



2015 Annual Report

**“Inspiring ICT Innovations:
Building on Entrepreneurial Ecosystem through
Sustainable Strategic Partnerships”**

2015 Annual Report



Introduction

Welcome to CANTO's 2015 Annual Report. This Report highlights the activities of the association for the period Oct. 2014 to Sept. 2015.

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 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 2016 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. Technical & Non-technical Training Programmes
 - Human Resource & Best Practices, Telecom, Datacom & Networking, VOIP, NGN, Mobile Content and VAS Disaster Recovery for Emergency Services and Business Continuity, ICT Regulation Training and Marketing Forum
3. Publications - Annual Directory, Quarterly Cancion Magazine, Newsletter, Briefs, Position Papers, Annual Caribbean Statistics & Rate Evolution
4. CANTO has eight (8) working committees which support the board in assisting the Organization achieve its objectives. Corporate Social Responsibility (CSR) Committee, Disaster Recovery Planning Committee, Financial Advisory Committee, Human Resource Committee, Marketing and Communications Committee, Regulations Committee, Technology Working Committee, Vendor/Supplier Working Committee
5. CANTO/DSS i-Create C.O.D.E. Software Developer Competition
6. WTISD Regional Video Competition
7. Special Projects - Annual Girls in ICT Day, BIIPAC Project, ECLAC Project on Disaster Risk Management in the Caribbean Telecommunications sector.
8. 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”

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BOARD OF DIRECTORS



Julian Wilkins
Chairman
Digicel, Trinidad & Tobago



Leon Williams
Vice Chairman
The Bahamas Telecommunications
Co. Ltd., Bahamas



Helma Etnel
Treasurer
TELEM Group, St. Maarten



Lyrio Gomez
United Telecommunications
Services, Curacao



Melesia Sutherland
Cable & Wireless Antigua
& Barbuda Ltd,
Antigua & Barbuda



John Reid
C&W Communications (CWC)



Charles Carter
TSTT, Trinidad & Tobago



Rochelle Cameron
Cable & Wireless Grenada Ltd.,
Grenada



Gail Moss-Solomon
Digicel, Turks & Caicos



Teresa Wankin
Secretary General (Ag.)

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SECRETARIAT STAFF



Teresa Wankin
Secretary General (Ag.)



Gloria Manzano
Executive Assistant



Tricia Balthazar
Service Development Manager



Carmen Ramlal
Admin. Assistant – Sales & Marketing



Jimmy Rodrigues
Finance & Administration Manager



Lianne Dieffenthaler
Admin. Assistant - Operations



Gail Edwards
Admin. Assistant - Publications



Andrea Lewis
Admin. Assistant - Finance & Administration

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CHAIRMAN'S *Message*

Julian Wilkins

Introduction

Fellow members of CANTO, I wish you and your families a healthy, prosperous and peaceful 2016.

Challenging times lie ahead. Our network operators are facing not only the onslaught of a rapidly evolving converged environment which creates further competition, but also a decrease in revenues as a result of over-the-top players. This is having a major impact on the operators. At the same time, we are required to spend vast amounts of capital to deliver high speed Broadband to all of our Caribbean consumers. Our CANTO organization, therefore, is even more relevant today as it provides an opportunity for establishing common ground to strategise in meeting the many challenges that lie ahead.

CANTO's performance

During the year we introduced two new working committees, the Vendor working committee chaired by Benny Grogan from Walton Press and the newly introduced Technology Trends working committee chaired by Rafael Marin from BTL, Belize. This brings the total number of working committees to eight (8). We are now able to provide our members with more value and opportunities for working closely together. We have restructured our working committee meetings at the AGM to give more time for members to consider key issues and report back to the Board of Directors.

With over 500 delegates at the 2015 Conference and Exhibition in Miami, our status as the number one ICT/Telecoms event in the Caribbean has certainly been confirmed! However, the year 2014/15 ended with a deficit mainly due to a decrease in the Annual Conference net income. We are optimistic that with the implementation of new strategies, the Organisation can produce a surplus for financial year 2015/16.

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Changes to the Board

At our 31st AGM in Suriname in January 2015, the following Officers of the Board were elected: Mr. Julian Wilkins, Chairman, representing Digicel Trinidad and Tobago; Mr. Leon Williams representing BTC in The Bahamas, Vice Chair, Mrs. Helma Etnel representing Telem in St. Maarten, Treasurer.

On behalf of the entire CANTO Board, I thank the former Chairman Dirk Currie for his previous four years of service as Chairman and for serving on the Board in 2015 as an ex-officio member.

Corporate Governance

During the year 2015 our Board of Directors held four (4) meetings during which we discussed the business of the Organization, focusing on the performance of the Secretariat. We sought to bring more value to our membership.

In an effort to ensure that the Organisation's vision and mission are clearly defined, the Board of Directors and the CANTO management team held a special meeting to revise and update our strategic plan for the next two years.

Farewell

At CANTO 2015 Conference and Exhibition in Miami, we said farewell to our Secretary General, Regenie Fräser, after eleven years of service. I thank Regenie for her service to the organisation. We shall remember her as always being very gracious to all our members and ensuring that CANTO's reputation remained positive. Mrs. Teresa Wankin was appointed the Acting Secretary General of CANTO.

Future Prospects

We are in the process of restructuring our draft programme for the 2016 Conference and Exhibition in Puerto Rico. This will incorporate the feedback received from the previous Conference. Our goal is to continue to improve our Conference so that we remain the premier Conference and Trade Exhibition in the Caribbean region.

We have also restructured our working committee face-to-face meetings at the AGM and the Annual Conference. The objective is to obtain more output from the eight (8) working committees by facilitating more common position papers and workshops, thereby increasing value to our members. This is an on-going process which should strengthen our core organisational activities well into the future.

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Acknowledgements

Throughout the year, the Directors have consistently demonstrated their commitment to the effective oversight of CANTO's programmes. Their support and enthusiasm have played an essential role in responding to the challenges experienced in 2015. I am truly grateful to my colleagues and Directors for their efforts in ensuring the Organisation's continued progress.

In the face of increasing competition and converging technologies, CANTO's overall performance would not have been possible without the commitment, teamwork and dedication of the CANTO Management and Staff. Your ever-present will to succeed is admirable and very much appreciated.

On behalf of the Board of Directors, I thank you all and best wishes for 2016.

Finally, to all our valued full and affiliate members and all stakeholders, I express my heartfelt thanks for your continued patronage and support to the CANTO organisation.

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SECRETARY GENERAL'S (Ag.)

Message

Teresa Wankin

The year 2015 was a transitional one for the Secretariat. In January 2015, we welcomed Mr. Julian Wilkins as our new Chairman. In July we said farewell to Ms. Regenie Fraser who served as Secretary General for the last eleven years and in October Mrs. Teresa Wankin was appointed to act as Secretary General.

We have also revised our Vision and Mission and developed a new strategic plan that reinforces CANTO as a Caribbean focused organization with a global perspective.

Our new purpose clearly defines the path we have chosen and is reflected in our Theme for 2016 “Inspiring ICT Innovations: Building an Entrepreneurial Ecosystem through Sustainable Strategic Partnerships” This year we will turn our focus to three major initiatives - revival of our sales and marketing strategy with diversification of revenue to improve the financial health of the company; a defined push to ensure that the CANTO brand is represented at major sector events during the year, while widening our membership base; and a strengthening of the relationship between CANTO and its members. In this continually evolving marketplace, we continue to be challenged by the volatile nature of the industry. As such, our role as a member organization, needs to be constantly redefined to reflect the changing landscape. CANTO is a proud partner to all our stakeholders, due to our experience and commitment to the development of the regional ICT industry. It is because of this experience and commitment that we are able to provide the ideal platform that unites the entire Caribbean, bringing together policy makers, regulators, operators and suppliers for a common goal – developing the Caribbean Telecommunication eco system.

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As we celebrate our 32nd year in 2016, I am honoured to act in the position of Secretary General of this dynamic Organization. I look at the growth over the years since our inception in 1985 with eight members in five countries and I am extremely proud of what we have become, with 134 members in 35 countries and even more excited about our outlook for an equally promising future. We have successfully transitioned and embraced Women and Girls in ICT and engaged the Caribbean youth through our annual regional hackathon. We have also successfully completed the four components of our BIIPAC project which will culminate in a two day workshop immediately following the 2016 AGM.

Our future continue to be in the hands of our membership and stakeholders. It will be through your collaboration that we will chart the future together. As we come to the end of another calendar year, and embrace the one to come, I offer my heartfelt thanks to an incredible Chairman and Board of Directors, whose leadership will take us in new directions as we serve our members; an excellent Secretariat Team, whose diligence continue to exceed expectations in the delivery of our projects and services; hard working committee members who were committed and engaged throughout the year and gave generously of their time to deal with the pressing issues of the membership in 2015, and most importantly our member organizations who continue to be the backbone of the Association.

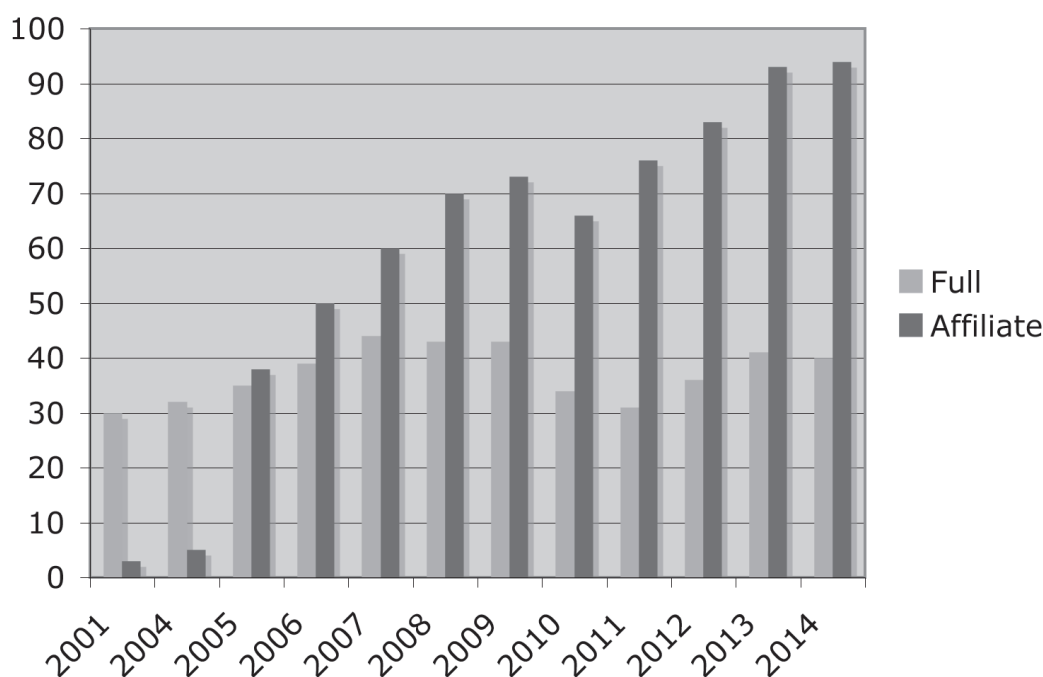
I look forward to 2016 as we renew our commitment to work diligently to bring solid results. I welcome your inputs as we strive to add value to our membership. I also urge you to read our Secretariat Report on the following pages for more details on what we have done in 2015 and an insight into what we have planned for 2016.

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Secretariat Report

1. Membership Growth



In 2015 we welcomed 10 new members into the CANTO family growing our membership base to 134. With 40 full members and 94 affiliate members in 35 countries we are truly a Caribbean focused company with a global perspective. The total target for 2016 is 150 members and we hope to achieve this by continuing our global expansion efforts.

2. Stakeholder Satisfaction

Stakeholder Satisfaction continued to enjoy a high average score of 84.5% in 2015 indicating that the Secretariat is meeting its objectives from the perspective of the stakeholders. This high score can be attributed to the implementation of several recommendations from stakeholders polled in the previous year. In 2016, the Secretariat will continue to implement the recommendations of stakeholders to further enhance membership, increase value added service and improved experience at all CANTO events.

3. Human Resource Matters

In 2015, the Secretariat embarked on the restructuring of the Human Resources and Operating Procedures of the Organization in order to align them to better equip the Association for future growth and development. The Employee Handbook and Operations Manual were completed in 2015 and a performance appraisal system that includes company and personal objectives was introduced. Work is continuing on desk manuals. In 2015, the Secretariat will focus on increasing staff motivation.

4. Service to Members

In 2015, the Secretariat partnered with our members to introduced two new projects: a Caribbean Youth Forum and a Regional Hackathon. The Youth Forum held in Suriname during the 2015 AGM had over 40 participants at the venue and over 100 streaming participants from around the world. The Regional Hackathon attracted Domus Semo Sancus (DSS) as an anchor sponsor and had five teams participate from the islands of Belize, Jamaica and Suriname. Through partnerships and collaboration with members the Secretariat also ran the WTISD video competition and the Girls in ICT Day Celebration throughout the region.

Our key publications namely the Cancion Magazine and the Annual Directory continue to showcase the creativity and innovative spirit of the membership while covering technology trends and its impact on the region. The weekly CANTO BNamericas newsletter brings the latest industry news to members' inbox and has been getting great reviews from the Membership. In 2015, the Secretariat will continue these initiatives building on what we have started in 2015 and implementing value added services to the membership.

5. Strategic Partnerships and Alliances

In 2015, CANTO worked closely with Internet Society and CARIRI to promote and increase awareness on common projects; signed Memorandum of Understanding (MOUs) with ICANN and the Basel Convention Regional Centre; and continued the educational partnership with LAUREATE to provide members with educational opportunities from more than 70 accredited universities.

6. Broadband Infrastructure Inventory and Public Awareness in the Caribbean (BIIPAC) Project

CANTO continues to focus on its "Broadband Infrastructure and Public Awareness in the Caribbean (BIIPAC) Project. The BIIPAC project which is funded by the International Development Bank (IDB) and executed by CANTO; serves Barbados, Dominican Republic, Guyana, Haiti, Jamaica, Suriname and Trinidad & Tobago. BIIPAC is divided into four components namely:

- Production of broadband diagnostics and infrastructure maps
- Review of legal and regulatory framework and current sector trends
- ICT awareness and capacity building in the Caribbean
- Preparation of public policy recommendations for the design of national Broadband strategies

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BIIPAC has as its objective, supporting the design of national broadband strategies in the Caribbean and identifying the regional aspects that need to be incorporated into these strategies to support the Caribbean as it evolves towards universality in Broadband access and service, regardless of the location (ubiquity) or the social strata (equity) of its citizenry.

The BIIPAC Project's inaugural workshops, took place from January 27 to 29, 2015 at the Torarica Hotel, Paramaribo, Suriname.

1. The first BIIPAC workshop on January 27, 2015 which presented the results of BIIPAC's Component 1, entitled "Broadband Diagnostic and Infrastructure Maps". This workshop presented key factors related to Broadband connectivity in each of the beneficiary countries, namely Trinidad & Tobago, Jamaica, Barbados, Dominican Republic, Belize, Guyana, Suriname and Haiti. The status of the broadband infrastructure maps for each country was discussed.
2. The second BIIPAC workshop was held on January 28, 2015 and featured BIIPAC's Component 2, entitled "Review of Legal and Regulatory Frameworks and Current Sector Trends". This workshop will explore Caribbean broadband opportunities for each beneficiary country, taking a look at policies and regulation for access and services.
3. The final BIIPAC workshop will take place on February 3rd & 4th, 2016 and will focus on BIIPAC's Component 4, entitled "ICT Awareness and Capacity Building Programs". This workshop will probe topic areas such as Legal and Regulatory Frameworks for Broadband in the Context of ICT Network Convergence; Emerging Competition and Affordability Issues Impacting Access to Broadband Networks & Services.

7. 31st Annual General Meeting Co-hosted by TELESUR, Suriname

CANTO and Telesur, Suriname successfully co-hosted CANTO's 31st Annual General Meeting (AGM) & Mini Expo at the Torarica Hotel, Paramaribo, Suriname. The event was held under the theme "Strategic Alliances for Sustainable Broadband Development", from the 25th -28th January, 2015. The four day event focused on the AGM proceedings of CANTO and included sessions such as:

- Technology Trends and its Impact on Caribbean Operators
- Caribbean Youth Forum
- A Look into the Future of CANTO

Eighty-five delegates attended the Meeting and gave the event a rating of 84% sanctioning the Secretariats efforts to increase stakeholder satisfaction and enhance the association's products and services.

The Mini Exhibition was well received by both the members and exhibitors who had the opportunity to engage the operators in an open and informal setting.

8. 31st Annual Conference & Trade Exhibition, Miami

CANTO held its 31st Annual Conference & Trade Exhibition (CANTO 2015) in Miami from the 26th to the 29th July, 2015 at the Hyatt Regency Hotel, Miami.

Over 500 delegates attended the four day event along with 14 Caribbean ICT Government Ministers. Our Annual Conference and Trade Exhibition continue to be the largest telecommunication event in the region bringing all the stakeholders together. The 2015 production included the following:

Ministerial Panel

This permanent feature of the Conference schedule was attended by the Caribbean ICT Ministers, provided important information for participants in respect of various activities related to broadband development in the Caribbean. In 2016, the Conference schedule will facilitate this engagement with the ICT Ministers dialoguing equally interesting issues. In addition, the Conference schedule in 2016 will facilitate a Regulatory Forum which will act as a platform for regulatory issues impacting the region.

Ministerial Breakfast

The Ministerial Breakfast Session provided an opportunity for Ministers to be intimately apprised of the latest developments in Broadband within the region and CANTO's efforts in this regard.

CANTO/Domus Semo Sancus/Piedata Hackathon Launch

CANTO's Hackathon – The CANTO C.O.D.E. 1.0 Software Developer, Design and Entrepreneur Competition for Caribbean nationals was launched. Five teams from three Caribbean countries (Belize, Jamaica and Suriname) were given a specific task to develop an application, which were presented to a team of judges and a live audience at the end of the conference. The winning team was Team Jamrock from Jamaica. Second was Team Code It from Belize and third was Team Beta/Side, also from Belize.

WRC-15 Caribbean Stakeholders Preparatory Discussions

A panel of regional and international organizations discussed this important matter. Caribbean operators are in need of additional mobile spectrum at the upcoming ITU World Radio communication Conference (WRC-15).

Caribbean Women in ICTs (CWIC) - Empowering Women Through ICTs

This session comprised mainly women involved in the entrepreneurial, political and socio-economic aspects of the ICT arena and examined how ICTs may be used as a tool for empowerment, the history of CWIC and progress CANTO has made thus far with initiatives under its framework.

WTISD Regional Video Competition

World Telecommunication and Information Society Day (WTISD) spearheaded by the International Telecommunication Union (ITU) is observed annually on the 17th of May. To commemorate this occasion, CANTO engages in numerous activities including an annual regional video competition. In 2015, CANTO staged the competition under the ITU Theme: *"Telecommunication and ICTs: Drivers of Innovation"*. Ms. Tysha Toni Roches of Belize edged out the competitors and emerged winner with her video titled 'ICT and Me'.

9. 9th Annual HR Forum & 2nd Annual Marketing Forum 2015

The final two events of CANTO 2015 included the 9th Annual Caribbean Human Resource Forum and the 2nd Annual Marketing Forum both being held on the 30th to the 31st July, 2015. The Human Resource Forum centred on the theme: "The New Social Economy: Rebooting HR for the Digital Age". The Marketing Forum dealt with new marketing trends and technology in the Caribbean and Latin America (CALA) region. These forums will be repeated at the 2016 Conference.

10. 32nd Annual General Meeting co-hosted by Digicel, Haiti

The 32nd Annual General Meeting and Mini Exhibition will be held from the 31st January 2016 to the 4th February 2016, at the Marriott Hotel, Port au Prince, Haiti. The event will focus on the theme "Inspiring ICT Innovations: Building an Entrepreneurial Ecosystem through Sustainable Strategic Partnerships" and will address key issues including new and existing services to better serve the membership, identify training needs and strategic partnerships that support the goals of CANTO and create a working plan for the year 2016. The programme of activities for the AGM will include the Working Committees of the Board meetings and will be followed by the final workshop of the BIIPAC project.

11. Working Committees of the Board

In 2015, the Secretariat introduced two new Working Committees of the Board: a Vendor/Supplier Committee and a Technology Trends Committee bringing the total number of Committees to eight. The Working Committees continue to provide added benefits to the membership of CANTO. With two face to face meetings per year, the committees continue to hold conference calls on a regular basis. The following outlines the highlights of the committees in 2015.

Regulations and Emerging Technologies Committee

Chair - Melesia Sutherland, LIME Jamaica; **Vice Chair** - Delreo Newman, ATNI Guyana

The papers produced by the Regulatory and Emerging Committee continue to add value to governments and regulators. To date, the paper on OTT has been requested by the government of Barbados, Guyana and the Regulator in Trinidad.

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Under the purview of this Committee, The Chairman represented CANTO and collaborated with Caribbean Regulators at CITEL meeting held in Ottawa, Canada from the 17th to 21st August, 2015. The countries of the region voted for mobile service for the UHF Band at the Inter-American Telecommunications Commission which will go forward to the WRC-15 as a Multi Country Proposal.

Also under the purview of the Regulatory and Emerging Committee, member Christa Leith from TSTT represented CANTO at the 2nd LatAm Spectrum Management Conference, October 20-21, 2015 in Rio de Janeiro, Brazil. Ms. Leith presented on the topic Plans and Strategies for the 700MHz band in the Caribbean and distributed flyers and information about CANTO and our upcoming events. This presentation will be highlighted in the next issue of the Cancion Magazine.

Communication and Marketing Committee

Chair - Joseph Samuel, APUA, Antigua; **Vice Chair** - Wendy McDonald, Columbus Communications, Trinidad & Tobago

The Marketing Committee has assisted in the development of the Theme for 2015/16 and has completed a Marketing Plan with the Service Development Manager. In addition, this committee is assisting the Secretariat with ideas for diversifying our revenue streams.

CSR Committee:

Chair - Julian Wilkins, Digicel, Trinidad and Tobago; **Vice Chair** - Gervon Abraham, TSTT, Trinidad and Tobago

The Corporate Social Responsibility Committee has developed a second paper for the Board's approval entitled "Best Practices for the Establishment of Takeback Systems for Mobile Handsets" and initiated the Memorandum of Understanding with the Basel Convention Regional Centre which was signed at CANTO 2015.

DRP Committee:

Chair (Ag.) - Heather Wallen-Bryan, LIME Jamaica, **Vice Chair** - Ms. Sherry Rolle, BTC Bahamas

The Disaster Recovery Planning Committee delivered the first ever Hurricane Simulation exercise with CDEMA for CANTO members. The exercise, which was held on the 28th October 2015, had participating CANTO members work closely with CDEMA to simulate a hurricane. The DRP committee is also working on a joint initiative with the United Nations Economic Commission for Latin America & the Caribbean (ECLAC). This project is in the early stages and seeks to evaluate Disaster Planning and Response processes and to develop methodologies for assessing Damage and Loss Assessments for the telecom sector in the region. To this end, the Secretariat has embarked on an information gathering exercise to evaluate the region's telecommunications infrastructure in the context of disaster preparedness.

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Human Resources Committee

Chair - Linus Rogers, Consultant, Trinidad & Tobago; **Vice Chair** - Christel Croes, Setar, Aruba

In 2015, the Human Resource Committee worked with the membership to build capacity, identify and deliver training. The Secretariat, through the committee delivered the 9th Caribbean HR Forum and the 2nd Marketing Forum immediately following the Conference and Trade Exhibition in Miami.

Financial Advisory Committee

Chair - Denelle Richards, APUA, Antigua; **Vice Chair** - Ivan Tesucum, BTL, Belize

The Financial Advisory Committee is continuing to work closely with the Secretariat to ensure that all fiduciary objectives are being met. In addition they have assisted in reviewing the annual budget 2015/16 for Board Approval; ensuring all financial statements were prepared on a timely basis; and monitoring the annual audit process.

Vendor Support Committee

Chair - Benny Grogan, Walton Press, Inc; **Vice Chair** - Ivan Tesucum, BTL, Belize

The Vendor Support Committee is currently working on a proposal to add value to members of CANTO by utilizing the CANTO website to promote products and services offered by the members.



COMING SOON



Inspiring ICT Innovations:

"Building an Entrepreneurial Ecosystem through
Sustainable Strategic Partnerships"

Co-hosted by Digicel - Haiti • Marriott Port Au Prince, Haiti

31st Jan – 4th Feb, 2016



- *AGM Proceedings*
- *BIIPAC Component 4*
- *Mini Exhibition*

For more information

<http://canto.org/events-conferences/annual-general-meeting-agm/>



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CANTO 2015 Highlights



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CANTO 2015 Highlights



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Review of the financial statements for the year ended September 30, 2015

The year 2014/15 resulted in a deficit for the second successive year. Internal and external changes among our global partners and members had an impact on these results but there remain signs for optimism that this will be temporary. During the year, there were successful meetings held in both Suriname (AGM) and Miami (Annual Conference and two forums) as well as the continuation of the BIIPAC project. Our publications, the CACION (quarterly) and the Annual Directory continue to be a vital source to our members and others alike. Weekly news bulletins keep all abreast of the latest happenings in the region and our committees have been addressing key industry issues during the year.

Even so, we strive to raise our service levels by listening continuously to the voice of our stakeholders.

Statement of Financial Position

The Statement reflects total assets of \$1.5 million, a \$262k or 15% decrease from the previous year, reflecting mainly the fall in both Current Assets and Current Liabilities as funds were directed towards making significant payments on prior period costs during the financial year.

Property, plant and equipment fell marginally as there were no major asset acquisitions during the year.

An Investment Remeasurement Reserve appears for the first time to reflect temporary price changes in our holdings in the Cllico Investment Fund (CIF). (See note 8.)

Statement of Comprehensive Income

The year 2014/15 ended with a deficit after taxes of \$70k, which was a \$56k drop from 2013/14.

Income had the bigger impact as this declined by \$38k (3%) vs. 2013/14. There was a combination of declines in Membership, Advertising and Annual Conference Income this year while there was a bounce in Other income.

Zeroing in the 2015 Annual Conference, we saw falls in registration and commissions as the main areas to show reductions from the previous event.

Expenditures increased by \$19k mostly due to location related cost increases at the Annual Conference. The administrative and operational costs showed modest declines.

Summary

We continue to make our contribution on the ICT landscape in the Caribbean and we look forward to your continued support that will make the difference as we pursue our objectives in 2016. Our Theme “Inspiring ICT Innovations: Building an Entrepreneurial Ecosystem Through Sustainable Strategic Partnerships” says it all.

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CANTO
FINANCIAL STATEMENTS
30 SEPTEMBER 2015

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CANTO

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Statement of Management Responsibilities

It is the responsibility of management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the operating results of the Company for the year. It is also management's responsibility to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

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

Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards. Management are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its operating results. Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Julian Wilkins
Chairman
Date: 30 Nov, 2015

Teresa Wankin
Secretary General (Ag.)
Date: 30 Nov, 2015

Board of Directors

Mr. Julian Wilkins – Digicel Trinidad & Tobago Ltd - Chairman; Mr. Leon Williams - BTC, Vice Chair ; Mrs. Helma Etnel – Telem - Treasurer; Ms. Melesia Sutherland – Cable & Wireless Antigua & Barbuda Ltd; Mr. Lyrio Gomez, UTS Curacao ; Mr. John Reid, Columbus Communications ; Mr. Charles Carter, Telecommunications Services of Trinidad & Tobago; Ms. Gail Moss-Solomon, Digicel TCI.; Ms. Rochelle Cameron, Cable & Wireless Grenada; Mrs. Teresa Wankin – CANTO Secretary General (Ag.), Trinidad & Tobago

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PKF

Chartered Accountants
& Business Advisors

INDEPENDENT AUDITORS' REPORT

The Members CANTO

We have audited the accompanying financial statements of CANTO, which comprise the statement of financial position as at 30 September 2015, the statements of comprehensive income, appropriated funds and undivided earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

PKF

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TRINIDAD
30 November 2015

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PKF | 90 Edward Street | Port-of-Spain | PO Bag 250 Belmont | Trinidad | WI

Directors Reneé-Lisa Philip | Mark K. Superville

2015 Annual Report



CANTO
STATEMENT OF FINANCIAL POSITION
(Expressed in United States Dollars)


ASSETS


	<u>Notes</u>	<u>30 September</u>	<u>2015</u>	<u>2014</u>
Current Assets:				
Cash and cash equivalents	5	\$	57,017	\$ 99,421
Available-for-sale financial instruments	6		249,128	227,434
Trade and other receivables and prepayments	7		<u>748,226</u>	<u>779,539</u>
Total Current Assets			1,054,371	1,106,394
Non-Current Assets:				
Held-to-maturity financial instruments	8		-	204,800
Property, plant and equipment	9		<u>444,676</u>	<u>450,643</u>
Total Assets			<u>\$ 1,499,047</u>	<u>\$ 1,761,837</u>

LIABILITIES AND RESERVES

Liabilities:				
Overdrawn current account	10	\$	583	\$ -
Trade and other payables and accruals	11		<u>151,176</u>	<u>323,842</u>
Total Liabilities			<u>151,759</u>	<u>323,842</u>
Reserves:				
Revaluation Reserve Fund	12		415,087	415,087
Contingency Reserve Fund	13		564,516	564,516
General Reserve Fund	14		250,523	250,523
Investment Remeasurement Reserve	15		(20,480)	-
Accumulated Surplus			<u>137,642</u>	<u>207,869</u>
Total Reserves			<u>1,347,288</u>	<u>1,437,995</u>
Total Liabilities and Reserves			<u>\$ 1,499,047</u>	<u>\$ 1,761,837</u>

These financial statements were approved by the Board of Directors and authorized for issue on 30 November 2015 and signed on their behalf by:


Julian Wilkins
Chairman


Teresa Wankin
Secretary General (Ag.)

2015 Annual Report



CANTO

STATEMENT OF COMPREHENSIVE INCOME (Expressed in United States Dollars)

		For the year ended 30 September	
	<u>Notes</u>	<u>2015</u>	<u>2014</u>
Income:			
Membership fees		\$ 392,900	\$ 414,200
Publication advertising		70,275	80,500
Annual conference and exhibition income	18	762,500	782,256
Other income	19	<u>78,644</u>	<u>65,174</u>
		<u>1,304,319</u>	<u>1,342,130</u>
Expenditure:			
Annual conference and exhibition expenses	18	513,916	489,718
Administrative expenses	20	639,958	642,623
Operating expenses	21	201,924	205,002
Finance costs		4,713	4,279
Depreciation		<u>10,609</u>	<u>10,645</u>
		<u>1,371,120</u>	<u>1,352,267</u>
Deficit before taxation		(66,801)	(10,137)
Taxation	22	<u>(3,426)</u>	<u>(3,428)</u>
Deficit for the year		(70,227)	(13,565)
Other Comprehensive Income:			
Unrealised loss on available-for-sale financial assets		<u>(20,480)</u>	<u>-</u>
Total Comprehensive Income for the year		<u>\$ (90,707)</u>	<u>\$ (13,565)</u>

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CANTO

STATEMENT OF APPROPRIATED FUNDS AND UNDIVIDED EARNINGS

FOR THE YEAR ENDED 30 SEPTEMBER 2015
(Expressed in United States Dollars)

	Revaluation Reserve Fund	Contingency Reserve Fund	General Reserve Fund	Investment Remeasurement Reserve	Accumulated Surplus	Total
Balance as at 1 October 2013	\$ 415,087	\$ 564,516	\$ 250,523	\$ -	\$ 221,434	\$ 1,451,560
Total Comprehensive Income for the year	-	-	-	-	(13,565)	(13,565)
Balance as at 30 September 2014	<u>\$ 415,087</u>	<u>\$ 564,516</u>	<u>\$ 250,523</u>	<u>\$ -</u>	<u>\$ 207,869</u>	<u>\$ 1,437,995</u>
Balance as at 1 October 2014	\$ 415,087	\$ 564,516	\$ 250,523	\$ -	\$ 207,869	\$ 1,437,995
Total Comprehensive Income for the year	-	-	-	(20,480)	(70,227)	(90,707)
Balance as at 30 September 2015	<u>\$ 415,087</u>	<u>\$ 564,516</u>	<u>\$ 250,523</u>	<u>\$ (20,480)</u>	<u>\$ 137,642</u>	<u>\$ 1,347,288</u>

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

2015 Annual Report



CANTO

STATEMENT OF CASH FLOWS (Expressed in United States Dollars)

	For the year ended 30 September	
	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Deficit before taxation	\$ (66,801)	\$ (10,137)
Adjustment for:		
Depreciation	10,609	10,645
Bad debt expense	55,500	60,100
Gain on disposal of Property, Plant and Equipment	<u>(3,823)</u>	<u>-</u>
	(4,515)	60,608
Net change in Trade and Other Receivables and Prepayments	(24,187)	(171,956)
Net change in Trade and Other Payables and Accruals	<u>(172,666)</u>	<u>125,964</u>
	(201,368)	14,616
Taxes paid	<u>(3,426)</u>	<u>(3,428)</u>
Net cash (used in)/provided by Operating Activities	<u>(204,794)</u>	<u>11,188</u>
Cash Flows from Investing Activities:		
Net change in Bond Conversion to CIF Fund	184,320	(2,375)
Purchase of property, plant and equipment	(5,139)	-
Proceeds from disposal of property, plant and equipment	<u>4,320</u>	<u>-</u>
Net cash provided by/(used in) Investing Activities	<u>183,501</u>	<u>(2,375)</u>
Net change in cash resources	(21,293)	8,813
Cash resources, beginning of year	<u>326,855</u>	<u>318,042</u>
Cash resources, end of year	<u>\$ 305,562</u>	<u>\$ 326,855</u>
Represented by:		
Cash and cash equivalents	\$ 57,017	\$ 99,421
Available-for-sale financial instruments	249,128	227,434
Overdrawn current account	<u>(583)</u>	<u>-</u>
	<u>\$ 305,562</u>	<u>\$ 326,855</u>

CANTO

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

30 SEPTEMBER 2015

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 Available-for-Sale 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 applied the following standards and amendments that became effective during the current year:

IAS 32 Financial Instruments: Presentation – Amendment relating to the offsetting of assets and liabilities (effective for accounting periods beginning on or after 1 January 2014).

IAS 36 Impairment of Assets – Amendments arising from Recoverable Amount Disclosures for Non-Financial Assets (effective for accounting periods beginning on or after 1 January 2014).

CANTO

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

30 SEPTEMBER 2015

2. Significant Accounting Policies (Cont'd):

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

ii) The Association has not applied the following standards and amendments that became effective during the current year, as they do not apply to the activities of the Association:

- | | |
|---------|--|
| IFRS 2 | Share-based payment – Amendment to the definition of vesting condition (effective for accounting periods beginning on or after 1 July 2014). |
| IFRS 3 | Business Combinations – Amendment re: accounting for a contingent consideration in a business combination (effective for accounting periods beginning on or after 1 July 2014). |
| IFRS 3 | Business Combinations – Amendment on the scope of exception for joint ventures (effective for accounting periods beginning on or after 1 July 2014). |
| IFRS 8 | Operating Segments – Amendment re: disclosure of the aggregation of operating segments and the reconciliation of assets (effective for accounting periods beginning on or after 1 July 2014). |
| IFRS 10 | Consolidated Financial Statements – Amendment for investment entities (effective for accounting periods beginning on or after 1 January 2014). |
| IFRS 12 | Disclosure of Interests in Other Entities – Amendment for investment entities (effective for accounting periods beginning on or after 1 January 2014). |
| IFRS 13 | Fair Value Measurement – Amendment re: clarification of portfolio exception (effective for accounting periods beginning on or after 1 July 2014). |
| IAS 16 | Property, Plant and Equipment – Amendment re: proportionate restatement of accumulated depreciation under the revaluation method (effective for accounting periods beginning on or after 1 July 2014). |
| IAS 24 | Related Party Disclosures – Amendment on disclosures for entities providing key management personnel services (effective for accounting periods beginning on or after 1 July 2014). |
| IAS 27 | Separate Financial Statements – Amendment to measure at fair value eligible investment entities (effective for accounting periods beginning on or after 1 January 2014). |

CANTO

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

30 SEPTEMBER 2015

2. Significant Accounting Policies (Cont'd):

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

- IAS 32 Financial Instruments; Presentation – Amendment re: application guidance on the offsetting of financial assets and financial liabilities (effective for accounting periods beginning on or after 1 January 2014).
- IAS 38 Intangible Assets – Amendment re: the proportionate restatement of accumulated amortisation under the revaluation method (effective for accounting periods beginning on or after 1 July 2014).
- IAS 39 Financial Instruments: Recognition and Measurement – Amendment re: the novation of derivatives and continuation of hedge accounting (effective for accounting periods beginning on or after 1 January 2014).
- IAS 40 Investment Property – Amendment re: clarification of specific transactions that are both business combinations and investment property (effective for accounting periods beginning on or after 1 July 2014).
- IFRIC 21 Levies (effective for accounting periods beginning on or after 1 January 2014).

iii) 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 5 Non-current Assets Held for Sale and Discontinued Operations – 2014 Annual Improvements to IFRSs (effective for accounting periods beginning on or after 1 January 2016).
- IFRS 7 Financial Instruments: Disclosures – 2014 Annual Improvements to IFRSs (effective for accounting periods beginning on or after 1 January 2016).
- IFRS 9 Financial Instruments (effective for accounting periods beginning on or after 1 January 2018).
- IFRS 10 Consolidated Financial Statements – Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture (effective for accounting periods beginning on or after 1 January 2016).
- IFRS 10 Consolidated Financial Statements – Amendments regarding the application of consolidation exception (effective for accounting periods beginning on or after 1 January 2016).

CANTO

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

30 SEPTEMBER 2015

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

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

- IFRS 11 Joint Arrangements – Amendments regarding the accounting for acquisitions of an interest in a joint operation (effective for accounting periods beginning on or after 1 January 2016).
- IFRS 12 Disclosure of Interest in Other Entities – Amendments regarding the application of consolidation exception (effective for accounting periods beginning on or after 1 January 2016).
- IFRS 14 Regulatory Deferral Accounts (effective for accounting periods beginning on or after 1 January 2016).
- IFRS 15 Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2017).
- IAS 1 Presentation of Financial Statements – Amendments resulting from disclosure initiative (effective for accounting periods beginning on or after 1 January 2016).
- IAS 16 Property, Plant and Equipment – Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective for accounting periods beginning on or after 1 January 2016).
- IAS 16 Property, Plant and Equipment – Amendments bringing bearer plants into the scope of IAS 16 (effective for accounting periods beginning on or after 1 January 2016).
- IFRS 19 Employee Benefits: Disclosures – 2014 Annual Improvements to IFRSs (effective for accounting periods beginning on or after 1 January 2016).
- IAS 27 Separate Financial Statements – Amendments reinstalling the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements (effective for accounting periods beginning on or after 1 January 2016).
- IAS 28 Investment in Associates – Amendments regarding the sale or contribution of assets between investor and its associate or joint venture (effective for accounting periods beginning on or after 1 January 2016).

CANTO

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

30 SEPTEMBER 2015

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

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

- IAS 28 Investment in Associates – Amendments regarding the application of consolidation exception (effective for accounting periods beginning on or after 1 January 2016).
- IAS 34 Interim Financial Reporting – 2014 Annual Improvements to IFRSs (effective for accounting periods beginning on or after 1 January 2016).
- IAS 38 Intangible Assets – Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective for accounting periods beginning on or after 1 January 2016).
- IAS 41 Agriculture – Amendments bringing bearer plants into the scope of IAS 16 (effective for accounting periods beginning on or after 1 January 2016).

The adoption of IFRS 9 Financial Instruments may result in significant changes in the Association's classification and presentation of financial instruments.

(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 15 October 2008, professional valuers Raymond and Pierre Ltd valued the property at 67 Picton Street Newtown at **\$483,871** as at 30 September 2008. 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 **\$111,903** as at 30 September 2015.

CANTO

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

30 SEPTEMBER 2015

2. Significant Accounting Policies (Cont'd):

(e) **Investments -**

The Association has classified all investments into the following category:

Available-for-sale

These securities are intended to be held for an indefinite period of time but may be sold in response to the needs for liquidity or changes in interest rates, exchange rates or equity prices. After initial recognition, Available-for-Sale Financial Instruments are measured at fair value with unrealised gains or losses recognised in the Investment Reserve Account. Fair value is determined by reference to an active market.

(f) **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.

(g) **Financial instruments -**

Financial assets and financial liabilities are recognised on the Association's Statement of Financial Position when the Association becomes a party to the contractual provisions of the instrument.

Impairment of financial assets

CANTO assesses, at each reporting date, whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. All non-performing and individually significant balances are individually reviewed and specific allowances made for the impaired portion based on the present value of estimated future cash flows, discounted using the effective interest rate.

Individually insignificant financial assets with similar characteristics are assessed for impairment on a group basis. When all efforts have been exhausted to recover a non-performing financial asset, it is deemed uncollectible and written off against the related allowance for loan losses.

Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less and are carried at cost, which approximates market value.

CANTO

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

30 SEPTEMBER 2015

2. Significant Accounting Policies (Cont'd):

(g) **Financial instruments -**

Trade and other receivables and prepayments

Trade and Other Receivables and Prepayments are recognised and carried at original invoice amount less an allowance for any uncollectable amounts. An allowance is made when there is objective evidence that the Association will not be able to collect the debts. Bad debts are written-off when identified.

Trade and other payables and accruals

Trade and Other Payables and Accruals are recognised at original invoice amount.

(h) **Income and expenditure -**

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

(i) **Revenue recognition -**

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

(j) **Fair value estimation -**

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

(k) **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.

(l) **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 2015

3. Financial Risk Management:

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 because of 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. This risk is not significant.

(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 the foundation for a sound credit portfolio.

The Association's debtor' 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 single 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 2015

3. Financial Risk Management (Cont'd):

Financial risk factors (cont'd)

(c) Liquidity risk -

Liquidity risk is the risk that arises when the maturity of assets and liabilities do 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. This risk is not significant.

(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 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. This risk is not significant.

(e) Operational risk -

Operational risk is the risk that derives from 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 the extent of monitoring controls 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 applies procedures to minimise this risk. This risk is not significant.

CANTO

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

30 SEPTEMBER 2015

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 Association's accounting policies. See **Note 2 (b)**.

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 Association makes estimates and assumptions concerning the future, and 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 critical judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

- i) Whether investments are classified as held to maturity investments or loans and receivables.
- ii) Which depreciation method for plant and equipment is used.

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) Impairment of assets

Management assesses at each reporting date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Allowances are made for the excess of the carrying value over its recoverable amount.

ii) Property, Plant and Equipment

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and the useful lives and residual values of these assets.

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CANTO

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

30 SEPTEMBER 2015

5. **Cash and Cash Equivalents:**

	30 September	
	<u>2015</u>	<u>2014</u>
Petty cash	\$ 160	\$ 160
Scotiabank (T&T) Limited – TT\$ Current Account	-	3,187
Scotiabank (T&T) Limited – US\$ Savings Account	8	130
Scotiabank Trinidad and Tobago Limited – US\$ Current Account	<u>56,849</u>	<u>95,944</u>
	<u>\$ 57,017</u>	<u>\$ 99,421</u>

6. **Available-for-Sale Financial Instruments:**

	30 September	
	<u>2015</u>	<u>2014</u>
Unit Trust Corporation:		
US\$ Income Fund	\$ 35,457	\$ 134,506
TT\$ Income Fund	29,351	92,928
CLICO Investment Fund (2015 - 51200 units ; 2014 - 0 units)	<u>184,320</u>	<u>-</u>
	<u>\$ 249,128</u>	<u>\$ 227,434</u>

7. **Trade and Other Receivables and Prepayments:**

	30 September	
	<u>2015</u>	<u>2014</u>
Accounts receivable –		
Members	\$ 457,085	\$ 446,751
Other	<u>313,877</u>	<u>308,717</u>
	770,962	755,468
Less: Allowance for bad debts	<u>(168,487)</u>	<u>(112,987)</u>
	602,475	642,481
Prepayments	18,754	6,494
Other receivables	<u>126,997</u>	<u>130,564</u>
	<u>\$ 748,226</u>	<u>\$ 779,539</u>
Allowance for bad debts		
Balance brought forward	\$ 112,987	\$ 236,916
Charge for the year	55,500	60,100
Bad debts written off	<u>-</u>	<u>(184,029)</u>
Balance carried forward	<u>\$ 168,487</u>	<u>\$ 112,987</u>

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CANTO

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

30 SEPTEMBER 2015

7. **Trade and other Receivables and Prepayments (Cont'd):**

	30 September	
	<u>2015</u>	<u>2014</u>
The aged analysis of financial assets past due but not impaired is as follows:		
Up to 3 months	\$ 57,327	\$ 63,000
More than 3 months but less than 6 months	31,586	37,690
More than 6 months but less than 9 months	37,825	41,055
Over 9 months	644,223	493,436

8. **Held-to-Maturity Financial Instruments:**

On 21 February 2015, the organisation converted its Zero Coupon Bonds with maturity dates ranging from eleven (11) years to twenty (20) years, into 51,200 units in the CLICO Investment Fund established by the Government of the Republic of Trinidad and Tobago.

2015 Annual Report



CANTO

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

30 SEPTEMBER 2015

9. Property, Plant and Equipment:

Cost	Land	Building	Office Furniture and Equipment	Computer Equipment	Motor Vehicles	Total
Balance as at 1 October 2014	\$ 143,548	\$ 340,323	\$ 59,182	\$ 37,911	\$ 176,356	\$ 757,320
Additions	-	-	5,139	-	-	5,139
Disposals/Write Offs	-	-	(1,840)	(14,057)	(67,742)	(83,639)
Balance as at 30 September 2015	143,548	340,323	62,481	23,854	108,614	678,820
Accumulated Depreciation						
Balance as at 1 October 2014	-	40,676	55,664	33,981	176,356	306,677
Charge for the year	-	6,752	1,585	2,272	-	10,609
Disposals/Write Offs	-	-	(1,840)	(13,560)	(67,742)	(83,142)
Balance as at 30 September 2015	-	47,428	55,409	22,693	108,614	234,144
Net Book Value						
Balance as at 30 September 2015	\$ 143,548	\$ 292,895	\$ 7,072	\$ 1,161	\$ -	\$ 444,676
Balance as at 30 September 2014	\$ 143,548	\$ 299,647	\$ 3,518	\$ 3,930	\$ -	\$ 450,643

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CANTO

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

30 SEPTEMBER 2015

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

Cost	Land	Building	Office Furniture and Equipment	Computer Equipment	Motor Vehicles	Total
Balance as at 1 October 2013	\$ 143,548	\$ 340,323	\$ 58,376	\$ 36,342	\$ 176,356	\$ 754,945
Additions	-	-	806	1,569	-	2,375
Disposals	-	-	-	-	-	-
Balance as at 30 September 2014	143,548	340,323	59,182	37,911	176,356	757,320
Accumulated Depreciation						
Balance as at 1 October 2013	-	33,924	54,094	31,658	176,356	296,032
Charge for the year	-	6,752	1,570	2,323	-	10,645
Disposals	-	-	-	-	-	-
Balance as at 30 September 2014	-	40,676	55,664	33,981	176,356	306,677
Net Book Value						
Balance as at 30 September 2014	<u>\$ 143,548</u>	<u>\$ 299,647</u>	<u>\$ 3,518</u>	<u>\$ 3,930</u>	<u>\$ -</u>	<u>\$ 450,643</u>
Balance as at 30 September 2013	<u>\$ 143,548</u>	<u>\$ 306,399</u>	<u>\$ 4,282</u>	<u>\$ 4,684</u>	<u>\$ -</u>	<u>\$ 458,913</u>

CANTO

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

30 SEPTEMBER 2015

10. Overdrawn Current Account:

This balance is a TT\$ Savings Account held with Scotiabank (T&T) Limited.

11. Trade and Other Payables and Accruals:

	30 September	
	<u>2015</u>	<u>2014</u>
General payables	\$ 92,613	\$ 215,085
Staff payables	47,891	98,085
Audit fees	<u>10,672</u>	<u>10,672</u>
	<u>\$ 151,176</u>	<u>\$ 323,842</u>

12. Revaluation Reserve Fund:

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

13. Contingency Reserve Fund:

This fund is set up to provide the Secretariat with cash reserves should there be a significant decrease in Operating Income. The fund 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.

14. General Reserve Fund:

This fund is established to provide enhanced value-added-services to the members and to facilitate capital expenditure as approved by the Board of Directors.

15. Investment Re-measurement Reserve:

In accordance with IAS #39, an investment re-measurement reserve has been created to capture unrealized gains/losses on available-for-sale investments.

16. The Quality of Financial Instruments:

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

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CANTO

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

30 SEPTEMBER 2015

17. **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.

18. **Annual Conference and Exhibition:**

	For the year ended 30 September	
	<u>2015</u>	<u>2014</u>
Income:		
Sponsorships	\$ 336,100	\$ 305,000
Registration fees and extra sale of rooms	158,820	180,250
Exhibition booths	213,575	218,150
Advertising and miscellaneous income	<u>54,005</u>	<u>78,856</u>
Total Income	<u>762,500</u>	<u>782,256</u>
Expenses:		
Banners, plaques and gifts etc.	6,955	10,529
Booths and related expenses	52,895	42,236
Conference booklet	975	2,080
Contingencies	-	100
Contracted services	42,698	30,726
Events management fees	26,800	29,472
Finance charges	13,983	13,144
Ground transportation	477	-
Printing directory	17,522	16,728
Promotional material	24,934	28,900
Rental of auditorium/exhibition hall	8,540	3,970
Rental of equipment for conference	33,546	29,551
Shipping and customs expenses	6,460	8,240
Social events, dinners etc.	209,600	204,461
Stationery	747	157
Staff uniform	1,333	1,414
Telephone and telefaxing	1,495	3,738
Travel staff and speakers	48,555	53,566
T-shirts and bags	<u>16,401</u>	<u>10,706</u>
Total Expenses	<u>513,916</u>	<u>489,718</u>
Net Surplus	<u>\$ 248,584</u>	<u>\$ 292,538</u>

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CANTO

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

30 SEPTEMBER 2015

19. Other Income:

	30 September	
	<u>2015</u>	<u>2014</u>
Interest on investments	\$ 4,102	\$ 1,926
Miscellaneous income	7,006	8,849
Sponsorship – AGM	59,839	40,655
Gain on foreign exchange	7,697	13,744
	<u>\$ 78,644</u>	<u>\$ 65,174</u>

19. Administrative Expenses:

	30 September	
	<u>2015</u>	<u>2014</u>
Insurance	\$ 6,999	\$ 4,919
Donations	743	2,803
Miscellaneous	581	538
Office expenses	24,426	26,555
Penalties and interest	-	-
Rental of equipment	3,635	4,350
Repairs and maintenance	32,275	30,074
Salaries and staff costs	559,621	561,762
Security services	828	854
Subscriptions	5,684	5,684
Utilities	5,166	5,084
	<u>\$ 639,958</u>	<u>\$ 642,623</u>

21. Operating Expenses:

	30 September	
	<u>2015</u>	<u>2014</u>
Advertising	\$ 8,694	\$ 1,531
Audit fees	10,672	10,672
Bad debt expense	55,500	60,100
Legal and professional fees	4,637	5,812
Liability insurance	3,000	3,000
Membership services and seminars	107,201	117,309
Software fees	425	-
Travelling costs and entertainment	11,795	6,578
	<u>\$ 201,924</u>	<u>\$ 205,002</u>

2015 Annual Report



CANTO

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

30 SEPTEMBER 2015

22. **Taxation:**

	30 September	
	<u>2015</u>	<u>2014</u>
Business Levy	\$ (2,131)	\$ (2,132)
Green Fund Levy	<u>(1,295)</u>	<u>(1,296)</u>
	<u>\$ (3,426)</u>	<u>\$ (3,428)</u>

23. **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>2015</u>	<u>2014</u>
Assets		
Amounts due from directors and key management personnel:		
Amounts due from directors	\$ -	\$ -
Amounts due from key management personnel	<u>14,923</u>	<u>9,901</u>
	<u>\$ 14,923</u>	<u>\$ 9,901</u>
Key management compensation		
Short-term benefits	<u>\$ 482,146</u>	<u>\$ 414,182</u>

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

2015 Annual Report



32ND AGM EXHIBITORS & SPONSORS

The Board of Directors, Management and Staff of CANTO wish to thank the following companies for Exhibiting and Sponsoring at the 32nd Annual General Meeting.

Digicel

BTC
Everyday.

(Silver Sponsor)



FLOW



HEXATRONIC



2015 Annual Report



2015 SPONSORS & PARTNERS





WTISD

World Telecommunication & Information Society Day



10th VIDEO 2016 COMPETITION

TO ENTER:

Grab your mobile phone, camera or computer and create a short video **(no more than 3 minutes)**

The Theme:

Inspiring ICT Innovations:
"Building an Entrepreneurial Ecosystem through Sustainable Strategic Partnerships"

RULES

- Open to all students from ages 12-18
- Deadline for submission of video: **May 1st, 2016**
- Complete registration form on:
<http://canto.org/competitions/wtisd-video-competition/>
- Must have a facebook account
- Must have a US VISA
- For a complete list of rules visit:
<http://canto.org/competitions/wtisd-video-competition/rules/>

PRIZES ARE NON-TRANSFERABLE AND WILL BE AWARDED AS FOLLOWS:

1ST



TRIP FOR TWO
 TO ATTEND
CANTO 2016
 IN PUERTO RICO
 HOTEL ACCOMMODATION
ONE TABLET
 PLUS **US\$1000.00**

2ND

TABLET PLUS
US\$500.00

3RD

SMARTPHONE
 PLUS **US\$250.00**

4TH

SMARTPHONE

FOR MORE INFORMATION

<http://canto.org/competitions/wtisd-video-competition/>
 or Contact Tricia Balthazar
 CANTO - WTISD Video Competition
 67 Picton Street, Port of Spain
 Trinidad & Tobago

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