



CANTO
2020
ANNUAL
REPORT



**YOUR TRUSTED DIGITAL
COMMUNICATIONS SERVICE PARTNER**

**CELEBRATING
40 YEARS**



TELESUR
Keeping us in touch

Contents

Introduction	2
Board of Directors	3
Secretariat Staff	4
Chairman's Message	5-8
Secretary General's Message	9-11
Secretariat Report:-	12
Membership	13
Service to Members	13-14
Strategic Partnerships and Alliances	15-17
36th Annual General Meeting co-hosted by ETECSA, Cuba	17
37th Annual General Meeting & Mini Expo	17
36th Annual Conference and Trade Exhibition	17
Concluding Comments	17-18
CANTO Financial Statements 30 September, 2020	19-50
37th AGM Sponsors	51

Introduction

Welcome to CANTO's 2020 Annual Report. This Report highlights the activities of the Association for the period October 2019 to September 2020.

On behalf of the Board of Directors, Management and Staff of CANTO, we thank the eight (8) working committees and stakeholders of CANTO for the support received during the year. Without your active participation and support, CANTO would not be the entity it is today. We look forward to your continued patronage in 2020 and beyond.

Mission

“Influence the innovation and development of ICT solutions for the benefit of members by developing, navigating and leveraging relationships with all stakeholders. Advocate for policies, legislation and rules which advance the creation of an environment which facilitates the deployment of services and technologies around the region.”

To achieve this mission our key products are:-

1. Annual Conference & Trade Exhibition
2. Publications - Annual Directory, Quarterly Cancion Magazine, Briefs, Position Papers, Annual Caribbean Statistics & Rate Evolution & CANTO Connect Newsletter.
3. CANTO has eight (8) working committees which support the board in assisting the Organization achieve its objectives. Corporate Social Responsibility Committee, Disaster Risk Management Committee, Financial Advisory Committee, Marketing and Communications Committee, Regulations Committee, Technology Working Committee, Vendor/Supplier Working Committee. Women in ICT (WICT) Committee
4. WTISD Regional Video Competition
5. Special Projects - Secondary Schools ICT Expo, Caribbean Association of Investment Promotion Agencies (CAIPA).
6. ICT Forum:
 - Caribbean Women in ICT
 - Ministerial Round Table
 - Operators & Regulators Forum

Vision

“To become the leading authority in shaping information and communication in the Caribbean Region and the Americas”.

Board of Directors



David Cox
Chairman
C&W Grenada Ltd., Grenada



Mike Antonius
Vice Chairman
TELESUR, Suriname



Helma Etnel
Treasurer
TelEm, St. Maarten



Melesia Sutherland
Director
C&W Antigua & Barbuda Ltd.,
Antigua & Barbuda



Christa Leith
Director
TSTT, Trinidad & Tobago



Delreo Newman
Director
ATNI, USA



Desha Clifford
Director
Digicel, Turks & Caicos



Julian Wilkins
Director
Digicel, Trinidad & Tobago



Justin Nedd
Director
GT&T, Guyana



Teresa Wankin
Secretary General
CANTO, Trinidad & Tobago



Secretariat Staff

Teresa Wankin
Secretary General



Jimmy Rodrigues
Finance & Administration
Manager



Lianne Dieffenthaler
Operations Specialist



Timothy Odiean
Sales Specialist



Gloria Manzano
Executive Assistant



Carmen Ramlal
Sales Officer



Gail Edwards
Publications Officer



Andrea Lewis
Finance Officer



Shyanne Williams
Business Development
Officer



CHAIRMAN'S Message

.....
David Cox

Fellow Members of CANTO's Board, staff of the Secretariat, CANTO members and associated members, specially invited guests, and colleagues in the ICT industry; given where the world is today, it seems a little hollow to wish you all, a Happy New Year.

Instead, permit me to wish you all a safe and healthy 2021; and to wish you and your families, safe passage through what are perilous times indeed. My humble prayer today, is that all who are with us now, will be with us in 2022, when CANTO next holds its AGM.

When I spoke at our last AGM in 2020, it was in person. Many of us were privileged to have been physically present in Varadero, Cuba, and I recalled that 2019 was a year of transition for CANTO. 2020 seemed a year of possibility. We were excited about our theme, which was - **Adapt. Enable. Innovate.**

Little did we know how prescient that theme would prove to be. Throughout these unprecedented times, the only constant for CANTO has been change. The changes were necessary for our survival. While the Covid-19 pandemic changed the trajectory of our personal lives and the fortunes of our businesses; I am proud to state that CANTO, through the hard work of our Secretariat, truly lived our theme, adapting to impossible challenges, enabling talents in new and unseen ways, and innovating with new ideas and strategies, all in an effort, to survive.

CANTO's Performance

In a year in which our computers, tablets, smartphones and broadband connections became our lifeline to the world, and Telecommunications Operators joined the ranks of essential services, CANTO remained resilient. From the onset of the lockdowns, we sought ways to stay engaged with membership and add value to their operations. We were among the first associations to establish a COVID-19 task force. As member countries battled the pandemic, the task-force was created to share best practices, on government engagement, work-from home policies, and support members by identifying common challenges, brought on by COVID-19.

We launched a series of webinars, focused on the impact of the pandemic on the telecoms industry, called CANTO Conversations. These 36 webinars, which were broadcast live via Facebook and YouTube, brought together Ministers of Government, CEOs, Senior Executives and ICT experts from across the globe, to share strategies about how the industry was coping with COVID. These webinars, provided updates on how businesses adapted to the health crisis, and provided insight to the many innovations being used by operators to meet the needs of governments, suppliers and consumers.

Unsurprisingly, there were setbacks as well. The 36th Annual Conference and Trade Exhibition had to be cancelled. But even here, the Secretariat was unbowed. Unwilling to accept defeat, the Secretariat sought new ways to keep CANTO strong. In September, over 400 members and stakeholders joined us for ***CANTO Connect a virtual networking event***, the first of its kind in the Caribbean Telecommunications industry. I wish to commend the Secretariat staff for their tremendous efforts in organising that event and to thank all our presenters and those who attended, for making CANTO Connect a resounding success. As you are aware, this 37th AGM has been billed as CANTO Connect 2 and we invite you to take advantage of all the networking opportunities afforded at this virtual AGM.

Of course, CANTO was not the only organization which was forced to adapt to the terrible circumstances of the pandemic. Operators faced a slew of challenges in 2020. In many cases, our members were forced to develop strategies to enable entire workforces to work from home, in a matter of days. They were forced to make critical decisions about where to reduce spending. Some operators were forced to reduce the number of their employees. And nearly every network experienced a dramatic jump in demand for broadband services. Despite these challenges, operators were resilient, weathering one of the most economically challenging periods in the industry's history.

Throughout 2020, CANTO also remained a potent and sober advocate on behalf of the telecoms industry, working hard to provide input and support to governments and regulatory bodies across the region, never missing an opportunity to highlight the adverse consequences on the pandemic on operators. Whether through direct meetings, interviews in regional press, or lobbying efforts with regional regulatory personnel, that advocacy continues today.

Next Steps

Where we go from here as an Industry in a world still grappling with COVID-19, is anyone's guess. But a few things have become obvious. First, if 2020 has proven anything, it is that despite unprecedented challenges, the world's need for connectivity is stronger than ever. Across the globe, customers are demanding more higher speeds, and better and consistent quality. Understandably, governments are also increasingly concerned about gaps in provision of broadband services. Telecoms operators will likely have to do more to close these gaps, meaning that greater investments will be required in our markets, at a time when revenues are most challenged. This means that greater collaboration with governments in the region, will be essential. To overcome the shared challenges we face as a region, partnerships among all stakeholders will be more important than ever.

With respect to CANTO's journey, we remain committed to the path of change on which we set out in late 2019. The Board and the Secretariat will continue to be guided by feedback from our members. We will continue to implement the outcomes of the strategic review undertaken last year, meaning we will continue to push CANTO in new and interesting directions, to promote growth, and resilience, and enhance relevance.



2020 ANNUAL REPORT

In signs of the unprecedented times in which we live, we will also continue to use last year's theme of **“Adapt. Enable. Innovate.”** Although the development of vaccines, means that the end of the pandemic is at least in sight, it is clear that we will all continue to deal with the consequences of the pandemic for years to come. Given that situation, I can think of few themes that better capture, the behaviours we all need to adopt to ensure our collective survival.

As we contemplate all our fortunes in 2021, I want to say a special thank you to my fellow Board of Directors, who have given so much of their time, expertise and energy to CANTO in the last year. I thank them for their commitment to CANTO, and know that the Secretariat has been deeply appreciative of the support they've received. I also want to offer personal thanks, for the support they've given to me as Chairman, over the last two years.

Of course, our biggest debt of gratitude, is owed to our doughty Secretary General, and the amazing staff of the Secretariat. We couldn't have done this without your drive, your focus, and your creativity, last year. CANTO is very lucky to have you.



SECRETARY GENERAL'S Message

Teresa Wankin

In the editorial of our 4th quarter 2020 Cancion magazine, we offered the suggestion that “2021 will be a year of transition. Several propositions were put forward:

- As communities, consumers and businesses leave the pandemic behind, what will we embrace? The New Normal?
- Is this new normal fully defined?
- Will we continue to work from anywhere?
- Will e-services and e-commerce become more accepted?
- How will Legislative agendas be adapted to these changes?

Indeed, we are experiencing CANTO's 37th AGM, as our **first ever virtual** Annual General Meeting and Mini Expo, **CANTO Connect 2**.

I thank our attendees for welcoming us into your homes or work spaces. I assure you that our virtual AGM will reflect the professionalism, incisive discussion and camaraderie which are characteristic of our events. I also extend my sincere gratitude to our Board of Directors and the CANTO Secretariat whose support, dedication and creativity have ensured the success of CANTO Connect 2.

I recognize our sponsors - Digicel, Cable and Wireless Communications, Liberty Latin America, ATN International, Schneider Electric, Calix, Telesur, SaskTel, Internet Society, Trip Wireless, Viya Business Solutions, Integra Touch, TSTT, PBS Technologies (Trinidad) Ltd., Ictual and Spatial Innovision Ltd., 24 Frames Production, and LTE Executions for partnering with us on this event. Thank you for your commitment and confidence in us.

Our 37th General Meeting follows through on the theme selected for our 36th AGM - **adapt.enable.innovate**. Although the pandemic curtailed our planned in-person events for 2020, the adaptability of our Secretariat staff in collaboration with the innovativeness of our members, enabled us to host CANTO Connect a virtual networking event and produce 36 CANTO Conversations. These key initiatives, among others, kept sector stakeholders in touch with each other, the political directorate and our business partners. CANTO Conversations will return in the coming months.

Having risen to the status of essential service in many countries worldwide, including our own Caribbean Region, we in the ICT sector must continue to raise the bar on our services, in spite of the challenges we have all identified. During this 2-day AGM, on our virtual platform, we will be able to engage each other via video group chats with colleagues from across the ICT Industry; schedule one on one meetings; message with and exchange attendee contact information for future business. Presentations will focus on telco cloud services; preparing for the 5G revolution and cyber-security in the Caribbean.

The forecast for 2021, in light of the new Covid-19 vaccines, appears cautiously brighter, even as we grapple with new variants of the virus. To a large extent we continue to play a game of wait and see. When will borders re-open? How can tourism, the sector that is the lifeblood of several Caribbean countries and which is inextricably linked to



2020 ANNUAL REPORT

the sustainability of many CANTO members, be safely restarted? What role will the Caribbean ICT sector play in rebuilding confidence in the tourism sector, perhaps with regard to the standardization, digitalization and interoperability of testing protocols and certification systems?

The 37th AGM provides yet another excellent forum to connect with operators, vendors, regulators, Government officials and many others. I encourage you to take full advantage of the opportunities afforded by this virtual event. There is much work still to be done to accomplish our goal of the digital transformation of our Region. The CANTO Secretariat will continue to work with all our members and stakeholders to ensure the successful rollout of our planned initiatives for the Region. Do enjoy the days' activities and stay safe.

Secretariat Report

Introduction

As the year 2020 draws to a close, the Secretariat looks forward to the possibilities of what the “new-normal” may entail. The Covid-19 pandemic has forced all of us to live, work, learn, entertain, and communicate online. The cancellation of all our face-to-face events has prompted the Secretariat to investigate creative ways of finding revenue and keeping our visibility in front of our stakeholders.

This objective has been realised through numerous initiatives and projects, and through the support of our member organisations. The Secretariat focused mainly on **Corporate Social Responsibility and Customer Relations** initiatives. These two broad areas have assisted in ensuring that the Association remains in the spotlight by providing much needed visibility. These initiatives are outlined briefly in this report.

When our 36th AGM was convened last February at the Melia Internacional, Varadero, Cuba, co-hosted by ETECSA; none of us ever imagined the horrific reality that a microscopic virus would have on our lives, livelihoods, and the World’s socio-economic well-being.

Today, we meet as we ended 2020, not in person; but rather as our new-normal dictates – a virtual gathering of colleagues sharing the digital space. Our 37th AGM and Mini Exposition marks our second virtual networking event - **CANTO Connect 2** - targeted to all members and stakeholders, who wish to network with companies and executives, on topics discussed during the AGM.

In 2021, we continue the theme started last year at our 36th AGM - **adapt|enable|innovate**. Our new-normal demands that we **adapt** the way we live our lives based on new technologies. These changes would **enable** the development of more practical and applicable software, applications, and frameworks to improve customer experience. Organisations must therefore place importance on future technological advancement, and ways to **innovate** to create a smooth transition into the new tomorrow. As always, the Secretariat remains ready to satisfy the needs of our membership.

1. Membership

Our current membership stands at one hundred and thirty-nine members in thirty-eight countries.

2. Service to Members

Engagement

- **CANTO COVID-19- 19 Task Force**

March 2020 – As borders began to close; schools sent students home, visits to senior citizens became restricted, citizens abroad scrambled to find their way home and the death toll began to rise; the Secretariat, on March 27th, immediately established the CANTO Covid-19 Task Force to support our members, engage Governments and Regulators and share best practices amid the health crisis which was facing the world.

The CANTO Disaster Recovery Management Committee (DRM) process was activated, and the Region’s country status was actively monitored.

With the pandemic driving us home and online, the communications industry was tagged as an essential service in several Caribbean territories. Many of our CANTO members along with International colleagues and partners became the conduit to providing access to billions around the World.

The Task Force, with commitment from the CANTO Secretariat, undertook to address topics such as Work from Home Best Practices, Productivity Tools, Balancing Business & CSR in times of Crisis and How to take Care of Employees Working from home. In addition, the Task Force provided updates, via the CANTO website, on what our members were doing to assist the Governments of the Region.

- **CANTO Conversations**

To maintain customer relations, and keep our members engaged, in the face of a health crisis defined by limited to no travel, quarantines and social distancing; CANTO Conversations became the go-to forum for discussions among members and other interested persons.

We started our first webinar on April 9th. Thirty-Six (36) conversations later, we have interfaced with CEOs of CANTO member organizations, Ministers of Government and Senior Business Executives representing the broad spectrum of ICT companies. Feedback received has been extremely positive and encouraging. CANTO Conversations will continue in 2021.

- **Leadership**

The Secretariat remained in contact with all our members, Regional and National Governments and Regulatory Authorities about issues affecting the industry, including COVID-19.

- In April, malicious messages and video content started circulating referencing 5G technology and linking it to the spread of the Corona virus. 5G sites in the UK were attacked and destroyed. Unfortunately, it was also reported that threats were made against Caribbean network operators and their staff. In support of the industry and its members, the Secretariat immediately published a press release via social and traditional media, categorically condemning the acts of violence and dispelling the misinformation, designed to weaken vital communications networks during a time of crisis.
- Our planned 36th Annual Conference and Trade Exhibition, scheduled for July in Miami, also fell victim to the unprecedented pandemic. However, on September 16th, over 400 attendees across the globe; presenters located in the Caribbean, the Americas and Europe; thought-provoking topics delivered with cutting-edge precision; all seamlessly linked by the host in Port-of-Spain, ensured that CANTO Connect a virtual networking event, was the Caribbean Telecommunications Industry's first virtual event success story. Despite initial challenges, the Secretariat is understandably proud of the achievement of CANTO Connect 1, during which attendees Networked| Innovated| Experienced! Once again, we extend our thanks to Chairman David Cox, Vice-Chairman Mike Antonius, the speakers, sponsors, entertainers, and virtual delegates who made this event possible.

3. Strategic Partnerships and Alliances

The Covid-19 pandemic may have unleashed a global wave of panic, fear, and lockdowns; yet out of the crisis of Covid-19, we continue to hear stories and see living examples of sacrifice, courage, selflessness, and commitment. Our world has turned upside down, but the resilience of the human spirit remains strong. We are restricted by physical distancing but fuelled by connectivity. Although CANTO's Annual World Telecommunication & Information Society (WTISD) Day competition was cancelled due to the COVID-19 pandemic, the Secretariat continued to strengthen its relationships with industry partners and members to the benefit of local communities.

- On April 23rd, CANTO partnered with the Ministry of Public Administration and Digital Transformation and the Telecommunications Authority of Trinidad and Tobago (TATT) to celebrate Girls in ICT Day 2020... Why not a Girl? The event celebrated 15 women blazing a trail in the ICT industry in Trinidad and Tobago, including CANTO's own Secretary General, Mrs Teresa Wankin.
- Partnering with Cenerva in September, CANTO members were offered a discounted rate to participate in the highly renowned Spectrum Telecoms Regulatory Master Class (TRMC) Course online. Attendees joined regulatory professionals from across the Region to learn and discuss the current burning issues in the regional and global spectrum community.
- In collaboration with Piranha International Limited and the Lions and Leos of District 60A – Suriname, Guyana and Trinidad and Tobago, CANTO recognised International E-Waste Day on October 14th, with an online e-waste awareness online forum under the theme, Refurbish, Redesign, Repurpose.
- On October 19th CANTO's Secretary General, Mrs Teresa Wankin, was a speaker at the Virtual Opening Ceremony for Huawei's 2020 instalment of the globally run **Seeds of the Future** Programme. Along with Huawei's Trinidad and Tobago CEO, Mr Jeff Jin, the Secretary General called on all ICT stakeholders to collaborate to develop critically needed ICT skills in Trinidad and Tobago.

While the initiative would normally send students to China for a two-week, hands-on ICT study programme, this year, because of the COVID-19 pandemic, the programme was conducted completely online. This had the significant advantage of allowing Huawei to offer this immersive, intense learning opportunity to double the number of students—from the usual 10 to this time 20 students. 2020 marked the 5th Anniversary of the **Seeds of the Future** Programme in Trinidad and Tobago.

- GSMA Tech4Girls Initiative. Through a collaborative effort among EQUALS Global Partnership for Gender Equality in the Digital Age, Caribbean Girls Hack, CANTO and RSC Tech Clubs – young girls were taught how to be self-sufficient through technology. The session, which took place virtually and physically across parts Trinidad on November 21, was co-sponsored by Flow, TSTT and the Digicel Foundation of behalf of Digicel Trinidad & Tobago. The participants were taught how to create an account in Shopify, one of the best and easiest tools to use to build an e-commerce website, and to start creating their first online store.
- Another learning opportunity was offered to CANTO members in November/December by Cenerva. On this occasion it was the well-known Regulatory TRMC course online. The course provided delegates with an in-depth knowledge of the principles and models of regulation and examined topical regulatory issues such as Regulatory Policy, Economic Regulation and Competition, World Trends in Regulation, and The Regulatory Authority: Today and Tomorrow.
- In 2021 CANTO members may again look forward to discounted rates on 2 certifications programmes being offered by the International Business & Economic Forum (IBEF). Both Certificate Programmes will be held in February.

From the 8th -10th February the IBEF will host the Certificate in Human Capital Metrics & Analytics.

Registration closes the 8th of January.

On the 9th-11th February, participants can take advantage of the PECB Certified ISO/IEC 27005 Risk Manager Training.

Registration closes the 9th of January.

- Also, in February 2021, ExporTT proposes to host a Market Research Mission to the British Virgin Islands. An invitation is being extended to Trinidad and Tobago exporters of ICT services to join the Mission.
- 4. 36th Annual General Meeting co-hosted by ETECSA, Cuba.**

CANTO and ETECSA co-hosted the successful 36th Annual General Meeting & Mini Expo at the Melia Internacional, Veradero, Cuba from February 2nd-4th, 2020. The picturesque setting provided the perfect space to gain exposure to new trends, products, and services. The event ran under the theme adapt|enable|innovate.
 - 5. 37th Annual General Meeting & Mini Expo**

The 37th Annual General Meeting & Mini Expo will celebrate CANTO Connect 2, our second virtual networking event, on February 8th-9th 2021. Delegates will have the opportunity to network, consult and engage in discussions on topics ranging from the 5G revolution and Cyber Security to Telco Cloud Services and Fin Tech.
 - 6. 36th Annual Conference and Trade Exhibition**

While our 2020 AGM is virtual, by early March, members and other stakeholders can expect an announcement on the 36th Annual Conference and Trade Exhibition. Last year, because of the pandemic the face-to-face event we have all come to love had to be cancelled. As the largest industry event in the Caribbean, whether virtual or face to face this year will deliver the same great conference sessions, networking opportunities and exciting entertainment with AI, 5G, Internet of Things, Cybersecurity, and Digital Transformation leading the discussions.
 - 7. Concluding Comments**

We have not been down this road before. There was no prototype, no precedent to follow. Governments, organisations, institutions and individuals created and followed guidelines largely developed on an almost daily basis. The Tourism industry, the lifeblood of many Caribbean nations, ground to a halt.

Our Chairman, Mr David Cox, Head of Regulatory Affairs, CWC, in an interview with the Jamaica Gleaner noted, “We are proud that the Regional Telecoms industry has really stepped up to the challenges that COVID presented to our countries. Operators have zero rated several websites, forgoing millions in revenues. They dropped prices for students and teachers or offered special packages. They provided free services to Government departments and medical workers. They provided free connectivity to quarantine zones. They have kept customers connected or opted not to disconnect customers during lockdowns. They introduced new, more affordable packages for people who have lost their jobs. Or they afforded some customers repayment plans to keep their services while they look for work. And they have done more, at a cost of several millions of dollars. And the truth is the industry is unsure of how much it’s spent, as we are still trying to manage the impact of COVID. It is early days yet.”

In the midst of all this, the one thing of which the Caribbean ICT industry may be assured, is the support of the CANTO Secretariat. Your Secretariat will continue to lobby on your behalf. We will continue to provide timely sector updates. We will engage Regional and International partners to ensure that best practices are communicated, while both safeguarding and marketing the interests of all our members. Together, we will **adapt|enable|innovate**, in our on-going mission of the Digital Transformation of our Region.

CANTO
FINANCIAL STATEMENTS
30 SEPTEMBER 2020

CANTO

INDEX

	<u>Page</u>
Statement of Management Responsibilities	21
Independent Auditors' Report	22-23
Statement of Financial Position	24
Statement of Comprehensive Income	25
Statement of Reserves	26
Statement of Cash Flows	27
Notes to the Financial Statements	28-50



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Statement of Management Responsibilities

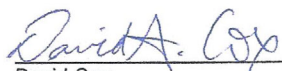
Management is responsible for the following:

- preparing and fairly presenting the accompanying financial statements of CANTO, which comprise the statement of financial position as at 30 September 2020, the statements of comprehensive income, changes in reserves and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- ensuring that the company keeps proper accounting records;
- selecting appropriate accounting policies and applying them in a consistent manner;
- implementing, monitoring and evaluating the system of internal control that assures security of the company's assets, detection/prevention of fraud, and the achievement of company operational efficiencies;
- ensuring that the system of internal control operated effectively during the reporting period;
- producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- using reasonable and prudent judgement in the determination of estimates.


In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

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



David Cox
Chairman
Date: January 14, 2021



Teresa Wankin
Secretary General
Date: January 14, 2021

Board of Directors

Mr. David Cox, C&W Grenada - Chairman; Mr. Mike Antonius, Telesur, Vice Chair ; Mrs. Helma Etnel – Telem - Treasurer; Ms. Melesia Sutherland – C&W Antigua & Barbuda Ltd; Mr. Delreo Newman, ATNI; Mr. Julian Wilkins, Digicel Trinidad & Tobago; Ms. Christa Leith, Telecommunications Services of Trinidad & Tobago; Mrs. Desha Clifford, Digicel TCI.; Mr. Justin Nedd, GT&T; Mrs. Teresa Wankin – CANTO Secretary General, Trinidad & Tobago



Chartered Accountants
& Business Advisors

INDEPENDENT AUDITORS' REPORT

The Members
CANTO

Opinion

We have audited the financial statements of CANTO, which comprise the statement of financial position as at 30 September 2020, the statements of comprehensive income, statement of reserve and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CANTO as at 30 September 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of CANTO in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the organisation'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 organisation or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the organisation's financial reporting process.

PKF Chartered Accountants and Business Advisors (Trinidad) is a member of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

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Chartered Accountants
& Business Advisors

INDEPENDENT AUDITORS' REPORT (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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.
- Obtain 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude 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 organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate 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.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PKF

Barataria
TRINIDAD
14 January 2021

CANTO

STATEMENT OF FINANCIAL POSITION
(Expressed in United States Dollars)

ASSETS

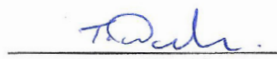
		30 September	
	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		(\$)	(\$)
Current Assets:			
Cash and cash equivalents	5	15,491	3,041
Investments	6	141,443	190,833
Accounts receivables and prepayments	7	<u>305,896</u>	<u>568,778</u>
Total Current Assets		462,830	762,652
Non-Current Assets:			
Property, plant and equipment	8	<u>495,382</u>	<u>503,628</u>
Total Assets		<u><u>958,212</u></u>	<u><u>1,266,280</u></u>

LIABILITIES AND RESERVES

Liabilities:			
Accounts payable and accruals	9	<u>136,256</u>	<u>129,482</u>
Total Liabilities		<u>136,256</u>	<u>129,482</u>
Reserves:			
Revaluation Reserve	10	493,794	493,794
Contingency Reserve	11	-	564,516
General Reserve	12	-	250,523
Investment Remeasurement Reserve	13	120	(7,815)
Accumulated Surplus/(Deficit)		<u>328,042</u>	<u>(164,220)</u>
Total Reserves		<u>821,956</u>	<u>1,136,798</u>
Total Liabilities and Reserves		<u><u>958,212</u></u>	<u><u>1,266,280</u></u>

These financial statements were approved by the Board of Directors and authorized for issue on 14 January 2021 and signed on their behalf by:


David Cox
Chairman


Teresa Wankin
Secretary General

(The accompanying notes form an integral part of these financial statements)

CANTO

STATEMENT OF COMPREHENSIVE INCOME
(Expressed in United States Dollars)

		For the year ended 30 September	
	<u>Notes</u>	<u>2020</u> (\$)	<u>2019</u> (\$)
Income:			
Membership fees		357,100	369,140
Publication advertising		25,740	35,350
Annual conference and exhibition income	16	-	552,463
Other income	17	<u>199,280</u>	<u>148,789</u>
		<u>582,120</u>	<u>1,105,742</u>
Expenditure:			
Annual conference and exhibition expenses	16	19,035	308,299
Administrative expenses	18	518,352	564,939
Operating expenses	19	347,336	180,960
Finance costs		6,149	3,885
Depreciation		<u>10,340</u>	<u>10,029</u>
		<u>901,212</u>	<u>1,068,112</u>
(Deficit)/surplus before taxation		(319,092)	37,630
Taxation	20	<u>(3,685)</u>	<u>(8,627)</u>
Deficit)/surplus for the year		(322,777)	29,003
Other Comprehensive Income:			
<u>Items that may not be reclassified subsequently to profit or loss:</u>			
Net fair value gain on financial assets classified at fair value through other comprehensive income		<u>7,935</u>	<u>33,556</u>
Total Comprehensive (Loss)/Income for the year		<u>(314,842)</u>	<u>62,559</u>

(The accompanying notes form an integral part of these financial statements)

CANTO

STATEMENT OF RESERVES

FOR THE YEAR ENDED 30 SEPTEMBER 2020
(Expressed in United States Dollars)

	<u>Revaluation Reserve</u> (\$)	<u>Contingency Reserve</u> (\$)	<u>General Reserve</u> (\$)	<u>Investment Remeasurement Reserve</u> (\$)	<u>Accumulated Surplus/ (Deficit)</u> (\$)	<u>Total</u> (\$)
Balance as at 1 October 2018	493,794	564,516	250,523	(41,371)	(193,223)	1,074,239
Total Comprehensive Income for the year	-	-	-	33,556	29,003	62,559
Balance as at 30 September 2019	<u>493,794</u>	<u>564,516</u>	<u>250,523</u>	<u>(7,815)</u>	<u>(164,220)</u>	<u>1,136,798</u>
Balance as at 1 October 2019	493,794	564,516	250,523	(7,815)	(164,220)	1,136,798
Transfer to Accumulated Surplus	-	(564,516)	(250,523)	-	815,039	-
Total Comprehensive Loss for the year	-	-	-	7,935	(322,777)	(314,842)
Balance as at 30 September 2020	<u>493,794</u>	<u>-</u>	<u>-</u>	<u>120</u>	<u>328,042</u>	<u>821,956</u>

(The accompanying notes form an integral part of these financial statements)

CANTO

STATEMENT OF CASH FLOWS
(Expressed in United States Dollars)

	For the year ended	
	30 September	
	<u>2020</u>	<u>2019</u>
	(\$)	(\$)
Cash Flows from Operating Activities:		
(Deficit)/surplus before taxation	(319,092)	37,630
Adjustment for:		
Depreciation	10,340	10,029
Expected credit loss/(gain)	225,133	(22,126)
Net fair value gain on financial assets	<u>7,935</u>	<u>33,556</u>
	(75,684)	59,089
Net change in accounts receivables and prepayments	37,749	44,873
Net change in Accounts Payable and Accruals	<u>6,774</u>	<u>(63,051)</u>
	(31,161)	40,911
Taxes paid	<u>(3,685)</u>	<u>(8,627)</u>
Net cash (used in)/provided by Operating Activities	(34,846)	32,284
Cash Flows from Investing Activities:		
Purchase of property, plant and equipment	<u>(2,094)</u>	<u>(2,710)</u>
Net change in cash resources	(36,940)	29,574
Cash resources, beginning of year	<u>193,874</u>	<u>164,300</u>
Cash resources, end of year	<u>156,934</u>	<u>193,874</u>
Represented by:		
Cash and cash equivalents	15,491	3,041
Investments	<u>141,443</u>	<u>190,833</u>
	<u>156,934</u>	<u>193,874</u>

(The accompanying notes form an integral part of these financial statements)

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

1. **Incorporation and Principal Activity:**

CANTO (formerly Caribbean Association of National Telecommunication Organizations) was formed in April 1985 as a professional trade association to promote the development of telecommunications throughout the region. On 9 October 1998, it was incorporated under The Companies Act, 1995 of Trinidad and Tobago as a non-profit company. The address of its registered office is 67 Picton Street, Newtown, Port-of-Spain.

Effective 1 January 2003, the Association commenced carrying out the promotional activities previously conducted by CANTO Trinidad and Tobago Limited.

2. **Significant Accounting Policies:**

(a) **Basis of financial statements preparation -**

These financial statements, which are for the single entity CANTO, are prepared in accordance with International Financial Reporting Standards (IFRS), and are stated in United States dollars, rounded to the nearest whole dollar. The entity's functional currency is United States dollars. These financial statements have been prepared on the historical cost basis, except for the measurement at fair value of Financial Instruments.

(b) **Use of estimates -**

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Association's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

(c) **New Accounting Standards and Interpretations -**

i) The Association has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they either do not apply to the activities of the Association or have no material impact on its financial statements, except for IFRS 9 Financial Instruments:

IFRS 1 First-time Adoption of Financial Reporting Standards - Amendments regarding subsidiary as first-time adopter (effective for accounting periods beginning on or after 1 January 2022).

IFRS 3 Business Combinations - Amendments regarding the definition of a business (effective for accounting periods beginning on or after 1 January 2020).

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

2. Summary of Significant Accounting Policies (Cont'd):

(c) New Accounting Standards and Interpretations -

- | | |
|---------|---|
| IFRS 3 | Business Combinations - Amendments regarding the reference to the conceptual framework (effective for accounting periods beginning on or after 1 January 2022). |
| IFRS 4 | Insurance Contracts - Amendments regarding the interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021). |
| IFRS 4 | Insurance Contracts - Amendments regarding IFRS 17 and the extension of the temporary exemption from applying IFRS 9 (effective for accounting periods beginning on or after 1 January 2023). |
| IFRS 7 | Financial Instruments: Disclosures - Amendments regarding additional disclosures arising from interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021). |
| IFRS 9 | Financial Instruments - Amendments regarding prepayment features with negative compensation (effective for accounting periods beginning on or after 1 January 2019). |
| IFRS 9 | Financial Instruments - Amendments regarding fees in the 'ten percent' test for derecognition of financial liabilities (effective for accounting periods beginning on or after 1 January 2022). |
| IFRS 16 | Leases (effective for accounting periods beginning on or after 1 January 2019). |
| IFRS 16 | Leases - Amendments regarding Covid-19 related rent concessions (effective for accounting periods beginning on or after 1 June 2020). |
| IFRS 16 | Leases - Amendments regarding the interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021). |
| IFRS 16 | Leases - Amendments regarding the accounting treatment of lease incentives (effective for accounting periods beginning on or after 1 January 2022). |

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

2. Summary of Significant Accounting Policies (Cont'd):

(c) **New Accounting Standards and Interpretations (cont'd) -**

- | | |
|----------|--|
| IFRS 17 | Insurance Contracts (effective for accounting periods beginning on or after 1 January 2023). |
| IAS 1 | Presentation of Financial Statements - Amendments regarding the definition of material (effective for accounting periods beginning on or after 1 January 2020). |
| IAS 1 | Presentation of Financial Statements - Amendments regarding the classification of liabilities as current and non-current (effective for accounting periods beginning on or after 1 January 2023). |
| IAS 7 | Statement of Cash Flows - Amendments regarding the definition of material (effective for accounting periods beginning on or after 1 January 2020). |
| IAS 16 | Property, Plant and Equipment - Amendments regarding proceeds before intended use (effective for accounting periods beginning on or after 1 January 2022). |
| IAS 19 | Employee Benefits - Amendments regarding plan amendment, curtailment or settlement (effective for accounting periods beginning on or after 1 January 2019). |
| IAS 28 | Investment in Associates - Amendments regarding the long-term interests in Associates and Joint Ventures (effective for accounting periods beginning on or after 1 January 2019). |
| IAS 37 | Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding onerous contracts and cost of fulfilling a contract (effective for accounting periods beginning on or after 1 January 2022). |
| IAS 41 | Agriculture - Amendments regarding taxation in fair value measurements (effective for accounting periods beginning on or after 1 January 2022). |
| IFRIC 23 | Uncertainty over Income Tax Treatments (effective for accounting periods beginning on or after 1 January 2019). |

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

2. Summary of Significant Accounting Policies (Cont'd):

(d) **Property, Plant and Equipment -**

Property, Plant and Equipment are stated at historical cost less accumulated depreciation. Depreciation is provided on a straight-line basis.

The following rates considered appropriate to write-off the assets over their estimated useful lives are applied:

Building	-	2%
Office furniture and equipment	-	15%
Computer equipment	-	33 1/3%
Motor vehicles	-	25%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date. 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 Comprehensive Income.

On 29 October 2016, professional valuers Raymond and Pierre Ltd valued the property at 67 Picton Street Newtown at **\$508,486** as at 30 September 2007. The valuation took cognisance of the characteristics of the property, the current prices paid for comparable properties in the open market, the existence of an unencumbered freehold interest and good title. Had the property not been revalued, the carrying amount would have been **\$108,529** as at 30 September 2017.

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

2. Summary of Significant Accounting Policies (Cont'd):

(e) **Taxation -**

The Association has applied to the Minister of Finance for an exemption from Corporation Tax on the basis of its non-profit/quasi-charitable status. Legal counsel has advised that the application ought to be granted. Counsel has further advised that a good case lies in judicial review of any adverse decision of the Minister.

Deferred tax assets arising from accumulated tax losses have not been taken into account since in the opinion of management, in the near term, future taxable profits will not be available against which unused tax losses can be utilized.

(f) **Financial instruments -**

All recognised financial assets that are within the scope of International Financial Reporting Standard (IFRS) 9 are required to be subsequently measured at amortised cost or fair value on the basis of:

- (i) the entity's business model for managing the financial assets; and
- (ii) the contractual cash flow characteristics of the financial assets.

The company reassess its business models each reporting period to determine whether they have changed. No such changes have been identified for the current year.

Principal is the fair value of the financial asset at initial recognition. Interest is consideration for the time value of money and for credit and other risks associated with the principal outstanding. Interest also has a profit margin element

Initial measurement

All financial instruments are initially measured at the fair value of consideration given or received.

The company measures fair values in accordance with IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The company uses a fair value hierarchy that categorises valuation techniques into three levels:

- (i) Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Assets and liabilities are classified as Level 1 if their value is observable in an active market. The use of observable market prices and model inputs, when available, reduces the need for management judgement and estimation, as well as the uncertainty related with the estimated fair value.

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

2. **Significant Accounting Policies (Cont'd):**

(f) **Financial instruments (cont'd) -**

Initial measurement (cont'd)

- (ii) Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability.
- (iii) Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.

Subsequent measurement

Those financial assets which are held within a business model with the sole objective of collecting contractual cash flows which comprise principal and interest only, are subsequently measured at amortised cost. Gains/losses arising on remeasurement of such financial assets are recognised in profit or loss as movements in Expected Credit Loss (ECL). When a financial asset measured at amortised cost is derecognised, the gain/loss is reflected in profit or loss.

Those financial assets which are held within a business model with the objectives of (i) collecting contractual cash flows which comprise principal and interest only, as well as (ii) selling the financial assets, are subsequently measured at Fair Value Through Other Comprehensive Income (FVTOCI). Gains/losses arising on remeasurement of such financial assets are recognised in OCI as *'Items that may be reclassified subsequently to P&L'* and are called *'Net FV gain/(loss) on financial assets classified as at FVOCI'*.

All other financial assets are subsequently measured at Fair Value Through Profit and Loss (FVTPL), except for equity investments, which the company has opted, irrevocably, to measure at FVTOCI. Gains/losses arising on remeasurement of such financial assets are recognised in profit or loss as *'Net FV gain/(loss) on financial assets classified at FVTPL'*. When a financial asset measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss.

Reclassification

If the business model under which the company holds financial assets changes, the financial assets affected are reclassified accordingly from the first day of the first reporting period following the change in business model

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

2. **Significant Accounting Policies (Cont'd):**

(f) **Financial instruments (cont'd) -**

Write-off

Financial assets are written off when the company has no reasonable expectations of recovery, for example, when the company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay. A write-off constitutes a derecognition event. Subsequent recoveries resulting from the company's enforcement activities will result in gains.

Financial liabilities

Since the company does not trade in financial liabilities, and since there are no measurement or recognition inconsistencies, all financial liabilities are initially measured at fair value, net of transaction costs and subsequently, at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount on initial recognition. Financial liabilities recognised at amortised cost are not reclassified.

(g) **Income and expenditure -**

Income and expenditure, including subscriptions are recognised on the accruals basis.

(h) **Revenue recognition -**

Revenue is accounted for on the accruals basis consistent with International Accounting Standard #18.

(i) **Fair value estimation -**

The fair values of the Association's financial assets and liabilities approximates to their carrying amounts at the reporting date.

(j) **Foreign currency transactions -**

These financial statements are expressed in United States currency. Foreign currency transactions during the year are translated at the exchange rates ruling at the date of the transactions and any gains or losses arising are taken into the Statement of Comprehensive Income. Monetary assets and liabilities denominated in foreign currencies are expressed in United States currency at rates of exchange ruling at the reporting date.

(k) **Comparative information -**

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

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

3. **Financial Risk Management:**

Financial Instruments

The following table summarizes the carrying amounts and fair values of Association's financial assets and liabilities:

	2020	
	<u>Carrying Value</u> (\$)	<u>Fair Value</u> (\$)
Financial Assets		
Cash and cash equivalents	15,491	15,491
Investments	141,443	141,443
Accounts receivables and prepayments	305,896	305,896
Financial Liabilities		
Accounts payable and accruals	136,256	136,256
	2019	
	<u>Carrying Value</u> (\$)	<u>Fair Value</u> (\$)
Financial Assets		
Cash and cash equivalents	3,041	3,041
Investments	190,833	190,833
Accounts receivables and prepayments	568,778	568,778
Financial Liabilities		
Accounts payable and accruals	129,482	129,482

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

3. **Financial Risk Management (Cont'd):**

Financial risk factors

The Association is exposed to interest rate risk, credit risk, liquidity risk, currency risk, operational risk, compliance risk and reputation risk arising from the financial instruments that it holds. The risk management policies employed by the Association to manage these risks are discussed below:

(a) **Interest rate risk -**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Association is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including investments in money market deposits and other funding instruments.

Interest rate sensitivity analysis

The Association's exposure to interest rate risk is summarized in the table below, which analyses assets and liabilities at their carrying amounts categorized according to their maturity dates.

	2020					Total (\$)
	Effective Rate (\$)	Up to 1 Year (\$)	1 to 5 Years (\$)	Over 5 Years (\$)	Non- Interest Bearing (\$)	
Financial Assets						
Cash and cash equivalents	0.00%	-	-	-	15,491	15,491
Investments:						
- Trinidad and Tobago Unit Trust Corporation	0.80%	121,323	-	-	-	121,323
- Clico Investment Fund	4.00%	20,120	-	-	-	20,120
Accounts receivable and prepayments	0.00%	-	-	-	305,896	305,896
Financial Liabilities						
Accounts payable and accruals	0.00%	-	-	-	136,256	136,256

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

3. **Financial Risk Management (Cont'd):**

(a) **Interest rate risk (cont'd) -**

	2019					
	<u>Effective Rate</u> (\$)	<u>Up to 1 Year</u> (\$)	<u>1 to 5 Years</u> (\$)	<u>Over 5 Years</u> (\$)	<u>Non-Interest Bearing</u> (\$)	<u>Total</u> (\$)
Financial Assets						
Cash and cash equivalents	0.00%	-	-	-	3,041	3,041
Investments:						
- Trinidad and Tobago Unit Trust Corporation	0.85%	999	-	-	-	999
- Clico Investment Fund	4.00%	189,834	-	-	-	189,834
Accounts receivable and prepayments	0.00%	-	-	-	568,778	568,778
Financial Liabilities						
Accounts payable and accruals	0.00%	-	-	-	129,482	129,482

(b) **Credit risk -**

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Association relies heavily on its policies and guidelines on trade debtors management, which sets out the current policies governing the granting of credit to customers function and provides a comprehensive framework for prudent risk management of the credit function. Adherence to these guidelines is expected to communicate the Association's credit philosophy, provide policy guidelines to team members involved in granting credit, establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration, as well as create analysis, documentation, decision making and post-disbursement administration, as well as create the foundation for sound credit portfolio.

The Association's debtors' portfolio is managed and consistently monitored by management and is adequately secured by collateral and where necessary, allowances have been established for potential credit losses on delinquent accounts.

Cash balances are held with high credit quality financial institutions and the Association has policies to limit the amount of exposure to any financial institution.

The Association also actively monitors global economic developments and government policies that may affect the growth rate of the local economy. This risk is not significant.

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

3. **Financial Risk Management (Cont'd):**

(c) **Liquidity risk -**

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Association has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities. The Association is exposed to daily calls on its available cash resources to settle financial and other liabilities.

Liquidity gap

The Association's exposure to liquidity risk is summarized in the table below which analyses assets and liabilities based on the remaining period from the reporting date to the contractual maturity date.

	2020			<u>Total</u> (\$)
	<u>Up to 1 Year</u> (\$)	<u>1 to 5 Years</u> (\$)	<u>Over 5 Years</u> (\$)	
Financial Assets				
Cash and cash equivalents	15,491	-	-	15,491
Investments	141,443	-	-	141,443
Accounts receivable and prepayments	305,896	-	-	305,896
Financial Liabilities				
Accounts payable and accruals	136,256	-	-	136,256
	2019			<u>Total</u> (\$)
	<u>Up to 1 Year</u> (\$)	<u>1 to 5 Years</u> (\$)	<u>Over 5 Years</u> (\$)	
Financial Assets				
Cash and cash equivalents	3,041	-	-	3,041
Investments	190,833	-	-	190,833
Accounts receivable and prepayments	568,778	-	-	568,778
Financial Liabilities				
Accounts payable and accruals	129,482	-	-	129,482

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

3. **Financial Risk Management (Cont'd):**

Risk management

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Association. The Association employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by generating sufficient cash from new and existing customers to settle outstanding liabilities.

To manage and reduce liquidity risk the Association's management actively meets to match cash inflows with liability requirements.

(d) **Currency risk -**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Association's measurement currency. The Association's is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar. The Association's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

(e) **Operational risk -**

Operational risk is the risk that derives from the deficiencies relating to the Association's information technology and control systems as well as the risk of human error and natural disasters. The Association's systems are evaluated, maintained and upgraded continuously. This risk is not significant.

(f) **Compliance risk -**

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Association. This risk is not significant.

(g) **Reputation risk -**

The risk of loss of reputation arising from the negative publicity relating to the Association's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Association. The Association engages in public social endeavours to engender trust and minimize this risk. This risk is not significant.

Fair value estimation

The fair values of the Association's financial assets and liabilities approximates to their carrying amounts at the reporting date.

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

4. **Critical Accounting Estimates and Judgments:**

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgements, estimates and assumptions in the process of applying the company's accounting policies.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. However, actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Changes in accounting estimates are recognised in the Statement of Comprehensive Income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date (requiring management's most difficult, subjective or complex judgements) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

i) **Significant increase of credit risk**

The company computes twelve-month ECL for Stage 1 assets and lifetime ECL for Stage 2 or Stage 3 assets. An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. Assessing whether there has been a significant increase in credit risk required judgement takes into account reasonable and supportable forward-looking information.

ii) **Fair value measurement and valuation process**

In estimating the fair value of a financial asset or a liability, the company uses market-observable data to the extent it is available. Where such Level 1 inputs are not available, the company uses valuation models to determine the fair value of its financial instruments.

iii) **Fixed assets**

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets. Judgement is also used in determining which depreciation method for fixed assets is used.

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

5. Cash and Cash Equivalents:

	30 September	
	<u>2020</u>	<u>2019</u>
	(\$)	(\$)
Petty cash	769	769
Scotiabank (T&T) Limited – TT\$ Current Account	373	313
Scotiabank (T&T) Limited – US\$ Current Account	<u>14,349</u>	<u>1,959</u>
	<u>15,491</u>	<u>3,041</u>

6. Investments:

	30 September	
	<u>2020</u>	<u>2019</u>
	(\$)	(\$)
Unit Trust Corporation:		
US\$ Income Fund	223	220
TT\$ Income Fund	121,100	779
CLICO Investment Fund (2020 – 5,200 units; 2019 – 51,200 units)	<u>20,120</u>	<u>189,834</u>
	<u>141,443</u>	<u>190,833</u>

7. Accounts Receivable and Prepayments:

	30 September	
	<u>2020</u>	<u>2019</u>
	(\$)	(\$)
Accounts receivable –		
Members	249,970	274,539
Other	<u>280,725</u>	<u>300,102</u>
	530,695	574,641
Less: Allowance for expected credit loss	<u>(382,490)</u>	<u>(157,357)</u>
	148,205	417,284
Prepayments	59,858	41,718
Other receivables	<u>97,833</u>	<u>109,776</u>
	<u>305,896</u>	<u>568,778</u>

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

7. Accounts Receivable and Prepayments (Cont'd):

	30 September	
	<u>2020</u>	<u>2019</u>
	(\$)	(\$)
Allowance for expected credit loss		
Balance brought forward	157,357	85,125
Adjustment for expected credit loss	-	94,358
Charge for the year	<u>225,133</u>	<u>(22,126)</u>
Balance carried forward	<u>382,490</u>	<u>157,357</u>
The aged analysis of financial assets past due but not impaired is as follows:		
Up to 3 months	42,508	61,061
More than 3 months but less than 6 months	-	4,800
More than 6 months but less than 1 year	29,266	-
Over 1 year	<u>458,921</u>	<u>508,780</u>
	<u>530,695</u>	<u>574,641</u>

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

8. Property, Plant and Equipment:

	<u>Land</u>	<u>Building</u>	<u>Office Furniture and Equipment</u>	<u>Computer Equipment</u>	<u>Total</u>
Cost	(\$)	(\$)	(\$)	(\$)	(\$)
Balance as at 1 October 2019	228,498	279,988	62,192	33,516	604,194
Additions	-	-	2,094	-	2,094
Assets written-off	-	-	(7,696)	(6,369)	(14,065)
Balance as at 30 September 2020	<u>228,498</u>	<u>279,988</u>	<u>56,590</u>	<u>27,147</u>	<u>592,223</u>
Accumulated Depreciation					
Balance as at 1 October 2019	-	16,062	56,247	28,257	100,566
Charge for the year	-	5,354	1,902	3,084	10,340
Assets written-off	-	-	(7,696)	(6,369)	(14,065)
Balance as at 30 September 2020	-	<u>21,416</u>	<u>50,453</u>	<u>24,972</u>	<u>96,841</u>
Net Book Value					
Balance as at 30 September 2020	<u>228,498</u>	<u>258,572</u>	<u>6,137</u>	<u>2,175</u>	<u>495,382</u>
Balance as at 30 September 2019	<u>228,498</u>	<u>263,926</u>	<u>5,945</u>	<u>5,259</u>	<u>503,628</u>

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

8. Property, Plant and Equipment (Cont'd):

Cost	<u>Land</u> (S)	<u>Building</u> (S)	<u>Office Furniture and Equipment</u> (S)	<u>Computer Equipment</u> (S)	<u>Total</u> (S)
Balance as at 1 October 2018	228,498	279,988	62,192	30,806	601,484
Additions	-	-	-	2,710	2,710
Balance as at 30 September 2019	<u>228,498</u>	<u>279,988</u>	<u>62,192</u>	<u>33,516</u>	<u>604,194</u>
Accumulated Depreciation					
Balance as at 1 October 2018	-	10,708	54,416	25,413	90,537
Charge for the year	-	5,354	1,831	2,844	10,029
Balance as at 30 September 2019	-	<u>16,062</u>	<u>56,247</u>	<u>28,257</u>	<u>100,566</u>
Net Book Value					
Balance as at 30 September 2019	<u>228,498</u>	<u>263,926</u>	<u>5,945</u>	<u>5,259</u>	<u>503,628</u>
Balance as at 30 September 2018	<u>228,498</u>	<u>269,280</u>	<u>7,776</u>	<u>5,393</u>	<u>510,947</u>

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

9. **Accounts Payable and Accruals:**

	30 September	
	<u>2020</u> (S)	<u>2019</u> (S)
General payables	34,761	55,317
Staff payables	91,976	63,618
Audit fees	<u>9,519</u>	<u>10,547</u>
	<u>136,256</u>	<u>129,482</u>

10. **Revaluation Reserve:**

This reserve represents the appreciation in market value of the property located at #67 Picton Street, Newtown, Port of Spain.

11. **Contingency Reserve:**

This reserve was set up to provide the Secretariat with cash reserves should there be a significant decrease in Operating Income. The reserve must be supported by cash or near cash securities and is not available for normal current or capital expenditures unless specifically authorized by the Board of Directors. In consideration of the necessity to make fully available all reserves to the Secretariat, the Board of Directors has elected to transfer this reserve in full to the current account.

12. **General Reserve:**

This reserve was established to provide enhanced value-added-services to the members and to facilitate capital expenditure as approved by the Board of Directors. Due to recent financial results and the impact of Covid-19, the Board of Directors has elected to transfer this reserve in full to the current account to support ongoing operations.

13. **Investment Re-measurement Reserve:**

In accordance with IFRS 9, an investment re-measurement reserve has been created to capture the net fair value gains or losses on financial assets classified at fair value through other comprehensive income.

14. **The Quality of Financial Instruments:**

The quality of financial instruments that are neither past due nor impaired is considered good. Full recovery is expected.

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

15. **Capital Management:**

The Association manages its reserves as capital. Its objectives are to ensure that its reserves are sufficient to guarantee the continuation of the Association's business processes.

16. **Annual Conference and Exhibition:**

	30 September	
	<u>2020</u>	<u>2019</u>
	(\$)	(\$)
Income:		
Sponsorships	-	315,770
Registration fees and extra sale of rooms	-	110,077
Exhibition booths	-	89,000
Advertising and miscellaneous income	-	37,616
	-----	-----
Total Income	-	552,463
Expenses:		
Banners, plaques and gifts etc.	-	7,366
Booths and related expenses	-	9,620
Conference booklet	-	615
Contracted services	2,675	35,038
Events management fees	14,338	30,850
Finance charges	80	8,832
Printing directory	-	8,647
Promotional material	102	2,901
Rental of booth and related expense	-	13,729
Rental hotel accommodation	-	1,917
Rental of equipment for conference	-	18,490
Shipping and customs expenses	-	94
Social events, dinners etc.	-	142,231
Stationery and printing	-	232
Telephone and telefaxing	-	136
Travel staff and speakers	1,840	22,002
T-shirts and bags	-	5,599
	-----	-----
Total Expenses	19,035	308,299
Net (deficit)/surplus	<u>(19,035)</u>	<u>244,164</u>

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

17. Other Income:

	30 September	
	<u>2020</u>	<u>2019</u>
	(\$)	(\$)
Interest on investments	11,722	7,896
Miscellaneous income	76,236	46
Sponsorship – AGM	96,250	116,255
Gain on foreign exchange	<u>15,072</u>	<u>24,592</u>
	<u><u>199,280</u></u>	<u><u>148,789</u></u>

18. Administrative Expenses:

	30 September	
	<u>2020</u>	<u>2019</u>
	(\$)	(\$)
Insurance	1,984	1,958
Donations	123	4,570
Miscellaneous	88	2,686
Office expenses	19,313	18,623
Repairs and maintenance	9,604	11,885
Salaries and staff costs	483,093	520,176
Security services	864	805
Subscriptions	247	206
Utilities	<u>3,036</u>	<u>4,030</u>
	<u><u>518,352</u></u>	<u><u>564,939</u></u>

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

19. Operating Expenses:

	30 September	
	<u>2020</u>	<u>2019</u>
	(\$)	(\$)
Advertising	5,744	11,685
Expected credit loss	225,133	(22,126)
Legal and professional fees	5,572	17,120
Liability insurance	2,500	1,750
Membership services and seminars	95,400	158,364
Software fees	2,937	2,750
Travelling costs and entertainment	<u>10,050</u>	<u>11,417</u>
	<u>347,336</u>	<u>180,960</u>

20. Taxation:

	30 September	
	<u>2020</u>	<u>2019</u>
	(\$)	(\$)
Business Levy	(2,077)	(4,130)
Green Fund Levy	(1,608)	(2,070)
Other	<u>-</u>	<u>(2,427)</u>
	<u>(3,685)</u>	<u>(8,627)</u>

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

19. Operating Expenses:

	30 September	
	<u>2020</u>	<u>2019</u>
	(\$)	(\$)
Advertising	5,744	11,685
Expected credit loss	225,133	(22,126)
Legal and professional fees	5,572	17,120
Liability insurance	2,500	1,750
Membership services and seminars	95,400	158,364
Software fees	2,937	2,750
Travelling costs and entertainment	<u>10,050</u>	<u>11,417</u>
	<u><u>347,336</u></u>	<u><u>180,960</u></u>

20. Taxation:

	30 September	
	<u>2020</u>	<u>2019</u>
	(\$)	(\$)
Business Levy	(2,077)	(4,130)
Green Fund Levy	(1,608)	(2,070)
Other	<u>-</u>	<u>(2,427)</u>
	<u><u>(3,685)</u></u>	<u><u>(8,627)</u></u>

CANTO

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)

30 SEPTEMBER 2020

21. **Related Party Transactions:**

A related party:

- is a member of the key management personnel of the reporting entity or of a parent of the reporting entity;
- has sole or joint control or significant influence over the reporting entity;
- has significant voting power in the reporting entity; or
- is a close member of those listed above.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the company directly or indirectly, including any director (whether executive or otherwise).

Balances and transactions with related parties during the year are as follows:

	30 September	
	<u>2020</u>	<u>2019</u>
	(\$)	(\$)
Assets		
Amounts due from directors and key management personnel:		
Amounts due from key management personnel	-	<u>187</u>
Key management compensation		
Short-term benefits	<u>265,814</u>	<u>342,810</u>

The amounts due from directors and key management compensation will be repaid in cash or cash equivalents. These balances are unsecured.

37th AGM Sponsors

The Board of Directors, Management and Staff of CANTO wish to thank all the sponsors for their generosity and support of the 37th Annual General Meeting

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of Trinidad and Tobago Limited



OTHER





2020 ANNUAL REPORT

CANTO PROXY FORM

SECTION 12.8.3 OF BY-LAW 1

The undersigned member of CANTO hereby appoints;

(Name)

(Company)

as the nominee of the undersigned to attend and act for the undersigned and on behalf of the undersigned at the meeting of the members of the said Company to be held on the 9th February, 2021 and at any adjournment or adjournments thereof in the same manner, to the same extent and with the same powers as if the undersigned were present at the said meeting or such adjournment or adjournments thereof.

Dated this day of

20____

Signature: _____

Name/Title: _____

Member Company: _____

Seal/Stamp: _____

Please return this form to the Secretary General by hand or via email to jrodrigues@canto.org, before 12.00pm on 1st February, 2021.



Regulating

the Telecommunications & Broadcasting Sectors

Key Market Data

\$5.02 billion

Telecommunication and Broadcasting Industry revenue generated in 2019.

100%

Mobile Cellular Network Coverage.

145%

Mobile Voice Penetration Rate.

52%

Mobile Internet Penetration Rate.

84

Fixed Internet Penetration per 100 households.

#greater connectivity
#digital evolution
#innovation
#smarter living

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