



# **The Current Cost Accounting (CCA) Data Request**

**For the Long Run Average Incremental Cost (LRAIC) Model**



<b>1</b>	<b>Introduction</b>	<b>1</b>
1.1	<i>Overview of the data collection process.....</i>	2
<b>2</b>	<b>Completing the data request</b>	<b>4</b>
2.1	<i>Overview of spreadsheet contents.....</i>	4
2.2	<i>General guidance for completing the spreadsheet.....</i>	6
<b>3</b>	<b>Cover</b>	<b>9</b>
<b>4</b>	<b>Contact details</b>	<b>11</b>
<b>5</b>	<b>Asset categories</b>	<b>13</b>
5.1	<i>Asset lives.....</i>	14
5.2	<i>Data sources.....</i>	14
5.3	<i>Named ranges .....</i>	15
<b>6</b>	<b>FAR extract</b>	<b>16</b>
6.1	<i>Asset number.....</i>	18
6.2	<i>Asset description.....</i>	18
6.3	<i>Date of acquisition .....</i>	18
6.4	<i>Gross book value .....</i>	19
6.5	<i>Opening net book value .....</i>	19
6.6	<i>Disposals (HCA) .....</i>	19
6.7	<i>Depreciation (HCA).....</i>	19
6.8	<i>Impairment adjustment (HCA).....</i>	19
6.9	<i>Closing net book value.....</i>	19
6.10	<i>Date of disposal/write-out.....</i>	20
6.11	<i>Asset impaired in opening balance sheet.....</i>	20
6.12	<i>Asset impaired in closing balance sheet .....</i>	20
6.13	<i>Asset category .....</i>	20
6.14	<i>Concessionaires with very large FARs .....</i>	20
<b>7</b>	<b>Price indices</b>	<b>23</b>

<b>8</b>	<b>Labour costs</b>	<b>25</b>
<b>9</b>	<b>Work in Progress</b>	<b>26</b>
<b>10</b>	<b>Statutory accounts</b>	<b>27</b>
10.1	<i>Balance sheet information.....</i>	<i>27</i>
10.2	<i>Statement of income information .....</i>	<i>27</i>

<b>Figure 1.</b> Sample version log table	9
<b>Figure 2.</b> Selecting starting month of reporting year	10
<b>Figure 3.</b> Table for concessionaires to complete with contact detail information	11
<b>Figure 4.</b> Asset category table	14
<b>Figure 5.</b> Balance sheet information requested	27
<b>Figure 6.</b> Statement of income information requested	28
<b>Table 1.</b> Overview of the data collection process	3
<b>Table 2.</b> Data request contents	5
<b>Table 3.</b> Formatting guide	7
<b>Table 4.</b> Asset categories requiring asset lives	14
<b>Table 5.</b> Named ranges	15
<b>Table 6.</b> Individual asset data required	17



# 1 Introduction

In accordance with the Costing Methodology,<sup>1</sup> the Telecommunications Authority of Trinidad and Tobago (the Authority) has developed a top-down long run average incremental cost (LRAIC) model of fixed and mobile networks in Trinidad and Tobago. Concessionaires are required to submit cost information on a current cost accounting (CCA) basis. This data request should be read in conjunction with the “Current Cost Accounting Reference Paper”. The CCA Reference Paper<sup>2</sup> sets out guidelines on the definition of CCA and the underlying principles and has been consulted upon by the Authority with the relevant concessionaires in the market.

As set out in the CCA Reference Paper, concessionaires are required to prepare a CCA study and submit information to the Authority on both their capital and operating costs. The Reference Paper also provides a detailed description of the main steps involved in calculating CCA costs.

Concessionaires are requested to submit information to the Authority within six (6) months of their financial year end. Such information must include Audited Financial Statements. In the event that audited financial statements are not available within this time, concessionaires may submit unaudited statements until the audited statements become available. As part of the CCA study, concessionaires are required to submit information for each of their assets on their fixed asset register (FAR) used for the provision of telecommunications services in Trinidad and Tobago:

- Purchase date and gross book value (GBV) including installation costs;
- Asset price trends since date of purchase; and
- Net book value (NBV).

Concessionaires' information contained in their audited statutory accounts, shall be used to verify the inputs and outputs of the CCA study.

A Microsoft Excel spreadsheet template has been developed which sets out the data required for the current cost accounting (CCA) study as a pro forma. This document provides detailed guidance on the data that concessionaires are required to prepare and submit for the CCA study and how concessionaires should go about preparing such data.

The role of concessionaires is fundamental in ensuring that the model inputs, and ultimately the model results and any regulatory decision based on the results

---

<sup>1</sup> “The costing methodology for the communications sector”, TATT, 29 May 2008

<sup>2</sup> “The Current Cost Accounting (CCA) Reference Paper”, TATT 3/5/3/2, 01 March 2010

thereafter, reflect the operating environment faced by concessionaires in Trinidad and Tobago. Data provided by concessionaires for the purpose of this study shall, in all instances, be treated as highly confidential and will not be made available to other concessionaires.

The rest of this section sets out an overview of the data collection process, the spreadsheet contents and some general guidance for completing the spreadsheet. The document further sets out how each sheet should be completed and therefore follows the structure of the spreadsheet:

- Cover;
- Contact details;
- Asset categories;
- Fixed asset register extract;
- Equipment price indices;
- Labour costs and price indices;
- Work in progress; and
- Information from statutory accounts.

## **1.1 Overview of the data collection process**

The table below summarises the steps in the data collection process.

**Table 1.** Overview of the data collection process

<b>Stage</b>	<b>Role of the Authority</b>	<b>Role of concessionaire</b>	<b>Timeline</b>
<b>Issue of detailed data request</b>	Issue data request and CCA reference paper that sets out the requirements for the CCA study and reflects the level of data available, the time scale for data collection and the LRAIC model requirements	Seek clarification on any aspect of the data request not fully understood	<b>2 weeks</b>
<b>Submission of CCA input data</b>	Review CCA data as it is submitted  Request clarification of data submitted where necessary  Provide clarification of data requested as required by operators  Assist operators in methodological issues and identifying potential data sources	Submit data as it becomes available and before the deadline for data submission  Provide clarification/validation of data requested as required within a reasonable time period	<b>6 weeks</b>
<b>Submission of final version of CCA data</b>		Submit final version of CCA data and full documentation of methodology, sources and results	<b>5 weeks</b>
<b>Data submitted used to calculate CCA inputs and inputted into LRAIC model</b>	Use data to calculate CCA costs and input data into LRAIC model and sense check the outputs	Provide clarification where necessary	<b>5 weeks</b>

The data collection process is an iterative process and it is envisaged that concessionaires will need to work closely with the Authority in order to prepare the requested data. Therefore, if further clarification is required with respect to

the data requested and the data collection process, concessionaires should contact the Authority as queries arise rather than waiting until the final deadline for submissions.

## 2 Completing the data request

This section sets out:

- An overview of the spreadsheet contents; and
- General guidelines on completing the data request.

### 2.1 Overview of spreadsheet contents

The spreadsheet contains a number of sheets which require concessionaires to provide data in the cells that are clearly highlighted in yellow (see Section 2.2 for more guidance on the formatting used). Short notes to provide concessionaires with guidance on how to complete the data request are also provided within the spreadsheet. The contents of the spreadsheet and the data requested are summarised in the table below.

**Table 2.** Data request contents

Sheet name	Description	Information requested from concessionaires
Cover	Version history, spreadsheet description (purpose and contents).	To update the version history table when submitting data to the Authority.
Contact_details	Contact details for the main persons involved in the data collection, should the Authority require clarifications on data submitted.	To provide contact details for relevant staff.
Asset_categories	List of asset categories relating to the provision of telecommunications services in Trinidad and Tobago. For each asset category there are recommended asset lives, revaluation approaches and data sources. This corresponds with the list in the CCA reference paper.	To specify the data source used for the price index for each asset category.
FAR_extract	Extract from the fixed asset register for all assets.	<p>For all relevant assets, to enter information on the asset number, asset description, date of acquisition, total GBV, total closing NBV whether and when the asset has been written off or disposed of and whether the asset value in the opening and closing balance sheets reflect impairment. Where the assets have been impaired, details of the opening NBV, depreciation, disposal and impairment charges should be included.</p> <p>To specify the asset category that each asset falls under.</p> <p>To allow reconciliation with the statutory accounts, information on stranded and/or fully depreciated assets need to be provided separately. These assets will not be considered in the CCA valuation.</p>

Price_indices	Concessionaires are requested to enter price index data for each asset category for each of the years that assets have been in use. The choice of index should correspond with that set out in the final CCA Reference Paper as replicated in the "Asset categories" sheet. The price indices should relate only to the equipment part of the asset cost (i.e. not to labour costs).	To specify the price indices to use for each asset category.
Labour_costs	Labour price index and weights to use in calculating the average price index for each asset category.	Concessionaires are requested to provide a price index for labour costs and where available, the proportion of total asset costs (GBV) that relate to the installation of assets in each asset category (i.e. the proportion of costs that relate to labour costs).
Work_in_progress	Details of Work in Progress (WIP) at the opening and closing of the reporting year	Concessionaires are requested to enter information on work in progress (WIP) included in their balance sheets
Statutory_accounts	Balance sheet and statement of income information from statutory accounts.	Concessionaires are requested to enter data from their audited accounts and on the assets excluded from the CCA study.

Source: Frontier Economics

## 2.2 General guidance for completing the spreadsheet

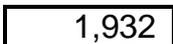
The spreadsheet has been developed so that it can be used by all concessionaires participating in the LRAIC modelling process. This means that it contains asset categories which may not be applicable to **all** concessionaires. Concessionaires are required to only provide data for the asset categories which are relevant to them.

A guide to the formatting used in the spreadsheet and the named ranges and cell references is set out below.

### 2.2.1 Formatting guide

To assist concessionaires in providing the data required, the spreadsheet has been colour coded and annotated. The table below sets out a guide to the formatting used.

**Table 3.** Formatting guide

Formatting type	Example	Description
Input cells		Concessionaires are requested to enter data in these cells
Calculation cells		Cell values calculated by the spreadsheet - these cells should not be altered by concessionaires
Help cells		Instructions and guidance notes for concessionaires

Source: Frontier Economics

### 2.2.2 Named ranges and cell references

The spreadsheet uses a number of named ranges and cells are linked using formula. This means that it is important that data is entered where highlighted and that any changes made to the structure of the spreadsheet (such as inserting or deleting rows, columns and cells) should be done with minimally and only where absolutely necessary.

A number of spare rows have been built into the spreadsheet if concessionaires can objectively justify further disaggregation of asset categories (see Section 5).

### 2.2.3 Time period for data submission

The first request for data was made in the year 2010 and concessionaires were required to submit data for the reporting year that ended in the calendar year 2009. For example,

- concessionaires with April to March financial reporting years were required to submit data for the period April 2008 to March 2009 and
- for concessionaires with January to December reporting years, information was submitted for the period January 2009 to December 2009..

In this regard, upon annual request of the data by the Authority, concessionaires are required to provide information for the reporting period that ended in the calendar year previous from the year in which the request is being made.

All financial data, service volumes and operational data should be for the same period. For example, subscriber numbers should reflect the average number for the reporting year.

Only for a small subset of data, historic information is also required (e.g. share of labour cost and price indices in the CCA data request template). Where historic information is required, this is stated explicitly in the relevant part of the data templates.

### 3 Cover

The “Cover” sheet of the spreadsheet provides general information about the contents of the spreadsheet and the data required from concessionaires.

The first table on this sheet is a version log. As described in Section 1, the data submission process will be an iterative process. Therefore, concessionaires are requested to enter in brief details of how versions of the data submitted vary from previous versions submitted. This will also help concessionaires to manage the data collection process internally.

**Figure 1. Sample version log table**

Date	User	Action
15-Feb-10	Jayanthi Batchelor, Frontier Economics	Spreadsheet developed to prepare formal data request
01-Mar-10	Jo Bloggs, Concessionaire X	Labour costs added

The remaining tables in this sheet set out:

- the spreadsheet purpose;
- spreadsheet contents (as set out in Table 2 above); and
- formatting guide (as set out in Table 3 above);

These tables do not require any input from concessionaires.

The table at the bottom of this sheet sets out the time period covered (this is used for labelling in other parts of the spreadsheet). Concessionaires are requested to enter the month in which their statutory reports start, from the drop-down menu (see the figure below) and to type in the year of the last financial reporting year.

**Figure 2.** Selecting starting month of reporting year

Time period covered			
<i>Please select starting month of the statutory accounts from the drop down menu in the yellow cell.</i>			
Start of financial reporting year	MAY	Financial year ending	2009
	MAY		
	JUN		
	JUL		
	AUG		
	SEP		
	OCT		
	NOV		
	DEC		
		May-07	May-08

Source: Frontier Economics

## 4 Contact details

As the CCA study will be an iterative process, the Authority requires contact details for key personnel should additional clarification on the data submitted be required. Concessionaires should provide details (name, role, e-mail address and phone number) for a main point of contact in the “Contact details” sheet. Concessionaires should provide contact details for the persons responsible for collecting financial and technical network information where such persons are different from the main point of contact.

**Figure 3.** Table for concessionaires to complete with contact detail information

Main point of contact	
Information required	Please type in yellow cells
Name	[First name] [Surname]
Concessionaire name	[Concessionaire X]
Role	[Job title/ description]
E-mail address	[e-mail address]
Phone number	[phone number]



## 5 Asset categories

The “Asset categories” sheet contains the list of asset categories used in the calculations, asset lives, required revaluation approach and data sources for equipment price indices. In accordance with the CCA Reference Paper, assets are split into four high level groups:

- mobile network components;
- fixed network components;
- network infrastructure assets; and
- non-network (support) assets.

These correspond with the four tables in this worksheet. These categories are then further broken into specific asset categories in accordance with the CCA Reference Paper. There are a number of spare lines provided if concessionaires are able to objectively justify further disaggregation of asset categories. Should concessionaires wish to add asset categories, written justification should be provided to the Authority.

As described in Section 2.2, the spreadsheet has been designed so that it can be used by all concessionaires participating in the LRAIC modelling process. This means that there are a number of asset categories which will not be relevant to all concessionaires (in other words, not every concessionaire will have assets that fall under every asset category). Concessionaires are therefore only required to provide data for the asset categories that are relevant to them.

For each relevant asset category, the tables in the worksheet set out the asset life (in years and in months) and the revaluation method required by the Authority. The tables also detail the required data source for the revaluation indices. These tables correspond to the Authority requirements as set out in the CCA reference paper.

**Figure 4.** Asset category table

Asset Category number	Asset category description	Notes	Asset life - years	Asset life - months	Revaluation approach	Data source required for revaluation	Data source used for revaluation
ACM001	Example	Example	10	120	Indexation	AUS TPI/ publicly available LRIC models	
ACM002	Base station (BTS)	Include transceivers	10	120	Indexation	AUS TPI/ publicly available LRIC models	

## 5.1 Asset lives

As described above, the tables contain the asset lives for each asset category as recommended by the Authority in the CCA Reference Paper. For certain asset categories, the asset lives will depend on the specific characteristics of concessionaires. In particular, the asset lives will depend on whether these assets are purchased on a leasehold or freehold basis. Therefore, concessionaires are requested to enter asset lives (in months) for the assets categories set out in **Table 4** below.

**Table 4.** Asset categories requiring asset lives

Asset category number	Asset category name	Recommended asset life
ACI008	Network buildings	40 (freehold); or unexpired portion of lease at time of purchase
ACI010	Network land	Infinite (freehold); or unexpired portion of lease at time of purchase
ACN001	Non-network buildings	40 (freehold); or unexpired portion of lease at time of purchase
ACN002	Land - non network	Infinite (freehold); or unexpired portion of lease at time of purchase

Source: CCA Reference Paper

## 5.2 Data sources

The data sources identified in the tables consist of:

- publicly available indices used for regulatory purposes;
- the Central Statistics Office (CSO);

- the AUS Telephone Plant Index (AUS TPI); and
- the concessionaires' own data from their FARs (where HCA proxy required).

Alternative sources may be used where objective justification can be provided in writing.

Examples of publicly available sources may include the LRIC models and documentation developed for Sweden<sup>3</sup>, the UK<sup>4</sup>, Denmark<sup>5</sup> and Norway<sup>6</sup>. Documentation also exists for Jamaica and the Eastern Caribbean which may also provide some information.

The AUS TPIs (formerly known as Turner Indices) are cost indices publicly available on a subscription basis. Based on geographic proximity the Authority proposes to use the 'South Atlantic' index.

Concessionaires are requested to enter in the tables, the data source selected for revaluation for the asset categories relevant to them. Where the data source differs from the source stated in the CCA Reference Paper, concessionaires should provide written objective justification to the Authority.

### 5.3 Named ranges

The "Asset categories" sheet contains a number of named ranges which feed into the labelling and the calculation of other sheets in the spreadsheet. These are set out in the table below.

**Table 5. Named ranges**

Named range	Description
ACM_name	List of asset category names for mobile network assets
ACM_number	List of asset category numbers for mobile network assets

<sup>3</sup> Available at: <http://www.pts.se/upload/Beslut/Telefoni/2009/hybrid-model-documentation-v7-1-091126.pdf>

<sup>4</sup> Available at: <http://www.btplc.com/Thegroup/RegulatoryandPublicaffairs/Financialstatements/2009/index.htm>

<sup>5</sup> Available at: <http://en.itst.dk/interconnection-and-consumer-protection/lraic>

<sup>6</sup> Available at: [http://www.npt.no/portal/page/portal/PG\\_NPT\\_NO\\_EN/PAG\\_NPT\\_EN\\_HOME/PAG\\_MAIN\\_TEXT?p\\_d\\_i=-121&p\\_d\\_c=&p\\_d\\_v=109119](http://www.npt.no/portal/page/portal/PG_NPT_NO_EN/PAG_NPT_EN_HOME/PAG_MAIN_TEXT?p_d_i=-121&p_d_c=&p_d_v=109119)

ACF_name	List of asset category names for fixed network assets
ACF_number	List of asset category numbers for fixed network assets
ACI_name	List of asset category names for network infrastructure assets
ACI_number	List of asset category numbers for network infrastructure assets
ACN_name	List of asset category names for non-network assets
ACN_number	List of asset category numbers for non-network assets.

The asset category tables contain a number of spare rows therefore, concessionaires should not need to change the named ranges or to insert additional rows.

## 6 FAR extract

For each individual asset used in the provision of telecommunications services in Trinidad and Tobago, concessionaires are required to provide data from the fixed asset register (FAR) as set out in the table below.

**Table 6.** Individual asset data required

Data	Description
<b>Asset number</b>	The asset number as used in the FAR
<b>Asset description</b>	A short text description of the asset (typically drawn from the FAR)
<b>Date of acquisition</b>	The month and year of the acquisition of the asset
<b>Gross book value</b>	The acquisition cost including installation costs in TT\$
<b>Opening net book value (NBV)</b>	For impaired assets enter opening NBV including installation costs and import duties (in TT\$).
<b>Disposals (HCA)</b>	For impaired assets enter any disposals during year (in TT\$) as a negative number.
<b>Depreciation (HCA)</b>	For impaired assets enter depreciation during year (in TT\$) as a negative number.
<b>Impairment adjustment (HCA)</b>	For impaired assets enter any impairment adjustment during year (in TT\$) as a negative number.
<b>Closing net book value</b>	The net book value including installation costs in TT\$ at the end of the reporting year
<b>Date of write out/disposal</b>	If an asset has been written out or disposed of before the end of its asset life, the month and year in which this is done
<b>Asset impaired in opening balance sheet</b>	Does the value of assets in the opening balance sheet reflect any impairment adjustments (TRUE or FALSE)?
<b>Asset impaired in closing balance sheet</b>	Does the value of assets in the closing balance sheet reflect any impairment adjustments (TRUE or FALSE)?

Source: Frontier Economics

Concessionaires are requested to also provide data in this sheet for assets that do not relate to the provision of telecommunications services in Trinidad and Tobago. This will be used to cross-check the CCA study inputs and outputs against the statutory accounts. The CCA Reference Paper states that all costs

that contravene the principles outlined in the Costing Methodology will be excluded from the LRAIC model. For example, all stranded or fully depreciated assets need to be excluded from the CCA valuation analysis. However, concessionaires will be required to provide data on any costs exclusions, on an HCA basis, as part of the reconciliation with the statutory accounts.

Concessionaires will not be required to provide revaluation data (such as price indices and labour cost information requested on subsequent sheets). In addition, costs that do not relate to the provision of telecommunications services in Trinidad and Tobago should be excluded (such as assets used in retail activities or for overseas operations only). In general, these assets can be easily identified since they do not fall within the asset categories identified in the CCA Reference Paper (and replicated in the “Asset categories” sheet of the data template).

Assets which do not fall under the asset categories set out in the CCA Reference Paper should be excluded from the study unless concessionaires can provide an objective rationale for their inclusion. This would typically require an additional asset category in the “Asset category” sheet (see Section 5).

## **6.1 Asset number**

Concessionaires are requested to enter the asset number corresponding to that used in their FAR in the “Asset number” column. The purpose of this is to assist concessionaires in the preparation of data and to ensure that all relevant assets are included in the study.

## **6.2 Asset description**

Concessionaires are requested to enter a short description of each individual asset in the “Asset description” column. This can be taken directly from the FAR if the description used there is sufficiently clear. This will allow both concessionaires and the Authority to ensure that individual assets have been appropriately categorised and included in the CCA study.

## **6.3 Date of acquisition**

Concessionaires are requested to enter the month and year that each asset was purchased (in the MMM-YY format, for example, “Jan-03”) in the “Date of acquisition” column. This information will be used to look up the value of the price index in the “Price indices” sheet (see Section 7). Therefore, it is important that dates are entered in the correct format.

## 6.4 Gross book value

Concessionaires are requested to add the total cost of each asset (purchase price plus installation costs) in the “Gross book value” column. Book values should be recorded in TT\$ and should include import duties and installation costs.

## 6.5 Opening net book value

For assets which have been impaired prior to the beginning of the year concessionaires are requested to add the total net book value of each asset at the end of the reporting period (purchase price plus installation costs less accumulated depreciation) in the “Opening net book value” column. Book values should be recorded in TT\$.

## 6.6 Disposals (HCA)

For assets which have been impaired prior to the beginning of the year concessionaires are requested to input any charges on disposal of the asset during the year in the “Disposals” column, based on the impaired value as in the statutory accounts. Charges should be recorded in TT\$ as a negative number.

## 6.7 Depreciation (HCA)

For assets which have been impaired prior to the beginning of the year concessionaires are requested to input the depreciation charges for the asset during the year in the “Depreciation” column, based on the impaired value as in the statutory accounts. Charges should be recorded in TT\$ as a negative number.

## 6.8 Impairment adjustment (HCA)

For assets which have been impaired prior to the beginning of the year concessionaires are requested to input the further impairment charges for the asset during the year in the “Impairment Adjustment” column. Charges should be recorded in TT\$ as a negative number.

## 6.9 Closing net book value

Concessionaires are requested to add the total net book value of each asset at the end of the reporting period (purchase price plus installation costs less

accumulated depreciation) in the “Closing net book value” column. Book values should be recorded in TT\$.

## 6.10 Date of disposal/write-out

If the asset has been disposed of or written out, concessionaires are requested to enter the date of disposal/write-out. Again, this should be done in the MMM-YY format (for example, “Jan-03”). For assets that have not been disposed of or written out, concessionaires should enter “NA” in this column.

## 6.11 Asset impaired in opening balance sheet

Is an impairment adjustment applied to the asset prior to the opening of the year, so that the opening balance sheet reflects this impaired value?

## 6.12 Asset impaired in closing balance sheet

Is an impairment adjustment applied to the asset prior to the opening of the year, or in the closing balance sheet so that the closing balance sheet reflects this impaired value?

## 6.13 Asset category

Concessionaires are requested to enter the name of the asset category to which the asset belongs. This should be consistent with the list of asset categories defined in the CCA Reference Paper and set out in the “Asset categories” sheet of this workbook (see Section 5).

The workbook automatically enters the corresponding asset number. If the asset number returns an error message (“#N/A”), this is because the asset category name has not been correctly entered (for example, the asset category name has been incorrectly spelt or the asset category is not on the list of asset categories defined in the “Asset categories” sheet).

## 6.14 Concessionaires with very large FARs

The sheet contains 300 rows, allowing concessionaires to enter up to 300 different assets. Should concessionaires require further rows, these can be copied and pasted at the bottom of the table.

Concessionaires with very large FAR may find it easier to carry out pre-processing of their data before entering it into the data request template. This

pre-processing would need to identify the GBV of assets in each relevant asset category for each year in which assets were acquired.

If this is the case, concessionaires will need to provide the Authority with details of the pre-processing work carried out so that this can be verified.

If pre-processed data is entered in this sheet, concessionaires will not need to enter details of the asset number and asset description. The date of acquisition should be set to a year average. For example, if the statutory financial reporting period runs from January to January, the date of acquisition should be set to June of the year in which all the assets were acquired.

Where the asset category includes assets that are written off or disposed of, these will need to be separately identified so that they can be taken account of accordingly within the spreadsheet calculations.



## 7 Price indices

The “Price\_indices” sheet contains tables in which concessionaires are requested to enter price index data for the equipment costs for each of the asset categories<sup>7</sup>. For asset categories being revalued using AUS TPI indices, concessionaires are not required to enter data as this data will be provided by the Authority.

The lists of asset categories used in the tables in this sheet are linked to the “Asset categories” sheet using the named ranges (see Section 5.3).

For each relevant asset category, concessionaires are requested to enter annual index values starting from the earliest date of purchase of assets in that category up to 2009 and to leave earlier years blank. The cells where data is required are highlighted in yellow. The cells where data is not required are shaded in grey and no data is required from concessionaires because these cells relate to years before the earliest date of purchase of assets that are not yet fully depreciated; or to future time period.

Index values should relate to the year end. For asset categories, which the CCA Reference Paper specifies the use of historic cost accounting (HCA) as a proxy for current costs, the index should be set to equal 100 in every year.

Furthermore, for asset categories which the CCA Reference Paper states that the use of modern equivalent asset (MEA) method to revalue assets is required, concessionaires are not obligated to enter any data.

---

<sup>7</sup> Columns have been included to allow price indices up to 2015 in order to provide the flexibility to use the data template in future years with limited modifications.



## 8 Labour costs

The Authority has developed a preferred labour price index, which is Trinidad specific. In the event that concessionaires believe that this index is not reflective of their labour cost, they may provide an alternative index in the relevant table of the “Labour costs” sheet. If an alternative index is presented, concessionaires are required to provide the Authority with a detailed rationale on why this index is more suited as well as a detailed overview of how the labour price index was derived (including the source of any input data used to calculate it).

Where available, concessionaires are also requested to enter data on the percentage of the total GBV of assets that is accounted for by labour costs (in other words, the labour costs involved in the installation of the assets and not the “pure” equipment costs) for each of the asset categories relevant to them. Cells shaded in grey relate to future years or to years when assets included in the study had not yet been acquired and therefore no data is required from concessionaires in these cells. The lists of asset categories used in the tables in this sheet are linked to the “Asset categories” sheet using the named ranges (see Section 5.3).

## 9 Work in Progress

Work in progress (WIP) relating to assets in the course of construction will need to be funded and as such should be included in the concessionaire's asset base for the purpose of estimating the mean capital employed and hence the cost of capital. Any work in progress related to goods for resale should not be included here but should be included separately within current assets.

Concessionaires are requested to input the total level of Work in Progress included on the balance sheet at the opening and closing of the relevant financial year. Where the concessionaire has information that enables the estimation of the allocation of the work in progress between the defined asset categories, the sheet allows for this information to be included.

## 10 Statutory accounts

Where available, concessionaires are requested to provide data from their audited accounts (balance sheet and statement of income) on a disaggregated basis, as much as possible, in the “Statutory\_accounts” sheet.

### 10.1 Balance sheet information

Under the “Balance sheet” heading, concessionaires are requested to provide the information on non-current and current assets. The figure below provides an extract from the data template and the level of disaggregation that would be ideal. The sub-totals and total are automatically calculated within the sheet.

**Figure 5.** Balance sheet information requested

<b>Balance sheet</b>					
<i>Please enter data from audited accounts</i>					
	Year ending				
	May-04	May-05	May-06	May-07	May-08
Non-current assets					
Property, plant and equipment					
Defined benefit plans asset					
Deferred tax asset					
Medium-term debt recoverable					
	0	0	0	0	0
Current assets					
Inventories					
Trade and other receivables					
Medium-term debt recoverable					
Current tax recoverable					
Cash and short term investments					
	0	0	0	0	0
<b>Total</b>	0	0	0	0	0

### 10.2 Statement of income information

Under the “Statement of income” heading, concessionaires are requested to provide the information on their cost of sales and operating expenses. The figure below provides an extract from the data template and the level of disaggregation that would be ideal. The totals are automatically calculated within the sheet.

**Figure 6.** Statement of income information requested

<b>Statement of income</b>					
<i>Please enter data from audited accounts</i>					
	Year ending				
	May-04	May-05	May-06	May-07	May-08
Cost of sales					
Operating expenses					
Personnel					
Re-organisation costs					
Maintenance and repairs					
Other					
Depreciation	0	0	0	0	0
Charge for the year					
Disposals and adjustments					
Impairment of property, plant and equipment					
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

