REPUBLIC OF TRINIDAD AND TOBAGO
AUDITOR GENERAL'S DEPARTMENT

REPORT
OF THE
AUDITOR GENERAL

ON THE FINANCIAL STATEMENTS OF THE TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

FOR THE YEAR ENDED

September 30, 2010

REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO FOR THE YEAR ENDED SEPTEMBER 30, 2010

The accompanying Financial Statements of the Telecommunications Authority of Trinidad and Tobago for the year ended September 30, 2010 have been audited. The Statements comprise a Statement of Financial Position as at September 30, 2010, a Statement of Income and Expenditure, a Statement of Income and Expenditure - Public Sector Investment Programme, a Statement of Changes in Amount Due to Consolidated Fund and a Statement of Cash Flows for the year then ended, and Notes to the Financial Statements numbered 1 to 20, including a summary of significant accounting policies.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The management of the Telecommunications Authority of Trinidad and Tobago 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

3. The Auditor General's responsibility is to express an opinion on these Financial Statements in accordance with Section 57 of the Telecommunications Act, Chapter 47:31 (the Act). The audit was conducted in accordance with auditing standards which require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

4. 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 judgment, including the assessment of the risks of material misstatement 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 on 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.

5. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the opinion expressed at paragraph 6 of this Report and for the comments made at paragraph 7 thereof.

OPINION

6. In my opinion, the Financial Statements as outlined at paragraph one above, present fairly, in all material respects the financial position of the Telecommunications Authority of Trinidad and Tobago as at September 30, 2010 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. Without qualifying the above opinion, attention is drawn to the following:

Statutory Non-Compliance

(i) Section 79 (1) of the Act requires the establishment of a Broadcasting Code. At September 30, 2010 the Authority had not complied with the aforementioned section of the Act. However, evidence was seen that the Authority had taken action in this regard.

(ii) The Authority has established a Universal Service Fund with a balance of $70,957,000 in accordance with the provisions of section 53 (4) of the Act. Section 18 (1) of the Act states inter alia:

"Subject to the provisions of this Act, the Authority may exercise such functions and powers as are imposed on it by this Act and in particular:

... (c) determine universal service obligations throughout Trinidad and Tobago, pursuant to section 28, and ensure that such obligations are realised; ..."

In 2015, the Authority established a framework to meet the requirements for universal service obligations as required by the Act.

SUBMISSION OF REPORT

8. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance in accordance with the requirements of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

12TH JANUARY, 2018
PORT OF SPAIN

MAJEED ALI
AUDITOR GENERAL

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Telecommunications Authority of Trinidad and Tobago

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 Company as at the end of the financial year and of the operating results of the Company for the year. It also requires management to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

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 judgments 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 Company 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 Company will not remain a going concern for at least the next twelve months from the date of this statement.

Telecommunications Authority of Trinidad and Tobago

Statement of financial position
(Expressed in Trinidad and Tobago Dollars)

	Notes	As at September 30, 2010	2009
		$	$
ASSETS			
Non-current assets			
Plant and equipment	5	12,604,856	14,568,920
Current assets			
Receivables	6	56,484,840	44,123,177
Cash and cash equivalents	7	144,795,446	123,924,911
Total assets		**213,885,142**	**182,617,008**
LIABILITIES			
Reserves			
Reserves: Universal Service Fund	8	70,957,000	45,700,000
Non-current liabilities			
Deferred income	9	19,812,524	25,158,825
Current Liabilities			
Accounts payable and accruals	10	3,877,836	5,649,769
Amount due to Consolidated Fund		119,237,782	106,108,414
Total liabilities		**213,885,142**	**182,617,008**

REPUBLIC OF TRINIDAD AND TOBAGO
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20180112
AUDITOR GENERAL

The notes on pages 7 to 18 form an integral part of these financial statements

On September 20, 2017 these financial statements were authorised for issue by the Executive Management.

Chief Executive Officer

Executive Officer Finance and Administration

Telecommunications Authority of Trinidad and Tobago

Statement of income and Expenditure
(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended September 30, 2010	2009
		$	$
Income			
Fees		55,883,321	29,043,282
Licenses		46,101,042	50,790,585
Bank interest		748,149	1,364,673
Other income		786,829	688,213
Amortization of deferred income		2,856,852	3,305,702
Total income		106,376,193	85,192,455
Expenses			
Communications, marketing and policy expenses	11	2,384,457	3,202,762
Fees	12	3,028,311	2,520,323
Training	13	1,396,281	1,582,496
Utilities		645,475	532,623
Rent and lease expenses	14	3,550,298	3,576,014
Staff costs	15	11,287,950	11,253,986
Repairs and maintenance		307,522	188,501
Other administrative costs	16	5,009,158	6,110,407
Depreciation		3,695,207	3,949,905
Total expenses		31,304,659	32,917017
Net surplus for the year		**75,071,534**	**52,275,438**

The notes on pages 7 to 18 form an integral part of these financial statements

Telecommunications Authority of Trinidad and Tobago

Statement of income and expenditure - public sector investment programme
(Expressed in Trinidad and Tobago Dollars)

	Year ended September 30, 2010	2009
	$	$
Income		
Government Subvention	-	500,000
Deduct: Fixed assets purchased / commitment	-	(473,352)
Net surplus for the year – public sector investment programme	**-**	**26,648**

The notes on pages 7 to 18 form an integral part of these financial statements

Telecommunications Authority of Trinidad and Tobago

Statement of changes in Amount Due to Consolidated Fund
(Expressed in Trinidad and Tobago Dollars)

	2010	2009
	$	$
Amount Due to Consolidated Fund- beginning of the year	**106,108,414**	**84,839,133**
Payment to Consolidated Fund	(36,685,166)	(17,832,805)
Balance at September 30, 2009	**69,423,248**	**67,006,328**
Net surplus for the year	75,071,533	52,302,086
Transfer to Universal Service Fund (Note 8)	(25,257,000)	(13,200,000)
Net Amount for the Period Due to Consolidated Fund	**49,814,534**	**39,102,086**
Net Amount Due to Consolidated fund – year end	**119,237,781**	**106,108,414**

The notes on pages 7 to 18 form an integral part of these financial statements

Telecommunications Authority of Trinidad and Tobago

Statement of Cash Flows
(Expressed in Trinidad and Tobago Dollars)

	Year ended September 30, 2010	2009
	$	$
Cash flow from operating activities		
Net surplus for the year	75,071,534	52,302,086
Adjustment for non-cash items:		
Amortization of deferred income	(2,856,852)	(3,305,702)
Amortization of deferred income-license fees	(2,489,449)	(2,489,446)
Depreciation	3,695,207	3,949,905
Gain from sale of fixed asset	-	(12,548)
Adjustment to fixed assets	243,932	13,234
	-	
	73,664,372	50,457,529
Changes in:		
Increase in receivables	(12,361,663)	(16,590,092)
(Decrease)/increase in accounts payable and accruals	(1,771,933)	2,255,714
Net cash generated from operating activities	59,530,776	36,123,151
Cash flow from investing activities		
Acquisition of plant and equipment	(1,975,075)	(4,435,476)
Proceeds from sale of plant and equipment	-	25,000
Net cash used in investing activities	(1,975,075)	(4,410,476)
Cash flow from financing activities		
Amount paid to Consolidated Fund	(36,685,166)	(17,832,806)
Proceeds from government grant	-	473,352
Net cash used in financing activities	(36,685,166)	(17,359,454)
Net increase in cash and cash equivalents	20,870,535	14,353,223
Cash and cash equivalents at start of year	123,924,911	109,571,688
Cash and cash equivalents at end of year	**144,795,446**	**123,924,911**

The notes on pages 7 to 18 form an integral part of these financial statements

1. Incorporation and principal activities

The Telecommunications Authority of Trinidad and Tobago is an independent regulatory body, established by the Telecommunications Act No. 4 of 2001. The Authority is charged with the responsibility for the liberalization and regulation of the telecommunications and broadcasting sectors. These functions were previously performed by the Telecommunications Division of the Ministry of Public Administration and Information. The Authority became operational on July 1, 2004. It was located at BEN Court, 76 Boundary Road, San Juan.

The Authority relocated on August 29 2008 to 5 Eighth Avenue Extension off Twelfth Street Barataria.

The Authority reports to the Ministry of Public Administration and Information.

2. 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 Company's policies.

a) **Application of new and revised International Financial Reporting Standards (IFRSs)**

(i) Standards affecting presentation and disclosure

- IAS 1, Presentation of Financial Statements. Comprehensive revision requiring a statement of comprehensive income (effective January 1, 2009).
- IAS1, Presentation of Financial Statements. Amendments resulting from May 2008 annual improvements to IFRSs (effective January 1, 2009).

  IAS 1 has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

- Improving Disclosures about Financial Instruments - Amendments to IFRS 7 Financial Instruments: Disclosures (effective for accounting periods beginning on or after January 1, 2009).

  The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk.

  Amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures regarding reclassification of financial assets (effective July 01 2008).

2. **Summary of significant accounting policies (Continued)**

a) **Application of new and revised International Financial Reporting Standards (IFRSs) (continued)**

a. *Standards and Interpretations adopted with no effect on financial statements*

- IFRS 8, Operating Segments (effective for accounting periods beginning on or after January 1, 2009).
- IAS 23, Borrowing Costs, Comprehensive revision to prohibit immediate expensing and amendments resulting from May 2008 improvements to IFRSs (effective for accounting periods beginning on or after January 1, 2009).
- IFRS 1, First-Time Adoption of International Financial Reporting Standards – Amendment relating to cost of an investment on first-time adoption (effective for accounting periods beginning on or after January 1, 2009).
- IAS 32, Financial Instruments: Disclosure and Presentation: Amendments relating to puttable instruments and obligations arising on liquidation (effective for accounting periods beginning on or after January 1, 2009).
- IAS 19, Employee Benefits. Amendments resulting from May 2008 annual improvements to IFRSs (effective January 1, 2009).
- IAS 36, Impairment of Assets. Amendments resulting from May 2008 annual improvements to IFRSs (effective January 1, 2009).
- IAS 38, Intangible Assets. Amendments resulting from May 2008 annual improvements to IFRSs (effective January 1, 2009).

b. *Standards and Interpretations in issue not yet adopted*

- IFRIC 18, Transfer of assets to Customers (effective for transfers of assets from customers received beginning on or after July 1, 2009).
- IFRIC 17, Distributions of Non-cash Assets to Owners (effective for accounting periods beginning on or after July 1, 2009).
- IAS 39, Financial Instruments: Recognition and Measurement: Amendments for eligible hedged items (effective for accounting periods beginning on or after July 1, 2009).
- IFRS 5, Non-current assets held for sale and discontinued operations. Amendment resulting from May 2008 annual improvements to IFRSs (effective July 1, 2009).
- IFRS 5, Non-current assets held for sale and discontinued operations. Amendments resulting from April 2009 annual improvements to IFRS (effective January 1, 2010).
- IFRS 9, Financial Instruments. Classification and Measurement (effective for accounting periods beginning on or after 1 January 2013).
- IAS 1, Presentation of Financial Statements. Amendments resulting from April 2009 annual improvements to IFRSs (effective January 1, 2010).
- IAS 7, Statement of Cash Flows. Amendments resulting from April 2009 annual improvements to IFRSs (effective January 1, 2010).
- IAS 17, Leases. Amendments resulting from April 2009 annual improvements to IFRSs (effective January 1, 2010).
- IAS 24, Related party disclosures. Revised definition of related parties (effective January 1, 2010).
- IAS 32, Financial instruments. Amendment relating to classification of rights issues (effective January 1, 2010).
- IAS 36, Impairment of Assets. Amendments resulting from April 2009 annual improvements to IFRSs (effective January 1, 2010).
- IAS 38, Intangible Assets. Amendments resulting from April 2009 annual improvements to IFRSs (effective January 1, 2010).

Management is currently assessing the potential impact of the adoption of these new standards and interpretations.

2. **Summary of significant accounting policies (Continued)**

b) **Foreign currency translation**

(i) Functional and presentation currency

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

c) **Revenue recognition**

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

i) Fees charged by the Company are recognised as income when services are provided.

ii) Income from licenses are recognised on a straightline basis over the license period.

iii) Interest income is recognised as it accrues, unless collectibility is in doubt.

iv) Income is also recognised from receipt of government grants. See Note 2(e) for government grants.

d) **Plant and equipment**

All plant and equipment are 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 Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of income during the financial period in which they are incurred.

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%
Books	10%
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 income.

2. **Summary of significant accounting policies (Continued)**

e) **Government grants**

Government grant related to fixed assets is deferred in the balance sheet and amortised over the estimated useful lives of the assets to which it relates.

f) **Cash and cash equivalents**

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

g) **Accounts receivable**

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision 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.

h) **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 yield method.

i) **Provisions**

Provisions are recognised when the Company 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.

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.

j) **Reserves**

In accordance with the Telecommunications Act (2001) Section 28 (3), the Board has approved the establishment of Reserves for Universal Service.

k) **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 Company assesses at each statement of financial position date whether there is objective evidence of impairment of its financial assets.

The company's loans and receivables comprise cash and cash equivalents and receivables in the statement of financial position (notes 2(f) and 2(g))

2. **Summary of significant accounting policies (Continued)**

l) **Impairment of financial assets**

The carrying amounts of the Company'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 income.

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.

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.

m) **Related parties**

A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms and conditions at market rates, except loans to officers (See Note 19).

n) **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 income and expenditure account over the period of the lease.

o) **Comparatives**

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

3. Critical accounting estimates and judgements

In the application of the Commission's accounting policies, which are described in note 2, management of the Commission 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 requires the use of estimates, include:

Useful lives and residual values of leasehold improvements and equipment

The estimates of useful lives as translated into depreciation rates are detailed in the leasehold improvements and equipment policy above. These rates and the residual lives of the assets are reviewed annually taking cognizance 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.

4. Financial Risk Management

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

a) *Market risk*

i) Cash flow and fair value interest rate risk

As the Company has no significant interest bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

b) *Credit risk*

Credit risk 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 Company aims to maintain flexibility in funding by keeping committed credit lines available.

The table below analyses the Company'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.

4. **Financial Risk Management (Continued)**

c) *Liquidity risk (continued)*

	Less than 1 year $
At September 30, 2010	
Accounts payables and accruals	3,877,836
At September 30, 2009	
Accounts payables and accruals	5,649,769

d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. All financial instruments are denominated in Trinidad and Tobago dollars, thus, the Company is not exposed to currency risk.

5. **Plant and equipment**

	Fixtures & Fittings	Computer Equipment & Software	Office Furniture & Equipment	Books	Motor Vehicles	Telecom. Equipment and Related Software	Total
Cost	$	$	$	$	$	$	$
At October 1, 2009	150,302	6,256,622	1,676,806	1,809	655,534	16,746,274	25,487,347
Additions for the year	9,734	998,244	709,197		154,000	103,900	1,975,075
Adjustments	-	(272,404)	(2,560)	(1,809)	-	-	(276,773)
At September 30, 2010	160,036	6,982,462	2,383,443	-	809,534	16,850,174	27,185,649
Depreciation							
At October 1, 2009	(56,680)	(2,864,991)	(641,269)	(1,809)	(379,315)	(6,974,363)	(10,918,427)
Charge for the year	(24,124)	(842,429)	(277,630)		(103,037)	(2,447,987)	(3,695,207)
Adjustments	-	28,472	2,560	(1,809)	-	-	32,841
At September 30, 2010	(80,804)	(3,678,948)	(916,339)	-	(482,352)	(9,422,350)	(14,580,793)
Carrying value							
At September 30, 2009	**93,622**	**3,391,631**	**1,035,537**	**-**	**276,219**	**9,771,911**	**14,568,920**
At September 30, 2010	**79,232**	**3,303,514**	**1,467,104**	**-**	**327,182**	**7,427,824**	**12,604,856**

6. Receivables

	2010	2009
	$	$
Trade receivables	55,365,191	40,201,120
Less provision for impairment	(2,723,189)	(1,766,943)
Trade receivables-net	52,642,002	38,434,177
Staff loan	105,024	99,911
Staff loan (Vehicle)	759,136	713,001
Staff loan (Corporate mobile)	309	2,896
VAT receivable	2,479,056	2,438,447
Other receivables/prepayments	115,525	115,525
Goods in transit	383,788	2,319,220
	56,484,840	**44,123,177**

7. Cash and cash equivalents

	2010	2009
	$	$
Cash at bank (TT$ account)	82,400,992	72,186,833
Cash at bank (US$ account)	26,793,911	29,474,667
Universal fund (TT$ account)	35,597,543	22,260,411
Cash on hand (TT$ account)	3,000	3,000
	144,795,446	**123,924,911**

8. Appropriation of reserves: Universal Service Fund

In accordance with Section 53(d) of The Telecommunications Act, 2001, the Board has approved the amount of $70,957,000 (2009: $45,700,000) for the Universal Service Fund.

Due to Universal Service Fund

	2010	2009
	$	$
Balance at October 1	45,700,000	32,500,000
Transfer from Reserves	25,257,000	13,200,000
Balance at September 30	**70,957,000**	**45,700,000**

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

	2010	2009
	$	$
Staff costs (Note 15)	11,287,950	11,253,986
Directors fees and expenses (Note 18)	456,477	583,769
Depreciation (Note 5)	3,695,207	3,949,905

9. Deferred income

	2010	2009
	$	$
Government grant relating to fixed asset	10,222,133	13,527,835
Amortization	(2,856,852)	(3,305,702)
	7,365,281	10,222,133
Deferred income-cellular mobile fees	12,447,243	14,936,692
	19,812,524	**25,158,825**

10. Accounts payable and accruals

	2010	2009
	$	$
Deferred revenue	74,323	46,200
Outstanding commitments	3,569,056	5,591,997
Other current liabilities	234,457	11,572
	3,877,836	**5,649,769**

11. Communications, marketing and policy expenses

	2010	2009
	$	$
Promotions, publicity and printing	1,356,369	2,037,822
Official overseas travel	140,639	29,967
Remuneration to board members	456,477	583,769
Hosting conferences/ seminars	430,972	551,205
	2,384,457	**3,202,762**

12. 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.

13. 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.

14. Rent/lease expenses

	2010	2009
	$	$
Office accommodation	3,507,271	3,525,614
Vehicle and equipment	43,027	50,400
	3,550,298	**3,576,014**

15. Staff costs

	2010	2009
	$	$
Salaries	10,972,462	10,756,566
Short term employment	282,400	424,900
Other personnel expense	33,088	72,520
	11,287,950	**11,253,986**

Total number of employees as at September 30, 2010 was 56 (2009: 52).

16. Other administrative costs

	2010	2009
	$	$
Security	432,710	439,230
Janitorial services	235,968	216,843
Supplies	477,386	493,024
Other contracted services	2,667,003	3,717,554
Bad debt expenses	956,246	971,144
Other administrative costs	239,845	272,612
	5,009,158	**6,110,407**

17. Contingent liabilities and assets, commitments

a) Legal proceedings

i) In September 2006, Dr John Prince, Executive Director filed suit against the Authority for alleged breach of Contract of Employment and restraining the Authority from terminating his employment. Judgement was rendered in favour of the Authority in this matter in August 2009.

ii) In September 2009, Dr John Prince, filed a subsequent suit against the Authority seeking injunctive relief.

iii) Proceedings commenced by the Authority under Section 65 of the Act alleging broadcasting without a licence by Radio Vision Limited.

iv) TATT vs Sidewalk-TATT commenced proceeding as against Sidewalk for breach of concession. As part of the proceedings TATT confiscated a transmitter from Sidewalk which was being used illegally. Judgement was rendered in favour of Sidewalk in this matter.

v) TATT vs Sidewalk (Appeal Proceedings) against the decision rendered in the matter referred to item (iv) above.

(vi) Sidewalk vs TATT-Sidewalk commenced Judicial Review proceedings against TATT in relation to the matter referred to in item (iv)

viii) Sidewalk vs TATT-Sidewalk sought Judicial Review of the decision of the Panel in the preliminary hearing of dispute 4/7/07/2 (Trini Bashment vs Sidewalk Radio).

ix) In November 2009, the Authority commenced proceedings in the magistrate court against Life Radio, 21st Century Arts and Entertainment and Hansley Ajodha for inter alia the transfer of ownership or control of a broadcasting concession without the required approval of the Authority.

x) In July 2009, the Authority initiated proceedings against five (5) persons for the operation of a public telecommunications service without a concession granted by the Minister.

The Authority is a party to the above 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.

18. Related party transactions

a) Identity of related party

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.

A number of transactions are entered into with related parties in the normal course of business. Those transactions were carried out on commercial terms at market rates, except for certain loans made available to officers. Loans deemed to be below market rates, in accordance with personal income tax legislation are taxed as required in law. .

b) Related party transactions and balances

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

Personnel costs

	2010	2009
	$	$
Directors fees and expenses	**456,477**	**583,769**

19. Financial instruments by category

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

	2010	2009
	$	$
Loans and receivables		
Cash and cash equivalents	144,795,446	123,924,911
Receivables	54,005,784	41,684,730
	198,801,230	**165,609,641**
Other financial liabilities		
Accounts payable and accruals	3,877,836	5,649,769
Amount due to Consolidated Fund	119,237,782	106,108,414
	123,115,618	**111,758,183**

20. 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.