting in peaceful resolution.

The nature of the complaints received ranged from SIM deactivation, insulting and life threatening SMS messages, network problems and unethical promotions to name just a few.

5. CONSUMER EDUCATION AND PUBLIC AFFAIRS

The Department was able to effectively empower the consumer through consumer out-reach activities thereby enhancing the Corporate Image of the Commission.

NATCOM has become a household name and this has been achieved largely through professional media relations and sustained publication of news items and feature articles about our activities in the newspapers, TV, Radio, international magazines and on the web.

6. SIM CARD REGISTRATION

CIPA played a pivotal role in popularizing the Regulations on the Registration of SIM/UIM Card. Between March and June 2010 the Department coordinated and monitored the “Convergence Registration Strategy” implemented by the Commission in collaboration with GSM/CDMA Operators.

The Convergence Approach was adopted in the last three months to the June 2010 deadline for the registration of SIM Cards in order to accelerate the process and to offer a last opportunity to consumers before the start of deactivation on 30 June 2010. We literally set up and coordinated registration centers in strategic locations in Freetown, and in the provinces. Our Zonal Officers were very instrumental in this exercise, resulting in an unprecedented initial **85 %** registration.

7. PRESS RELEASES/PUBLIC NOTICES

The Department drafted, edited and distributed press releases and public notices as directed by the Commission on key developments such as the reduction in inter-connection rate; commencement of deactivation of un-registered SIM cards, approved “cap” price of top-up cards and invitation of bids. These items have always been uploaded on the website

8. WEB-SITE

The Department deems our NATCOM website www.natcomsl.com as the most powerful and most far-reaching media tool at the Commission’s disposal to communicate its messages. During the period under review, the Department worked in close collaboration with the IT Unit in providing new content and reviewing existing content in addition to redesigning the Home Page. This includes reviewing the welcome statement, vision, mission and values of the Commission.

New features such as photo news items have also been added to the Home page.

9. COLLABORATION WITH CYBER TASK FORCE

The Department collaborated with the Cyber Crime Task Force in the enforcement of the SIM Card Registration Regulations and SIM Box Fraud. In the process, surprise raids were conducted in various parts of the country and peddlers of unregistered SIM/UIM cards were arrested and charged to court.

10. COORDINATION

CIPA coordinated a number of meetings with our partners during the year under review. This includes the drafting and distribution of letters to FM Radio Stations and ISPs in the western area, aimed at generating Commission funds through debt collection.

In October CIPA coordinated a workshop organized by the Engineering Department for some 60 FM Radio Station Managers and Technicians broadcasting on the FM band. The objective of the workshop was to train radio staff on international standards aimed at mitigating interference on the FM band.

11. FOURTH CONSUMER PARLIAMENT IN THE EASTERN CITY OF KENEMA

The Commission held its 4th Consumer Parliament in the Eastern City of Kenema under the theme “My Money, Your Service”. It is a knowledge sharing dialogue, aimed at ensuring that the services worth the cost or, in more common parlance, the value for money.”

The Consumer Parliament functions as a forum where mainly mobile phone operators, Internet Service Providers and consumers meet and discuss issues relating to better partnership, cooperation and improvement in service provision.

From its inception, it is obvious that the bottom-line of this forum is to protect the consumer - every consumer, no matter his or her religion, region, tribe, or political party.

This is a Consumer Parliament – a platform for the consumer to meet face-to-face with the service provider and discuss comments, suggestions, proposals and recommendations for the improvement of the quality of service in the industry. It is one of NATCOM’s innovative strategies in ensuring fair play, enhance knowledge-sharing, accountability and transparency, vis-à-vis the rights and obligations of all stakeholders, namely, Operators, Consumers and the Regulator. Resolutions adopted at this and other Consumer Parliament sessions could be found on our website at www.natcomsl.com



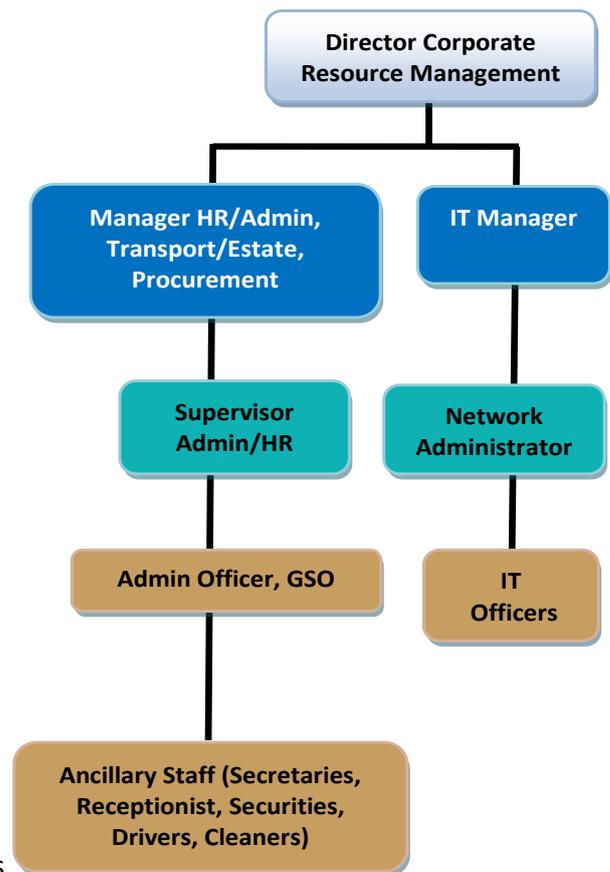
5.4 DEPARTMENT OF CORPORATE RESOURCES MANAGEMENT (DCRM)

INTRODUCTION:

This 2010 Annual Report of the Corporate Resources Management Department (DCRM) will provide a record of the strategic objectives, activities, operations and achievements of the Department.

For the year under review (2010) the functions have grown to include the introduction of new policies supporting employee relations, training and development, quality services and diversity. In sum, the Department performs the following functions:

- + workforce planning
- + employment and procurement
- + administration and human resources
- + compensation management
- + employment integration
- + industrial relations



- + employee and employers relations

SYNOPSIS OF STRATEGIC ACHIEVEMENTS DURING THE PERIOD UNDER REVIEW

During the period under review, the CRM was able to pursue and facilitate pathways for the Commission to undertake activities and accomplish certain objectives, as profiled below:

Expansion of the Human Resource Base
The Commission recruited additional staff to fill in new areas of regulatory operations, bringing the size of the workforce to a total of eighty personnel.

Staff Welfare: The Corporate Resource Department in its bid to promote Staff Welfare ensured that the following issues were adequately addressed during the period under review:-

- Medical Services
- Annual Rent Allowances
- Annual Leave Allowances
- Transportation Allowances
- End of Year bonuses
- Quality furniture

Work Environment: The Department ensured that the work environment for staff both in the Head Office and in the regions was not only conducive, but also motivational. The Commission equipped the offices with modern furniture, ICT tools including computers, printers, intercom and internet services, and regular supplies of stationery and other office material as required.

Regional Offices: The Corporate Resource Department in tandem with the Consumer Industry Relations and Public Affairs (CIPA) Department provided the requisite support to the six Zonal Offices in Bo, Moyamba, Kono, Kenema, Makeni and Port Loko to make them effectively operational. Each Zonal office is headed by a Supervisor, assisted by a General Service Officer (GSO), a Secretary and a Cleaner/Messenger.

The creation of these offices has positively impacted consumers in those areas in terms of enhancing their understanding of the regulatory functions of the

Commission and empowering them through strategic consumer education and monitoring activities.

Develop model procurement plan: Under the purview of the Procurement Manager, the Commission was able to put in place a model procurement plan in compliance with the provisions of the Procurement Act.

Staff Retreat: A two-day staff retreat was held in the eastern city of Kenema on 13th and 14th November 2010. The retreat provided an ideal forum for staff and the Board of Commissioners to discuss issues that in a candid atmosphere, experiences of the work place; and identifying issues that can create an obstacle to team work and proper coordination – a way of going back to the drawing board. Unlike the previous Retreat held in Makeni in 2009, the Kenema retreat was graced by the Minister of Information and Communication, Alhaji Ibrahim Ben Kargbo, who encouraged staff to commit themselves to their work, regardless of their political linings, adding that the Government would leave no stone unturned in ensuring a successful implementation of Government policies within the context of the “Agenda for Change”.

Coincidentally, the Retreat was also witnessed by a delegation from the Liberia Telecommunication Authority –LTA- on a knowledge-sharing visit to the Commission.

End of year party:

As a tradition, the Commission successfully organised its yearly party in December 2010, attended by invited dignitaries from government Ministries, Departments and Agencies. DCRM played an important part in the coordination and organization of the event.

6.0 TRAINING AND DEVELOPMENT

NATCOM recognizes the need to enhance employee capacity through training for greater output. During the period under review, the Commission facilitated training for its human resources both locally and internationally. They included conferences, study tours, seminars and workshops in different countries around the world.

Table of Training Courses and Conferences attended in 2010

| COUNTRY | ORGANIZING BODY | TITLE OF COURSE/CONFERENCE | PERIOD | NO OF PARTICIPANTS |
|----------------------------|------------------------|--|---|--------------------|
| United States of America | USTTI | ICT Policy making in a global environment | 19 th July to 21 st July, 2010 | 1 |
| Fremont, California, USA | TCI | Spectrum Monitoring, Operations and Maintenance | 15 th October to 26 th October, 2010 | 1 |
| Johannesburg, South Africa | CTO | 5 th Annual Digital Broadcasting Switchover Forum | 21 st to 23 rd April, 2010 | 2 |
| Washington DC, USA | USTTI | Analog to Digital Transition | 21 st to 23 rd June, 2010 | 1 |
| Dakar, Senegal | ITU | 10 th Global Symposium for Regulators/3 rd Global Industry Leaders Forum | 9 th to 12 th November, 2010 | 2 |
| Shenzhen, PRC | Go China | Seminar on Telecoms Marketing and Operation for Developing Countries | 20 th August to 21 st September, 2010 | 2 |
| Johannesburg, South Africa | Silverise Technology | Global management Skills for Executive Personal Assistants including Protocol and Diplomacy | 29 th November to 3 rd December, 2010 | 1 |
| Accra, Ghana | ITU | Numbering Planning and Convergence of Numbering | 27 th April, 2010 to 2 nd May, 2010 | 1 |
| Banjul, The Gambia | ITU | 11 th Forum on Telecommunication/ ICT Regulation and Partnership in Africa | 11 th to 16 th July, 2010 | 2 |
| Kampala, Uganda | NATCOM | Study Tour on Implementation of UADF | 29 th November to 4 th December, 2010 | 5 |
| Guadalajara, Mexico | ITU | Plenipotentiary Conference of ITU | 4 th to 22 nd October, 2010 | 2 |
| Cotonou, Benin | WATRA | 8 th AGM of WATRA | 4 th to 6 th May, 2010 | 2 |
| Maputo, Mozambique | CTO | 4 th Annual e-governance Forum | 19 th to 28 th March, 2010 | 3 |
| Washington DC, USA | USTTI | Training | 7 th April to 2 nd May, 2010 | 10 |
| Geneva, Switzerland | ITU | 2010 Session of Council Meeting | 11 th to 16 th April, 2010 | 1 |
| Algeria | RASCOM | RASCOM | 30 th April to 6 th May, 2010 | 1 |
| Paris, France | France Telecom and CTO | Fibre Cable | 28 th May to 6 th June, 2010 | 1 |
| Dakar, Senegal | CTO | Informa Conference | 13 th June to 20 th June, 2010 | 2 |
| Lome, Togo | | Industry Statistics and Data Management Workshop | 19 th June to 26 th June, 2010 | 1 |
| Accra, Ghana | CTO | Rural Connectivity Workshop | 15 th to 19 th August, 2010 | 4 |
| Accra, Ghana | WATRA | ECOWAS ICT Ministers meeting | 28 th July to 1 st August, 2010 | 1 |
| Rabat, Morocco | NATCOM | Cyber Security Workshop | 23 rd to 30 th June, 2010 | 1 |
| Rabat, Morocco | NATCOM | Study Tour | 22 nd to 28 th July, 2010 | 2 |
| Burkina Faso | ITU | Cyber Security Workshop | 15 th to 21 st June, 2010 | 1 |
| Ethiopia | African Union | A U Conference | 26 th January to 4 th February, 2010 | 1 |
| London, UK | CTO and NATCOM | Temporary Work | 3 rd to 16 th December, 2010 | 1 |
| Monrovia, Liberia | NATCOM, LTU | | 6 th to 10 th December, 2010 | 2 |



5.5 DEPARTMENT OF FINANCE

FINANCIAL REVIEW

NATCOM'S main source of income is from Service Providers who consist of GSM Operators, CDMA Operators, ISPs, FM Radio Stations, VSAT Owners, Direct to Home Television Operators, TV Operators, Dealers and others. Regulatory charges and fees to the Commission are made in respect of Application fees, Licence fee, Licence renewal fees, Spectrum fees, Numbering and Micro wave link charges and others.

In addition to the moneys collected from Operators and Service Providers, the Telecommunications Act 2006 Section 16 Subsection 1 also states that the Commission is to benefit from moneys appropriated by parliament for the purpose of the Commission.

The amount demanded from Service Providers as regulatory and License fees are based on the annual budget of NATCOM which is approved by the Board of Commissioners.

The status of regulatory fees invoiced to Service Providers and operators for the periods 2008 and 2009 are shown on the table below.

| SOURCE OF FUNDS | AMOUNT - 2008 | AMOUNT - 2009 |
|-----------------------------------|-------------------|-------------------|
| | Le'000 | Le'000 |
| GSM Operators (Mobile Phone) | 13,518,120 | 18,546,361 |
| Internet Service Providers (ISP) | 3,268,800 | 5,081,198 |
| VSAT License | 897,900 | 1,332,360 |
| FM and Other Radio Operating Fees | 165,190 | 216,990 |
| Television Satellite License | 295,500 | 147,600 |
| Dealership and Other License | 269,025 | 1,325,749 |
| CDMA | - | 1,064,318 |
| TOTAL | 18,414,535 | 27,714,576 |

Despite the monies collected, there has been a huge outstanding of Le5, 379,012 and Le5, 571,509 for 2008 and 2009 respectively. The Commission's major expenditure has been on Fixed Assets, Staff cost and support to Government and other institutions. The Commission has been very prudent in utilizing its financial resources. However, because of the major recruitment drive and the establishment of six regional offices during the year under review there was an appreciable increase in expenditure for 2009. It is envisaged that more resources would be spent on procurement of essential spectrum monitoring equipment such as fixed stations and test tools for network Quality of Service (QoS) monitoring, Interactive sessions, staff training, consumer outreach, public hearings and sensitization programmes.

REPORT OF THE NATIONAL TELECOMMUNICATIONS COMMISSION
STATEMENT OF THE COMMISSION’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Constitution of Sierra Leone Act No. 6 of 1991, the Government Budgeting and Accountability Act of 2005 and National Telecommunication Commission Act 2002 require the Commission to prepare Financial Statements for each financial year which should show a true and fair view of the state of affairs of the Commission and of its surplus or deficit for that year. In preparing these Financial Statements the Commission is required to:

- ✚ -select suitable accounting policies and apply them consistently;
- ✚ -make judgments and estimates that are reasonable and prudent;
- ✚ -state whether applicable accounting policies have been followed, subject to any material departures disclosed and explained in the Financial Statement;
- ✚ -prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Commission will continue its activities

The Commission is responsible for the truth and fairness of the Financial Statements and for the records, controls, procedures and organization that support the preparation of those Statements which disclose with reasonable accuracy at any time the financial position of the Commission. The Commission is also responsible to ensure that the Financial Statements comply with Section 17 (2) of Telecommunications Act 2006. The primary responsibility for the prevention and detection of fraud and error rests with the Commission.

Financial Statement

The financial position and result of activities are set out in the attached Financial Statements.

Auditors

The Constitution of Sierra Leone Act No. 6 of 1991, Telecommunications Act 2002 and the Government Budgeting and Accountability Act 2005 confer upon the Auditor General the mandate to carry out the audit of the Commission annually.

By order of the Commission

.....
Commissioner

REPORT OF THE AUDITORS - AUDIT SERVICE SIERRA LEONE TO THE GOVERNMENT OF SIERRA LEONE.

SCOPE

We have audited the accompanying Balance Sheet of the Commission as at 31st December 2009 and the related Statement of Income and Expenditure for the year then ended, as set out on pages 4 to 5.

RESPECTIVE RESPONSIBILITIES OF THE COMMISSION AND THE AUDITORS

The production of the Financial Statements is the responsibility of the Commission as indicated on page 2. Our responsibility is to express an opinion on these Financial Statements.

BASIS OF OPINION

We conducted our audit in accordance with the Standards of the International Organization of Supreme Audit Institutions (INTOSAI) and International Federation of Accountants (IFAC). Those Standards require that we plan and perform the audit to obtain reasonable assurance as to whether the Financial Statements are free from material misstatement. The audit procedures include examination of the entity's records and its control environment, information systems, control procedures and statutory disclosure requirements. Evidence supporting the amounts and disclosures in the Financial Statements is examined on a test basis, and accounting policies and significant accounting estimates are evaluated.

The primary responsibility for the prevention and detection of fraud and error and other irregularities rests with the management of the Commission. An audit conducted in accordance with INTOSAI and International Auditing Standards is designed to provide reasonable assurance that the Financial Statements, taken as a whole, are free from material misstatement(s), whether caused by fraud or error.

MATERIAL INTERNAL CONTROL WEAKNESSES

OPINION

In our opinion the Financial Statements referred to above present fairly, in all material respects, the financial position of the Commission as at 31st December 2009 and the results of its activities for the year then ended in conformity with generally accepted accounting principles.

Auditor General

Freetown

Date

INCOME AND EXPENDITURE STATEMENT

| <i>In thousands of Leones</i> | Note | 2009 | 2008 |
|--|------|-------------------|-------------------|
| Income | | | |
| Licenses and resources fees | 3 | 27,714,576 | 18,414,535 |
| Interest Income | 4 | 297,146 | 276,602 |
| Foreign exchange gain | | 998,721 | |
| Total Income | | 29,010,443 | 18,691,137 |
| Less Expenditure | | | |
| Payment to consolidated revenue fund | | 5,000,000 | |
| Corporate social responsibility | 5 | 5,397,113 | |
| Loan converted to grant –SLBS | | 3,000,000 | |
| General management expenses | 6 | 8,532,641 | 4,796,568 |
| Commissioner’s emoluments | 7 | 401,828 | 392,770 |
| Professional fees – audit | | 14,400 | 12,000 |
| Nassit (Pension scheme) | | 210,231 | 33,648 |
| Depreciation | 8 | 2,033,433 | 205,018 |
| Total expenses | | 23,589,646 | 5,440,004 |
| Excess of income over expenditure | | 5,420,797 | 13,251,133 |
| Accumulated fund balance at 1 January 2009 | | 19,962,697 | 6,711,564 |
| Accumulated fund balance at 31 December 2009 | | 25,383,494 | 19,962,697 |

BALANCE SHEET

| <i>In thousands of Leones</i> | Note | 2009 | 2008 |
|--|------|--------------------------|--------------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 8 | 5,879,433 | 972,013 |
| Work in progress (Building) | | - | 345,900 |
| Fixed deposit investment (SLCB) | | 3,000,000 | 3,000,000 |
| Loan to SLBS | | - | 3,000,000 |
| Current assets | | | |
| Inventories | 9 | 200 | |
| Receivables/debtors | | 5,571,509 | 5,379,012 |
| Cash and cash equivalent | 10 | 13,300,050 | 7,281,121 |
| Total assets | | <u>27,751,192</u> | <u>19,978,046</u> |
| Equity and liabilities | | | |
| Payables | 11 | 2,367,698 | 15,349 |
| Accumulated fund | | | |
| Total liabilities and accumulated fund | | <u>25,383,494</u> | <u>19,962,69</u> |
| | | <u>27,751,192</u> | <u>19,978,046</u> |

CASH FLOW STATEMENT

| <i>In thousands of Leones</i> | Note | 2009 | 2008 |
|--|------|--------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Excess of income over expenditure | | 5,420,798 | 13,251,133 |
| Adjusted for: | | | |
| Depreciation | | 1,033,433 | 205,018 |
| (Increase)/decrease in receivables | | (192,497) | |
| (4,475,962) | | | |
| Increase/(decrease) in payables | | <u>2,352,348</u> | |
| (4,812,423) | | | |
| Net cash generated from operating activities | | <u>11,614,082</u> | <u>4,167,766</u> |
| Cash flows from investing activities | | | |
| Purchase of property and equipment | | (5,595,153) | |
| (218,611) | | | |
| Loan to SLBS converted to grant | | - | |
| (3,000,000) | | | |
| Work-in-progress, website | | - | |
| (29,500) | | | |
| Work-in-progress, office building | | - | |
| (292,500) | | | |
| Investments in treasury bills | | - | 400,000 |
| Net cash used in investing activities | | <u>(5,595,153)</u> | |
| (3,140,631) | | | |
| Net cash flows from financing activities | | - | - |
| Net cash flows from financing activities | | - | - |
| Net increase in cash and cash equivalents | | 6,018,929 | 1,027,135 |
| Cash and cash equivalents at 1 January 2009 | | <u>7,281,121</u> | <u>6,195,236</u> |
| Cash and cash equivalents at 31 December 2009 | | <u>13,300,050</u> | <u>7,281,121</u> |

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Telecommunication Act 2006 requires the Commission to prepare financial statements for each year; which give a fair view of the state of the Commission and if is result for the period.

In preparing these financial statements, the Commission is required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The Commission is responsible for keeping proper records, which disclose with reasonable accuracy at any time the financial position of the Commission and to ensure that the financial statements comply with International Accounting Standards and the requirements of the Telecommunications Act 2006, as amended and other relevant Acts of Parliament. They are also responsible for safeguarding the assets of the Commission and hence for making reasonable steps for the prevention and detection of fraud and other irregularities.

2. Accounting Policies

The principal accounting policies adopted in the preparation of the Financial Statements are set out below:

2.1 Basis of Preparation

The financial statements have been prepared in accordance with the requirement of the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and the requirements of Telecommunications Act 2006.

NOTES TO FINANCIAL STATEMENTS CONT'D

2.2 Foreign Currency Translation

- (a) The financial statements of the Commission are presented in Leones rounded to the nearest thousand as the Commission's functional currency. Items included in the financial statements of the Commission are measured by using the functional currency. They are prepared on the historical cost and accrual basis

- (b) Translation and balances
Foreign currency transactions are translated into the financial currency using the average rate for the reporting period.
Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in the income statements.

2.3 Fixed Assets

All fixed assets including gift from ITU are stated at historic cost less depreciation.

Capital work in progress represents an amount accrued on development and construction of an assets, is classified as capital work in progress under fixed assets and stated at cost until construction or development is complete.

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The asset's carrying value is written down immediately to recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.4.1 Computer Software

Acquired computer software is capitalized on the basis of the cost incurred to acquire and bring into use the specific software. These costs are amortized over their estimated useful lives from three – four years.

NOTES TO FINANCIAL STATEMENTS CONT'D

2.4.2 Depreciation

Depreciation is provided on all plants and equipment other than capital work in progress and is calculated on a straight-line so as to write off the cost of each asset over its expected useful life to its residual value. Land is not depreciated.

The estimated useful lives are as follows:-

| | |
|---------------------------|-----|
| Plant and machinery | 25% |
| Furniture and equipment | 20% |
| Fixture and fittings | 20% |
| Computers and accessories | 33% |
| Motor Vehicles | 20% |
| Buildings | 5% |

2.5 Impairment of Assets

The carrying amounts of the Commission's assets, other than receivable are reviewed at each balance sheet date to determine whether there is an indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of assets or its cash generation unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.

2.6 Financial Instruments

Initial Recognition and Measurement

Financial instruments are recognized when the Commission becomes a party to the transactions. Initial measurement is at cost which includes transaction cost, subsequent to initial recognition and these instruments are measured as follows:

2.7 Receivables

Receivable are stated at fair values of consideration receivable less impairment charge. Impairment changes are recognized when the collection of the full amount is no longer possible and are written off to the income statement.

NOTES TO FINANCIAL STATEMENTS CONT'D

2.8 Cash and cash equivalents

Cash and cash equivalent are stated at fair value. They represent cash in hand and demand deposit and short term deposits.

2.9 Financial Liabilities

Liabilities for trade and other amount payable, which are normally settled between 30 – 90 days terms are carried at cost, which is the fair value of the consideration to be paid in the future for good and service received.

2.10 Taxation

No provision for taxation is required as the Commission is exempt from income tax. The Commission only pays the PAYE, Withholding Tax and NASSIT as required by law.

2.11 Critical Accounting Judgment and Estimates

Impairment of assets

The estimated useful lives as translated into depreciation rates are detailed in the fixed assets policy of the financial statements. These rates and residual lives of the assets are reviewed annually taking cognizance of the forecasted commercial and economic realities and through benchmarking of the accounting treatment prevailing in the country.

An assessment of cash generating unit level for all fixed and financial assets is performed at each reporting date.

2.12 Revenue Recognition

Revenue consists of service and spectrum licence fees charged to telecommunications operators and FM Stations and dealers. Renewal fees and initial fees charged in relation to the issue of licence are recognized in the period to which they relate.

Interest income is recognized in the income statement using effective interest rate method.

Government grant is recognized in the same period as the related expenditure. Gifts and Donations are recognized when they are received.

NOTES TO FINANCIAL STATEMENTS CONT'D

2.13 Risk Management

The transaction in financial instrument results in the Commission assuming risk. These include market risk, credit risk, and interest rate risk.

2.14 Market Risk

Market risk is the change in the fair value of financial instruments brought about by changes in interest rates. The risk associated with short-term investment made by the Commission is not significant.

2.15 Interest Rate Risk

The Commission is exposed to various risks associated with the effect of fluctuations in the prevailing levels of market rates of interest on its cash resources and investments. The cash resources are managed to ensure that surplus funds are invested in a manner to achieve maximum returns while minimizing risks.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

| In thousands of Leones | 2009 | 2008 |
|--|--------------------------|--------------------------|
| 3. Licenses and services fees | | |
| GSM | 18,546,361 | 13,518,120 |
| ISP | 5,081,198 | 3,268,800 |
| Two way Radio | 107,370 | - |
| FM Radios | 109,620 | 165,190 |
| VSAT | 1,332,360 | 897,900 |
| Dealers | 23,400 | 260,025 |
| TV | 147,600 | 295,500 |
| CDMA | 1,064,318 | - |
| Amateur | 2,520 | - |
| Others | 1,299,829 | - |
| Total | <u>27,714,576</u> | <u>18,414,535</u> |
| 4. Interest Income | | |
| Interest on Investment | 209,425 | 242,826 |
| Interest on Deposits | 87,721 | 33,776 |
| Total | <u>297,146</u> | <u>276,602</u> |
| 5. Corporate social responsibility | | |
| Parliamentary & Parliamentary Sub Committees | 146,000 | - |
| Civil Society & Others | 148,200 | - |
| Local Government | 390,000 | - |
| Religious Bodies | 3,500 | - |
| Ministries & State House | 2,543,790 | - |
| Corporate Organisation | 1,726,973 | - |
| Educational Institutions | 78,650 | - |
| CSR | 360,000 | - |
| Total | <u>5,397,113</u> | |

NOTES TO THE FINANCIAL STATEMENTS CONT'D

| In thousands of Leones | 2009 | 2008 |
|---|-------------------------|-------------------------|
| 6. General Management Expenses | | |
| Staff salary | 1,401,262 | 759,127 |
| Rent of Offices | 61,950 | 15,000 |
| Building Repairs | 663,222 | 58,239 |
| Fuel | 457,152 | 276,235 |
| Office & General | 221,004 | 34,557 |
| Staff Allowance/Benefit | 511,831 | 149,848 |
| Consultancy/Honorarium Fees | 595,875 | 58,990 |
| Computer Running Cost | 30,362 | 13,349 |
| Electricity | 48,683 | 7,967 |
| Local Travelling | 74,982 | 23,693 |
| Overseas Travel | 2,321,754 | 864,900 |
| Telephone/Postage & Telecommunications | 202,954 | 122,700 |
| Internet | 7,302 | - |
| Training Local | 11,675 | - |
| Vehicle Repairs & Maintenance | 115,217 | 40,645 |
| Machinery & Equipment Maintenance | 37,094 | 14,520 |
| Water | 3,966 | 1,246 |
| Insurance & Licence – Motor Vehicle and Bikes | 60,558 | 28,302 |
| Bank Charges & Tax on investment | 353,054 | 56,493 |
| Subscriptions & Membership dues (Staff) | 1,891 | - |
| Publicity & Advertisement | 235,109 | 167,644 |
| Printing | 92,016 | 5,287 |
| Subscription to Inter Bodies & Prof Journals & Periodicals | 473,545 | 543,711 |
| Security Services | 26,587 | 23,360 |
| Entertainment and Hospitality | 74,783 | 35,993 |
| TV and Satellite | 33,189 | 34,746 |
| Public Relations and Outreach (Workshop) | 49,690 | 36,542 |
| Conference and Colloquia | 87,163 | 8,228 |
| Projects – ITU, MCT & Cornarci | 35,166 | - |
| Fraud management | 9,521 | - |
| Miscellaneous Expenses | 233,684 | |
| Stores and Office supplies | - | 11,798 |
| Overseas Training | - | 8,748 |
| Donation | - | 55,200 |
| Bad debt written off | - | 1,339,500 |
| Total | <u>8,532,641</u> | <u>4,796,568</u> |
| 7. Commissioner's Emoluments | | |
| Remuneration – Chairman & Board | 346,500 | 318,750 |
| Entertainment Allowance | 27,466 | 13,750 |
| Sitting Fees | 27,466 | 60,270 |
| Total | <u>401,828</u> | <u>392,770</u> |

NOTES TO THE FINANCIAL STATEMENTS CONT'D

NON-CURRENT ASSETS SCHEDULE AS AT 31 DECEMBER 2009

In thousands of Leones

| NON-CURRENT ASSETS | PLANT AND MACHINERY | FURNITURE AND OFFICE | FIXTURES AND FIXTURE | COMPUTER AND ACCESSORIES | LAND AND BUILDING | MOTOR VEHICLES | WEBSIT DESIGNING AND | ACCOUNTING SOFTWARE | TOTALS |
|--------------------------------|---------------------|----------------------|----------------------|--------------------------|---------------------|---------------------|----------------------|---------------------|---------------------|
| COST | Le'000 | Le'000 | Le'000 | Le'000 | | Le'000 | Le'000 | Le'000 | Le'000 |
| As as 1 st Jan 2009 | 293,127.00 | 124,850.00 | 81,760.00 | 275,675.00 | 345,900.00 | 510,000.00 | NONE | NONE | 1,285,412.00 |
| Addition during the Year | 32,220.00 | 685,408.00 | 140,365.00 | 460,365.00 | 1,543,775.00 | 2,620,167.00 | 21,450.00 | 91,406.00 | 5,595,153.00 |
| TOTAL | 325,347.00 | 810,258.00 | 222,122.00 | 736,040.00 | 1,889,675.00 | 3,130,167.00 | 21,450.00 | 91,406.00 | 7,226,46.00 |
| DEPRECIATION | | | | | | | | | |
| As At 1 st Jan 2009 | 35,987.00 | 20,610.00 | 10,415.00 | 38,587.00 | NONE | 208,000.00 | None | None | 313,599.00 |
| CUURENT DEP. | 6,444.00 | 137,082.00 | 28,072.00 | 92,016.00 | 77,188.00 | 655,042.00 | 7,150.00 | 30,438.00 | 1,033,433.00 |
| TOTAL | 42,431.00 | 157,662.00 | 38,487.00 | 130,603.00 | 77,189.00 | 863,042.00 | 7,150.00 | 30,438.00 | 1,347,082.00 |
| | | | | | | | | | |
| NET BOOK VALUE | 282,916.00 | 652,566.00 | 183,635.00 | 605,437.00 | 1,83,635.00 | 2,267,125.00 | 14,300.00 | 60,968.00 | 5,879,433.00 |

NOTES TO THE FINANCIAL STATEMENTS CONT'D

| In thousands of Leones | 2009 | 2008 |
|-------------------------------------|--------------------------|-------------------------|
| 9. Receivables/Debtors | | |
| Operators | 5,272,961 | 5,335,081 |
| Fuel prepayment | 36,422 | 7,345 |
| Insurance Prepayment | 25,793 | - |
| Internet Prepayment | 20,015 | - |
| Professional Bodies subscription | 118,386 | - |
| Rent Prepayment | 30,975 | - |
| DSTV Prepayment | 15,557 | - |
| Other Debtors | <u>50,000</u> | <u>25,668</u> |
| Total | <u>5,571,509</u> | <u>5,379,012</u> |
| 10. Cash and Cash Equivalent | | |
| SL Commercial bank | 2,950,350 | 315,922 |
| SL Commercial Bank US\$ | 1,027,917 | 6,962,200 |
| Guaranty Trust Bank (SL) Ltd | 1,002,474 | - |
| Guaranty Trust Bank (SL) Ltd | 1,080,000 | - |
| First International Bank SL | 3,003,356 | - |
| First International Bank US\$ | 657,227 | - |
| Rokel Commercial Bank SLL | 507,266 | - |
| Union Trust Bank (SL) | 1,069,146 | - |
| Ecobank (SL) Ltd SLL | 845,315 | - |
| Ecobank (SL) Ltd US\$ | 797,763 | - |
| Ecobank (SL) Ltd US\$ | <u>1,436</u> | <u>-</u> |
| Total | <u>13,300,050</u> | <u>7,281,121</u> |
| 11. Payables | | |
| NRA Withholding tax | 15,527 | - |
| PAYEE | 117,061 | - |
| NASSIT | 58,590 | - |
| PC Holdings | 5,595 | - |
| PKF | 18,000 | - |
| Accounting software package | 19,000 | - |
| Bowzer | 671,625 | - |
| Motor vehicles | 1,462,250 | - |
| Accountancy and Audit | - | 12,000 |
| Others | <u>-</u> | <u>3,349</u> |
| Total | <u>2,367,698</u> | <u>15,349</u> |