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

30th September, 2023

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 30TH SEPTEMBER 2023

OPINION

The Financial Statements of the Telecommunications Authority of Trinidad and Tobago for the year ended 30th September 2023 have been audited. The statements as set out on pages 2 to 25 comprise a Statement of Financial Position as at 30th September 2023, the Statement of Profit or Loss and Other Comprehensive Income, 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 26 including a summary of significant accounting policies.

2. In my opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Telecommunications Authority of Trinidad and Tobago (the Authority) as at 30th September 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

BASIS FOR OPINION

3. The audit was conducted in accordance with the principles and concepts of International Standards of Supreme Audit Institutions (ISSAIs). The Auditor General's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. The Auditor General is independent of the Authority in accordance with the ethical requirements that are relevant to the audit of the Financial Statements, and other ethical responsibilities have been fulfilled in accordance with these requirements. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the above audit opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

5. In preparing the Financial Statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

6. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

7. The Auditor General's responsibility is to express an opinion on these Financial Statements based on the audit and to report thereon in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and section 57 of the Telecommunications Act, Chapter 47:31.

8. The Auditor General's objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes her opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the principles and concepts of ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

9. As part of an audit in accordance with the principles and concepts of ISSAIs, the Auditor General exercises professional judgment and maintains professional skepticism throughout the audit. The Auditor General also:

- Identifies and assesses the risks of material misstatement of the Financial Statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for an opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit 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 Authority's internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If, the Auditor General concludes that a material uncertainty exists, the Auditor General is required to draw attention in her audit report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify her opinion. The Auditor General's conclusion is based on the audit evidence obtained up to the date of her audit report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluates the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. The Auditor General communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that were identified during the audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

CONSTITUTION OF BOARD

11.1 Section 6 (1) of the Telecommunications Act; Chapter 47:31 states:

"The Board shall consist of a Chairman, a Deputy Chairman and not less than five or more than nine members appointed by the President on such terms and conditions as the President may determine".

11.2 A Board was not properly constituted during the period 26th January 2023 to 3rd July 2023, as such, only five (5) Board meetings were held during the period under review.

SUBMISSION OF REPORT

12. 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 section 116 of the Constitution of the Republic of Trinidad and Tobago, and section 57 of the Telecommunications Act, Chapter 47:31.

6TH MARCH, 2026
PORT OF SPAIN

JAIWANTIE RAMDASS
AUDITOR GENERAL

Telecommunications Authority of Trinidad and Tobago

Financial Statements

30th September 2023

Contents **Page**

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 Telecommunications Authority of Trinidad and Tobago (the 'Authority') as at the end of the financial year and 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 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.

Management affirms that is has carried out its responsibilities as outlined above.

	Cynthia Reddock-Downes
Gilbert Peterson, S.C.	Cynthia Reddock-Downes
Chairman	Chief Executive Officer
29th November 2023	29th November 2023

Telecommunications Authority of Trinidad and Tobago

Statement of financial position

(Expressed in Trinidad and Tobago dollars)

	Notes	As at 30 Sep 2023	As at 30 Sep 2022
ASSETS		$	$
Non-Current Assets			
Plant and equipment	6	10,841,382	9,642,977
Right of use assets	7	2,828,961	6,223,714
Total Non-Current Assets		**13,670,343**	**15,866,691**
Current Assets			
Receivables	8	31,782,133	27,253,853
Universal Service Fund contribution receivable	8	29,214,564	28,652,449
Cash and bank balance	9a	24,207,053	17,752,845
Cash and bank balance - Restricted	9b	112,489,226	120,134,678
Total Current Assets		**197,692,976**	**193,793,825**
Total Assets		**211,363,319**	**209,660,516**
LIABILITIES & RESERVES			
Reserves			
Reserves: Universal Service Fund	10	139,695,357	148,601,294
Total Reserves		**139,695,357**	**148,601,294**
Non-Current Liabilities			
Deferred income	11	32,704	55,538
Net defined benefit obligation	22	1,644,403	1,452,307
Lease liability - Right of use asset	13	0	2,828,082
Total Non-Current Liabilities		**1,677,107**	**4,335,927**
Current Liabilities			
Accounts payable and accruals	14	4,693,306	4,823,332
Lease liability - Right of use asset	13	2,914,101	3,488,241
Net defined benefit obligation	22	46,944	46,944
Universal Service Fund contribution payable	14	2,008,433	185,833
Due to Consolidated Fund		60,328,071	48,178,945
Total Current Liabilities		**69,990,855**	**56,723,295**
Total Liabilities and Reserves		**211,363,319**	**209,660,516**

Gilbert Peterson, S.C.
Chairman

Cynthia Reddock-Downes
Chief Executive Officer

These financial statements were approved for issue on the 29th November 2023 by the Board.

The notes on pages 6 to 25 form an integral part of these financial statements.

Telecommunications Authority of Trinidad and Tobago

Statement of profit or loss and other comprehensive income

(Expressed in Trinidad and Tobago dollars)

	NOTES	Year Ended 30 Sep 2023	Year Ended 30 Sep 2022
Income		**$**	**$**
Concession fees		28,322,915	28,266,188
Licence fees		83,157,969	76,838,256
Bank interest		96	37
Other income	12	1,544,793	716,967
Amortization of deferred income	11	22,834	17,325
Total Income		**113,048,607**	**105,838,773**
Expenses			
Communications, marketing & policy expenses	15	4,718,795	2,470,062
Fees - Legal & professional	16	1,508,273	2,758,650
Training	17	2,995,777	1,830,456
Utilities		1,149,219	1,156,565
Rent/lease expenses		281,810	299,281
Staff costs	18	36,083,260	34,948,640
Repairs and maintenance		967,014	892,181
Other administrative costs	19	5,597,374	7,277,081
Interest expense		142,962	243,389
Depreciation	20	5,758,033	5,783,523
Total Expenses		**59,202,517**	**57,659,828**
Surplus for the Year		**53,846,090**	**48,178,945**
Other comprehensive income		**0**	**0**
Total Comprehensive Income		**53,846,090**	**48,178,945**

The notes on pages 6 to 25 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)

	Year Ended 30 Sep 2023 $	Year Ended 30 Sep 2022 $
Amount due to Consolidated Fund at the beginning of the year	48,178,945	44,604,972
Payment to Consolidated Fund during the year	(41,696,964)	(34,604,972)
Transfer to Universal Service Fund	0	(10,000,000)
Outstanding amount brought forward	6,481,981	0
Net surplus for the current year	53,846,090	48,178,945
Net amount due to Consolidated Fund at the end of the year	**60,328,071**	**48,178,945**

The notes on pages 6 to 25 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 30 Sep 2023 $	Year Ended 30 Sep 2022 $
Cash Flows from Operating Activities		
Surplus for the year	53,846,090	48,178,945
Adjustment for non-cash items:		
Amortization of deferred income	(22,834)	(17,325)
Interest expense	142,962	243,389
Depreciation	5,758,033	5,783,523
Gain/loss on disposal of plant and equipment	(54,496)	9,575
Impairment	48,301	149,238
	59,718,056	54,347,345
Changes in		
Increase in receivables	(4,528,280)	(10,027,084)
(Decrease)/Increase in accounts payable and accruals	(130,026)	337,049
Increase/(Decrease) in net benefit defined obligation	192,096	(99,973)
(Decrease)/increase reserves- Universal Service Fund	(7,645,452)	2,192,022
Net Cash Generated from Operating Activities	**47,606,394**	**46,749,359**
Cash Flows from Investing Activities		
Acquisition of plant and equipment	(3,737,690)	(1,173,653)
Proceeds from sale of plant and equipment	182,201	4,192
Net Cash Used in Investing Activities	**(3,555,489)**	**(1,169,461)**
Cash Flows from Financing Activities		
Amount paid to Consolidated Fund	(41,696,964)	(34,604,972)
Amount paid to Universal Service Fund	0	(10,000,000)
Interest paid	(142,962)	(243,389)
Repayment of lease liabilities	(3,402,222)	(3,301,795)
Net Cash Used in Financing Activities	**(45,242,148)**	(48,150,156)
Net decrease in cash and cash equivalents	**(1,191,244)**	**(2,570,258)**
Cash and Cash Equivalents at Start of Year	**137,887,523**	**140,457,781**
Cash and Cash Equivalents at End of Year	**136,696,279**	**137,887,523**
Restricted Cash and Cash Equivalent at Start of Year	**120,134,678**	**117,942,656**
Restricted Cash and Cash Equivalent at End of Year	**112,489,226**	**120,134,678**

The notes on pages 6 to 25 form an integral part of these financial statements

1. General Information

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 of Trinidad and Tobago.

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 1st July 2004.

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

The Authority reports to the Ministry of Digital Transformation.

2. Adoption of New and Revised International Financial Reporting Standards

(a) New and amended standards and interpretations

The following new standard which is effective for annual periods beginning or after 1st January 2022 had no impact on the financial statements of the Authority:

i. New Accounting Standard IFRS 17

ii. Amendments to IAS 1, IAS 8, and IAS 12

(b) Standards and interpretations issued but not yet effective

The following standards and interpretations, that have been issued but are not yet effective, are not expected to have a material impact of the financial statements of the Authority:

i. Classification of Liabilities as Current or Non-current – Amendments to IAS 1[1]

ii. Lease Liability in a Sale and Leaseback – Amendments to IFRS 16[1]

iii. Supplier Finance Arrangements – Amendments to IAS 7[1] and IFRS 7

iv. IFRS S1** [1]General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2** [1]Climate-related Disclosures

v. Lack of Exchangeability – Amendments to IAS 21[2]

vi. Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10[2] and IAS 28[2]

1 Effective for annual periods beginning on or after 1st January 2024, with earlier application permitted.
2 Effective for annual periods beginning on or after 1st January 2025, with earlier application permitted.

3. Summary of Significant Accounting Policies

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

Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRS Interpretations Committee (IFRS IC). 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 accounting policies.

These financial statements have been prepared on a going concern basis.

a) 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.

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.

b) Cash and Bank Balance

Cash and bank balance comprise cash on hand, deposits held at call with banks with short- term maturities.

Cash and balance are defined as restricted when the funds can only be applied to facilitate the provision of Universal Service as defined in the Telecommunications Act 47:31.

3. Summary of Significant Accounting Policies (continued)

c) Financial Assets - *Loans and Receivables*

The Authority classifies its cash and cash equivalent, loans and receivables as financial assets. Financial assets are classified at initial recognition and subsequently measured at amortised cost. Interest income from these assets is included in Interest Income on the statement of comprehensive income. The carrying amount of these assets are adjusted by any expected credit loss allowance recognised and measured as explained in Note 3e.

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) Trade Receivables

Trade receivables are carried at original invoice amount less an allowance made for credit losses of these receivables. The Authority applied the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. Trade receivables have been grouped based on similar credit risk characteristics and the days past due. A provision for expected credit loss is assessed when there is evidence that the Authority will not be able to collect the amounts due. The receivables are reduced through an allowance account and the loss is recognised in the statement of comprehensive income. When an account is uncollectable it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to renew licence and failure to engage with the Authority on alternative payment arrangements amongst other factors are considered indicators of no reasonable expectation of recovery.

f) 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 payables 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.

3. Summary of Significant Accounting Policies (continued)

g) Reserves

Universal Service Fund
In accordance with the Telecommunications Act (2001) Section 28 (3), the Board approves the appropriation of reserves to the Universal Service Fund. Section 53(3) of the Act restricts the use of these funds to the provision of universal service.

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".

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.

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) Leases

The Authority assesses whether a contract is or contains a lease, at inception of the contract. The Authority recognised a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Authority recognised the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Authority uses its incremental borrowing rate.

3. Summary of Significant Accounting Policies (continued)

i) Leases (continued)

Lease payments included in the measurement of the lease liability comprise:

i) Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
ii) Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
iii) The amount expected to be payable by the lessee under residual value guarantees;
iv) The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
v) Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Authority remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

i) The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability.
ii) The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
iii) A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Authority did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Authority expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

3. Summary of Significant Accounting Policies (continued)

i) Leases (continued)

The right-of-use assets are presented as a separate line in the statement of financial position. The Authority applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

j) Taxation

Pursuant to section 54 of the Telecommunications Act, the Authority is exempt from income tax.

k) Employee Benefits

i. Short Term Employee Benefits – The cost of short-term employee benefits (those payable) within 12 months after the service is rendered are recognised in the period in which the service is rendered and not discounted.
ii. Defined Contribution Plans – Payments to defined contribution plans are expensed as they fall due.
iii. Defined Benefit Obligations – The Authority has an obligation to provide pension benefits to officers transferred to the Authority under Section 62 of the Telecommunications Act 47:31. This obligation is to provide that these employees will be paid benefits at the amount when combined with the relevant pension law, is equivalent to the benefit based on the pensionable service in the Public Service or a statutory authority combined with the service in the Authority and calculated at the final salary applicable on the date service was terminated.. Changes to the estimates are expensed in the year determined. (see Note 21).

l) 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.

3. Summary of Significant Accounting Policies (continued)

m) Revenue Recognition

The following table indicates how the Authority has applied IFRS 15's five step process to recognise revenue in its Financial Statement.

IFRS 15 – Recognition Steps	Authority's Approach
1. Identify the contract with the customer	The majority of the Authority Revenue is derived from fees for i. Concessions ii. Licenses
2. Identify the performance obligations in the contract	The Authority allows the Concessionaire / Licensee to operate and utilise Spectrum under the terms and conditions specified in its relevant Concession / License.
3. Determine the transaction price;	Fees are established under the Telecommunication (Fees) Regulations, 2006
4. Allocate the transaction price to the performance obligations in the contracts;	Allocation of Fees are also specified under the Telecommunication (Fees) Regulation, 2006.
5. Recognise revenue when (or as) the entity satisfies a performance obligation	Application Fees are recognised when the Concession / License has been processed. Due to invoicing guidelines set forth in the Telecommunication (Fees) Regulation 2006 Sections 3 (2), 7 (1), 11 (2) and 12 (1) Concession / License Fees are recognised when invoiced. Interest income is recognised as it accrues, unless collectability is in doubt. Income is also recognised from receipt of Government grants. See note 3(d) for Government grants. In the event that a material invoice is not prepared at the Authority's year end and accrual for the revenue is made.

3. Summary of Significant Accounting Policies (continued)

n) **Impairment of 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.

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.

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 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 cognizance of the forecasted commercial and economic realities and through benchmarking of accounting treatments within the industry.

4. Critical Accounting Estimates and Judgements (continued)

Allowance for expected credit losses of trade receivables

The Authority makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses The Authority uses a provision matrix to calculate ECLS for trade receivables. The provision rates are based on groupings of various customers segments that have similar loss patterns (customer type, age of receivable, coverage by payment agreements, status of concession).

The information about the ECLs on the Authority's trade receivables is disclosed in Note 23.

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.

Defined benefit obligations

The level of benefits to be provided depends on the member's length of service and salary at retirement age. In determining the liability for defined benefit obligations (explained in Note 22), management must make an estimate of life expectancy of relevant officers and the discount rate to use in the present value calculation. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The mortality rate is based on publicly available mortality tables for the Trinidad and Tobago. Salary information used in the calculation is based on existing salary at the time of the review.

	30 Sep 2023	30 Sep 2022
Discount Rate	4%	4%
Life Expectancy Female	80	80
Life Expectancy Male	73	73

Leases – Estimating the incremental borrowing rate

The Authority cannot readily determine the interest rate implicit in the lease. It uses the incremental borrowing rate. The IBR is the rate of interest that the Authority would have to pay to borrow over a similar term with similar security in a similar economic environment. The Authority has applied the rate available to government for a bond of similar tenure to the lease.

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 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.

Customer credit risk is managed subject to the Authority's established policy, procedures and control relating to accounts receivable management. Outstanding customer receivables and are regularly monitored and collection methods employed including affording short-term payment arrangements.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (customer type, age of receivable, coverage by payment agreements, status of concession). The Authority does not hold collateral as security.

c) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash to meet all financial obligations as they become due.

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.

	30 Sep 2023	30 Sep 2022
	$	$
Accounts Payables and Accruals		
Less than 1 Year	4,693,306	4,823,332

Telecommunications Authority of Trinidad and Tobago

Notes to the financial statements
For the year ended 30th September 2023
(Expressed in Trinidad and Tobago dollars)

6. Plant and Equipment

	Telecommunication Equipment and Related Software	Computer Equipment & Software	Office Furniture & Equipment	Motor Vehicle	Fixture & Fittings	Work in Progress	Total Plant and Equipment
Cost	$	$	$	$	$	$	$
At 1st October 2022	25,616,153	16,404,617	5,183,473	2,006,325	290,108	1,246,783	50,747,459
Additions/ adjustments	1,981,622	133,937	214,316	0	0	1,407,815	3,737,690
Transferred Assets	0	504,878	41,407	0	0	(546,285)	0
Disposal of Assets	0	(3,195,168)	(238,853)	(192,126)	0	0	(3,626,147)
Impairment	0	(48,301)	0	0	0	0	(48,301)
At 30th September 2023	27,597,775	13,799,963	5,200,343	1,814,199	290,108	2,108,313	50,810,701
Depreciation							
At 1st October 2022	22,273,244	13,103,885	4,002,235	1,475,866	249,252	0	41,104,482
Disposal of Assets	0	(3,092,273)	(215,913)	(190,257)	0	0	(3,498,443)
Charge for the period	1,011,075	946,781	264,782	132,471	8,171	0	2,363,280
At 30th September 2023	23,284,319	10,958,393	4,051,104	1,418,080	257,423	0	39,969,319
Net Book Value at 1st October 2022	**3,342,909**	**3,300,732**	**1,181,238**	**530,459**	**40,856**	**1,246,783**	**9,642,977**
Net Book Value at 30th September 2023	**4,313,457**	**2,841,570**	**1,149,239**	**396,119**	**32,685**	**2,108,313**	**10,841,382**

	Telecommunication Equipment and Related Software	Computer Equipment & Software	Office Furniture & Equipment	Motor Vehicle	Fixture & Fittings	Work in Progress	Total Plant and Equipment
Cost	$	$	$	$	$	$	$
At 1st October 2021	24,862,806	15,324,733	4,711,470	2,006,325	290,108	2,578,272	49,773,714
Additions/ adjustments	6,638	416,568	158,110	0	0	592,337	1,173,653
Transferred Assets	746,709	713,986	313,893	0	0	(1,774,588)	0
Disposals	0	(50,670)	0	0	0	0	(50,670)
Impairment	0	0	0	0	0	(149,238)	(149,238)
At 30th September 2022	25,616,153	16,404,617	5,183,473	2,006,325	290,108	1,246,783	50,747,459
Depreciation							
At 1st October 2021	21,266,534	12,174,457	3,773,539	1,299,046	239,038	0	38,752,614
Disposal of Assets	0	(36,902)	0	0	0	0	(36,902)
Expense for the year	1,006,710	966,330	228,696	176,820	10,214	0	2,388,770
At 30th September 2022	22,273,244	13,103,885	4,002,235	1,475,866	249,252	0	41,104,482
Net Book Value at 1st October 2021	**3,596,272**	**3,150,276**	**937,931**	**707,279**	**51,070**	**2,578,272**	**11,021,100**
Net Book Value at 30th September 2022	**3,342,909**	**3,300,732**	**1,181,238**	**530,459**	**40,856**	**1,246,783**	**9,642,977**

7. Right of Use Assets

The Authority has deemed the lease for the Barataria Head Office to fall under IFRS 16 as a Right of Use Asset and has been accounted for as such from the start of the financial year 2019/20.

	Right of Use Assets - Building
Cost	**$**
At 1st October 2022	10,184,259
Additions for the period	0
At 30th September 2023	10,184,259
Depreciation	
At 1st October 2022	3,960,545
Charge for the period	3,394,753
Disposals	0
At 30th September 2023	7,355,298
Carrying Amount at 1st October 2022	**6,223,714**
Carrying Amount at 30th September 2023	**2,828,961**

	Right of Use Assets - Building
Cost	**$**
At 1st October 2021	10,184,259
Additions for the period	0
Disposals	0
At 30th September 2022	10,184,259
Depreciation	
At 1st October 2021	565,792
Charge for the period	3,394,753
Disposals	0
At 30th September 2022	3,960,545
Carrying Amount at 1st October 2021	**9,618,467**
Carrying Amount at 30th September 2022	**6,223,714**

	30 Sep 2023 $	30 Sep 2022 $
8. Trade and Other Receivables		
Trade receivables	26,279,079	22,249,347
Less provision for bad debts	(2,461,029)	(3,299,417)
Trade Receivables-Net	**23,818,050**	**18,949,930**
Staff loan	186,883	135,004
Staff loan (motor vehicle)	693,251	862,112
Staff loan (corporate mobile)	(6,413)	(3,848)
VAT receivable	5,905,362	5,548,990
Other receivables/prepayments	1,185,000	1,761,665
	31,782,133	**27,253,853**
Universal Service Fund contribution receivable	29,214,564	28,652,449
	60,996,697	**55,906,302**

Included within staff loans are loans to management amounting to $ nil (Sep 22: $nil).

	30 Sep 2023 $	30 Sep 2022 $
9a. Cash and Bank Balance		
Cash at bank (TT$ account)	23,799,480	17,746,173
Cash at bank (US$ account)	402,573	1,672
Cash on hand (TT$ account)	5,000	5,000
	24,207,053	**17,752,845**
9b. Cash and Bank Balance - Restricted		
Universal Service Fund (TT$ account)	112,489,226	120,134,678
	136,696,279	**137,887,523**

10. Reserves: Universal Service Fund

In accordance with Section 28, 53. (1) (d) and 53. (6) of the Telecommunications Act (2001), the Authority is required to set aside funds for universal service obligations. Such funds are to be used exclusively for universal service obligations.

	30 Sep 2023 $	30 Sep 2022 $
Due to Universal Service Fund		
Balance at 1st October	120,134,678	117,942,656
Cash inflows	0	11,522,210
Cash outflows	(7,645,452)	(9,330,188)
Universal Service Fund - Cash and Cash Equivalents	**112,489,226**	**120,134,678**
Universal Service Fund - Receivables	29,214,564	28,652,449
Universal Service Fund - Payables	(2,008,433)	(185,833)
Reserves - Universal Service Fund	**139,695,357**	**148,601,294**

11. Deferred Income

	30 Sep 2023 $	30 Sep 2022 $
Government grant relating to fixed asset at start of year	55,538	72,863
Amortization	(22,834)	(17,325)
	32,704	**55,538**

12. Other Income

	30 Sep 2023 $	30 Sep 2022 $
Numbering and other fees	947,903	716,967
Sponsorship revenue	596,891	0
	1,544,793	**716,967**

Sponsorship income for PCC CITEL II event

The Authority hosted, on behalf of the Government of the Republic of Trinidad and Tobago (GoRTT). the Meeting of the Inter-American Telecommunication Commission's (CITEL) Permanent Consultative Committee II (40th PCC.II) of the International Telecommunication Union Radiocommunications Bureau (ITU-R) Region 2 countries (Americas and the Caribbean) from 31st October to 4th November 2023. The Authority received pledges totalling $596,891 from various organisations to defray the costs incurred in hosting this event.

13. Lease Liability – Right of Use Asset

Leasing arrangements

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

The Authority renewed the lease on its head office in August 2021 for a further 3 years.

	30 Sep 2023 $	30 Sep 2022 $
Lease Liability		
Current	2,914,101	3,488,241
Non-current	0	2,828,082
	2,914,101	**6,316,323**

	30 Sep 2023 $	30 Sep 2022 $
14. Accounts Payable and Accruals		
Accounts payable	1,683,075	1,256,441
Deferred revenue	198,974	132,900
Outstanding commitments	2,680,730	2,900,867
Other current liabilities	130,287	532,526
Customer deposit	240	599
	4,693,306	**4,823,332**
Universal Service Fund contribution payable	2,008,433	185,833
	6,701,739	**5,009,165**

	30 Sep 2023 $	30 Sep 2022 $
15. Communications, Marketing & Policy Expenses		
Promotions, publicity and printing	1,979,091	1,610,076
Official overseas travel	498,141	490,032
Hosting conferences / seminars	2,241,563	369,954
	4,718,795	**2,470,062**

16. 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.

	30 Sep 2023 $	30 Sep 2022 $
Legal and professional fees	833,100	1,941,189
Subscriptions and other charges	675,173	817,461
	1,508,273	**2,758,650**

17. Training

In accordance with Section 18. (1) (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.

	30 Sep 2023 $	30 Sep 2022 $
Training, registration fees	464,751	464,584
Foreign travel, per diems, airfare	2,531,026	1,365,872
	2,995,777	**1,830,456**

	30 Sep 2023 $	30 Sep 2022 $
18. Staff Costs		
Salaries	32,616,861	31,329,926
Directors' fees	571,397	659,458
Pension contributions	2,425,262	2,327,586
Short term employment	310,128	384,350
Other personnel expense	159,612	247,320
	36,083,260	**34,948,640**

The number of employees at **30th Sep 2023** was 99 (Sep 2022: 103).

	30 Sep 2023 $	30 Sep 2022 $
19. Other Administrative Costs		
Security	652,630	600,928
Janitorial services	313,469	356,834
Supplies	644,775	668,489
Other contracted services	4,347,760	4,750,416
Allowance for credit loss	(527,310)	612,148
Impairment losses	48,301	149,238
Other administrative costs	117,750	139,027
	5,597,374	**7,277,081**

	30 Sep 2023 $	30 Sep 2022 $
20. Depreciation		
Depreciation - Plant and equipment	2,363,280	2,388,770
Depreciation - Right of use assets	3,394,753	3,394,753
	5,758,033	**5,783,523**

21. 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 party 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:

	30 Sep 2023 $	30 Sep 2022 $
Key Management Personnel Compensation		
Director fees and expenses	571,397	659,458
Salaries, NIS and group health	5,042,528	4,700,851
Pension contribution	323,189	534,542
	5,937,114	**5,894,850**

22. Net Defined Benefit Obligation

The Authority has an obligation to provide defined pension benefits to officers transferred under Section 62 and 63 of the Telecommunications Act 47:31. This obligation is to provide for any difference in pensions payments that would be due under the Pensions Act as calculated by the Ministry of Finance.

The Authority reviews the liability established to cover this obligation at the end of every year and recognising any change to the obligation through the income statement in that financial year.

Net Defined Benefit Obligation	**30 Sep 2023**	**30 Sep 2022**
	$	**$**
As at start of year	1,499,251	1,599,224
Expensed in year	193,727	177,618
Reimbursement	45,314	0
Paid	(46,944)	(277,591)
As at end of year	**1,691,347**	**1,499,251**

Net Defined Benefit Obligation		
Current	46,944	46,944
Non-current	1,644,403	1,452,307
	1,691,347	**1,499,251**

Sensitivity Analysis

The defined benefit obligation is sensitive to the assumptions used. The following summarises the change in defined benefit obligation would result from a change in the assumptions.

1% increase in discount rate	($147,759)
1% decrease in discount rate	$165,159
1 year increase in life expectancy	$72,682
1 year decrease in life expectancy	($75,644)

23. Expected Credit Losses

The Authority applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due, status of concession and coverage under payment agreement.

On the above basis the expected credit loss for trade receivables at 30th September 2023 and 30th September 2022 was determined as follows:

30 September 2023 **Trade Receivables**

	Current	On Payment Agreement	Delinquent Accounts	Over 5 years	Terminated Concessions	Other Trade Receivable	Total Trade Receivable
Expected credit loss rate	0%	0%	50%	100%	100%	5%	
Estimated total gross carrying amount at default	439,819	17,744,892	3,221,068	0	637,500	4,259,900	26,303,179
Expected credit loss	0	0	1,610,534	0	637,500	212,995	2,461,029

30 September 2022 **Trade Receivables**

	Current	On Payment Agreement	Delinquent Accounts	Over 5 years	Terminated Concessions	Other Trade Receivable	Total Trade Receivable
Expected credit loss rate	0%	0%	50%	100%	100%	5%	
Estimated total gross carrying amount at default	2,195,071	642,588	838,484	1,774,895	279,293	16,519,016	22,249,347
Expected credit loss	0	0	419,242	1,774,895	279,293	825,987	3,299,417

The closing balance of the of the trade receivables loss allowance at 30th September 2023 reconciles with the trade receivables loss allowance opening balance as follows:

	30 Sep 2023	30 Sep 2022
	$	$
Loss allowance at start of year	3,299,417	2,875,968
Loss allowance used in the year	(311,078)	(188,699)
Loss allowance recognised in the year	(527,310)	612,148
Loss allowance at end of year	2,461,029	3,299,417

24. Financial Instruments by Category

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

	30 Sep 2023 $	30 Sep 2022 $
Financial assets		
Cash and cash equivalents	136,696,279	137,887,523
Receivables (Note 8)	27,152,800	23,242,615
	163,849,079	**161,130,138**
Other financial liabilities		
Payables held at amortised cost	4,693,306	4,823,332
	4,693,306	**4,823,332**

25. 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.

26. Events After the Reporting Date

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