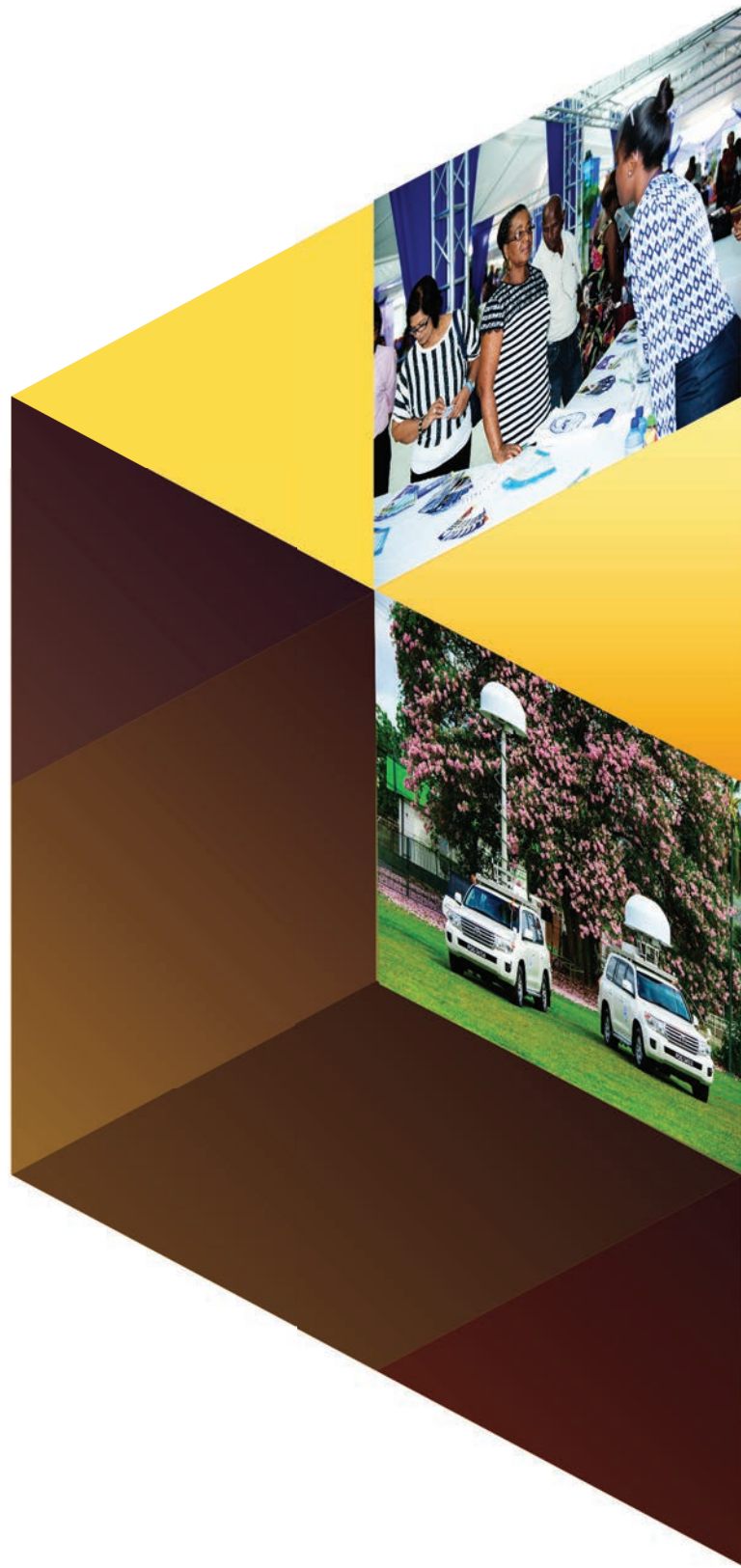




TRANSFORMING
TOMORROW

2015

Annual Report





Vision

A global exemplar in telecommunications and broadcasting regulation.

Mission

To foster an open and competitive telecommunications and broadcasting environment to facilitate the use of ICTs for social and economic well-being.

Core Values

Commitment

- We are loyal to the organisation.
- We are ambassadors of the organisation.
- We are dedicated to the interests of the organisation.

Integrity

- We are honest, objective and fair in all matters.
- We are accountable for our actions.
- We respect the value and confidentiality of our customers' information.

Innovativeness

- We are open to new ideas.
- We seek creative solutions to meet the challenges of our work.
- We effectively implement innovative ideas.
- We utilise a proactive approach to our changing environment.

Service Excellence

- We promote and protect the interests of our consumers.
- We recognise the different interests of our customers and are responsive to their needs.
- We effectively engage all our stakeholders.

Professionalism

- We respect and value the contributions of all persons.
- We are committed to achieving excellence.
- We recognise the importance of team work.
- We are productive, efficient and timely in our work.
- We continually seek to acquire expert knowledge.

Strategic Imperatives



“Strengthening the Authority’s leadership position in emerging areas of sector development while creating and maintaining an enabling framework that promotes competition, affirms our regulatory presence and stimulates a robust investment climate in Trinidad and Tobago.”

“Protecting, empowering and engaging our stakeholders through increased social inclusion, enhanced service proposition and the strengthening of our strategic partnerships.”

“Strengthening our institutional capacity through the fostering of an organisational environment that is governed by accountability, financial prudence, operational efficiency and knowledge-driven behaviour that embraces innovation and cultivates stakeholder confidence in our operations.”

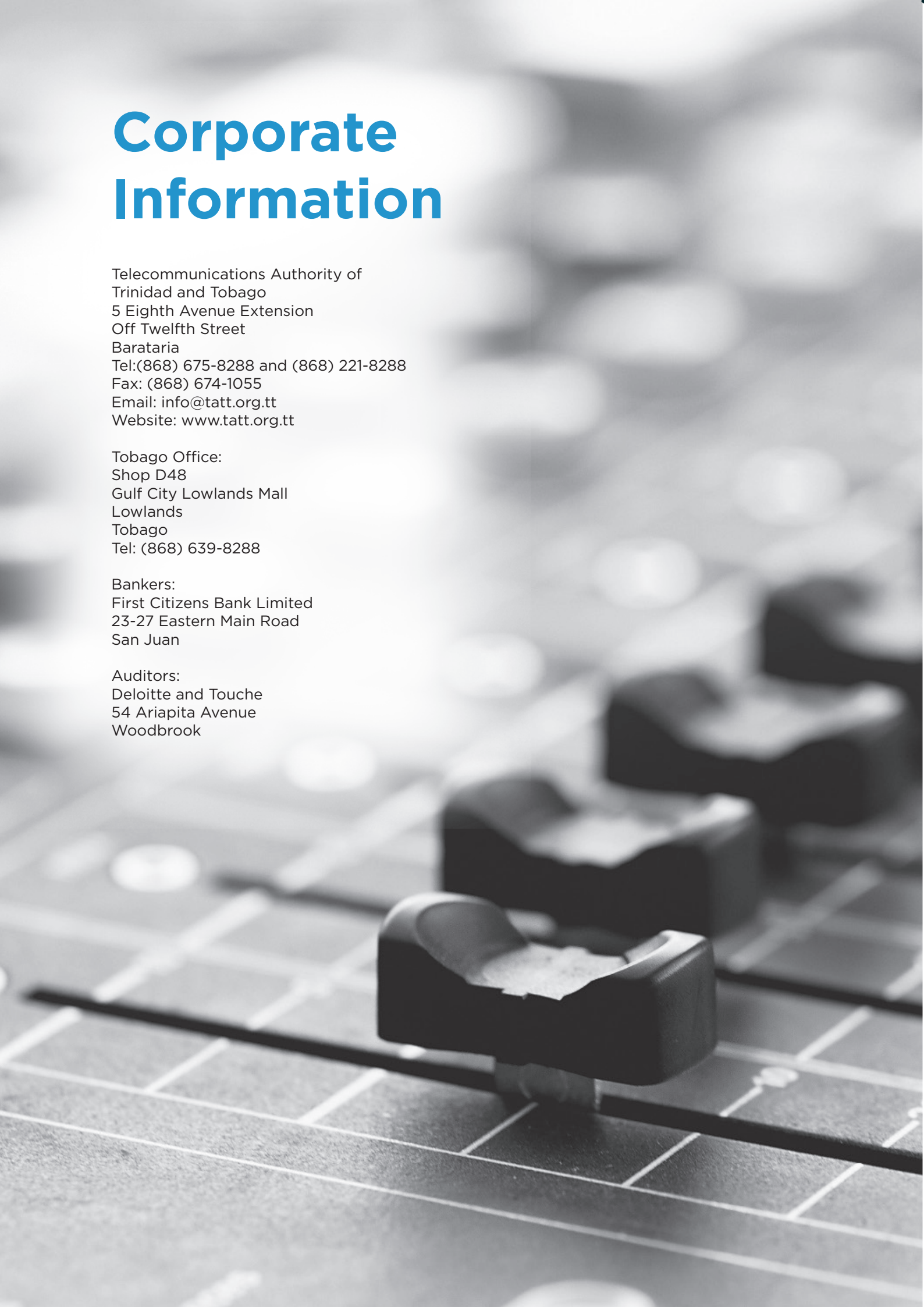
Corporate Information

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Contents

6

Message from
the Chairman

10

Chief Executive
Officer's Report

14

Board of
Directors

15

Governance
Structure

16

Management
Team

19

Review of Key
Accomplishments
and Ongoing Activities

29

Overview of the
Telecommunications
and Broadcasting
Sectors

35

Stakeholder
Engagement
Statistics

40

Financial
Performance

41

Financial
Statements

Message from The Chairman

It is my pleasure to present the Annual Report of the Telecommunications Authority of Trinidad and Tobago's (the Authority) for the year ended September 30, 2015. Included in this report, are the Authority's financial statements for 2014 - 2015 and an overview of developments in the telecommunications and broadcasting sectors for the past year.

There was continued growth in both sectors with an estimated TT\$5.63 billion generated in 2014, an increase of 1.9% over the previous year. As a percentage of Trinidad and Tobago's Gross Domestic Product (GDP), this equates to approximately 3.1%.

3.1%

Improving Service

A major achievement for us in 2014 - 2015 was the coming into force of both the Telecommunications (Universal Service) Regulations, 2015 and the Telecommunications (Accounting Separation) Regulations, 2015 in May.

The importance of universal access to telecommunications services cannot be understated. The establishment of Universal Service Regulations means that the Authority can now focus its efforts towards bridging the gap between those who have access to telecommunications services in Trinidad and Tobago and those who do not.

We believe that everyone is entitled to equal access to the technologies that can enrich their lives. It is with this in mind that the Authority prepares to embark on its first Universal Service initiative, the provision of assistive technology devices for Persons with Disabilities in the upcoming year.

Mr. Selby Wilson



We at the Authority, continue to work towards achieving our mandate. We continue to support a communications environment that enriches the social, cultural and commercial fabric of Trinidad and Tobago. During the year, our team increased in number, knowledge and experience. This has allowed the Authority to grow in confidence in its role, capability and delivery mechanisms in a timely and quality manner.

During 2014 - 2015, the Authority succeeded in completing many significant projects and initiatives. These included the finalisation of the amendments to the Telecommunications Act with the Chief Parliamentary Office, the development of a position paper on Over the Top (OTT) services, issuing a decision on the Cable and Wireless (CWC) plc and Columbus International Inc. acquisition, the development of a regulatory framework for the renewal of concessions and the finalisation of the Telecommunications (Consumer) (Quality of Service) Regulations for laying in Parliament.

Achieving Our Vision

To guarantee optimal implementation of our vision, the Authority spares no effort in promoting and instilling holistic core values and principles among its employees in our ongoing efforts to serve the public interest. In 2015, the Authority achieved further success in inculcating and promoting the Authority's core values of integrity, service excellence, innovativeness, professionalism and commitment among its employees by the introduction of a performance management framework which places significant emphasis on improved productivity.

In like manner, we have been in pursuit of the advancement of our regulatory governance framework and in so doing, we developed and published seven "Guiding Principles" which seek



We believe that everyone is entitled to equal access to the technologies that can enrich their lives. It is with this in mind that the Authority prepares to embark on its first Universal Service initiative, the provision of assistive technology devices for Persons with Disabilities in the upcoming year.

to provide guidance to our stakeholders on the issues which are considered by the Authority when making decisions on regulatory matters. In brief, the Authority's Guiding Principles include promoting fair competition, encouraging infrastructure investment, facilitating market development, protecting consumer interests, ensuring optimal resource allocation, upholding technology neutrality and providing transparent processes.

In furtherance of this objective, in 2015, the Authority also published explanatory documents on each principle which provide added representations on the Authority's specific considerations in advancing each principle.

We recognise that the ICT sector contributes immensely to the GDP of a nation and that ICT, acting as an enabler, can result in improved market competitiveness of products and services.

Additionally, ICT can impact positively on governance and other sectors of the economy and play a pivotal role in the thrust for economic

growth and diversification, narrow the digital divide and improve the quality of life for all of our country's citizens.

One of our main missions at the Authority is to support the growth of the ICT sector by safeguarding and enhancing competition, protecting the interest of consumers, encouraging investment and monitoring the performance of service providers to ensure compliance with all relevant legislation and policies. We also aim to boost competition between operators and provide equal opportunities that guarantee the rights of both service providers and customers alike.

Moving Forward

Some of our main priorities in the coming year will be to sustain the competitive environment by continuing to improve the regulatory framework; to support the transition to a digital economy in the telecommunications and broadcasting sectors; to ensure the efficient management of finite resources such as spectrum and numbering; to align programmes and initiatives to make it attractive for young people to pursue careers in ICT; to ensure that the rights of consumers are protected by establishing appropriate policies and to monitor and assess the ICT development and adoption in all sectors, with the goal of constantly refining and improving offerings aimed at further progress.

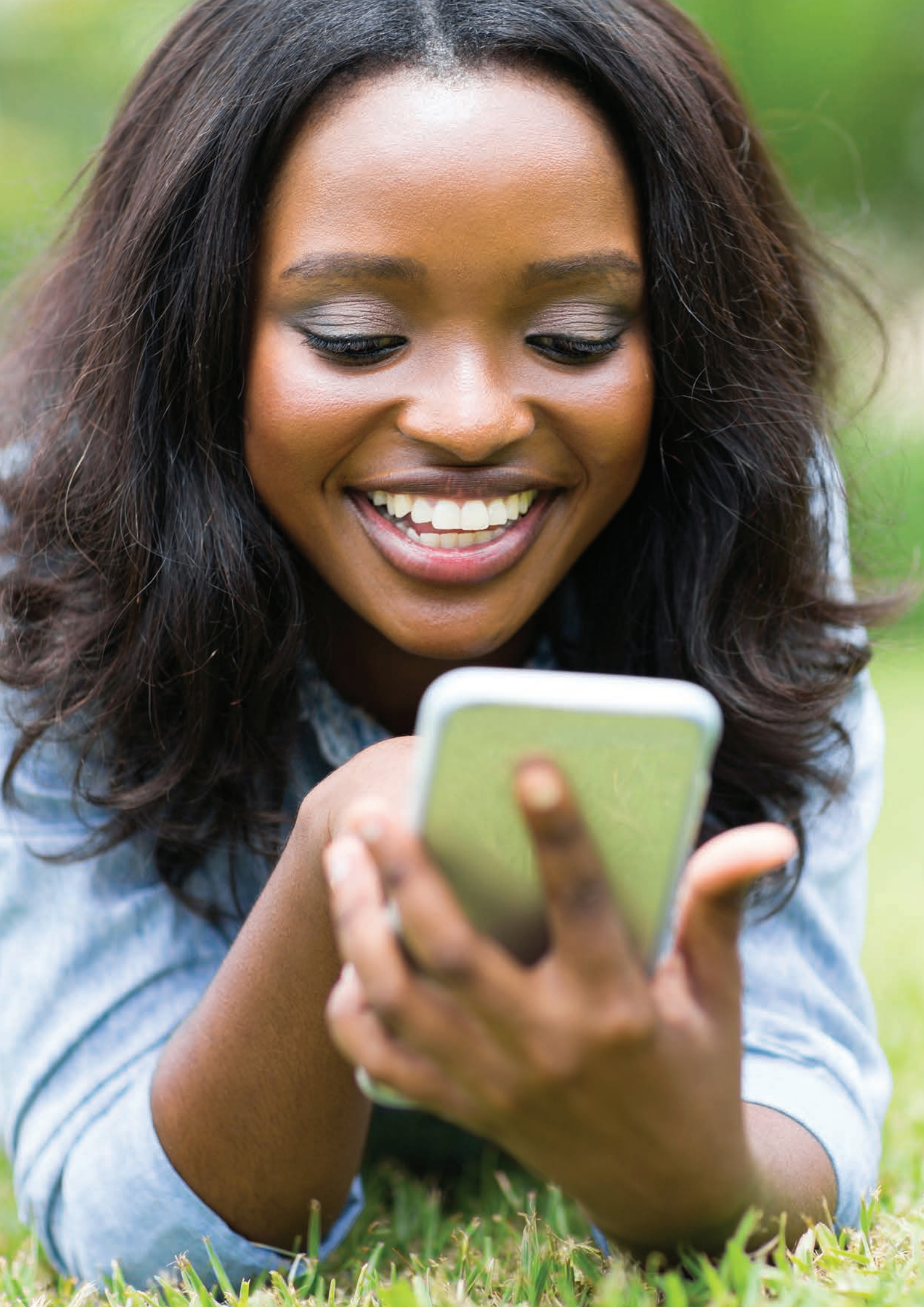
In conclusion, I wish to acknowledge the sincere efforts exerted by the Authority's management and staff and my fellow directors over the past year, which allowed us to implement a number of innovative initiatives and projects that were the result of a clear strategy in all areas related to the Authority's scope of work. I would also like to highlight the effective contribution of the Authority's stakeholders who played a major role in the achievement of the Authority's successes to date.

The synergy between the Board of Directors and the Management of the Authority has placed the Authority on a sound footing, enabling it to play a more prominent and positive role in the regulation of Trinidad and Tobago's telecommunications and broadcasting sectors.

Much has been achieved by the Authority thus far, but even more needs to be done in the coming years. I am confident that the Authority will continue to diligently pursue its agenda to exceed the expectations of all citizens of our beloved nation.



Selby Wilson
Chairman



Chief Executive Officer's Report

On behalf of the Board of Directors, management and staff of the Telecommunications Authority of Trinidad and Tobago, it is my great pleasure and privilege to present the Authority's Annual Report for the year ended September 30, 2015.

The period 2014 - 2015 can be considered a successful one for the Authority as 89% of our key deliverables for the period have been achieved.

89%

We were able to build on the success and momentum realised over previous years as initiatives focused primarily on promoting the development of the nation's Telecommunications and Broadcasting sectors.

The Authority prides itself on adopting a well-defined vision for the future guided by our strategic plan and our ability to innovate our strategy in line with the demands of a modern and increasingly data-driven world. The Authority operates with a mandate which includes the regulation and enhancement of the capabilities of the ICT sector and protecting consumers. Cognisant of our tasks and challenges, we delivered on several substantive issues falling within our purview.

In the year under review, the Authority aligned its key activities to the three strategic imperatives identified in our 2013 -2016 Strategic

Mr. Cris Seecheran



Plan, viz. Sector Transformation, Advocacy and Institutional Strengthening. Several initiatives were identified under each strategic imperative, which are intended to drive the development of Trinidad and Tobago towards that of a knowledge-based society.

Sector Transformation

The Authority remains committed to ensuring that Trinidad and Tobago fosters a legal and regulatory environment that encourages growth and investment by responding and adapting to the latest technological advancements.

The Authority recognises that the way the world communicates has changed drastically in the last decade. Today, communications occur across internet-based services, social networking and instant messaging, to name a few. These services have contributed to the changing landscape in the communications arena with the emergence of OTT services entering and competing for revenue in the telecommunications market. In response, the Authority saw it as imperative to draft an initial position paper, Towards the Treatment of OTT, which was published for public consultation.

Also altering the landscape was the acquisition of Columbus Communications Inc. (CCL) by CWC. Under section 22 of the Telecommunications Act, the Authority is required to approve any change in control of its concessionaires. Based on the Authority's economic and legal analyses to determine the impact of the acquisition on the market in Trinidad and Tobago, the merger was approved pending certain conditions being met.

During the year, the Authority also saw the coming into force of the Telecommunications (Accounting Separation) Regulations, 2015 and Telecommunications (Universal Service) Regulations, 2015.

Accounting Separation is a prescriptive methodology which requires all concessionaires operating in two or more markets to separate their accounts. This will allow the Authority to better ascertain whether concessionaires are engaging in any form of anti-competitive behaviour and ensure that charges for



In 2006, the Authority achieved one of its earliest goals when the mobile telecommunications market was opened to competition. In 2016, the Authority anticipates the entry of a third mobile provider and expects that all consumers should benefit from greater choice, as well as the accelerated innovation of advanced products and services.

telecommunications services are cost based, transparent and non-discriminatory.

Universal Service aims at ensuring that telecommunications services which are used by the majority and which are essential to social and economic inclusion, are available to all citizens, either on an individual or shared basis. It is intended to ensure that those groups identified as underserved or unserved, including those living in remote areas, persons with disabilities and other vulnerable groups, benefit from telecommunications services.

The first initiative which the Authority identified under Universal Service is the "Provision of Assistive Technology Devices for Persons with Disabilities." The Authority is keen on implementing programmes and policies to ensure that access to technology is for everyone. By connecting persons with disabilities to technologies that will improve their lives, the Authority is helping those with physical disabilities engage more fully in society - in school, work and civic life.

In 2006, the Authority achieved one of its earliest goals when the mobile telecommunications market was opened to competition. The Authority anticipates the entry



Number portability allows persons to maintain their telephone identity by keeping their telephone number whilst changing their service provider.

of a third mobile provider in 2016 and expects that all consumers would benefit from greater choice, as well as the accelerated innovation of advanced products and services.

To optimise the use of our telephone number resource, the Authority has revised the National Numbering Plan and consultation is currently underway. The Authority's review has so far highlighted the need for regulated procedures for allocating numbers.

To encourage greater competition in the telecommunications sector, the Authority has been working with providers to implement Number Portability (NP). Number portability allows persons to maintain their telephone identity by keeping their telephone number whilst changing their service provider. NP creates a more level playing field for all market participants and has been known to increase competition and improved service offerings. The Authority anticipates the introduction of NP for both fixed and mobile services in 2016.

Another important sector transformation initiative was the Authority's review of the current national spectrum plan for optimal utilisation. This process was complemented by the ongoing computerisation of the licensing process in order to improve efficiency in the processing and granting of licences. Also, the Authority has acquired a new spectrum monitoring system, with enhanced capabilities of monitoring spectrum up to 6 GHz, inclusive of a new fixed spectrum monitoring station in Tobago.

In the broadcasting sector, the Authority continued to prepare for the migration from analogue to digital television broadcasting (DTT). After extensive consultations with key stakeholders, a recommended standard for DTT will be made. The next step in the digitalisation process will be to transform the analogue "free to air" (FTA) radio broadcasting to a digital mode of operation. The entire process is expected to span several years as the applicable framework, policy, recommended standard and switchover date are being established, in consultation with the Authority's stakeholders.

Advocacy

The Authority remains dedicated to the principle that those who will be affected by regulatory rules and policy should have a voice in how regulation is implemented. From inception, the Authority's work has been characterised by open and public participation. Involving stakeholders through public consultations helps to ensure the regulatory process is balanced and effective in practice.

During the year, the Authority held four ICT open fora where feedback was sought on several key issues. Topics discussed included Radio and Television Talk Shows – Maintaining Moral, Ethical and Legal Conduct, What Goes Online Stays Online – Protecting Your Privacy and Should OTT Services Be Regulated?

Annually, the Authority joins in a number of initiatives identified by the International Telecommunications Union (ITU), including World Telecommunication and Information Society Day (WTISD) and Girls in ICT Day.

To commemorate WTISD 2015, the Authority hosted a one-day innovation seminar and mini exhibition for Small and Micro Enterprises (SMEs) titled "ICT Innovation for Increasing SME Operations and Boosting Profit Margins." The event attracted over 250 persons and highlighted how SMEs could use the Internet and other ICTs to improve efficiency and increase profit margins.

This year's Girls in ICT Day celebrations focused on young women with disabilities. To commemorate Girls in ICT Day 2015, the Authority hosted a one-day workshop and exhibition. The event provided over 100 differently abled young women with information on ICT career choices and programmes. The aim of the activity was to increase their access to information and socioeconomic opportunities that will assist them to overcome some of the challenges they face and lead more autonomous lives.

Institutional Strengthening

The objective of the Institutional Strengthening strategic initiative is to develop an organisational environment which is governed by accountability, financial prudence, operational efficiency and knowledge-driven behaviour that embraces innovation and improves stakeholder confidence in our operations.

During the year, the Authority conducted its second impact assessment for the period 2010 - 2014 to determine the organisation's achievements with regard to the development of the telecommunications and broadcasting sectors from a national and global perspective and that of its various stakeholders. The first impact assessment was completed in 2010.

Internationally, the Authority continued to discharge its responsibility as the designated representative to affiliated regional and international ICT bodies. To this end, the Authority continued to represent Trinidad and Tobago in key policy meetings organised by the ITU and other sector-related organisations. Going forward, the Authority shall continue to participate actively in regional and global ICT forums with a view to ensuring that Trinidad and Tobago's national interest is protected and enhanced. Trinidad and Tobago also stands to remain at the cutting edge of telecommunications and broadcasting regulation through knowledge, skills and experience gained through the international exposure.

Looking Ahead

The Authority believes that there remains much more to be accomplished. In the upcoming year, we will focus on the consolidation of initiatives begun in the past year and maintain the momentum generated thus far. We also expect to complete our Strategic Plan for the period 2016 - 2019.

In closing, I wish to thank the Authority's Board of Directors, staff of the Authority and all parties that cooperated with us, for their support, their effective participation and their distinguished work during the past year, which had a positive impact on the success of the Authority.

The Authority maintains its firm commitment to established principles of fairness, transparency, consultation and a balanced approach in order to safeguard the public interest and the interests of all stakeholders.



Cris Seecheran
Chief Executive Officer

Board of Directors



Mr. Selby Wilson, Chairman



Mr. Nazir Alladin, (Deputy Chairman)



Mr. Asif Ali



Dr. Satnarine Balkaransingh



Ms. Hazel Brown



Mr. Terrence Henry



Mr. Dave Lamy



Dr. Kim Mallalieu



Mr. Farouk G. Mohammed



Dr. Ronald Ramkissoon



Mr. Simboonath Sawh

Governance Structure

The Telecommunications Authority of Trinidad and Tobago (the Authority) is an independent regulatory body established by the Telecommunications Act 47:31 of the Laws of Trinidad and Tobago. The Authority became operational on July 1, 2004 and is responsible for the development of Trinidad and Tobago's telecommunications and broadcasting sectors.

One of the Authority's primary responsibilities is the continuous review and development of a rigorous regulatory framework to serve as a platform for the delivery of reliable, affordable technologies by service providers from which all segments of society can benefit.

A Board of Directors appointed by the President of the Republic of Trinidad and Tobago manages the Authority and all initiatives are implemented under the guidance of the Senior Management Team headed by the Chief Executive Officer. The Board of Directors, Board Committees and the Senior Management Team for the period 2014 - 2015 are listed hereunder:

Board of Directors

Mr. Selby Wilson	Chairman
Mr. Nazir Alladin	Deputy Chairman
Mr. Asif Ali	Member
Dr. Satnarine Balkaransingh	Member
Ms. Hazel Brown	Member
Mr. Terrence Henry	Member
Mr. Dave Lamy	Member
Dr. Kim Mallalieu	Member
Mr. Farouk G. Mohammed	Member
Dr. Ronald Ramkissoon	Member
Mr. Simboonath Sawh	Member

Board Committees

Adherence to optimal ethical standards and international best practice in the telecommunications and broadcasting sectors are assured through keen oversight by the following sub-committees of the Board, supported by management and staff.

Governance Committee

The main role of this sub-committee is to ensure the Authority fulfils its legal, ethical, and functional responsibilities in areas such as recruitment and training of staff.

Mr. Selby Wilson (Chairman)
Ms. Hazel Brown
Mr. Terrence Henry
Dr. Kim Mallalieu

Board Tenders Committee

This committee, inter alia, considers tenders and awards contracts.

Mr. Nazir Alladin (Chairman)
Dr. Satnarine Balkaransingh
Mr. Farouk G. Mohammed
Mr. Simboonath Sawh

Audit Committee

The committee assists the Board of Directors in fulfilling its oversight responsibilities in a number of areas including management of risk, and compliance with legal and regulatory requirements.

Dr. Ronald Ramkissoon (Chairman)
Mr. Asif Ali
Mr. Dave Lamy

Board Review Committee

This committee assists in a number of areas including reviewing regulatory documents, as well as reviewing and considering technical, policy and other decisions as may be requested by the Authority's stakeholders.

Dr. Kim Mallalieu (Chairman)
Mr. Ronald Ramkissoon
Mr. Selby Wilson

Ethics Committee

The role of this committee is to consider matters relating to adherence to the Authority's Code of Conduct by members of the Board, management and staff.

Mr. Selby Wilson (Chairman)
Mr. Asif Ali
Ms. Anisa Duncan
Mr. Ryan James
Ms. Sherry Mc Millan

Consumer Complaints Committee

This committee collects, decides on and reports to the Board on all consumer complaints. This committee is headed by an individual external to the Authority and comprises members of the Board and staff.

Ms. Pamela Benson (Chairman)
Mr. Rawle Harvey
Ms. Cheryl Johnson
Ms. Sherry Mc Millan
Mr. Farouk G. Mohammed
Mr. Simboonath Sawh

Management Team



Mr. Cris Seecheran,
Chief Executive Officer



Ms. Annie Baldeo
Executive Manager,
Policy, Planning & Market Economics



Ms. Sherry Mc Millan,
Executive Officer, Communications,
Consumer & Information Services



Ms. Nievia Ramsundar,
Corporate Secretary



Ms. Cynthia Reddock-Downes,
Executive Officer, Finance & Administration



Ms. Sherry-Ann Sealey,
Manager, Human Resources



Mr. Kirk Sookram
Executive Officer,
Technical Services & Development



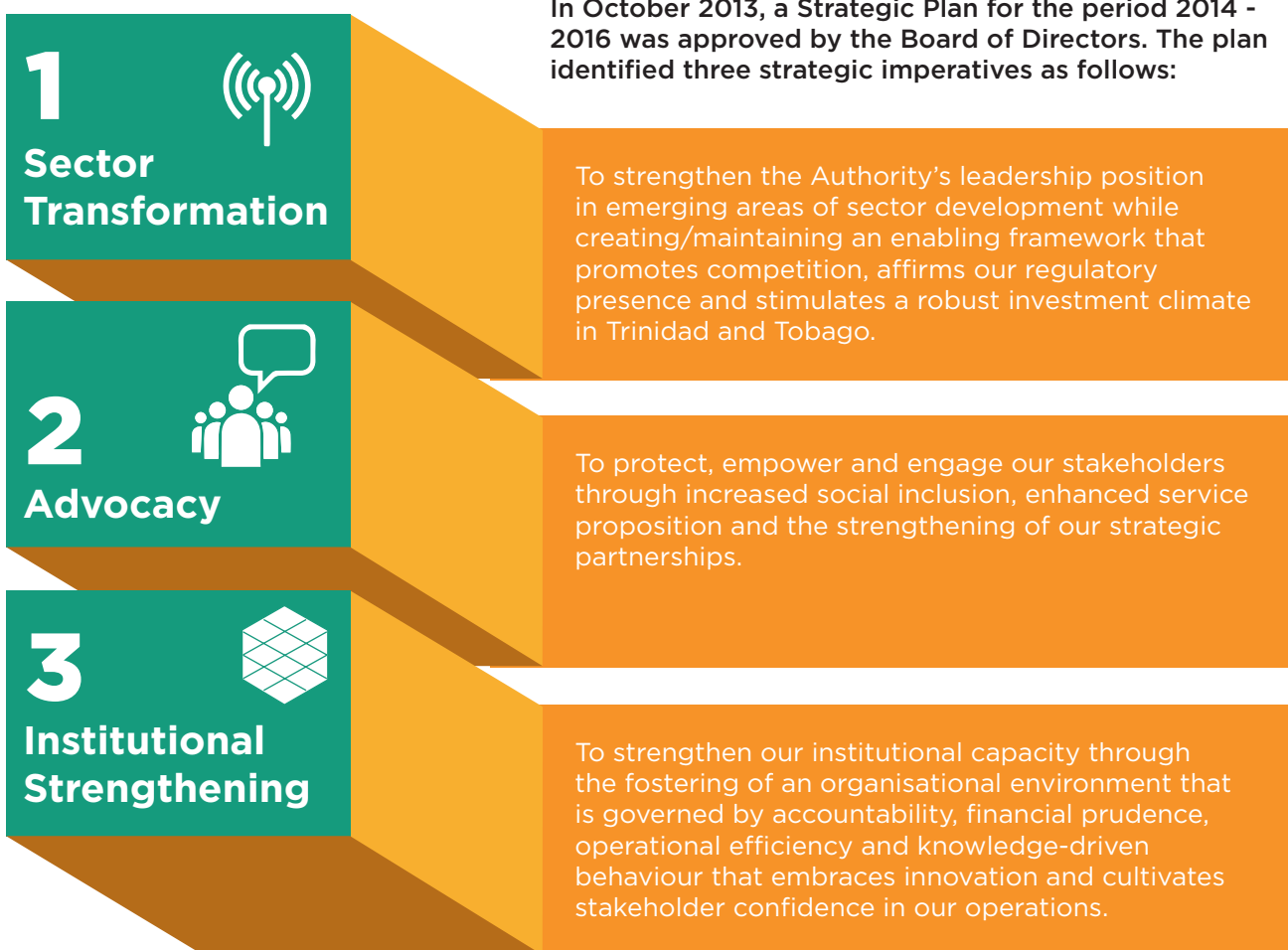
Mr. Rafer Simon-Thompson,
Manager, IT





Review of Key Accomplishments and Ongoing Activities

In October 2013, a Strategic Plan for the period 2014 - 2016 was approved by the Board of Directors. The plan identified three strategic imperatives as follows:



An operational plan for the strategic planning period was developed at the start of the financial year and key deliverables for each fiscal year were proposed. The key deliverables were monitored and managed through a quarterly corporate performance management system to ensure that the objectives of the strategic plan were realised.

Key deliverables for the financial year 2014 - 2015 under each strategic imperative are reported on hereafter.

Strategic Imperative 1: Sector Transformation



1. Develop a Framework for FTA Digital Radio Broadcasting Services

In the financial year 2014 - 2015, the Authority initiated the process of digitalising the FTA broadcasting sectors with the development of a policy framework and the completion of a proposal for the recommendation of a standard for digital television broadcasting. The draft framework identifies the key issues to be addressed in introducing digital broadcasting in Trinidad and Tobago and will serve as a guide in the selection of appropriate technology. The recommended standard, and the switchover date will have to be established in consultation with the stakeholders.

The next step in the digitalising process will be to transform the analogue FTA radio broadcasting to a digital mode of operation.

The focus in 2014 - 2015 was the development and completion of a draft framework to identify and address the key issues for the introduction of digital broadcasting in Trinidad and Tobago and guide the introduction of a selected digital broadcasting technology.

2. Develop Revised Spectrum Plan for Public Mobile Telecommunications Services and Authorisation Process for the Advanced Wireless Services (AWS) Band

The Authority established a Spectrum-Planning Technical Working Group in fiscal 2013 - 2014 to consider additional frequency bands for International Mobile Telecommunications in Trinidad and Tobago, particularly the Advanced Wireless Services (AWS) band, i.e. 1.7/2.1 GHz. This was done to allow the cellular mobile operators access to additional spectrum for the provision of enhanced mobile broadband services, using technologies such as Long-Term Evolution.

The Spectrum Plan for the Accommodation of Public Mobile Telecommunications Services was revised (to include the AWS band) and the first round of public consultations was completed. The plan was revised and the Decisions on Recommendations (DoRs) completed. The revised consultation document and DoRs have been submitted for approval, in order to commence the second round of consultation in October 2015. The authorisation process for the assignment of spectrum in the AWS band was also prepared.

3. Revise the National Numbering Plan: Central Office (CO) Codes and Home Network Identifier (HNI)

The National Numbering Plan was revised to take into account the changes that have occurred in the sector over the last three years. Additionally, the plan was updated to accommodate the necessary changes to the Telecommunications Act as a result of the coming into force of the European Partnership Agreement (EPA).

At the end of 2014 - 2015, the scheduled first round of public consultations was completed.

4. Conduct System Design Engineering of the National Broadband Initiative

The World Bank Group (WBG) was engaged by the Government of the Republic of Trinidad and Tobago (GoRTT) to develop a Public Private Partnership (PPP) model, along with a technical design and financial model, for a national broadband backbone and second submarine cable landing point and cable station.



In keeping with the above, a Reimbursable Advisory Services agreement was executed between the GoRTT and the WBG and within this agreement, the Authority was required to assist the GoRTT in meeting with the data requests from the WBG for the two above-mentioned initiatives, as well as the WBG “supply-side” deliverables which included the preparation of the tender documents.

In March 2015, it was proposed that this project be split into two distinct deliverables:

- a) National broadband backbone
- b) Second submarine cable landing point and cable station

At mid-year, the WBG commenced work on this supply-side initiative. The information gathering phase was completed, which comprised interviews with relevant government and industry stakeholders, supported by the submission of relevant regulatory and technical information by the Authority.

The WBG held presentations with the implementation committee on the draft of its supply-side deliverables. The revised draft of the WBG supply-side deliverables (i.e. PPP governance model, technical design

and financial models) was submitted for final review at the end of September 2015. Pursuant to the review, finalisation and approval by the Implementation Committee, this deliverable will be submitted to Cabinet for approval, in order to proceed with the implementation of these supply-side deliverables.

Once approved, the WBG will prepare tender documents for the PPP model. It is anticipated that issuance of invitations to tender, based on the WBG tender documents, will commence in 2015 - 2016 and will be contingent on the Authority securing the necessary internal and external approvals.

5. Develop a Position Paper on OTT Services

The way the world communicates has changed significantly in the last decade with consumers demanding mobility, choice, increased capacity and higher data speeds in the use of their communication services.

Today, more communication options are available via internet services such as Voice over Internet Protocol (VoIP), peer-to-peer, social networking, email, instant messaging, blogs, forums, video

conferencing etc. whilst particular traditional telecommunication services still focus on providing fixed and mobile voice, SMS and MMS. The emergence of these OTT services entering and competing with the traditional telecommunications and broadcasting industries have significantly changed the communications landscape.

OTT services refer to delivery of telephone, audio, video and other media over the Internet without the involvement of multiple-system operators in the control or distribution of the content.

In 2014 - 2015, the Authority sought to identify the impact of these new technologies on the local telecommunications industry both from the operator's side and that of the consumer.

The Authority drafted an initial position paper titled Towards the Treatment of OTT which was published for public consultation in June 2015. The Authority also held an ICT Open Forum to solicit all stakeholders' views on the subject.

Consultations ended in early September 2015 and a voluminous number of comments were received from both local and international stakeholders. The Authority is in the process of preparing its DoRs.

6. Conduct Impact Assessment of the proposed CWC and Columbus Communications Inc. Merger

On 6 November 2014, CWC announced its proposed acquisition of Columbus International Inc. The following are key highlights of the proposal:

- CWC has agreed terms to purchase 100% of the equity of Columbus International Inc. for USD1.85bn.
- CWC will assume Columbus' existing net debt as part of the acquisition, which was USD 1.17bn as at June 30, 2014.
- The consideration will be settled through the payment of approximately USD 707.5m in cash and the issue to the principal consultants of 1,557,529,605 new ordinary shares in CWC.

Subject to the provisions of section 22 of the Telecommunications Act, the Authority is required to approve any change of control in its concessionaires. From November 2014 to March 2015, the Authority engaged in detailed legal and economic analyses of the submissions for change of control, to

determine the impact of the acquisition on the market in Trinidad and Tobago and to make its conditions for approval. The Authority is now in the monitoring phase and is receiving monthly reports from CWC on the required outcomes.

7. Finalise Telecommunications (Authorisation) Regulations

Further to the work done on the proposed revisions to the Telecommunications Act for European Partnership Agreement compliance, the Authority finalised the format of the draft Authorisation Regulations for the telecommunications and broadcasting sectors by the end of the year. Consultation on these draft regulations will take place in fiscal 2017.

8. Develop a Regulatory Framework for the Renewal of Concessions (under current and proposed legislation)

Renewal of concessions issued to all operators between 2005 and 2006 will become due early in the coming financial year. To this end, the Authority finalised a process for renewal of concessions in accordance with:

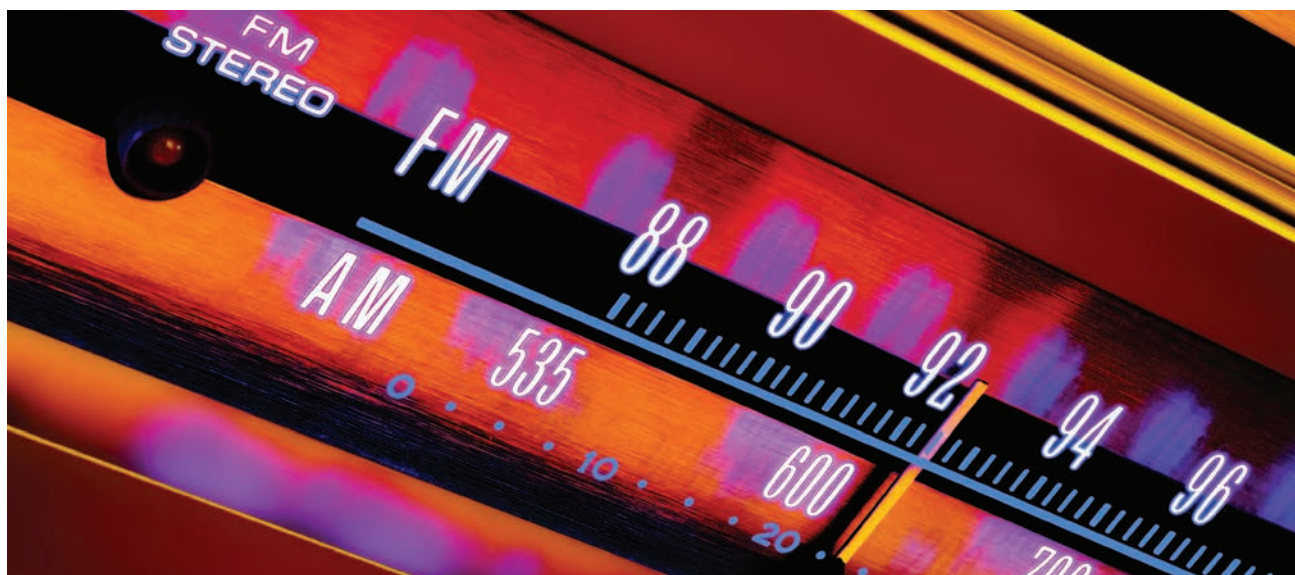
- (a) Section 31 of the Telecommunications Act as currently obtains;
- (b) In accordance with proposed amendments to the Telecommunications Act in the event that the legislation comes into force prior to the end of the first concession period.

A sub-committee was appointed by the Concession Evaluation Committee to complete the renewal form and required documentation for concessions.

The C11 Concession Renewal form was developed and was published on the website for concessionaires by July 1, 2015. Revised evaluation sheets for renewals were also completed. By the end of the fiscal year 2014 - 2015, the process for renewals was completed and the first batch of renewal applications were received.

9. Revised Telecommunications Act

A significant achievement in the financial year was the submission of amendments to the Telecommunications Act to ensure compliance with the Economic Partnership Agreement to the line Ministry. The Authority provided critical assistance to the Ministry and the Chief Parliamentary Council in



finalising the draft Bill and provided support during the presentation to the Legislative Review Committee (LRC).

At mid-year, the draft Bill was completed and approved by the LRC for submission to Parliament. The Authority awaits word on placement on the Order Paper for debate in Parliament.

10. Regulatory Framework for the Migration of Licensees on the FM Band Plan

In 2004, the Authority completed a revised FM Band Plan aimed at making additional broadcast frequency slots available to facilitate more broadcast stations.

Shifting the broadcast frequencies of 13 of the existing stations can make an additional seven frequency slots available, further developing the sector and increasing competition.

The Trinidad and Tobago Publishing and Broadcasting Association and affected broadcasters made submissions to the Authority on potential commercial hardship in migrating. Based on these challenges, the Authority has submitted to its line Ministry its agreement that it will take a proportionate approach with a migration plan that will facilitate implementation upon the expiry of existing concessions.

The Authority's Concession and Licence Renewal Process, developed in fiscal year 2014 - 2015, addressed the issue of the migration of the 13 identified stations to the proposed new frequency allocations. The Authority also commenced meetings with the concessionaires on the proposed process and to discuss the way forward.

11. Establish Universal Service Plan for the Provision of Services to Persons with Disabilities (PwDs)

A major achievement in 2014 - 2015 was the coming into force of the Telecommunications (Universal Service) Regulations, 2015 in May.

Universal Service is part of the Authority's mandate to facilitate the provision of basic telecommunications services to all persons in Trinidad and Tobago. The first Universal Service initiative will be the provision of assistive technology devices for Persons with Disabilities (PwDs) in the upcoming year.

In preparation for this initiative, the Authority scheduled meetings with PwDs, stakeholder groups and the Ministry of Social Development, to discuss the types of assistive technologies and equipment to be provided, as well as the number of PwDs to be assisted.

Arising out of these meetings, the Authority identified the features of assistive technologies most suitable to PwDs, the criteria to be used to select eligible persons and the level of subsidy to be provided for the project.

Meetings were held with the two mobile operators to discuss the possible options that are available within the Authority's allotted budget with regard to the selection of assistive technology equipment and service packages. These meetings are ongoing and the outcomes will be incorporated into the Authority's Universal Service Plan for implementation in the 2015 - 2016 financial year.

Strategic Imperative 2: Advocacy

12. Conduct Consumer Education – ICT Open Fora, WTISD

During the year, the Authority held consumer education initiatives in keeping with its Consumer Education mandate. Key amongst them were:

- a) Hosting of four ICT Open for a
 - b) Hosting of an initiative to commemorate WTISD
 - c) Girls in ICT Day
- **ICT Open Fora**
Four ICT open fora were held during the reporting period at which, various important local, regional and global telecommunications and broadcasting sectors issues were discussed.



Ms. Nievia Ramsundar, Corporate Secretary at TATT discusses the role of the broadcaster and moderator in the format of a 'talk show' and urged broadcasters to pay keen attention to matters of accuracy, privacy and the treatment of sensitive themes like bereavement, sex and violence or the treatment and handling of call-in programmes and censorship at TATT's 20th ICT Open Forum titled Radio and Television Talk Shows-Maintaining Moral, Ethical and Legal Conduct on Thursday 26th March 2015. In photo are (from left) Mr. Wendell Etienne, Mr. Cris Seecheran, CEO; Mr. Selby Wison, Chairman; Mr. Daren Lee Sing and Ms. Nievia Ramsundar.

In collaboration with the Internet Society, TATT hosted INET Trinidad and Tobago as the first ICT open forum, from the 8 - 9 October 2014. At this two-day INET conference, Trinidad and Tobago's Internet community was exposed to issues of global and regional importance, and had an opportunity to access world-class technology and policy experts. Central

among the 18 topics discussed were Internet/ Telecoms' Contribution to Trinidad and Tobago's Gas and Oil Industry, Cybersecurity and Recent Global Internet Developments.

The subsequent three ICT open fora attracted approximately 300 including representatives from government ministries, departments and agencies, the business sector, tertiary education institutions, along with members of the public. The topics discussed included Radio and Television Talk Shows – Maintaining Moral, Ethical and Legal Conduct; What Goes Online Stays Online – Protecting Your Privacy and Should OTT Services Be Regulated?

- **WTISD 2015**
TATT annually celebrates two significant ITU events, WTISD and Girls in ICT Day.

WTISD

To commemorate WTISD 2015, TATT hosted a one-day innovation seminar and mini exhibition for SMEs themed "ICT Innovation for Increasing SME Operations and Boosting Profit Margins." The theme for WTISD 2015 was "Telecommunications and ICT's – Drivers of Innovation."



Staff of the Caribbean Industrial Research Institute (CARIRI) explains the benefits of 3D printing to business to a participant at TATT's WTISD 2015 event Innovating SMEs – ICT Innovation for Boosting Profit Margins.

The event, which was attended by 250 persons, highlighted how SMEs can use the Internet and other ICTs to innovate their business, improve efficiency and increase profit margins. The event also featured presentations and displays by the National Institute of Higher Education, Research, Science and Technology (NIHERST), the Caribbean Industrial Research Institute, iGovTT, the National Entrepreneurship Development Company Limited and the Fair Share Programme.



Young women with different abilities explore some of the facilities available on YTEPP's specially outfitted ICT bus for persons with disabilities at TATT's 2015 Girls' in ICT Day activities.

Girls in ICT Day

To commemorate Girls in ICT Day 2015, TATT hosted a one-day workshop and exhibition. At this workshop/exhibition, TATT provided approximately 100 differently-abled young women with information on ICT career choices and programmes. For the benefit of participants, there were displays by NIHERST, the University of Trinidad and Tobago, the College of Science, Technology and Applied Arts of Trinidad and Tobago and iGovTT of facilities and/or training opportunities that will benefit persons with disabilities. Keynote speaker at the event was Ms. Vera Bhajan, a differently abled young woman and motivational speaker who surmounted her challenges to become an attorney-at-law.

13. Implement Advocacy Phase II

Advocacy is central to the Authority's consumer protection initiatives. During 2014 - 2015, the Authority sought to further its work on the development of an overarching framework – the Stakeholder Advocacy Framework. After months of contemplation, research and internal and external collaboration on this initiative, the framework titled, Draft Stakeholder Advocacy Initiative – Improving Collaboration among Telecommunications and Broadcasting stakeholders in Trinidad and Tobago including Rules of Engagement for Public collaborations, was developed.

The document focused on the strengthening and development of initiatives that would promote engagement towards effective collaboration amongst the Authority and its two major stakeholders – providers and consumers, utilising a four-pronged approach:

1. Authority/Stakeholder Engagement
2. Consultations via Stakeholder Fora
3. Consumer Public Interest Group Process
4. Consumer Empowerment

Strategic Imperative 3: Institutional Strengthening

14. Review the Development of Trinidad and Tobago Telecommunications and Broadcasting Sectors 2010-2014 (Impact Assessment Report)

The Authority commissioned the Arthur Lok Jack Graduate School of Business to conduct an Impact Assessment of the Telecommunications and Broadcasting Sectors 2010 - 2014.

The first impact assessment was conducted in 2009 and reviewed the impact of the organisation's first five years of operations, 2005 - 2009.

Continuing in a similar vein, this is a quantitative assessment of the progress made in the telecommunications and broadcasting industry from a national and global perspective. The aim is to conduct a review of the status of the sector today, where it should be, and what policy or administrative steps should be taken at this stage to ensure the continued orderly development of the telecommunications and broadcasting sectors.

This assessment was augmented with primary data gathered mainly through interviews with regulators and knowledgeable stakeholders in the telecommunications and broadcasting sectors. The report assesses the trends in the telecommunications and broadcasting sectors under the following broad headings:

1. Regulatory Environment
2. Competitive Environment
3. Policy, projects and initiatives
4. Socioeconomic Environment

A first draft of the report was submitted to the Authority on September 30, 2015, and the assessment will be finalised by the end of 2016.

15. Implement Online Data Collection (Phase I)

In a move to improve the Authority's data collection and reporting function, the company commenced a project to automate the collection and analysis of data from service providers via the website. This project aims to improve the overall efficiency in the production of key reports such as the Annual Market Report.

An examination of the Authority's local and international reporting requirements, including the ITU statistical reporting requirements and benchmark approaches adopted by similar international regulatory bodies, was conducted to ensure that

the solution would meet all reporting requirements at the highest standard.

During the financial year, a request for proposal was issued to select a provider for an online solution.

Looking Ahead 2015 - 2016

Proposed Key Deliverables include:-

Strategic Imperative 1:

Sector Transformation

Strategic Objectives:	Develop Innovative Resource Management Strategies	• Authorise spectrum in the AWS Band and revise Spectrum Plan for the Accommodation of Broadband Wireless Access Services • Digital Terrestrial Television: approve Digital Terrestrial Television standard and select signal distributor(s)
	Facilitate New Investment	• National broadband initiative: Approve PPP Model and select a national broadband backbone network provider and a second cable landing point and cable system provider
	Promote Forward Looking Economic Regulation	• Develop an Interconnection Benchmarking Study • Develop a pricing regime for dominance in the Fixed Voice market • Implement Accounting Separation Regulations • Implementation of Universal Service initiatives: oversee project execution, reporting and fund administration
	Enable Broadcasting Sector Transformation	• Recommend revisions to the National Broadcasting Policy for Trinidad and Tobago
	Strengthen Legal and Regulatory Framework	• Develop a position paper on measures to prevent siphoning and hoarding in the domestic broadcasting sector • Develop position on OTT Services inclusive of OTT VoIP and media • Finalise regulations (Interconnection, Spectrum, Fees, Access to Facilities, Authorisation, Pricing and Submission of Information)

Strategic Imperative 2:

Advocacy

Strategic Objectives:	Enhance Consumer Protection	• Conduct consumer awareness initiatives
	Improve Service Quality Proposition	• Develop Draft National Emergency Communications Plan • Audit of fixed and fixed wireless telecommunication networks with regard to broadband coverage • Fixed broadband Internet access speeds survey (phase 2): procure contractor and conduct survey
	Engage Stakeholders Effectively	• Publish Annual Market Report 2015 • Host annual signature event • Implement advocacy initiatives • TATT image management campaign

Strategic Imperative 3:

Institutional Strengthening

Strategic Objectives:	Improve Corporate Governance	• Develop Strategic Plan for the period October 2016 to September 2019
	Promote Effective and Aligned Information Systems	• Develop a Cyber Security Incident Response Plan • Develop and Implement Network Security Plan • Implement Business Intelligence Reporting System • Develop and Implement Risk Assessment Framework • Develop a Strategic Information Systems Plan 2016 - 2019 • Implement New Classification Scheme Phase III
	Revise and Strengthen Operational Processes	• Implement the process for the renewal of concessions • Develop a repository of breaches and Revise Compliance and Enforcement Framework • Revise the Authority's Consultation Procedures • Review of the Tender Rules, Tender Documents and Tendering Processes of the Authority • Revise Business Processes



Overview of the Telecommunications and Broadcasting Sectors

Trends in Market Revenues for January to December 2014

The telecommunications and broadcasting sectors generated an estimated TT\$5.63 billion¹ (US\$0.88 billion²) in 2014, which as a percentage of GDP³ equates to 3.1%. This represented a 1.9% increase in total revenues generated by this industry compared to last year.

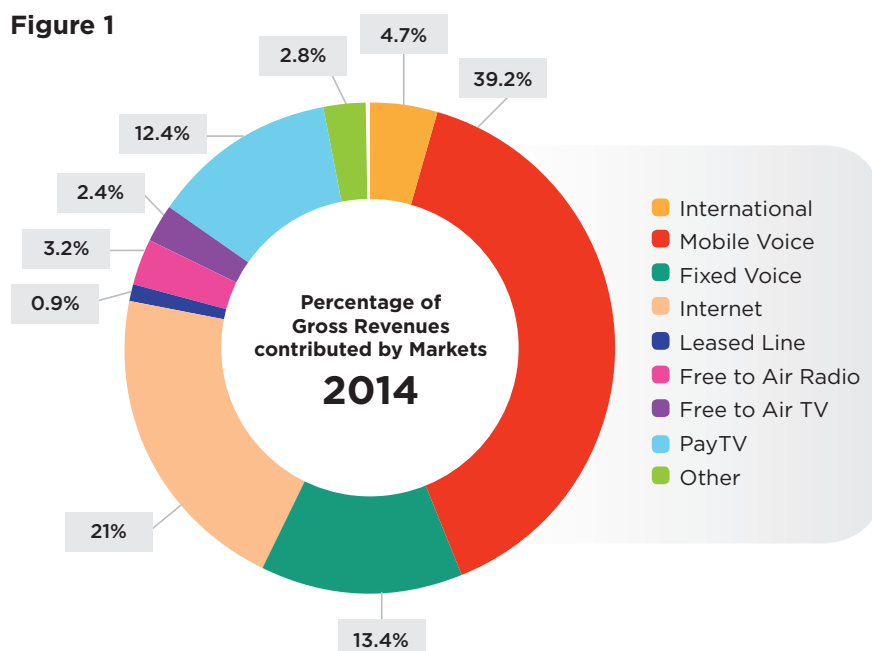
Of total telecommunications and broadcasting revenues, Mobile Voice services accounted for the majority of revenues with TT\$2.20 billion (39.2%). This was followed by Internet services which contributed TT\$1.18 billion or 21.1%. The next highest revenue earners for the industry

were Fixed Voice⁴ services and Pay TV services whose contributions totalled TT\$0.76 billion and TT\$0.70 billion respectively (13.4% and 12.4%). International voice services were next in line, generating TT\$0.27 billion (4.7%) in revenues.

FTA radio and television services contributed TT\$0.18 billion and TT\$0.13 billion respectively (3.2% and 2.4%). Finally, other contributors included “other revenues”⁵ and “leased line services” with earnings of TT\$0.16 billion and TT\$0.05 billion respectively, with 2.8% and 0.9%.

Figure 1 shows the percentage revenue contribution by each market towards overall gross revenue of the industry.

Figure 1



¹ This figure includes revenues from telecommunications and broadcasting services offered to members of the general public and private leased line services

² Exchange rate US\$1=TT\$6.38

³ Gross Domestic Product (GDP) at current market prices for 2014: TT\$179,842 million (Source: Ministry of Finance Review of the Economy)

⁴ Fixed market revenues include revenues earned from fixed voice and access (excluding international) services

⁵ Other revenues comprise revenues earned from both the telecommunications sector and the broadcasting sector such as revenues received from wholesale services and production and air time for local programming on Pay TV

Domestic Telecommunications and Broadcasting Statistics

The following information on subscriptions, average revenue per user and traffic of the relevant markets was extracted from the Authority's Annual Market Report for the period January to December 2014. This data is used by the Authority to monitor and inform policy decisions that will facilitate the orderly development of markets within these sectors. The full report is available at <http://www.tatt.org.tt>.

The statistics in the telecommunications and broadcasting markets over the period 2007 - 2014 are shown in Table 1 below:

Table 1: Domestic Telecommunications and Broadcasting Statistics for the period December 2007 - December 2014

	2007	2008	2009	2010	2011	2012	2013	2014
General	Population (millions)	1.3	1.3	1.3	1.3	1.3	1.3	1.3
	GDP per capita (US \$ millions) ⁶	16,683	21,408	15,067	15,924	17,042	19,018	27,855
	Telecom revenue (US \$ million)	521.3	775.3	685.2	713.1	737.0	834	864.4
	Total telephone subscriptions ('000s)	1,817	2,121	2,150	2,815	2,118	2,700	2,235
	Total telephone penetration	138.7	163.1	165.3	167.2	160.7	164.7	168.3
	Average revenue per user ⁷ (ARPU) US \$	286.9	365.6	318.7	322.5	348.0	384.4	386.7
Fixed Voice	Fixed Voice subscriptions ('000s)	307.3	314.8	303.2	293.3	292.0	286.1	291.3
	Fixed Voice penetration	23.5	24.1	23.2	22.3	22.0	21.6	21.7
	Fixed Voice household penetration	71.5	73.3	70.1	67.5	67.1	55.3	56.2
	Average revenue per user (ARPU) US \$	422.4	486.5	403.5	411.5	417.3	430.5	413.1
	Fixed Voice Subscription growth (%)	-5.6	2.4	-3.7	-3.3	-0.6	-1.9	1.6
Mobile	Mobile subscriptions ('000s)	1,510	1,806	1,846	1,894	1,826	1,880	1,944
	Mobile penetration	115	138	141	144	139	142	146
	Average revenue per user (ARPU) US \$	207	197	170	164	173	188	189
	Mobile subscription growth (%)	-0.6	20	2	2.6	-3.6	3.1	3.2
Internet	Total Internet subscriptions ⁸ ('000s)	93.3	129.7	238.3	309.9	325.2	342.8	682.3
	Fixed Internet subscriptions ⁹ ('000s)	82.6	114.1	145.0	171.1	192.0	224.1	231.7
	Mobile Internet subscriptions ¹⁰ ('000s)	10.7	15.6	93.3	138.8	133.2	422.5 ¹¹	450.6
	Fixed Broadband subscriptions ¹² ('000s)	35.5	85.4	130.1	162.9	187.9	221.3	229.6
	Fixed Internet users ¹³ ('000s)	429	456	580	684	768	726	751
	Total Internet penetration	7.1	9.9	18.2	23.5	24.7	25.9	51.4
	Fixed Internet penetration	6.3	8.7	11.1	13.0	14.6	16.9	17.4
	Mobile Internet penetration	0.8	1.2	7.1	10.5	10.1	31.9	33.9

⁶ GDP per capita is recorded at current market prices

⁷ ARPU is calculated as the total revenues generated from the service divided by the total number of subscriptions to the service

⁸ For the period 2006 to 2011, total Internet subscriptions comprised fixed Internet subscriptions and mobile postpaid Internet subscriptions

Total Internet subscriptions is the sum of fixed Internet subscriptions and mobile postpaid Internet subscriptions

⁹ Fixed Internet subscriptions - total number of subscriptions with fixed wired or fixed wireless Internet access

¹⁰ Mobile Internet subscriptions - postpaid mobile customers who subscribe to monthly Internet airtime and who are billed accordingly

¹¹ Mobile Internet subscriptions for 2012 includes prepaid and postpaid mobile Internet users

¹² Fixed Broadband subscriptions - the number of Internet subscribers with access to download speeds of 256kbps or above

¹³ Fixed Internet users - the number of persons who regularly use fixed Internet services

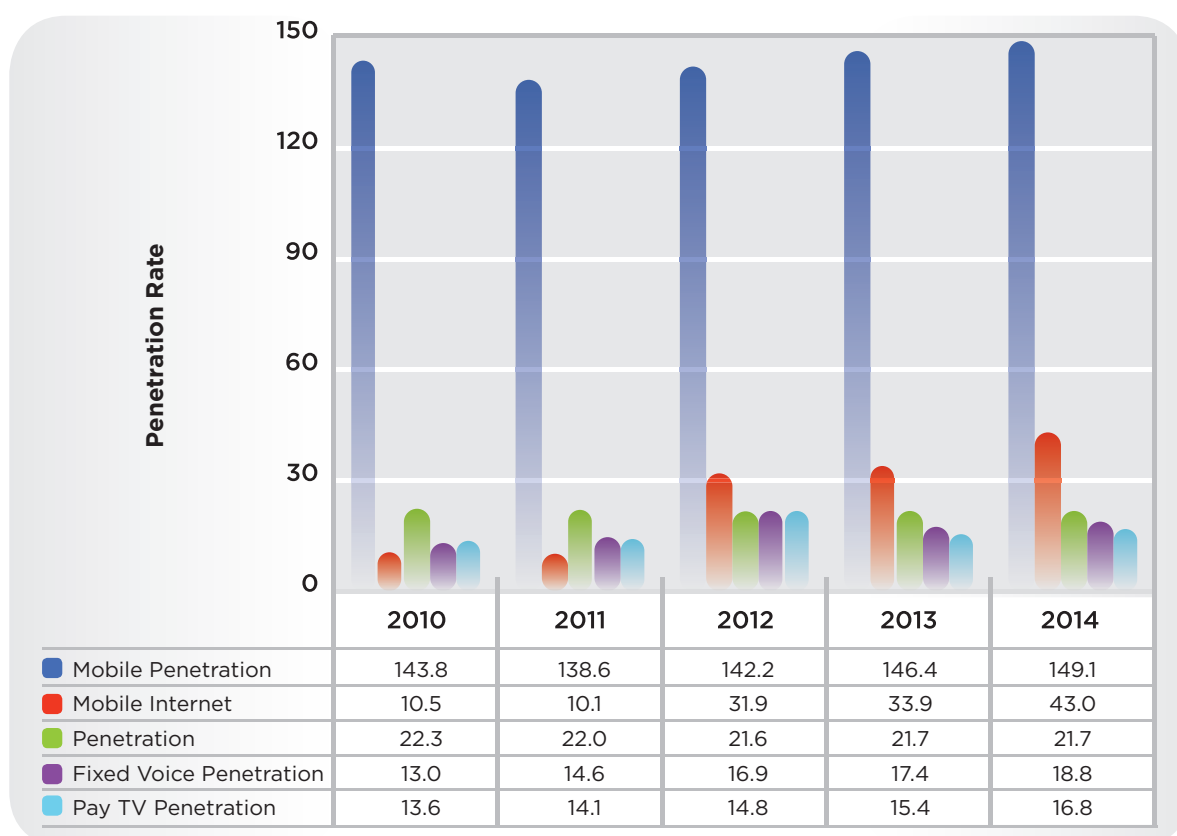
Table 1: Domestic Telecommunications and Broadcasting Statistics for the period December 2007 - December 2014 (continued)

		2007	2008	2009	2010	2011	2012	2013	2014
Internet	Fixed Internet users penetration	32.8	34.9	44.3	51.9	58.3	54.8	57	57
	Fixed Internet household penetration	4.9	21.4	40.1	49.9	52.8	52.1	54	58
Traffic	Average revenue per user (ARPU) US \$ for fixed Internet	552.3	491.8	433.2	409.9	431.9	422.8	440	449
	Internet subscription growth (%)	27.4	38.9	83.8	18.0	21.7	10.7	6	7.8
	International - Outgoing (min. million)	265.9	304.3	259.2	282.9	274.5	263.5	277.9	268.3
	International - Incoming (min. million)	323.0	375.4	399.4	358.5	256.2	245.7	234.8	234.1
	Inbound/Outbound int'l traffic ratio	1.2	1.2	1.5	1.3	0.93	0.93	0.84	0.87
	Pay TV subscriptions ('000s)	151.2	163.0	179.6	178.9	187.8	198.7	209.3	228.8
	Pay TV penetration	11.6	14.2	13.7	13.6	14.1	14.8	15.4	16.8
Pay TV	Subscription TV household penetration	44.0	47.5	52.3	52.1	54.0	48.2	50.9	55.7
	Average revenue per user (ARPU) US \$	344.9	337.0	404.9	431.2	468.6	505.5	520.8	493.2
	Pay TV subscription growth (%)	8.1	12.5	10.2	-0.4	5.0	5.8	5.3	9.3

Trends in Subscription Penetration as at December 2014

The penetration rate is defined as the number of subscriptions per 100 inhabitants. As seen in Figure 2, the penetration rates for all subscription-based markets increased for the 2014 period, with the exception of fixed voice. Mobile voice penetration sustained its dominant position with a penetration rate of 149.1% while the level of mobile Internet penetration in the country maintained its second place, increasing from 33.9% to 43.0% in 2014. Fixed Internet and Pay TV penetration also increased in 2014 to record 18.8% and 16.8% respectively.

Figure 2 – Penetration Rate of Subscription 2010 - 2014



Broadcasting Telecommunications and Concessionaires as at September 2015

The following tables list the number of broadcasting and telecommunications concessionaires authorised and operating within the market as at September 2015.

Table 2: Broadcasting Market Concessions as at September 2015

Types of Broadcasting Concessions	September 2012	September 2013	September 2014	September 2015
Free to Air Television	10	8	8	7
National	7	5	6	6
Major Territorial	3	3	2	1
Subscription (Pay) Television	8	10	13	14
National	4	4	7	8
Major Territorial	1	1	1	1
Niche	2	4	4	4
Minor Territorial	1	1	1	1
TV Broadcasting via Cable	1	7	7	10
National	1	7	6	8
Major Territorial	0	0	1	2
Free to Air Radio	38	39	39	38
National	30	31	31	30
Major Territorial	6	6	6	6
Minor Territorial	2	2	2	2
Total	57	64	67	69

Table 3: Telecommunication Market Concessions as at September 2015

Types of Telecommunications Concession	Authorised Providers September 2015	Operational Providers September 2015
Fixed Telecommunications:	17	
Fixed Telephony		2
Fixed Internet		8
International Telecommunications	10	6
Mobile Telecommunications	2	2

With reference to the Fixed Telephony and Fixed Internet market in Table 3 above, a single concession is granted for the provision of both fixed telephony and fixed Internet services and/or networks. During the period under review, of the 17 operators authorised to provide fixed domestic telecommunications services, only two concessionaires opted to provide fixed telephony services and eight concessionaires opted to provide fixed Internet services.



News



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Stakeholder Engagement Statistics

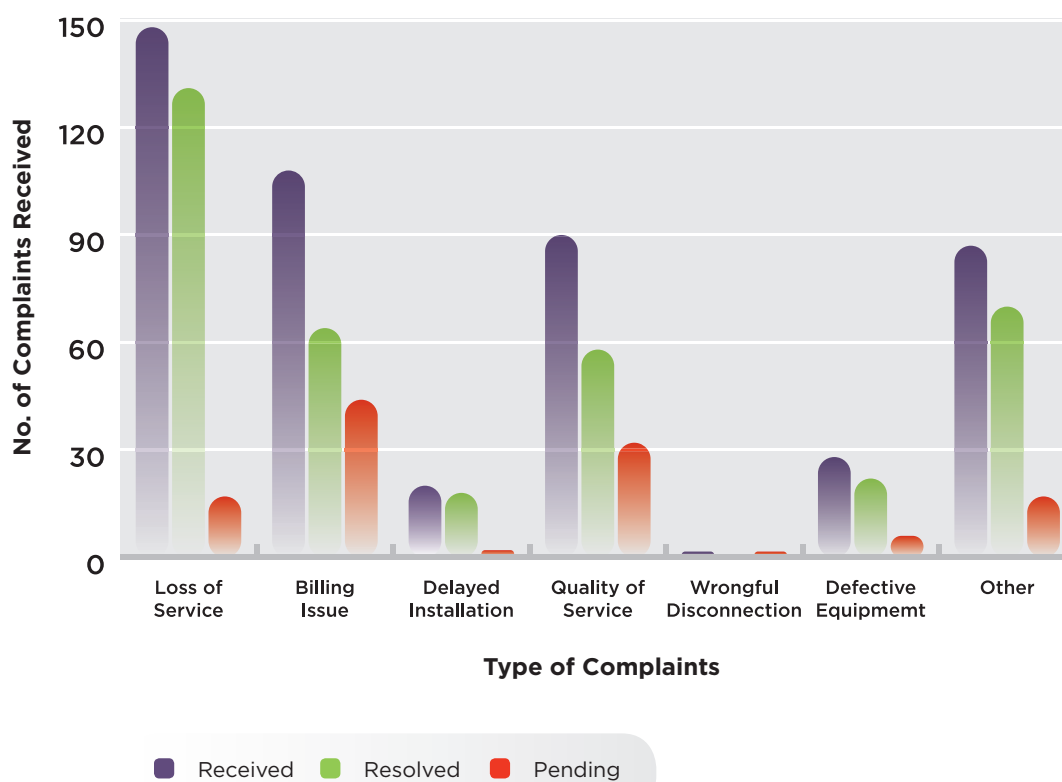
1. Consumer complaints handling
2. Consumer complaints committee
3. Broadcast content complaints
4. Interference complaints
5. Licence applications
6. Concession applications
7. Tower administration
8. Radio-frequency (RFR) measurements of cellular sites
9. Numbering assignment
10. Freedom of information

The following statistics highlight the performance of the Authority for the period October 1, 2014 to September 30, 2015, for each of the above categories.

1. CONSUMER COMPLAINTS HANDLING

During the period, a total of 482 consumer complaints were received only five of which were from Tobago. Of the total, approximately 75% or 363 complaints were resolved. There are 119 pending complaints still being investigated and these are expected to be resolved early in the following financial year, 2015 - 2016. The majority of complaints received — just over 30% — were attributable to loss of service. The type and status of the consumer complaints are shown in Figure 3 below.

Figure 3 – Consumer Complaints Handling October 1, 2014 - September 30, 2015



2. CONSUMER COMPLAINTS COMMITTEE

The Consumer Complaints Committee (CCC) was established in accordance with Section 18 (q) of the Telecommunications Act Chap. 47:31, and is responsible for deciding on complaints that were not resolved at the operational level.

The Committee met on four occasions during the financial period. During these meetings, discussions surrounded the well-being of consumers of telecommunications and broadcasting services. Additionally, the CCC placed high importance on matters related to consumer advocacy and empowerment.

Two complaints were brought before the Committee during the review period, and these were subsequently resolved.

3. BROADCAST CONTENT COMPLAINTS

The Authority receives complaints on both FTA radio and television broadcast content.

Type of Complaint	No. of Complaints received	Complaints Investigated	Complaints Pending	Comments
Radio	60	54	4	The pending complaints are currently being addressed by the Authority. Two complaints could not be investigated by the Authority for varying reasons.
Television	37	34	2	The pending complaints are currently being addressed by the Authority. One complaint could not be investigated as a significant amount of time had elapsed between the broadcast date and the complaint date.
Total	97	88	6	

Figure 4 - Broadcast Content Complaints - October 1, 2014 - September 30, 2015



4. INTERFERENCE COMPLAINTS

Section 18.1 (l) of the Telecommunications Act 2001, authorises the Authority to investigate and resolve all allegations of harmful interference and to issue “cease or modify” orders to those who are causing the interference. In this regard, for fiscal year 2014 - 2015, the Authority received seven complaints in relation to harmful interference which were all resolved within the period under review.

These complaints were submitted by the licensee or individual experiencing the harmful interference to their radiocommunications system, where applicable. In all instances, the Authority evaluates such interference complaints to radiocommunications systems in accordance with the Authority’s interference complaints process. The Authority first verifies the existence of the harmful interference, followed by consideration of the nature of the service, the severity of the interference, the impact on the authorised user(s) and any action taken by the licensee to resolve their own interference problem.

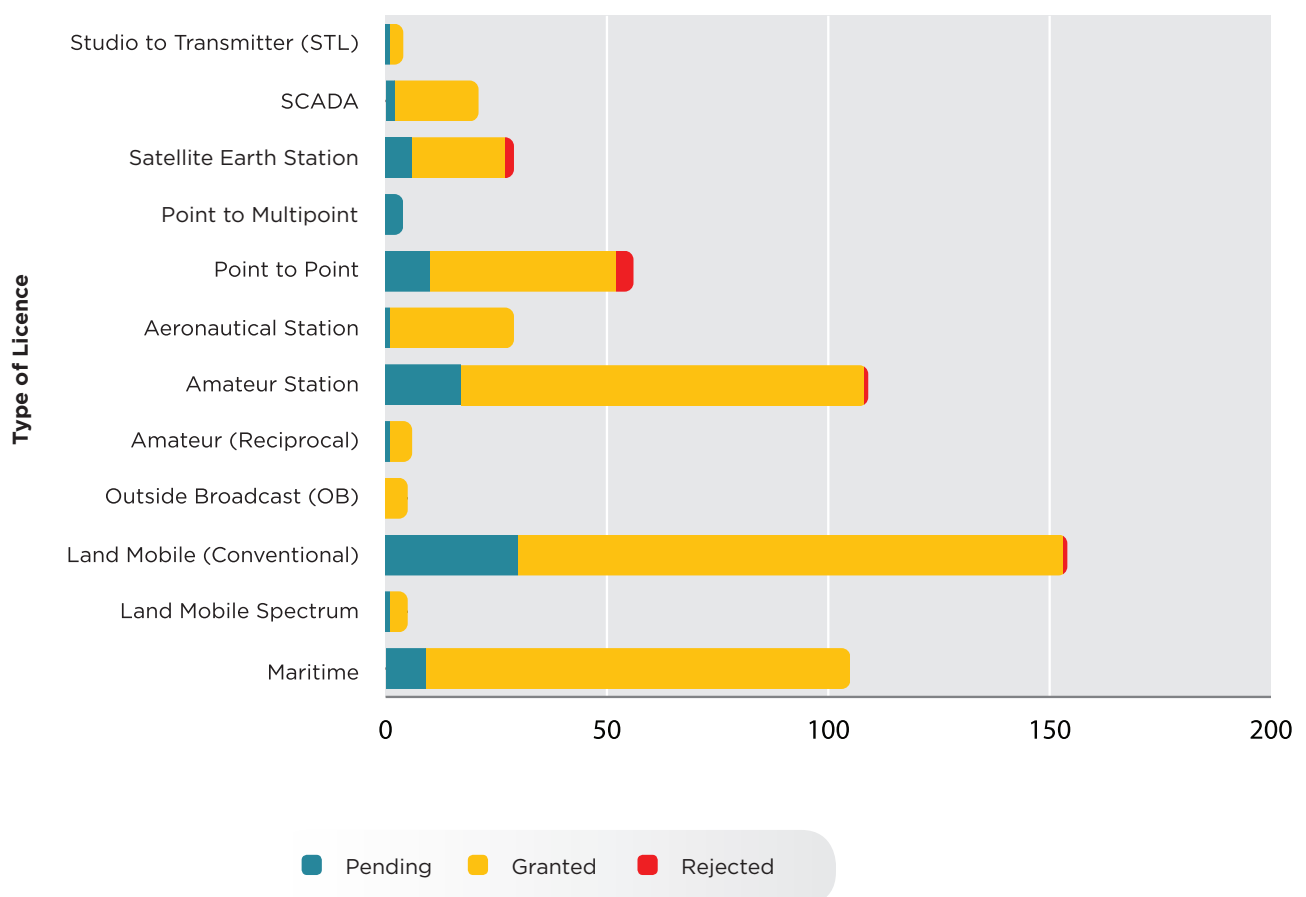
Two point-to-point harmful interference complaints are pending from the previous financial period, due to the complexity of these matters.

5. LICENCE APPLICATIONS

During the financial period under review, 441 licence applications were granted and eight were rejected by the Authority. At the end of the period, 77 licence applications were pending approval.

Figure 5 illustrates the quantity and types of licence applications that were either granted, pending approval or rejected during the period 2014 - 2015.

Figure 5 – Status of Licence Applications as at September 30, 2015



6. CONCESSION APPLICATIONS

The grant of concessions to existing and potential service providers is based on the Authority's Authorisation Framework. Details of the status of concession applications as at the end of the financial period are as follows:

- Concession applications confirmed granted – 4
- Concession applications pending approval – 0

Status	TV Broadcasting via Cable	Subscription TV	Public Domestic Fixed Telecommunications Network	Details
Granted	2			Two Type 5 - National
Granted		1		One Type 5 - National
Granted			1	One Type 2 - National

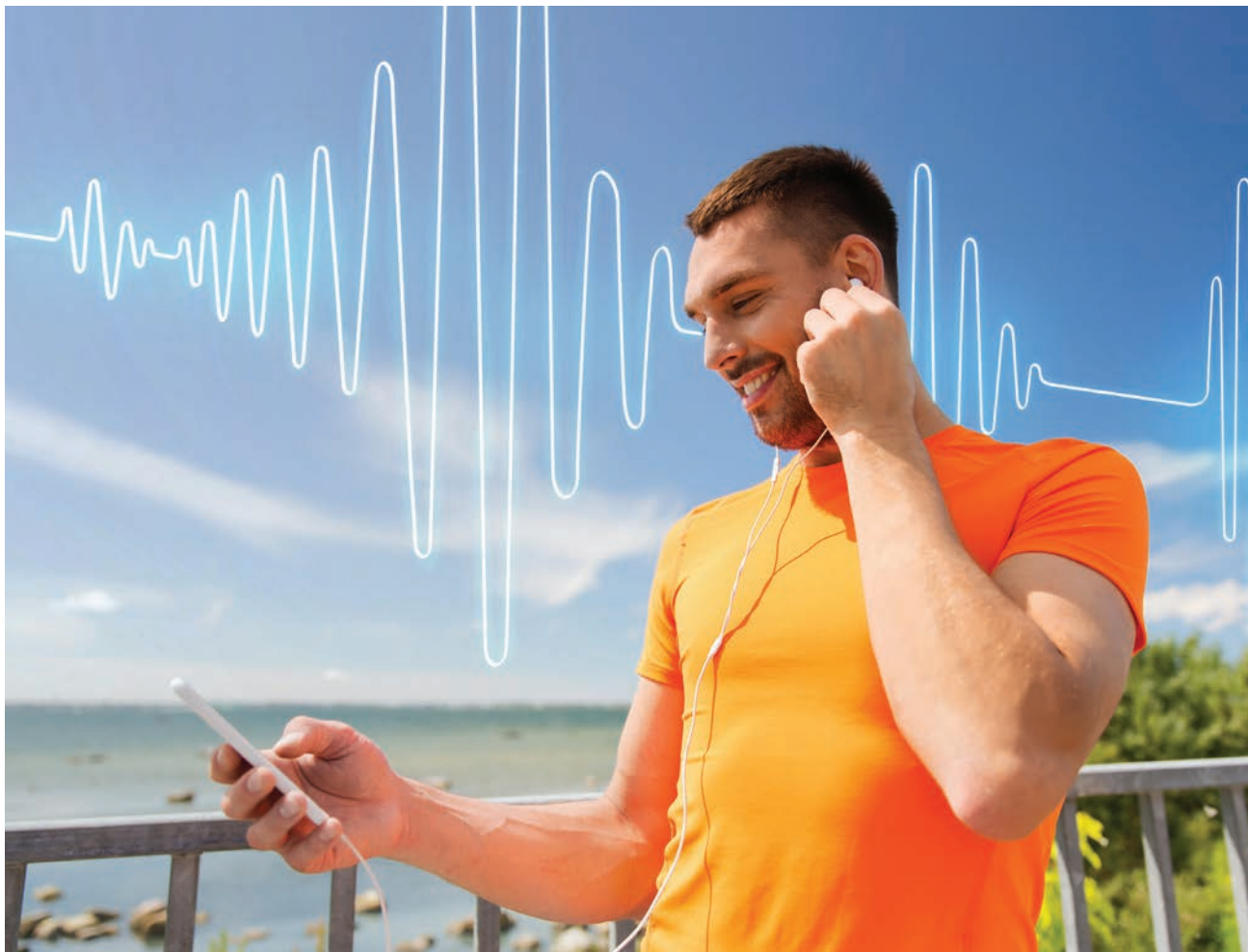
7. TOWER ADMINISTRATION

Tower administration typically involves a process by which the Authority approves the location of new towers or recommends co-location on existing towers between service providers, usually to provide mobile telecommunications services. This process involves the application for non-objection by service providers, resulting in the assessing of the requirements for co-location of sites as an integral part of the processing of tower non-objection applications. The criteria used for processing applications are the distance between towers and the feasibility of co-location.

Thirty-four Tower Non-Objection applications were received by the Authority. A summary of tower administration activity over the period 2014 - 2015 is given below:

- Digicel (Trinidad and Tobago) Limited submitted three applications which were approved by the Authority
- Telecommunications Services of Trinidad and Tobago Limited (TSTT) submitted six applications, of which, five were approved by the Authority
- Diego Martin Regional Corporation submitted one application which was approved by the Authority
- Green Dot Limited submitted 24 applications, of which, nine were approved by the Authority





8. RADIO FREQUENCY RADIATION (RFR) MEASUREMENTS OF CELLULAR AND WI-FI SITES

A total of 154 RFR measurements of cellular and Wi-Fi sites were conducted, all of which were found to be within acceptable limits:

- Digicel (Trinidad and Tobago) Limited - 65 sites
- TSTT - 86 sites
- Green Dot Limited - three sites

9. NUMBERING ASSIGNMENT

Central Office (CO) codes are assigned to operators of both fixed and mobile telephone networks by the Authority. CO codes are three digits in length and usually identify the operator and switching office providing the service to the customer.

For the period 2014 - 2015, the Authority issued 14 codes to Digicel (Trinidad & Tobago) Limited and one to Columbus Communications Trinidad Limited.

10. FREEDOM OF INFORMATION ACT (FOIA)

The Freedom of Information Act gives members of the public a general right (with exceptions) of access to official documents of public authorities and for matters related thereto. During the financial period, the Authority received four requests which were all fulfilled.



Financial Performance

The Authority generates its own revenues sourced primarily by Concession and License fees levied on all services providers within the telecommunications and broadcasting sectors. These funds are used to finance the operations of the Authority, thereby, allowing the Authority to deliver on its mandate.

Pursuant to sections 56 and 57 of the Telecommunications Act, Chapter 47:31, the Authority prepares financial statements in accordance with Generally Accepted Accounting Principles (GAAP), which are subject to an annual audit. Included in this report are the audited financial statements for the financial period ending September 30, 2015.

The Authority received gross revenue of \$85,829,209 during the financial period 2014 - 2015. Of this amount, concession and license fees generated revenue of \$26,500,840 and \$57,913,675 respectively.

The Authority's expenditure for the year amounted to \$49,153,987. This represented

an increase of approximately 10.4% over the previous year's expenditure of \$44,518,434. As in the past, staff costs continued to be our largest expense which accounted for approximately 54% of the Authority's total expenditure.

The Authority's receivables of \$18,825,035 represented a decrease of approximately 34% over the prior year. Accounts payables and accruals also decreased by approximately 30% over the fiscal period to record \$4,242,974 and reflected a decrease of \$1,795,761.

Currently, a balance of \$120,538,365 exists in the Universal Service Fund (USF). With the coming into force of the Telecommunications (Universal Service) Regulations in 2015, the USF can expect further contributions from telecommunications service providers which will be used to fund several key initiatives geared towards ensuring greater access to basic telecommunications services for more citizens of Trinidad and Tobago. The Authority has commenced its first Universal Service initiative in 2014 - 2015, starting with the provision of services to the differently abled.



2015

Financial Statements

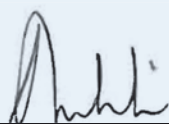
Statement of Management's Responsibilities

It is the responsibility of management to prepare financial statements for each financial year which present fairly, in all material respects, the state of affairs of the Telecommunications Authority of Trinidad and Tobago (the 'Authority') as at the end of the financial year and of the operating results of the Authority for the year. It also requires management to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority. They are also responsible for safeguarding the assets of the Authority.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards ('IFRS'). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

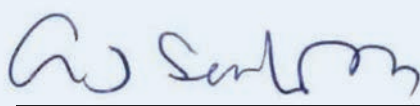
Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with IFRS. Management is of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Authority and of its operating results. Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of management to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.



Selby Wilson
Chairman of the Board of Directors

December 9, 2015



Cris Seecheran
Chief Executive Officer

December 9, 2015

**Independent auditor's report
to the shareholders of
Telecommunications Authority of Trinidad and Tobago**

Report on the financial statements

We have audited the accompanying financial statements of the Telecommunications Authority of Trinidad and Tobago (the 'Authority') which comprise the statement of financial position as at September 30, 2015 and the statement of profit or loss and other comprehensive income and statement of changes in amount due to consolidated fund and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

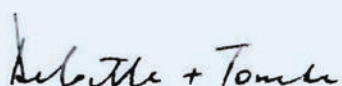
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as at September 30, 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.



Deloitte & Touche
Port of Spain
Trinidad, West Indies

December 9, 2015

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Member of
Deloitte Touche Tohmatsu Limited

Statement of Financial Position

as at September 30, 2015

(Expressed in Trinidad and Tobago dollars)

	Note	2015 \$	2014 \$
ASSETS			
Non-Current Assets			
Plant and equipment	6	25,199,204	16,240,442
Current Assets			
Trade and other receivables	7	18,825,035	28,675,311
Cash and cash equivalents	8	<u>148,045,910</u>	<u>160,155,920</u>
Total Current Assets		<u>166,870,945</u>	<u>188,831,231</u>
Total Assets		<u>192,070,149</u>	<u>205,071,673</u>
LIABILITIES & RESERVES			
Reserves			
Reserves: Universal Fund	9	120,538,365	120,538,725
Non-Current Liabilities			
Deferred income	10	1,938,277	4,746,471
Current Liabilities			
Accounts payable and accruals	11	4,242,974	6,038,735
Amount due to Consolidated Fund		<u>65,350,533</u>	<u>73,747,742</u>
Total Current Liabilities		<u>69,593,507</u>	<u>79,786,477</u>
TOTAL LIABILITIES & RESERVES		<u>192,070,149</u>	<u>205,071,673</u>

Selby Wilson
Chairman of the Board of Directors

December 9, 2015

Cris Seecheran
Chief Executive Officer

December 9, 2015

The accompanying notes on pages 48 to 64 form an integral part of these financial statements

Statement of Profit or Loss and Other Comprehensive Income

for the year ended September 30, 2015
(Expressed in Trinidad and Tobago dollars)

	Note	2015 \$	2014 \$
Income			
Concession Fees		26,500,840	26,717,565
Licence Fees		57,913,675	72,065,152
Bank Interest		7,502	38,667
Other Income		1,088,447	805,487
Amortisation of deferred income		318,745	734,537
TOTAL INCOME		85,829,209	100,361,408
Expenses			
Communications, Marketing & Policy Expenses	12	5,016,243	4,456,696
Fees	13	2,488,352	2,919,327
Training	14	2,445,873	2,825,325
Utilities		967,960	873,196
Rent and Lease Expenses	15	3,320,000	3,291,239
Staff Costs	16	26,500,769	23,465,079
Repairs and Maintenance		565,609	480,697
Other Administrative Costs	17	5,116,854	3,535,413
Depreciation		2,732,327	2,671,462
Total Expenses		49,153,987	44,518,433
Surplus for the year		36,675,222	55,842,974
Total Comprehensive Income for the Year		36,675,222	55,842,974

The accompanying notes on pages 48 to 64 form an integral part of these financial statements

Statement of Changes in Amount Due to Consolidated Fund

for the year ended September 30, 2015
(Expressed in Trinidad and Tobago dollars)

	2015 \$	2014 \$
Amount due to Consolidated Fund	73,747,742	98,533,941
Payment to Consolidated Fund	<u>(45,072,431)</u>	<u>(80,629,173)</u>
Balance	28,675,311	17,904,768
Net surplus for the year	36,675,222	55,842,974
Net amount for the year due to Consolidated Fund	36,675,222	55,842,974
Net amount due to Consolidated Fund for the Year	<u>65,350,533</u>	<u>73,747,742</u>

The accompanying notes on pages 48 to 64 form an integral part of these financial statements

Statement of Cash Flows

for the year ended September 30, 2015

(Expressed in Trinidad and Tobago dollars)

	2015 \$	2014 \$
CASH FLOW FROM OPERATING ACTIVITIES		
Net surplus for the year	36,675,222	55,842,975
Adjustment for Non-Cash Items:		
Amortisation of deferred income	(318,745)	(734,537)
Amortisation of deferred income – Licence Fees	(2,489,449)	(2,489,449)
Depreciation	2,732,327	2,671,462
(Gain)/loss on disposal of assets	(309,551)	149,838
Adjustment to consolidated fund	(360)	(360)
	36,289,444	55,439,929
Changes in:		
Decrease/(Increase) in Receivables	9,850,276	(10,770,543)
(Decrease)/Increase in Accounts Payables and Accruals	(1,795,761)	2,727,532
Net cash generated from operating activities	44,343,959	47,396,918
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Plant and Equipment	(13,338,398)	(2,416,445)
Acquisition of Work in Process – Plant and Equipment	—	(6,411,772)
Proceeds from sale of plant and equipment	1,956,860	—
Net cash used in investing activities	(11,381,538)	(8,828,217)
CASH FLOW FROM FINANCING ACTIVITIES		
Amount Paid to Consolidated Fund	(45,072,431)	(80,629,173)
Net cash used in Financing Activities	(45,072,431)	(80,629,173)
Net decrease in cash and cash equivalents	(12,110,010)	(42,060,472)
Cash and cash equivalents at start of year	160,155,920	202,216,392
Cash and cash equivalents at end of year	148,045,910	160,155,920

The accompanying notes on pages 48 to 64 form an integral part of these financial statements

Notes to the Financial Statements

for the year ended September 30, 2015

(Expressed in Trinidad and Tobago dollars)

1. Principal activities

The Telecommunications Authority of Trinidad and Tobago (the 'Authority') is an independent regulatory body, established by the Telecommunications Act (the 'Act') Chapter 47:31. The Authority is charged with the responsibility for the regulation of the telecommunications and broadcasting sectors. The Authority's mandate includes recommendations to the Minister for the granting of Concessions, the granting of Spectrum Licences and the collection of related fees, the determination of Universal Service obligations throughout Trinidad and Tobago, the establishment of National Telecommunications Industry Standards and Technical Standards, Price Regulation and Consumer Protection. The Authority became operational on July 1, 2004.

The Authority is located at # 5 Eighth Avenue Extension, Barataria, Trinidad.

The Authority reports to the Ministry of Public Administration.

2. Adoption of new and revised International Financial Reporting Standards

Standards and Interpretations adopted with no effect on financial statements

The Authority has adopted the following new standards and interpretations which had no effect on the financial statements and which were effective for annual periods beginning on or after January 1, 2014.

- Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities
- Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets
- IFRIC 21 Levies
- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
- Annual Improvements to IFRS 2010-2012
- Annual Improvements to IFRS 2011-2013
- IFRS 7 Financial instruments – disclosure

Standards and Interpretations in issue not yet adopted which may have an impact on the Authority's financial statements

The Authority has not applied the following new and revised IFRS that have been issued but are not yet effective:

- | | |
|-----------------------------------|---|
| • IFRS 9 | Financial instruments ³ |
| • IFRS 15 | Revenue from Contracts with Customers ² |
| • Amendments to IAS 16 and IAS 38 | Clarification of Acceptable Methods of Depreciation and Amortisation ¹ |
| • Amendments to IFRS | Annual Improvements to IFRS 2012-2014 ⁴ |
| • Amendments to IAS 1 | Disclosure Initiative ¹ |

¹ Effective for annual periods beginning on or after January 1, 2016, with earlier application permitted

² Effective for annual periods beginning on or after January 1, 2017, with earlier application permitted

³ Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted

⁴ Effective for annual periods beginning on or after July 1, 2016, with earlier application permitted

Notes to the Financial Statements

for the year ended September 30, 2015

(Expressed in Trinidad and Tobago dollars)

2. Adoption of new and revised International Financial Reporting Standards (continued)

Standards and Interpretations in issue not yet adopted which may have an impact on the Authority's financial statements (continued)

• IFRS 9 Financial Instruments

IFRS 9 which was issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of this IFRS was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing 'fair value through other comprehensive income' ('FVTOCI') measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of the subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

Notes to the Financial Statements

for the year ended September 30, 2015

(Expressed in Trinidad and Tobago dollars)

2. Adoption of new and revised International Financial Reporting Standards (continued)

Standards and Interpretations in issue not yet adopted which may have an impact on the Authority's financial statements (continued)

• IFRS 9 Financial Instruments (continued)

- in relation to the impairment of financial assets, IFRS 9 requires an expected loss model, as opposed to an incurred loss model under IAS 39. The expected loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- the new general hedge accounting requirements retain three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Based on the Telecommunications Act Chapter 47:31, the Authority is not permitted to engage in any investment activities as a result, the requirements relating to hedge accounting will not apply to the Authority.

• IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

Notes to the Financial Statements

for the year ended September 30, 2015

(Expressed in Trinidad and Tobago dollars)

2. Adoption of new and revised International Financial Reporting Standards (continued)

Standards and Interpretations in issue not yet adopted which may have an impact on the Authority's financial statements (continued)

• IFRS 15 Revenue from Contracts with Customer (continued)

IFRS 15 becomes effective for annual periods beginning on or after January 1, 2017 and does not require retrospective application. Management does not anticipate that the IFRS will be early adopted. Once, adopted the standard is not expected to have a significant impact on the amounts reported and disclosures made in the Authority's financial statements. Management will carry out a detailed review of the final version of the IFRS.

• Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances;

- a) when the intangible asset is expensed as a measure of revenue; or
- b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after January 1, 2016.

The management of the Authority do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Authority's financial statements.

• Annual Improvements 2012 - 2014

The Annual Improvements to IFRS 2012-2014 include a number of amendments to various IFRS, which are summarised below.

IFRS 5 – Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

IFRS 7 – Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

IAS 19 – Clarify that the high-quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.

IAS 34 – Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

The management of the Authority do not anticipate that the application of these amendments will have a significant impact on the Authority's financial statements.

Notes to the Financial Statements

for the year ended September 30, 2015

(Expressed in Trinidad and Tobago dollars)

2. Adoption of new and revised International Financial Reporting Standards (continued)

Standards and Interpretations in issue not yet adopted which may have an impact on the Authority's financial statements (continued)

• **Amendment to IAS 1: Disclosure Initiative**

Amendments were made to IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

- a) clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply.
- b) clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;
- c) additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

The management of the Authority do not anticipate that the application of these amendments will have a significant impact on the Authority's financial statements.

Standards and Interpretations in issue which will not have an impact on the Authority's financial statements

The following new and revised IFRS that have been issued but are not yet effective which will not have any impact of the financial statements of the Authority:

- | | |
|---|--|
| • Amendments to IFRS 11 | Accounting for Acquisitions of Interest in Joint Operations ¹ |
| • Amendments to IAS 16 and IAS 41 | Agriculture: Bearer Plants ¹ |
| • Amendments to IFRS 10 and IAS 28 | Sale of Contribution of Assets between an Investor and its Associate or Joint Venture ¹ |
| • Amendments to IAS 27 | Equity Method in Separate Financial Statements ¹ |
| • Amendments to IFRS 10, IFRS 12 and IAS 28 | Investment Entities: Applying the Consolidation Exception ¹ |

¹ Effective for annual periods beginning on or after January 1, 2016, with earlier application permitted.

Notes to the Financial Statements

for the year ended September 30, 2015

(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'). The financial statements have been prepared under the historical cost convention.

The preparation of these financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Authority's policies.

a) Foreign currency translation

i) *Functional and presentation currency*

Items included in the financial statements of the Authority are measured using the currency of the primary economic environment in which the Authority operates ('the functional currency'). The financial statements are presented in Trinidad and Tobago dollars, which is the Authority's functional and presentation currency.

ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

- i) Fees charged by the Authority are recognised as income when services are provided.
- ii) Income from licences is recognised on a straight-line basis over the licence period.
- iii) Interest income is recognised as it accrues, unless collectability is in doubt.
- iv) Income is also recognised from receipt of Government grants. See note 3(d) for Government grants.

c) Plant and equipment

All plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items of plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit or loss during the financial period in which they are incurred.

Notes to the Financial Statements

for the year ended September 30, 2015

(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

c) Plant and equipment (continued)

Plant and equipment are depreciated on the reducing balance basis at rates estimated to write off the cost of fixed assets over their useful lives. Current rates of depreciation are as follows:

Fixtures and fittings	20%
Computer equipment and software	25%
Office furniture and equipment	20%
Motor vehicles	25%
Telecommunication equipment and related software	25%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of profit or loss.

d) Government grants

Government grants related to fixed assets are deferred in the statement of financial position and amortised over the estimated useful lives of the assets to which it relates.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks.

f) Receivables

Trade receivables are carried at original invoice amount less an allowance made for impairment of these receivables. The allowance for impairment of trade receivables is established based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

g) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

h) Provisions

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount of the obligation can be made.

Notes to the Financial Statements

for the year ended September 30, 2015

(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

h) Provisions (continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

i) Reserves

Universal Fund

In accordance with the Telecommunications Act (2001) Section 28 (3), the Board approves the appropriation of reserves to the Universal Fund. The Board also approves the appropriation of reserves for the future development of the Authority.

Consolidated Fund

In accordance with the Telecommunications Act (2001) Section 53 (7), "At the end of each financial year, any surplus of funds remaining in the account opened in accordance with subsection (5), after defraying the expenditure referred to in subsection (2), shall be paid into the Consolidated Fund."

j) Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date, which are classified as non-current assets.

The Authority assesses at each statement of financial position date whether there is objective evidence of impairment of its financial assets.

k) Impairment of financial assets

The carrying amounts of the Authority's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

i) Calculation of recoverable amount

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Notes to the Financial Statements

for the year ended September 30, 2015
(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

k) Impairment of financial assets (continued)

ii) Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

l) Taxation

As stated in section 54 of the Telecommunications Act, the Authority is exempt from income tax.

m) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit or loss over the period of the lease.

n) Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

4. Critical accounting estimates and judgements

In the application of the Authority's accounting policies, which are described in note 3, management of the Authority are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Key sources of uncertainty, which require the use of estimates, include:

Useful lives and residual values of plant and equipment

The estimates of useful lives as translated into depreciation rates are detailed in the plant and equipment policy above. These rates and the residual lives of the assets are reviewed annually taking cognisance of the forecasted commercial and economic realities and through benchmarking of accounting treatments within the industry.

Contingent liabilities

Management applies its judgement to the facts and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. Such judgement is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

Notes to the Financial Statements

for the year ended September 30, 2015

(Expressed in Trinidad and Tobago dollars)

5. Financial risk management

a) *Market risk*

The Authority's activities do not expose it to any significant market risks (including currency risk, fair value interest rate and price risk).

i) Cash flow and fair value interest rate risk

As the Authority has no significant interest bearing assets, the Authority's income and operating cash flows are substantially independent of changes in market interest rates. The Authority does not own any investments.

ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The majority of the financial instruments of the Authority are denominated in Trinidad and Tobago dollars, thus the risk to the Authority is considered to be minimal.

b) *Credit risk*

Credit risk arises from cash and cash equivalents as well as credit exposures to customers for outstanding receivables. The Authority does not have significant credit risk exposure to any single third party counterparty or any group of counterparties having similar characteristics. The Authority defines counterparties as having similar characteristics if they are related entities.

Credit risk also arises from cash and deposits with banks and financial institutions. For banks and financial institutions, only those with good standing and with a sound reputation are used.

c) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Authority aims to maintain flexibility in funding by keeping committed credit lines available.

The table below analyses the Authority's financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 1 year equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year \$
At September 30, 2015	
Accounts payables and accruals	4,242,974
At September 30, 2014	
Accounts payables and accruals	6,038,735

Notes to the Financial Statements

for the year ended September 30, 2015

(Expressed in Trinidad and Tobago dollars)

6. Plant and Equipment						
Cost	Telecommunications equipment & related software \$	Computer equipment & software \$	Office furniture & equipment \$	Motor vehicles \$	Fixtures & fittings \$	Construction in progress \$
						Total \$
At October 1, 2013						
Additions	18,709,353	9,900,509	3,331,048	917,358	219,555	33,077,823
Disposals	1,495,799 (26,967)	692,407 (1,233,041)	214,039 (196,230)	—	14,200 (6,250)	8,828,217 (1,462,488)
At September 30, 2014						
Additions	20,178,185	9,359,875	3,348,857	917,358	227,505	40,443,552
Transfer from construction in progress	6,411,772	—	—	—	—	13,338,398
Disposals	(13,277,062)	—	—	(338,318)	—	(6,411,772)
At September 30, 2015						
	23,260,894	10,128,952	3,707,994	1,003,826	227,505	40,166,570
Accumulated depreciation						
At October 1, 2013						
Disposals	14,100,339 (24,397)	6,185,063 (1,117,260)	1,828,904 (165,704)	584,097	145,892 (5,284)	22,844,297 (1,312,645)
Expense for the year	1,210,103	1,035,034	326,584	83,315	16,426	2,671,462
At September 30, 2014						
Disposals	15,286,046 (11,764,167)	6,102,838	1,989,784	667,412 (203,906)	157,034	24,203,114 (11,968,073)
Expense for the year	1,425,515	916,099	307,168	69,451	14,094	2,732,327
At September 30, 2015						
	4,947,393	7,018,936	2,296,952	532,957	171,128	14,967,366
Carrying value						
At September 30, 2014						
	4,892,143	3,257,037	1,359,073	249,946	70,471	16,240,442
At September 30, 2015						
	18,313,501	3,110,016	1,411,042	470,869	56,377	25,199,204

Notes to the Financial Statements

for the year ended September 30, 2015
(Expressed in Trinidad and Tobago dollars)

7. Trade and Other Receivables

	2015 \$	2014 \$
Trade Receivables	13,506,789	25,876,771
Less: allowance for impairment	(903,424)	(896,872)
Trade Receivables – Net	12,603,365	24,979,899
Staff Loan (Other)	275,355	156,408
Staff Loan (Vehicle)	1,896,483	1,159,869
VAT Receivable	3,448,346	1,783,943
Other Receivables/Prepayments	455,617	466,775
Goods In Transit	145,869	128,417
TOTAL	18,825,035	28,675,311

Included within staff loans are loans to management amounting to \$100,832 (2014: \$59,166)

8. Cash and Cash Equivalents

	2015 \$	2014 \$
Cash at Bank (TT\$ Account)	27,123,348	26,222,374
Cash at Bank (US\$ Account)	381,197	13,391,821
Universal Service Fund (TT\$ Account)	120,538,365	120,538,725
Cash on Hand (TT\$ Account)	3,000	3,000
TOTAL	148,045,910	160,155,920

9. Appropriation of Reserves: Universal Fund

Due to Universal Fund

	2015 \$	2014 \$
Balance at October 1	120,538,725	120,539,085
Bank Charges	(360)	(360)
Balance at September 30	120,538,365	120,538,725

The following have been charged in arriving at the amount due to the Consolidated Fund:

	2015 \$	2014 \$
Staff Costs (Note 16)	25,675,769	22,662,079
Directors Fees and Expenses (Note 16)	825,000	803,000
Depreciation (Note 6)	2,732,327	2,671,462

Notes to the Financial Statements

for the year ended September 30, 2015
(Expressed in Trinidad and Tobago dollars)

10. Deferred Income

	2015 \$	2014 \$
Government Grant relating to Fixed Asset Amortisation	2,257,023 (318,745)	2,991,559 (734,537)
TOTAL	1,938,277	2,257,023
Deferred Income – Cellular Mobile Fees	—	2,489,448
TOTAL	1,938,277	4,746,471

11. Accounts Payable and Accruals

	2015 \$	2014 \$
Accounts payable	285,093	278,585
Deferred revenue	152,166	152,209
Outstanding Commitments	3,738,566	5,598,320
Other Current Liabilities	67,149	9,621
TOTAL	4,242,974	6,038,735

12. Communications, Marketing and Policy Expenses

	2015 \$	2014 \$
Promotions, Publicity and Printing	2,655,810	1,953,885
Official Overseas Travel	867,089	579,007
Hosting Conferences/Seminars	1,493,344	1,923,804
TOTAL	5,016,243	4,456,696

Notes to the Financial Statements

for the year ended September 30, 2015

(Expressed in Trinidad and Tobago dollars)

13. Fees

These fees comprise mainly of legal fees incurred in compliance and enforcement, opinions from Senior Counsel and Judicial Review from the Authority's providers.

	2015 \$	2014 \$
Legal and professional Fees	990,967	1,953,214
Subscription and other charges	1,497,385	966,113
TOTAL	2,488,352	2,919,327

14. Training

In accordance with Section 18 (n) of the Act, the Authority is committed to continuous training of its personnel to ensure that the industry standards are in compliance with:

- i) International standards of the Telecommunications Union Convention
- ii) Testing and certifying of telecommunications equipment
- iii) Other relevant training necessary to achieve the objectives of the Act as outlined in Section 3 of the Act.

	2015 \$	2014 \$
Training, registration fees	622,112	689,312
Foreign travel, per diems, airfare	1,823,761	2,136,013
TOTAL	2,445,873	2,825,325

Notes to the Financial Statements

for the year ended September 30, 2015

(Expressed in Trinidad and Tobago dollars)

15. Rent / Lease Expenses

Operating Lease arrangements

Leasing arrangements

The Authority leases its facilities which include executive and administrative offices which are renewed annually. Substantially the lease provides that the lessee shall pay maintenance, insurance and certain other operating expenses applicable to the leased property. The lease also includes renewal options.

Lease commitments

	2015 \$	2014 \$
No later than 1 year	3,320,000	3,291,239
Later than 1 year	—	—
TOTAL	3,320,000	3,291,239

16. Staff Costs

	2015 \$	2014 \$
Salaries	24,150,335	20,998,822
Directors' Fees and Expenses	825,000	803,000
Pension Contributions	1,381,945	1,480,656
Short-Term Employment	—	24,000
Other Personnel Expense	143,489	158,601
TOTAL	26,500,769	23,465,079

The number of employees at September 30, 2015 was 99 (2014: 90).

Notes to the Financial Statements

for the year ended September 30, 2015
(Expressed in Trinidad and Tobago dollars)

17. Other Administrative Costs

	2015 \$	2014 \$
Security	514,944	510,632
Janitorial Services	251,409	278,369
Supplies	892,763	733,187
Other Contracted Services	2,786,464	1,839,621
Bad Debt Expenses/(Recoveries)	331,082	(290,696)
Other Administrative Costs	340,191	464,300
TOTAL	5,116,854	3,535,413

18. Contingent liabilities and assets, commitments

Legal proceedings

The Authority is both plaintiff and defendant to several legal suits and proceedings. However the disposition of these matters is not likely to have a materially adverse effect on its financial condition or results of operation.

19. Related party transactions

A number of transactions are entered into with related parties in the normal course of business.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other part in making financial decisions.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Authority.

These transactions were carried out on commercial terms and conditions at market rates, except loans to officers.

Related party transactions and balances

Balances and transactions with related parties and key management personnel during the year were as follows:

	2015 \$	2014 \$
Key management compensation	5,468,638	4,880,493
Sale of asset	202,887	—

Notes to the Financial Statements

for the year ended September 30, 2015
(Expressed in Trinidad and Tobago dollars)

20. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	2015 \$	2014 \$
Financial Assets		
Cash and cash equivalents	148,045,910	160,155,920
Receivables	<u>13,506,789</u>	<u>25,876,771</u>
TOTAL	<u>161,552,699</u>	<u>186,032,691</u>
 Other Financial Liabilities		
Payables held at Amortised Cost	<u>4,242,974</u>	<u>6,038,735</u>
TOTAL	<u>4,242,974</u>	<u>6,038,735</u>

21. Events after the reporting date

No significant events occurred after the reporting date affecting the financial performance, position or changes therein for the reporting year presented in these annual financial statements.

Telecommunications
Authority
of Trinidad and Tobago



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