



**Bureau Telecommunications  
and Post St. Maarten**

# FINANCIAL STATEMENTS

December 31, 2012

Expressed in Antillean Guilders



# **Bureau Telecommunications and Post St. Maarten**



# Bureau Telecommunications and Post St. Maarten

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To: the Minister of Tourism, Economic Affairs,  
Traffic and Telecommunication  
Attn. Mr. C. Conner  
Government Administration Building  
Clem Labega Square  
Sint Maarten

## INDEPEDENT AUDITOR'S REPORT

### **Report on the audit of the 2012 financial statements**

We were engaged to audit the 2012 financial statements of Bureau Telecommunications and Post Sint Maarten ("the Bureau") , Cannegieter Street # 15 – Unit 5.1, Philipsburg, Sint Maarten, which comprise the balance sheet as at December 31, 2012, the profit and loss account for the year then ended and the accompanying notes, comprising a summary of the accounting policies and other explanatory information.

### **Responsibilities of management for the financial statements**

Management is responsible for the preparation and the fair presentation of the financial statements in accordance with the accounting principles which are determined by the supervisory board and for the preparation of the management board report, both in accordance with the "Landsverordening Bureau Telecommunicatie en Post" (AB 2013 GT no 466). Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. As part of the preparation of the financial statements, management is responsible for assessing the Bureau's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the Bureau or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the Bureau's ability to continue as a going concern in the financial statements

### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud. We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Because of the matters described in the Basis for disclaimer opinion paragraph, however, we were not able to obtain sufficient appropriate evidence to provide a basis for a conclusion.

### Basis for disclaimer of opinion

#### *Uncertainty about the division on the assets and liabilities from the 'boedelscheiding'*

The division of the assets and liabilities of the Bureau's predecessor, Bureau Telecommunicatie en Post Nederlandse Antillen, is being executed in accordance with the Kingdom decree 'Onderlinge regeling vereffening boedel Nederlandse Antillen (Staatscourant nr. 14725)'. As per date of this auditor's report, the mentioned division of assets and liabilities of the Bureau's predecessor has not been finalized. Therefore, the possible effect of this division on the assets and liabilities of the Bureau as reported in the 2012 financial statements is unknown.

#### *Uncertainty about the completeness of the license income*

The Bureau collects concession fees from the concessionaires which is subsequently paid to the government of Sint Maarten. The amount of concession fees owed to the Bureau is calculated based on the number of connection points as indicated by the concessionaires. The technical department of the Bureau is in charge of the verification of the number of connection points as indicated by the concessionaires. During 2012, the Bureau was still in the start-up phase and the technical department of the Bureau was not sufficiently equipped. As a consequence, in 2012 the verification of the specified number of connection points was not sufficiently performed by the Bureau. As a result, we were unable to determine whether any adjustments were necessary in the reported license fee income for the year 2012 and the related balance owed to government as per year-end 2012.

### Disclaimer of opinion

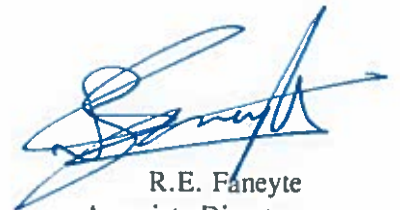
Because of the significance of the matters described in the Basis for disclaimer of opinion paragraph, we have not been able to obtain sufficient appropriate evidence to provide a basis for opinion. Accordingly, we do not provide any assurance.

Philipsburg, March 26, 2015

Stichting Overheidsaccountantsbureau,



S.E. Ricardo  
Senior Audit Manager



R.E. Faneyte  
Associate Director

Signature for authentication purposes:



26-03-2015



# **Bureau Telecommunications and Post St. Maarten**

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# Bureau Telecommunications and Post St. Maarten

## Report of the Director on the 2012 Financials of BTPSXM

In the last quarter on 2011 the direction was set by resolutions of the Supervisory Board of the BTPSXM, which the Director was permitted to attain pertinent equipment and facilities to support and enhance the regulatory task execution of the BTPSXM. Given that the entity upon the dismantling of the Netherlands Antilles was left without required spectrum measuring and monitoring equipment, there was an essential need for acquisition of such equipment. The monitoring, assessment and establishment of compliance with concessions, licenses and regulations would not have been possible without such equipment.

**The Technical Division** was instrumental in the acquisition of the equipment, as said division assessed and established the needs of the BTPSXM which were set forth in the presentation titled: "Proposed Budget 2011 Information systems for Technical Department." With the permission of the then Minister of TEATT, the financing was obtained for the acquisition of the equipment.

The Technical division whilst in the acquisition, implementation and testing phase of its equipment executed the following:

### A. Supervision and Enforcement Activities

The technical department has the responsibility to supervise adherence to the telecommunications rules and regulations as outlined in the telecommunications ordinance or licenses. In case of infringements the department is required to enforce the outlined rules and regulations.

#### •Monitoring

- Conducting spectrum audit for licensing and billing purposes.
- Conducted FM broadcast quality audits to determine if FM transmissions were in compliance with outlined standards, those the radio stations that were not in compliance were notified and their short comings are being addressed;
- Ongoing mobile drive tests, four times a year on both Dutch and French operators;
- Ongoing spectrum monitoring.





# Bureau Telecommunications and Post St. Maarten

## •Supervision

- Inspection of Caribe Serve network.
- Inspections and Barcoding different transmitter site of license holders

## B. Additional activities of the department

- VHF-marine phone inspections;
- Coastal stations inspections;

## C. Policy Development and other Activities

In addition to the previous the department is also tasked with the supporting the organization with policy development, support in development of licenses, and supporting the Director with advice on various telecommunications related subject matters.

- Development of an approach to spectrum pricing, introduction of the spectrum pricing calculator;
- Assistance with the division of codes and number-series
- Initial meeting regarding QoS/QoE with consultant in the Netherlands
- In depth support related to the Transition to North American Numbering Plan
- Research and offering of solutions to the Operators to redress loss of revenues due to cross border beaming or preferred roaming logons
- Coordination of Spectrum meetings

In the period of January –December 2012 the technical division was instrumental in the equipping of the BTPSXM to undertake its regulatory tasks. All undertakings were conducted in close consultation with the Government and stakeholders and all approaches were presented in consultation rounds to obtain the input from the sector. This division in its approach to regulation, addressing of reported interference and or conflicts undertake such tasks in an impartial manner and was at all times supported by the necessary expertise, even if not available in house.





# Bureau Telecommunications and Post St. Maarten

**The Human resource/Marketing/Consumer complaint division** in its first year of existence undertook the organization of Telecommunication seminars and launches, commenced the set-up of the complaint division, enhanced the visibility and access to the BTPSXM through its contributions to the website of the BTPSXM, maintained contact with stakeholders throughout the NANP project and organized the launch of the country code for St. Maarten. This division also tasked with the formulation of application forms- and other documents by law required to be furnished by the BTPSXM. In its presentation titled: “North American Numbering Pan” and the NANP communications budget this division outlined the undertakings and costs related to the transition into the NANP. The role this division played was of great importance to ensure that the community of St. Maarten would be timely prepared for a new dialing format, and that the business sector would be cautioned on the pertinent changes that would be required for a seamless continuance of their business. This division too was supported by professionals in this field which were retained to provide a customized guidance to operators transitioning.

The Finance division was established in this year. Having assumed the tasks and responsibility after 10-10-10 the BTPSXM commenced operations without a proper transfer of an administration or accounting. At the end of 2011 it became clear that the accounting assistant needed oversight and for the development of policies, pricing undertakings a higher financial officer would be required. A candidate having experience in the telecommunications sector with pricing approaches and of an accounting background was brought in as the CFO of the BTPSXM. The CFO as head of this division was tasked with a thorough review of the 2010-2011 financials for preparation for the auditors, preparations of the budget, development of internal financial policies and approaches, and pricing approaches. In short the CFO was tasks with setting up this division and ensuring that all the instruments would be put in place for its proper operations. This division collaborated with the technical division in the new rate sheets to be presented to the Government for implementation. This division furthermore worked on the establishment of work procedures, financial policies, as well provided relevant financial advices on all subjects of advice issued by the BTPSXM.



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This division consisting of three (3) persons executed the billing and collections of invoices, verified claims of operators and advised on same and executed financial obligations of the BTPSXM towards the Government of St. Maarten and its vendors. The review of the accounts receivable listing issued by the former BTPNA, was undertaken and corrected to reflect the actual outstanding and collectable claims from industry participants. The AR listing which contained invoice estimates illegally issued by the former BTPNA prior to 10-10-10 in a last effort to collect all participants before 10-10-10, companies that had long closed their doors, paid invoices, old invoice amounts although credit notes were issued and invoices without a legal basis. The review and determination of the actual outstanding was executed in accordance with decisions of the Council of Ministers (as same affected the invoices), submitted documents by operators and individuals of executed payments and granted credits, as well as court decisions. Pending litigation on a large majority of the invoices, with an expected liability for the country to refund paid fees to former BTPNA, were settled in a settlement agreement. Collection of the remainder of the AR listing continued. Financial oversight, advices, and policy development summarize the undertakings of this division in its first year of inception. This division continued and followed through with the revision of tariffs for the industry through consultations and advices to Government.

The BTPSXM in this year presented to the Government the semi-annual report and the vision for the industry. All advices rendered contained both technical and financial advices, and were thus comprehensive in nature. The BTPSXM executed requests and instructions from the Government of St. Maarten, supervised and aided industry participants within the context of its authority and applicable laws. The major undertakings of the BTPSXM in 2012 were the successful launch of the country code, the commissioning of the development of a QoS/QoE standards, the spectrum coordination conducted and concluded, the introduction of .SX, Spectrum measurements and monitoring and its undertakings towards a new pricing model.



# Bureau Telecommunications and Post St. Maarten



# Bureau Telecommunications and Post St. Maarten

## Balance Sheet As at December 31, 2012 (Antillean Guilders)

Assets	Notes	2012	2011
<b>Fixed assets</b>			
At cost office equipment		73,677	13,793
At cost furniture & equipment		24,828	16,902
At cost vehicles		87,462	45,000
At cost equipment		1,024,402	1,024,402
Accumulated depreciation office equipment		(12,834)	(1,659)
Accumulated depreciation furniture & equipment		(11,054)	(3,439)
Accumulated depreciation vehicles		(22,827)	(6,750)
Accumulated depreciation equipment		(438,264)	(96,797)
	(4)	<u>725,390</u>	<u>991,452</u>
<b>Current assets</b>			
Cash & Bank	(5)	2,512,359	2,603,690
Government		-	-
Accounts Receivable	(6)	1,725,076	1,934,242
Other Current Assets	(8)	70,074	76,354
Advance Payments	(8)	7,860,958	1,295,640
		<u>12,168,467</u>	<u>5,910,536</u>
		<u>12,893,857</u>	<u>6,901,988</u>



# Bureau Telecommunications and Post St. Maarten

## Balance Sheet

As at December 31, 2012 (Antillean Guilders)

Shareholders' equity and liabilities		2012	2011
<b>Current Liabilities</b>			
Vereffening commissie		-	-
Government	(10)	1,974,445	207,940
Payroll Liabilities	(11)	289,681	41,065
Accounts Payable	(12)	683,367	547,859
Redeemable Checks	(12)	131,760	
Credit Cards		(119)	9,213
Short Term portion long term liabilities	(9)	<u>137,714</u>	<u>165,058</u>
		3,216,848	971,135
<b>Long Term Liabilities</b>			
Long Term Liabilities		964,674	544,370
	(9)	<u>964,674</u>	<u>544,370</u>
<b>Shareholders' equity</b>			
Retained earnings	(22)	5,262,734	1,904,539
Net Income		<u>3,449,601</u>	<u>3,481,944</u>
		8,712,335	5,386,483
		<u>12,893,857</u>	<u>6,901,988</u>



# Bureau Telecommunications and Post St. Maarten

## Statement of Operations FOR THE YEAR ENDED DECEMBER 31, 2012

Income		2012	2011
Licensing		7,662,711	7,632,740
Certification		13,671	8,912
Other Income		12,637	422
<b>Net revenue</b>	<b>( 13 )</b>	<b>7,689,019</b>	<b>7,642,074</b>
<b>Operating expenses</b>			
Personnel expense	( 14 )	1,361,290	863,314
Housing expense	( 15 )	329,740	336,323
Legal & Professional expense	( 16 )	807,130	666,268
Insurance expense	( 17 )	69,675	28,914
Vehicle expense	( 18 )	13,560	11,550
General & Administrative expense	( 19 )	785,180	1,115,131
Depreciation expense		376,335	108,645
Provision Expense Dubious Debtors	( 7 )	429,573	1,060,146
		<b>4,172,483</b>	<b>4,190,291</b>
<b>Operating profit</b>		<b>3,516,536</b>	<b>3,451,783</b>
Interest Income		-	38,950
Interest Expense	( 20 )	(66, 935)	(8,789)
<b>Net result</b>		<b>3,449,601</b>	<b>3,481,944</b>



# Bureau Telecommunications and Post St. Maarten

## Statement of Cash Flows FOR THE YEAR ENDED DECEMBER 31, 2012

	2012	2011
<b>Cash flows from operating activities</b>		
Operating profit	3,516,536	3,451,783
Depreciation	376,335	108,645
<b>Increase (Decrease) in</b>		
Government	1,766,505	240,340
Vereffening commissie	-	(37,259)
Accounts receivables	209,166	(668,811)
Other current assets	(6,558,428)	(1,327,760)
Payroll liabilities	248,616	21,176
Accounts payable	135,508	485,167
Credit cards	(9,332)	9,213
Short Term portion long term liabilities	(19,328)	165,058
	(4,227,293)	(1,112,876)
Interest paid	( 66,935 )	(8,789)
Interest received	-	38, 950
	(4,294,228)	(1,082,715)
<b>Net cash used in operating activities</b>	(401,363)	2,477,713
Mutations fixed assets	(110,272)	(1,100,097)
<b>Cash flows from investing activities</b>	(110,272)	(1,100,097)
Mutations long term liabilities	420,304	544,370
<b>Cash flows from financing activities</b>	420,304	544,370
<b>Net decrease in cash and cash equivalents</b>	(91,331)	1,921,986



# Bureau Telecommunications and Post St. Maarten

Cash and cash equivalents, beginning of period	2,603,690	681,704
Cash and cash equivalents, end of period	<u>2,512,359</u>	<u>2,603,690</u>





# Bureau Telecommunications and Post St. Maarten

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

### 1 General information

Bureau Telecommunication and Post ("the Company") principal activity is to carry out telecommunication and post regulation activities on the island of St. Maarten. The Bureau has the following responsibilities:

- a) The development of policy framework on telecommunications and post
- b) Implementing and executing policy framework established by the Minister on telecommunications and post
- c) The preparation of the national laws and regulations relating to telecommunications and post
- d) The provision of at or under ordinance commanded executive work in the field of telecommunications and post
- e) It, as necessary as instructed by the Council of Ministers, representing St. Maarten interests in respect of telecommunications and postal in kingdom regional and international context
- f) Advising the Minister, and other requested members of the Council of Ministers, in respect of the matters listed above under
- g) The request to advise or provide services on behalf of government and third parties on matters relating to telecommunications and postal
- h) Carry out other proceedings instructed by the Minister
- i) Performing other by or under Ordinance instructed progress of works

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

#### Basis of preparation

The financial statements of Bureau Telecommunications and Post are based on accounting principles which are determined by the supervisory board.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

### The following accounting principles are applied:

a. **Valuation of assets and liabilities** and determination of the result takes place under the historical cost convention. Unless otherwise presented at the relevant principle for the

specific balance sheet item, assets and liabilities are at face value.

b. **Property, plant and equipment** Property, plant and equipment are stated at cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is determined on the straight line basis based on the estimated useful lives of the assets.

Fixed assets are stated at historical price/acquisition cost or lower market value.

### c. **Accounts receivable**

Accounts receivable are stated at nominal value less a provision for doubtful accounts.

### d. **Cash on hand and in banks**

Cash on hand and in banks are stated at nominal value. United States Dollars are converted at a rate of 1.78

### e. **Long term liabilities**

Long term liabilities are presented at nominal value less the short term portion, due within one year from balance sheet date

### f. **Current liabilities**

Current liabilities are stated at nominal value and include the short term portion of the long term liabilities.

### g. **Income**

Income from Licenses and Certification are recorded on accrual basis

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

### **h. Expenses**

Expenses are recorded in the period to which they relate.

### **Foreign currency transactions**

#### *(a) Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic

environment in which the entity operates ('the functional currency'). The financial statements are presented in Antillean Guilders, while the Company's functional and presentation currency is United States Dollars. The exchange rate of 1.8 is Antillean Guilder to 1.00 US Dollar

#### *(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rate of 1.8 Antillean Guilder to 1.00 US Dollar



# Bureau Telecommunications and Post St. Maarten

## 3 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management do not consider that there are estimates and assumptions that will have a significant risk, causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## 4 Property, plant and equipment

	Office Equipment	Furniture & equipment	Vehicles	Equipment	Total
<i>Balance as at January 1, 2012</i>					
Cost	13,793	16,902	45,000	1,024,402	1,100,097
Accumulated depreciation	(1,659)	(3,439)	(6,750)	(96,797)	(108,644)
	12,134	13,463	38,250	927,605	991,452
<i>Changes in book value</i>					
Additions	59,884	7,926	42,462	-	110,271
Depreciation	(11,175)	(7,615)	(16,077)	(341,467)	(376,333)
	48,709	311	26,385	(341,467)	(266,062)
<i>Balance as at December 31, 2012</i>					
Cost	73,677	24,828	87,462	1,024,402	1,210,369
Accumulated depreciation	(12,834)	(11,054)	(22,827)	(438,264)	(484,979)
	60,843	13,774	64,635	586,138	725,390

### Depreciation percentages are:

Office Equipment:	3 yrs : 33.33%/yr
Furniture & Equipment:	3 yrs : 33.33%/yr
Vehicles:	5 yrs : 20%/yr
Equipment:	3 yrs : 33.33%/yr

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**5 Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	<b>2012</b>	<b>2011</b>
Windward Island Bank USD	1,675,796	1,837,648
Windward Island Bank ANG	836,518	766,042
Petty Cash	45	-
	<hr/>	<hr/>
	<b>2,512,359</b>	<b>2,603,690</b>
	<hr/>	<hr/>



# Bureau Telecommunications and Post St. Maarten

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

### 6 Accounts receivable

Accounts receivable represents amounts due from the following:

	31-Dec-12	31-Dec-11
Scarlet N.V.( SXM Network Management)	28,240	39,040
Caribbean Teleview Services N.V.	-	46,048
Netstar N.V.	283,760	287,535
Radcomm Corporation NV (UTS)	2,295,627	1,525,385
New Technologies Group NV	236,086	-
TELEM Group of companies	(31,975)	1,023,734
Global Comtrade	350,000	
Other	53,054	72,644
	<u>3,214,792</u>	<u>2,994,386</u>
Less: provision for doubtful accounts	<u>(1,489,716)</u>	<u>(1,060,144)</u>
	<u>1,725,076</u>	<u>1,934,242</u>

On May 23<sup>rd</sup>, 2014 the appeals court issued a ruling to Radcomm Corporation regarding spectrum invoices for the years 2011 and 2012 for ANG 600.000 per annum for a total of ANG 1.2 million. In this ruling Radcomm Corporation was instructed to settle these out standings with BTP SXM. Settlement of these bills was done on January 23<sup>rd</sup>, 2015.



# Bureau Telecommunications and Post St. Maarten

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

### 7 Provisional expense doubtful debtors

	Total 2012	2012	2011
Radcomm	683,712	-	683,712
Netstar	283,759	6,350	277,409
3SCS	50,501	-	50,501
WTN	40,524	40,524	-
Global Comtrade	350,000	350,000	-
Other	81,220	32,698	48,522
	<b>1,489,716</b>	<b>429,572</b>	<b>1,060,144</b>

A particular situation occurs when there is uncertainty about the collection of receivable which the related revenue has already been recognized in the profit and loss account. In such cases, the amounts of which are uncertainties is recognized as an expense. So it is not allowed to regard these receivables as a reduction of revenue previously recognized. The invoices relating to Netstar, WTN and Radcomm for which provisions have been made are all invoices prior to, or pertaining to the last quarter of 2010 for which formal objections have been filed and court cases started and a final ruling is being awaited. . In the case of Global Comtrade, the judge instructed the Minister of TEZVT and Global Comtrade to find a settlement agreement. A proposal hereof has been submitted to the Minister for further handling in Feb 2015.

### 8 Other current assets

	2012	2011
Deposits	53,484	44,844
Loans Extended	1,075	-
Employee advance		399
Prepaid insurance	15,515	31,721
	<b>70,074</b>	<b>76,964</b>
Advance payments	7,860,958	1,295,640



# Bureau Telecommunications and Post St. Maarten

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

The post advance payments is related to funds that were transferred to the developer of the "Leah Building" as an advance payment on the purchase of the 5 floors of the Leah Building Complex and a deposit that was made to Cariburo for the furnishing of the Leah Office complex. The respective amounts deposited were as follows:

Cariburo : ANG 48,960 (Office Furniture), C. Critchlow: ANG 6,516,359 (deposit Leah complex) , payment advance payment 2011 ANG, 1,295,640 and Other Current Assets :ANG 70,074

### 9 Long term Loans

On March 24, 2011, The Windward Island Bank Ltd. made available to Bureau Telecommunications & Post St.Maarten a Non-Revolving Loan for the amount of US\$ 150,000 to assist with the purchase of a vehicle and the completion of leasehold improvements, at a yearly interest rate of 6.75% for a term of 6 months.

On September 13, 2011 The Windward Island Bank Lt. made available an increase in the Non-Revolving loan for the amount of US\$ 560,000 to assist with the purchase of software and measuring equipment at a yearly interest rate of 6.75% for a term of 5 years

Long term liabilities	2012	2011
Long term liabilities	1,102,388	709,428
less: short term portion	(137,714)	(165,058)
	<hr/>	<hr/>
	964,674	544,370
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During the course of 2012 and 2013, several loan agreements were made to facilitate operational activities. In July of 2012 an overdraft facility was signed for the max. amount of USD 649.664. On January 29<sup>th</sup>, 2013 a mortgage was signed with the W.I.B. for the purchase of the Leah Complex to the tune of USD 4.408.000. In this agreement the previously signed agreement of July 25<sup>th</sup> was nullified. In addition to the mortgage, there is also a non-revolving loan of USD 910.000 and credit facility of USD 616,008.35.





# Bureau Telecommunications and Post St. Maarten

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

### 10 Government

	2012	2011
Government of SXM - Concession Fees Paid	(2,528,520)	(1,500,000)
Postal Services St. Maarten N.V.	(40,000)	(40,000)
Caribbean Telecom Union	(54,000)	(43,200)
Concession Fees – Radcomm Group	2,029,660	1,229,660
Concession Fees – Telcell/SMITCOMS/Telem	2,150,640	561,480
Concession Fees – Global Comtrade	350,000	-
Concession Fees – Corporate Innovations	66,665	-
	<b>1,974,445</b>	<b>207,940</b>

Negative amounts are concession fees settled with government for 2011 and payments made by BTPSXM on behalf of the government of St. Maarten for 2011. The concession payments made to Government by BTP from 2011 – 2014 are as follows:

2011: ANG 2.000.000  
 2012: ANG 500.000  
 2013: ANG 3.000.000  
 2014: ANG 2.193.664

**TTL: ANG 7.693.664**



# Bureau Telecommunications and Post St. Maarten

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

### 11 Payroll Liabilities

	2012	2011
AVBZ	23,999	7,490
AOV/AWW	6,811	(503)
ZV/OV	1,175	-
Wage Tax	62,765	(1,276)
Pension Fund	158,771	25,934
Vacation Plan	65,965	7,404
Net Wages	2,401	2,216
Cessantia	(560)	(200)
Versant Accounting	(31,646)	-
	<b>289,681</b>	<b>41,065</b>

Versant Accounting: This relates to funds transferred to Versant Accounting for the administration of the Director of BTP SXM remuneration for January, 2013.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

### 12 Accounts Payable

	31-Dec-12	31-Dec-11
Anite Finland Ltd.	32,813	90,681
LS Telecom Limited	-	307,049
NAAP Global Solutions Ltd.	-	77,509
Stichting Tercera	-	40,924
Actis	50,614	-
Carl Critchlow	551,629	-
Curtis White	11,347	-
Caribbean Telec. Union	10,800	-
Other	26,164	31,696
	<b>683,367</b>	<b>547,859</b>

Redeemable 31/12/12: Actis ANG 23,564, Sticting Tercera ANG 50,279, Cariburo ANG 48,960 and others ANG 8,957  
For a total of ANG 131,760

### 3 Revenue

	2012	2011
Licensing	7,662,711	7,632,740
Certification	13,671	8,912
Other	12,637	422
	<b>7,689,019</b>	<b>7,642,074</b>

The biggest revenue stream for BTP SXM is the licensing category. In this sector spectrum fees are charged. Spectrum fees include all fees for frequency/ use and all regulatory oversight charges related to the assignment and use of assigned spectrum. Spectrum assignment is done by the Minister TEZVT via licenses or via concessions.



# Bureau Telecommunications and Post St. Maarten

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

### 14 Personnel expense

	2012	2011
Gross Wages	1,145,305	679,532
Social Premiums	70,350	52,135
Pension premiums	55,907	38,149
Vacation Plan	58,561	5,739
Other personnel expense	31,167	87,759
	<hr/>	<hr/>
	<b>1,361,290</b>	<b>863,314</b>
	<hr/>	<hr/>

### 15 Housing expense

	2012	2011
Rent	219,890	225,350
Utilities	41,343	32,067
Telephone and Internet	65,282	52,886
Janitorial expense	2,044	24,522
Security expense	1,181	1,138
Other	-	360
	<hr/>	<hr/>
	<b>329,740</b>	<b>336,323</b>
	<hr/>	<hr/>



# Bureau Telecommunications and Post St. Maarten

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

### 16 Legal and Professional expense

	2012	2011
Legal & Professional	807,130	666,268
	<hr/>	<hr/>
	807,130	666,268
	<hr/>	<hr/>

The consulting fees of Stichting Tercera, which firm was contracted to fulfill the function of the Interim Director of BT&P, form the biggest part of the legal and professional fees.

A new director was appointed in November 2012, this person was however not authorized to perform all director duties, and Stichting Tercera was held on for an additional 3 months.

This was due to the fact that his "landsbesluit" was finalized in January 2013 retroactive to November 2012. The other vendors outlined mostly concern expenses for technical, legal and financial consulting services. For 2011 the amounts paid to the biggest vendors for professional services were as follows:

**Management Fee:** ANG 519,842

**Technical Support:** ANG 267,596



# Bureau Telecommunications and Post St. Maarten

## 17 Insurance expense

	2012	2011
Employees	43,990	19,213
Vehicles	5,945	4,561
Furniture	2,826	2,379
Equipment	16,568	2,761
Other	346	-
	<hr/>	<hr/>
	<b>69,675</b>	<b>28,914</b>
	<hr/>	<hr/>

## 18 Vehicle expense

	2012	2011
Gasoline	8,970	6,646
Other	4,590	4,904
	<hr/>	<hr/>
	<b>13,560</b>	<b>11,550</b>
	<hr/>	<hr/>



# Bureau Telecommunications and Post St. Maarten

## 19 General & Administrative expense

	2012	2011
Numbering Plan	389,341	411,148
Membership Fees	31,244	60,656
Advertising & Promotion	6,035	19,241
Printing & Reproduction	1,864	13,334
Travel Expense	202,986	240,868
Representation	26,590	43,109
Donations & Charitable Contribution	67,460	37,991
Postage & Courier	5,190	6,688
Repair & Maintenance	3,539	630
Office Supplies	22,140	37,303
Computer & Equipment	20,014	52,298
Network Support Expense	16,200	168,160
Bank Charges	11,952	23,683
Exchange rate Differences	(21,114)	22
Penalties and Fines	1,739	-
	<b>785,180</b>	<b>1,115,131</b>

## Numbering Plan

In 2012 Numbering Plan accounted for a significant portion of the general and administrative expenses. The Numbering Plan and the resulting expenses concern the adoption of the North American Numbering Plan (NANP) on St. Maarten which concerns the assignment of a new country- and dialing code for St. Maarten. The government of St. Maarten opted for admittance to the NANP with the dissolution of the Netherlands Antilles. In order to enter the NANP St. Maarten has to comply with the rules, regulations, standards and conventions set by the North American Numbering Association. The allocation and management of numbering resources (codes) are also key activities of participation in the NANP.

## Travel Expenses

Travel expenses are the second highest expense under general and administrative expenses. Like many other international industries and sectors, the telecommunications and post sector holds many conferences and seminars throughout the year in diverse locations in the world. BT&P has attended a number of these conferences and seminars. BT&P has also incurred travel expenses attending meetings with vendors and partners.

## 20 Interest Income/ Expense

Interest income represents 7.5% interest on overdue invoices for Netstar NV

Interest Expense represents the interest paid on the non-revolving loan and credit facility granted by WIB to BTP SXM.

## 21 Pending Court Cases

BTP has been unfruitful in obtaining an updated list of pending court cases from the Ministry of TEZVT's legal counsel. As a result hereof, we are unable to present an updated pending Court Cases listing for the book year 2012.

Minister Radcomm LAR 98/2011 onderhandelingen BTP

Telecomm. tot onbepaalde tijd aangehouden in behandeling/onderhandeling bij BTP  
nieuwe zittingsdatum nog onbekend

Minister Antelecom LAR 97/2011 onderhandelingen BTP

Telecomm. tot onbepaalde tijd aangehouden in behandeling/onderhandeling bij BTP  
nieuwe zittingsdatum nog onbekend

Minister Radcomm LAR 34/2012 uitspraak 1e aanleg d.d. 22 juli 2013

Telecomm. Hoger beroep d.d. 2 september 2013 23 mei 2014:

R. v Beroep behandeling in hoger beroep 10 april 2014 hoger beroep Minister is gegr. verklaard  
uitspraak bepaald op 23 mei 2014 beroep van Radcomm alsnog ongegrond





# Bureau Telecommunications and Post St. Maarten

Minister Antelecom LAR 27/2012 onderhandelingen BTP  
Telecomm. tot onbepaalde tijd aangehouden in behandeling/onderhandeling bij BTP  
nieuwe zittingsdatum nog onbekend

Minister WTN LAR 117/2011 concept vaststellingsovereenkomst opgesteld procedures geschikt  
Telecomm. LAR 084/2012 afgehandeld door dep. Financien & Telecomm. zaken afgerond met schikkings-  
overeenkomst

Minister Radcomm LAR 151/2010 tot onbepaalde tijd aangehouden  
Telecomm. nieuwe zittingsdatum nog onbekend in behandeling/onderhandeling bij BTP

Minister Radcomm LAR 152/2010 tot onbepaalde tijd aangehouden  
Telecomm. nieuwe zittingsdatum nog onbekend in behandeling/onderhandeling bij BTP

Minister Radcomm LAR 154/2010 tot onbepaalde tijd aangehouden  
Telecomm. nieuwe zittingsdatum nog onbekend in behandeling/onderhandeling bij BTP

Minister Radcomm LAR 155/2010 tot onbepaalde tijd aangehouden  
Telecomm. nieuwe zittingsdatum nog onbekend in behandeling/onderhandeling bij BTP

For a portion of these pending court cases, provision for non-collection of these amounts has been made under the account "Provisional Expense dubious debtors". For all other pending cases for no which no provision has been made they have been listed accordingly below.

## 22 Retained Earnings

	2012	2011
Balance at January 1	1,904,539	-
Net Income prior year	3,481,944	1,904,539
Corrections	(67)	-
Reservation Pension Funds (23)	(123,682)	-
	<hr/>	<hr/>
<b>Balance at December 31</b>	<b>5,262,734</b>	<b>1,904,539</b>



# Bureau Telecommunications and Post St. Maarten

## 23 Reservation Pension Funds

As per the labour agreements signed with all employees, pension benefits are part of the secondary benefits that all employees are entitled to. As it stands right now, only two of the members of staff are in the "Algemeen Pensioen Fonds St. Maarten". The entry for the other members of staff into the pension fund is presently being worked upon. Revised legislation that would Regulate and facilitate the entry for the remaining staff into the fund, has been prepared and submitted to the Minister of TEZV' for further handling in the Council of Ministers and subsequent submission to the Governor. In the meantime, a reserve fund has been created to provision for the payment of the employer and employee portion of the pension premium, This reserve covers all eligible staff members that are not already in the pension fund from the date of service entry up to and including December 31st, 2012.