



2016 ANNUAL REPORT



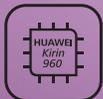


HUAWEI Mate 9

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A STEP AHEAD



Leading Kirin 960 Processor



Intelligent Machine Learning Algorithm



4000mAh Battery
4.5V/5A SuperCharge



2nd Generation Leica Dual Camera
12MP RGB & 20MP Monochrome Sensors

consumer.huawei.com

Product colour, shape, interface and functions are for reference only. The actual product may vary.
Based on normal usage. Product speed depends on actual usage situation.

Contents

Introduction	2
Board of Directors	3
Secretariat Staff	4
Chairman's Message	5-6
Secretary General's Message	7-8
Secretariat Report:-	
Membership Growth	9
Stakeholder Satisfaction	9
Service to Members	9-11
Strategic Partnerships and Alliances	11
Broadband Infrastructure Inventory and Public Awareness in the Caribbean (BIIPAC) Project	12
32nd Annual General Meeting co-hosted by Digicel, Haiti	12
32nd Annual Conference & Trade Exhibition, Puerto Rico	12-13
CANTO/Domus Semo Sancus/Piedata Hackathon launch	13
Caribbean Women in ICTs (CWIC) – Empowering Women through ICTs	13
10th Annual HR Forum & 3rd Sales, Marketing and Customer Care Forum 2016	13
33rd Annual General Meeting & Mini Exhibition - January 2017	13-14
Working Committees of the Board	14-15
CANTO 2016 Highlights	16-17
Financial Statements Review	18
CANTO Financial Statements 30 September 2016	19-47
33rd AGM Sponsors	48
33rd AGM Exhibitors	49



Introduction

Welcome to CANTO's 2016 Annual Report. This Report highlights the activities of the association for the period Oct. 2015 to Sept. 2016.

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 2017 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”

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, Curaçao



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



Opal Neil
C&W Communications (CWC)



Charles Carter
TSTT, Trinidad & Tobago



Rochelle Cameron
Cable & Wireless Grenada Ltd.,
Grenada



Corrine Philip
Digicel, Turks & Caicos



Teresa Wankin
Secretary General



Secretariat Staff



Teresa Wankin
Secretary General



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



CHAIRMAN'S Message

Julian Wilkins

CANTO's performance

During the year, CANTO saw improved performance in its advocacy role and in providing industry led regulation. Three new full members were introduced. A Code of Practice for Safeguarding the Open Internet was established and several industry leaders featured as speakers at our annual conference. CANTO's focus was also to improve in the area of public relations and to this end, CANTO created a new Connect Newsletter. In addition, the CANTO Chairman was elected as Vice Chair of the new regional body, **The Caribbean ICT Collaboration Committee** with a mandate to make recommendations to Caribbean Governments on key ICT issues affecting the region.

With 500 plus delegates at the 2016 Conference and Exhibition in Puerto Rico, we have maintained our position as the number one ICT/Telecoms event in the Caribbean. However, the year 2015/16 ended with a deficit mainly due to falling advertising revenues and low exhibition sales. We continue to be optimistic that with the implementation of a number of new strategies, the Organization can produce a surplus for financial year 2016/17.

Changes to the Board

At our 32nd AGM in Haiti, January 2016, the following Directors of the Board were re-elected: Gail Moss-Solomon, Digicel Turks & Caicos Islands (replaced by Corinne Philip); Rochelle Cameron, Cable & Wireless Grenada; Charles Carter, TSTT and Opal Neil, Cable & Wireless Communications.

Corporate Governance

During the year 2016 our Board of Directors held four meetings during which we discussed the business of the Organization, focusing on the performance of the Secretariat. Our continued focus throughout the year has been to bring more value to our membership.

We have employed external consultants, Capital Hill, to chart a new strategic direction for the organization. Improving Corporate Governance forms part of our strategic plan.



Our main goals are to engage - improve the value proposition; lead – improve CANTO leadership standing and corporate governance; advocate – increase the influence and visibility of the organization.

Appointment of New Secretary General

On 1st March 2016, Mrs. Teresa Wankin was appointed Secretary General of CANTO.

Future prospects

CANTO's role on the newly formed Caribbean ICT Collaboration Committee is a major milestone and demonstrates how Governments, Regulators and Network Operators value the Organization for its contribution in the ICT arena. This new regional body would facilitate the making of key ICT recommendations to regional Governments, thereby raising CANTO's profile within the region.

Our new strategic direction for the period 2017 through 2019 will enable us to achieve our vision and mission statements and assist the Organization in embracing the converged environment which our Industry now faces.

Conclusion

In 2017, we will continue to seek innovative ways of providing more value to the membership. We intend to create further opportunities to represent our members on issues where there is common understanding. We can explore options to provide leadership concerning Industry led regulation with the aim of assisting Network Operators and Regulators.

This new strategic direction will bring further growth opportunities for the Organization and even more value to our members.



SECRETARY GENERAL'S Message

Teresa Wankin

It gives me great pleasure to welcome everyone to this year's Annual General Meeting. We are celebrating not only the past year's accomplishments, but also 33 years of service to the Regional Information and Communication Technologies eco-system.

Thank you for joining us at our 33rd Annual Conference and Trade Exhibition - your support and presence here is indicative of the confidence you have entrusted in us and your commitment to ensuring that we stay on course.

I am proud to say that Curaçao, is one of the most welcoming places to CANTO. It is the home of United Telecommunication Services (UTS), and the Bureau of Telecommunications and Post (BTP). UTS is one of the founding members of CANTO and has hosted the most conferences of the association. UTS also has a seat on the Board of Directors of CANTO. I want to thank Director Gomez for his support in staging this event. The Bureau of Telecommunications and Post is one of the first Regulators to join CANTO and it is on the invitation of these two organizations, we are here today. This is also the first time we have an operator teaming up with a regulator to host the AGM. This underscores that when it comes to matters of common concern, our members always put the region first.

It is so important for us to have these opportunities to connect with our members; after all – that's the sole purpose of CANTO. Connecting with our members also enables us to connect with all the stakeholders that make up the eco-system. Together, with the various stakeholders, we have a wonderful opportunity to change the lives of citizens in the region.

As we convene over the next three days – our focus is to ***Reimagine ICT as a Tool for National Growth and Development***. This theme resonates well with CANTO's plan as we focus on the following goals in 2017.



Engagement – our strength lies in our relationships with our stakeholders and we continue to improve our value proposition to all stakeholders in the region. Our unique platform brings all stakeholders together – industry, policy makers, regulators and service providers.

Leadership – CANTO continues to be the number one authority for shaping Information and Communication Technologies in the region, addressing the issues that impact regional growth and development with constant dialogue between all the stakeholders.

Advocacy – We continue to increase our visibility and influence at all levels, nationally, regionally and internationally, working with policy makers, regulators and civil society to understand and respond to the concerns of the industry.

These goals align well with our vision and mission and allow us to enter 2017 refreshed and invigorated to serve the stakeholders.

We have begun the process of developing a new strategic plan that will guide us through the next three years. You will get an opportunity to have an input into the development of this plan when it is discussed at the Annual General Meeting Proceedings on Tuesday afternoon. We have also started a project to improve governance and administration, with the aim of improving and showcasing best practices, analysis and trends.

Each of you, upon registration would have received an annual report with our theme and logo for the year. At first glance it looks like a human face and a tree with roots. But a closer look at the logo encourages us to reimagine ICT and its possibilities for enabling national growth and development using our collective wisdom. It encourages us to embrace change with creativity and strategic thinking.

In your bags you will also find a call for partners for one of our recently launched projects “***Towards a Smart Region***” inviting you to join us as our aim is to make the region smart through several national initiatives with all the stakeholders.

CANTO is ready for the future. We will continue to expand our boundaries to bring new members and technologies in the region. We will continue to connect the products and services of our stakeholders to meet the needs of the region. From houses to cities, nations to region, we will rethink, remix and reimagine ICT as a tool for national growth and development.

On behalf of my Team (The CANTO Secretariat), I would like to thank you our members, our hard working and dedicated Board of Directors and all other stakeholders for your support in 2016 and look forward to working with you in 2017.

SECRETARIAT REPORT

Membership Growth

In 2016, CANTO welcomed four Full Members - Digicel Grenada, Digicel St. Lucia, Newco Bahamas, and Cable and Wireless Communications, Turks and Caicos. We also welcomed eleven Affiliate Members - Amdocs (USA), Subex (USA), 2Operate (Denmark), Metaswitch (USA), Ciena (USA), Apple (USA), Cirrus Core Networks (USA), Circle GX (USA), Fleet Fare (USA) into the CANTO family growing our membership base to 127. With 43 full members and 84 affiliate members in 35 countries, we are truly a Caribbean focused company with a global perspective. The total target for 2017 is to surpass the 150 membership mark and it is hoped that this will be achieved by continuing our global expansion efforts.

Stakeholder Satisfaction

In 2016, our Stakeholder Satisfaction continued to enjoy a high average score of 84.5% in 2016 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 2017, the Secretariat will continue to implement the recommendations from delegates to further enhance membership, increase value added service and improve experience at all CANTO events.

In keeping with our mandate to improve employee satisfaction, the Secretary General have been conducting regular staff meetings and meeting with members of staff on a one on one basis and implemented the following initiatives to build staff satisfaction and improve morale:

- Phased building and maintenance plan to continue upgrading the premises
- Ongoing - one on one meetings with the Secretary General to discuss any challenges and issues staff may be experiencing in carrying out their objectives
- Celebrating the company as well as employees' milestones such as breakfast meetings, successful events, birthdays etc.

Service to Members

Engagement

In 2016, the Secretariat embarked on a drive to improve our value proposition and re-engage members to be more active in the work of the association through liaising and visits to members, conducting surveys, evaluating events, writing the CEO's of the member companies and highlighting the achievements of the association.



We continue to engage the youth through the Regional Hackathon and social media activities. The Second Annual Hackathon held in Puerto Rico enjoyed 15 participants from three countries. The competition was won by *Team 404* from Suriname. In 2017, the Secretariat will deliver the Third Annual Hackathon amidst the conference and trade exhibition.

Leadership

CANTO continues to be the leading authority in shaping Information and Communication Technologies in the region. Our Annual Conference and Trade Exhibition continue to attract all stakeholders from technology experts, policy makers, regulators, academia, and service providers.

Through our improved public relations and social media presence, the Secretariat continue to enjoy better communications with all stakeholders.

Our media/press/information kits have been updated to include a Membership Benefits Document, Current Publications, Overview and event information. Position Papers and project proposals are also included. We have continued to engage the youths in developing our social media platform and have completed a series of short videos for uploading on our website and other social media platforms.

The CANTO Connect e-newsletter was launched on the 15th of February 2016 and is being issued every six weeks. The e-newsletter highlights the Secretariats activities, promotes upcoming events, by offering incentives to forward newsletters and highlights members companies and Directors.

The BNAmericas continue to be delivered each week in members' inboxes and is being well received by the membership. This service is delivered to approximately one thousand members.

Advocacy

In 2016, CANTO continued to advocate on behalf of the industry. We have developed and signed a voluntary Code of Practice on Safeguarding the Open Internet signaling the membership intention to work with policy makers and regulators on issues facing the region. Launched in May 2016, the Code of Practice now has thirty (30) member signatories. We continue to promote this Code of Practice which has been the subject of discussions on several forums highlighting the role CANTO plays in influencing policy.

Caribbean ICT Collaboration Committee

After dialogue with ICT Ministers and regulators, the Caribbean ICT Collaboration Committee was established under the ambit of the Caribbean Telecommunications Union with a mandate to make recommendations to Caribbean Governments on key ICT issues affecting the region. The committee comprises representatives from industry, governments and regulators. CANTO Chairman, Julian Wilkins was elected Vice Chair of the Committee. CANTO Directors, Melesia Sutherland and Charles Carter are also members of the Committee.

National Secondary School ICT Exposition

The Secretariat in collaboration with TSTT, the Government of Trinidad and Tobago and the University of Trinidad and Tobago will deliver a National Secondary School ICT Exposition in the first quarter of 2017. The event will serve as a platform for the engagement of young students towards a career in ICT and build awareness amongst the student population of the numerous ICT opportunities and its importance in all industries. The ICT exposition will be delivered to coincide with the Girls in ICT Day celebrated throughout the world.

Collaboration with Airlines

The Secretariat will partner with COPA Airlines for sponsorship/partnership for the CANTO 2017 event in the Dominican Republic. This collaboration will offer delegates to CANTO 2017 up to 20% discount on Copa Airline tickets.

Introduction of Training as a Revenue stream

The Secretariat is in negotiations with Informa Telecoms and Media to reintroduce the Telecoms MBA in the Region. UTS and BTP in Curacao have expressed interest and it is envisaged that the session will be held in Curaçao.

The Secretariat is also collaborating with the International Institute of Business Continuity to deliver certification courses in BCP Planning. This is a joint effort between the HR and DRM committees.

Strategic Partnerships and Alliances

In 2016, CANTO continued to work closely with Internet Society, ICANN, LACNIC, ECLAC and CDEMA to promote and increase awareness on common projects and continued the partnership with LAUREATE to provide members with educational opportunities from more than 70 accredited universities at discounted rates.



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

CANTO continues to promote the reports of the “Broadband Infrastructure and Public Awareness in the Caribbean (BIIPAC) Project which was completed in May of 2016. The BIIPAC project funded by the International Development Bank (IDB) and executed by CANTO was conducted in Barbados, Dominican Republic, Guyana, Haiti, Jamaica, Suriname and Trinidad & Tobago.

BIIPAC’s objective was to support the design of national broadband strategies in the Caribbean and identify 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 for more information on the project and reports please visit www.canto.org

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

CANTO and Digicel Haiti, successfully co-hosted CANTO’s 32nd Annual General Meeting (AGM) & Mini Expo at the Marriot Hotel, Port au Prince, Haiti. The event was held under the theme “*Inspiring ICT Innovations – Building an Entrepreneurial Ecosystem through Sustainable Strategic Partnerships*”, from the 25th -28th January, 2016. 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.

32nd Annual Conference & Trade Exhibition, Puerto Rico

CANTO held its 32nd Annual Conference & Trade Exhibition (CANTO 2016) from the 26th to the 29th July, 2016 at the Sheraton Hotel, Puerto Rico. Delegates at this year’s conference experienced and interacted with some of the region’s leading thought drivers and policy makers where ICT is concerned. Of equal value was the high powered and influential global leaders who also weighed in on where ICT can take the region and some of the issues we will continue to grapple with in the present and immediate future.

Ministerial Panel

This permanent feature of the Conference Schedule 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 facili-

tated this engagement with the ICT Ministers dialoguing equally interesting issues. In addition, the Conference Schedule in 2016 further facilitated a Regulatory Forum which will act as a platform for regulatory issues impacting the region.

Ministerial Breakfast

The Ministerial Breakfast Sessions, held on both the Monday and Tuesday morning of the Conference 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. Issues discussed included Net Neutrality, the need for greater investments in network as well as the need for the Caribbean to become producers of technology rather than consumers.

CANTO/Domus Semo Sancus/Piedata Hackathon launch

CANTO's Hackathon – The *CANTO C.O.D.E. 2.0 Software Developer, Design and Entrepreneur* Competition for Caribbean nationals was hosted for the second time. Taking place under the theme “Inspiring ICT Innovation”, C.O.D.E. 2.0 entailed 48 hours of non-stop coding by teams of programmers, who battled to create the most innovative ICT technology. Developers were given the opportunity to utilize GENBAND's Kandy I.O. – a state of the art, cloud based, real-time communications software development platform – to develop next generation integrated communications Apps.

Four teams, representing the Caribbean countries of Suriname, Bahamas, Belize and Trinidad & Tobago; were given a specific task to create an app using the Kandy Platform. The second C.O.D.E. Hackathon was sponsored by DSS and Kandy I.O.

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.

10th Annual HR Forum & 3rd Sales, Marketing and Customer Care Forum 2016

The final two events of CANTO 2016 included the 10th Annual Caribbean Human Resource Forum and the 3rd Annual Sales, Marketing and Customer Care Forum (SMCC) both held on the 4th & 5th August, 2016. **The Human Resource Forum** centred on the theme: “Building a High-Profile HR Executive”. **The SMCC Forum** dealt with “New Marketing Trends and Technology in the Caribbean and Latin America (CALA) region”.

33rd Annual General Meeting & Mini Exhibition - January 2017

The 33rd Annual General Meeting and Mini Exhibition will be co-hosted by United Telecommunications Service and Bureau of Telecoms and Post. The meeting will be held from the 29th to the 31st January 2017, at the Renaissance Hotel, Curacao. The event will focus on the theme “*Reimagining*”



ICT as a Tool for National Growth and Development” 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 2017. The Programme of Activities for the AGM will include the Smart City Sessions, Working Committees of the Board Meetings and will be followed by a tour of Curacao’s Datacenter.

Working Committees of the Board

The eight (8) 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 2016.

1. 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 continues to add value to governments and regulators. To date, the paper on OTT has been requested by the government of Barbados, Guyana and the Telecommunications Regulator in Trinidad & Tobago.

2. Communication and Marketing Committee:

Chair - Joseph Samuel, APUA, Antigua; Vice Chair - Melissa Harris, Telecom Training Corporation, USA

The Marketing Committee has assisted in the development of the Theme for 2016/17. In addition this committee is assisting the Secretariat with the redesign of the CANTO Website and other revenue generating initiatives.

3. Corporate Social Responsibility 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 Board 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.

4. Disaster Risk Management Committee:

Chair - Heather Wallen-Bryan, LIME Jamaica, Vice Chair - Ms. Sherry Rolle, BTC Bahamas

The 2016 hurricane season kept the Disaster Risk Management Committee very busy with the Secretariat and the Committee Chair reaching out to all members affected by

the severe weather conditions. In addition, this committee planned and delivered a Hurricane Simulation Exercise on the 28th November, 2016 which was coordinated and implemented by CDEMA. Twelve (12) Member countries participated in the exercise.

5. Human Resources Committee:

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

The Human Resource Committee worked with the membership and other working Committees of the Board to build capacity, identify and deliver training. The Secretariat, through the committee delivered the 10th Annual HR Forum and the 3rd Sales, Marketing and Customer Care Forum immediately following the Conference and Trade Exhibition in Puerto Rico.

6. Financial Advisory Committee:

Chair - Denelle Richards, APUA, Antigua; Vice Chair - Ivan Tesucum, BTL, Belize
Financial Advisory Committee continued 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 2016/17 for Board Approval; ensuring all financial statements were prepared on a timely basis; monitoring the annual audit process.

7. Vendor Support Committee:

Chair - Bill Brown, Sheilds; Vice Chair - Lucretia Williams, Cyient Technologies

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

8. Technology Trends

Chair - Shurmel Elias, UTS; Vice Chair - Lars Moltsen, 2Operate A/S

The Committee produced a white paper on the Internet of Things which was published in the Cancion magazine and on the CANTO website.

CANTO is honoured to provide a platform for the growth and development of the regional telecommunications sector through engagement, leadership and advocacy. The Secretariat Team is encouraged by the support and dedication of our Board of Directors, members, sponsors and partners who have supported us throughout 2016 and we look forward to working with all stakeholders in 2017.



CANTO 2016 Highlights



CANTO 2016 Highlights



Review of the financial statements for the year ended September 30, 2016

The year 2015/16 resulted in a deficit for the third successive year. Continuous changes in the ICT sector and relatively tight economic conditions impacted these results yet there were several positives during the year. In 2016, there were successful meetings held in both Haiti (AGM for the first time) and Puerto Rico (Annual Conference, Hackathon and two forums) as well as the finalization of the BIIPAC project. Our publications, the CANCION (quarterly magazine) and the Annual Directory continue to be a vital source to our members and others alike. Weekly news bulletins and the newly introduced 'CANTO CONNECT' keep all abreast of the latest happenings in the region and our committees have been addressing key industry issues when needed.

Statement of Financial Position

The Statement reflects total assets of \$1.43 million, a \$73k or 4.8% decrease from the previous year, reflecting mainly the impact of the current year operational deficit.

The decline Current Assets reflects this as well as a drop in Current Liabilities as funds were directed towards making payments but not replenished by net income inflows.

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

The Investment Remeasurement Reserve showed a slight change to reflect temporary price changes in our holdings in the Clico Investment Fund (CIF). (See note 6.)

Statement of Comprehensive Income

The year 2015/16 ended with a deficit after taxes of \$60k, which is actually a \$10k improvement from 2014/15.

Income declined by \$73k (5.6%) in this period. There was a combination of reductions in Membership, Advertising and Annual Conference Income while there was a bounce in Other income, especially AGM income.

Zeroing in the 2016 Annual Conference, we saw falls in exhibition and registration as the main areas to show reductions from the previous event.

Expenditures excluding taxes decreased by \$90k led by Administration expenses mostly due to staff changes and adjustments in the Secretariat during the year. All other costs combined rose by \$20k led by higher AGM event costs.

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 2017. Our Theme "Reimagining ICT as a tool for national growth and development" says it all.



CANTO
FINANCIAL STATEMENTS
30 SEPTEMBER 2016

CANTO

INDEX

	<u>Page</u>
Statement of Management Responsibilities	21
Independent Auditors' Report	22
Statement of Financial Position	23
Statement of Comprehensive Income	24
Statement of Reserves	25
Statement of Cash Flows	26
Notes to the Financial Statements	27-37



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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 2016, the statements of comprehensive income, 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.


Julian Wilkins
Chairman
Date: November 23, 2016


Teresa Wankin
Secretary General
Date: November 23, 2016

Board of Directors

Mr. Julian Wilkins - Digicel Trinidad & Tobago Ltd - Chairman ; Mr. Leon Williams - BTC, Vice Chair ; Mrs. Helma Etrel - Telem - Treasurer; Ms. Melesia Sutherland - Cable & Wireless Antigua & Barbuda Ltd; Mr. Lyrrio Gomez, UTS Curacao ; Mr. John Reid, Columbus Communications ; Mr. Charles Carter, Telecommunications Services of Trinidad & Tobago; Ms. Corinne Philip, Digicel TCI ; Ms. Rochelle Cameron, Cable & Wireless Grenada; Mrs. Teresa Wankin - CANTO Secretary General, Trinidad & Tobago



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 2016, the statements of comprehensive income, reserves 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 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Port of Spain
TRINIDAD
23 November 2016

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

ASSETS

	<u>Notes</u>	<u>30 September</u>	
		<u>2016</u>	<u>2015</u>
Current Assets:			
Cash and cash equivalents	5	\$ 21,744	\$ 57,017
Available-for-sale financial instruments	6	184,418	249,128
Trade and other receivables and prepayments	7	<u>782,682</u>	<u>748,226</u>
Total Current Assets		988,844	1,054,371
Non-Current Assets:			
Property, plant and equipment	8	<u>437,591</u>	<u>444,676</u>
Total Assets		<u>\$ 1,426,435</u>	<u>\$ 1,499,047</u>

LIABILITIES AND RESERVES

Liabilities:			
Overdrawn current account	9	\$ 19	\$ 583
Trade and other payables and accruals	10	<u>138,284</u>	<u>151,176</u>
Total Liabilities		<u>138,303</u>	<u>151,759</u>
Reserves:			
Revaluation Reserve Fund	11	415,087	415,087
Contingency Reserve Fund	12	564,516	564,516
General Reserve Fund	13	250,523	250,523
Investment Remeasurement Reserve	14	(19,552)	(20,480)
Accumulated Surplus		<u>77,558</u>	<u>137,642</u>
Total Reserves		<u>1,288,132</u>	<u>1,347,288</u>
Total Liabilities and Reserves		<u>\$ 1,426,435</u>	<u>\$ 1,499,047</u>

These financial statements were approved by the Board of Directors and authorized for issue on 23 November 2016 and signed on their behalf by:



Julian Wilkins
Chairman



Teresa Wankin
Secretary General

CANTO

STATEMENT OF COMPREHENSIVE INCOME
(Expressed in United States Dollars)

		For the year ended 30 September	
	Notes	2016	2015
Income:			
Membership fees		\$ 375,900	\$ 392,900
Publication advertising		57,900	70,275
Annual conference and exhibition income	17	679,881	762,500
Other income	18	117,563	78,644
		1,231,244	1,304,319
Expenditure:			
Annual conference and exhibition expenses	17	500,697	513,916
Administrative expenses	19	529,488	639,958
Operating expenses	20	236,797	201,924
Finance costs		5,282	4,713
Depreciation		9,495	10,609
		1,281,759	1,371,120
Deficit before taxation		(50,515)	(66,801)
Taxation	21	(9,569)	(3,426)
Deficit for the year		(60,084)	(70,227)
Other Comprehensive Income:			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Unrealised gain/(loss) on available-for-sale financial assets		928	(20,480)
Total Comprehensive Income for the year		\$ (59,156)	\$ (90,707)

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

CANTO

STATEMENT OF RESERVES

FOR THE YEAR ENDED 30 SEPTEMBER 2016
(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 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>
Balance as at 1 October 2015	\$ 415,087	\$ 564,516	\$ 250,523	\$ (20,480)	\$ 137,642	\$ 1,347,288
Total Comprehensive Income for the year	-	-	-	928	(60,084)	(59,156)
Balance as at 30 September 2016	<u>\$ 415,087</u>	<u>\$ 564,516</u>	<u>\$ 250,523</u>	<u>\$ (19,552)</u>	<u>\$ 77,558</u>	<u>\$ 1,288,132</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>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Deficit before taxation	\$ (50,515)	\$ (66,801)
Adjustment for:		
Depreciation	9,495	10,609
Bad debt expense	45,695	55,500
Gain on disposal of property, plant and equipment	(8,014)	(3,823)
Unrealised gain on available-for-sale financial assets	<u>928</u>	<u>-</u>
	(2,411)	(4,515)
Net change in Trade and Other Receivables and Prepayments	(80,151)	(24,187)
Net change in Trade and Other Payables and Accruals	<u>(12,892)</u>	<u>(172,666)</u>
Taxes paid	(95,454)	(201,368)
	<u>(9,569)</u>	<u>(3,426)</u>
Net cash used in Operating Activities	<u>(105,023)</u>	<u>(204,794)</u>
Cash Flows from Investing Activities:		
Net change in Bond Conversion to CIF Fund	-	184,320
Purchase of property, plant and equipment	(2,410)	(5,139)
Proceeds from disposal of property, plant and equipment	<u>8,014</u>	<u>4,320</u>
Net cash provided by Investing Activities	<u>5,604</u>	<u>183,501</u>
Net change in cash resources	(99,419)	(21,293)
Cash resources, beginning of year	<u>305,562</u>	<u>326,855</u>
Cash resources, end of year	<u>\$ 206,143</u>	<u>\$ 305,562</u>
Represented by:		
Cash and cash equivalents	\$ 21,744	\$ 57,017
Available-for-sale financial instruments	184,418	249,128
Overdrawn current account	<u>(19)</u>	<u>(583)</u>
	<u>\$ 206,143</u>	<u>\$ 305,562</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 2016

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.

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

30 SEPTEMBER 2016

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

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 5	Non-current Assets Held for Sale and Discontinued Operations - Amendments regarding changes in methods of disposal (effective for accounting periods beginning on or after 1 January 2016).
IFRS 7	Financial Instruments: Disclosures - Servicing contracts and applicability to condense interim financial statements (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 application of consolidation exception (effective for accounting periods beginning on or after 1 January 2016).
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).
IFRS 16	Leases (effective for accounting periods beginning on or after 1 January 2019).

CANTO
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States Dollars)
30 SEPTEMBER 2016

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

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

- | | |
|---------|--|
| IAS 1 | Presentation of Financial Statements - Amendments resulting from disclosure initiative (effective for accounting periods beginning on or after 1 January 2016). |
| IAS 7 | Statement of Cash Flows - Amendments resulting from disclosure initiative (effective for accounting periods beginning on or after 1 January 2017). |
| IAS 12 | Income Taxes - Amendments resulting from recognition of deferred tax assets for unrealised losses (effective for accounting periods beginning on or after 1 January 2017). |
| 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 - Amendments regarding discount rate: regional market issue (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 effective for accounting periods beginning on or after 1 January 2016). |
| 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 - Amendments regarding disclosure of information "elsewhere in the interim financial report" (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). |

CANTO

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

30 SEPTEMBER 2016

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 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 **\$109,973** as at 30 September 2016.

(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.

CANTO

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

30 SEPTEMBER 2016

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

(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.

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.

(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 2016

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 2016

3. **Financial Risk Management:**

Financial Instruments

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

	2016	
	<u>Carrying Value</u>	<u>Fair Value</u>
Financial Assets		
Cash and cash equivalents	\$ 21,744	\$ 21,744
Available-for-sale financial instruments	184,418	184,418
Trade and other receivables and prepayments	782,682	782,682
Financial Liabilities		
Overdrawn current account	19	19
Trade and other payables and accruals	138,284	138,284
	2015	
	<u>Carrying Value</u>	<u>Fair Value</u>
Financial Assets		
Cash and cash equivalents	\$ 57,017	\$ 57,017
Available-for-sale financial instruments	249,128	249,128
Trade and other receivables and prepayments	748,226	748,226
Financial Liabilities		
Overdrawn current account	583	583
Trade and other payables and accruals	151,176	151,176

CANTO

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

30 SEPTEMBER 2016

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.

	2016					Non-Interest Bearing	Total
	Effective Rate	Up to 1 Year	1 to 5 Years	Over 5 Years			
Financial Assets							
Cash and cash equivalents	0.00%	-	-	-	\$ 21,744	\$ 21,744	
Available-for-sale financial instruments:							
- Trinidad and Tobago Unit Trust Corporation	0.80%	6,321	-	-	-	6,321	
- Clico Investment Fund	4.00%	178,097	-	-	-	178,097	
Trade and other receivables and prepayments	0.00%	-	-	-	782,682	782,682	
Financial Liabilities							
Overdrawn current account	0.00%	-	-	-	19	19	
Trade and other payables and accruals	0.00%	-	-	-	138,284	138,284	

CANTO

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

30 SEPTEMBER 2016

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

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

	2015					Non-Interest Bearing	Total
	Effective Rate	Up to 1 Year	1 to 5 Years	Over 5 Years			
Financial Assets							
Cash and cash equivalents	0.00%	-	-	-	\$ 57,017	\$ 57,017	
Available-for-sale financial instruments:							
- Trinidad and Tobago Unit Trust Corporation	0.80%	64,808	-	-	-	64,808	
- Clico Investment Fund	4.00%	184,320	-	-	-	184,320	
Trade and other receivables and prepayments	0.00%	-	-	-	748,226	748,226	
Financial Liabilities							
Overdrawn current account	0.00%	-	-	-	583	583	
Trade and other payables and accruals	0.00%	-	-	-	151,176	151,176	

(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 2016

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 Statement of Financial Position date to the contractual maturity date.

	2016			
	<u>Up to 1 Year</u>	<u>1 to 5 Years</u>	<u>Over 5 Years</u>	<u>Total</u>
Financial Assets				
Cash and cash equivalents	\$ 21,744	-		\$ 21,744
Available-for-sale financial instruments	184,418	-	-	184,418
Trade and other receivables and prepayments	782,682	-	-	782,682
			-	
Financial Liabilities				
Overdrawn current account	19	-	-	19
Trade and other payables and accruals	138,284	-	-	138,284

CANTO

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

30 SEPTEMBER 2016

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

(c) **Liquidity risk (cont'd) -**

	2015			
	<u>Up to 1 Year</u>	<u>1 to 5 Years</u>	<u>Over 5 Years</u>	<u>Total</u>
Financial Assets				
Cash and cash equivalents	\$ 57,017	-	-	\$ 57,017
Available-for-sale financial instruments	249,128	-	-	249,128
Trade and other receivables and prepayments	748,226	-	-	748,226
Financial Liabilities				
Overdrawn current account	583	-	-	583
Trade and other payables and accruals	151,176	-	-	151,176

CANTO

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

30 SEPTEMBER 2016

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.

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.

CANTO

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

30 SEPTEMBER 2016

5. **Cash and Cash Equivalents:**

	30 September	
	2016	2015
Petty cash	\$ 154	\$ 160
Scotiabank (T&T) Limited – TT\$ Current Account	5,272	-
Scotiabank (T&T) Limited – US\$ Savings Account	-	8
Scotiabank Trinidad and Tobago Limited – US\$ Current Account	16,318	56,849
	\$ 21,744	\$ 57,017

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

	30 September	
	2016	2015
Unit Trust Corporation:		
US\$ Income Fund	\$ 5,578	\$ 35,457
TT\$ Income Fund	743	29,351
CLICO Investment Fund (2016 – 51,200 units; 2015 – 51,200 units)	178,097	184,320
	\$ 184,418	\$ 249,128

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

	30 September	
	2016	2015
Accounts receivable –		
Members	\$ 458,954	\$ 457,085
Other	326,750	313,877
	785,704	770,962
Less: Allowance for bad debts	(214,182)	(168,487)
	571,522	602,475
Prepayments	61,459	18,754
Other receivables	149,701	126,997
	\$ 782,682	\$ 748,226
Allowance for bad debts		
Balance brought forward	\$ 168,487	\$ 112,987
Charge for the year	45,695	55,500
Balance carried forward	\$ 214,182	\$ 168,487

(Expressed in United States Dollars)

30 SEPTEMBER 2016

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

	30 September	
	<u>2016</u>	<u>2015</u>
The aged analysis of financial assets past due but not impaired is as follows:		
Up to 3 months	\$ 55,540	\$ 57,327
More than 3 months but less than 6 months	15,000	31,586
More than 6 months but less than 9 months	31,150	37,825
Over 9 months	684,014	644,223

CANTO

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

30 SEPTEMBER 2016

8. Property, Plant and Equipment:

Cost	Land	Building	Office Furniture and Equipment	Computer Equipment	Motor Vehicles	Total
Balance as at 1 October 2015	\$ 143,548	\$ 340,323	\$ 62,481	\$ 23,854	\$ 108,614	\$ 678,820
Additions	-	-	-	2,410	-	2,410
Disposals/Write Offs	-	-	-	(1,856)	(108,614)	(110,470)
Balance as at 30 September 2016	<u>143,548</u>	<u>340,323</u>	<u>62,481</u>	<u>24,408</u>	<u>-</u>	<u>570,760</u>
Accumulated Depreciation						
Balance as at 1 October 2015	-	47,428	55,409	22,693	108,614	234,144
Charge for the year	-	6,664	1,449	1,382	-	9,495
Disposals/Write Offs	-	-	-	(1,856)	(108,614)	(110,470)
Balance as at 30 September 2016	<u>-</u>	<u>54,092</u>	<u>56,858</u>	<u>22,219</u>	<u>-</u>	<u>133,169</u>
Net Book Value						
Balance as at 30 September 2016	<u>\$ 143,548</u>	<u>\$ 286,231</u>	<u>\$ 5,623</u>	<u>\$ 2,189</u>	<u>\$ -</u>	<u>\$ 437,591</u>
Balance as at 30 September 2015	<u>\$ 143,548</u>	<u>\$ 292,895</u>	<u>\$ 7,072</u>	<u>\$ 1,161</u>	<u>\$ -</u>	<u>\$ 444,676</u>

CANTO

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

30 SEPTEMBER 2016

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

Cost	Land	Building	Office Furniture and Equipment			Motor Vehicles	Total
			Computer Equipment	Computer Equipment	Computer Equipment		
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	<u>143,548</u>	<u>340,323</u>	<u>62,481</u>	<u>23,854</u>	<u>108,614</u>	<u>678,820</u>	
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	-	<u>47,428</u>	<u>55,409</u>	<u>22,693</u>	<u>108,614</u>	<u>234,144</u>	
Net Book Value							
Balance as at 30 September 2015	<u>\$ 143,548</u>	<u>\$ 292,895</u>	<u>\$ 7,072</u>	<u>\$ 1,161</u>	<u>\$ -</u>	<u>\$ 444,676</u>	
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>	

CANTO

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

30 SEPTEMBER 2016

9. **Overdrawn Current Account:**

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

10. **Trade and Other Payables and Accruals:**

	30 September	
	<u>2016</u>	<u>2015</u>
General payables	\$ 84,142	\$ 92,613
Staff payables	43,470	47,891
Audit fees	<u>10,672</u>	<u>10,672</u>
	<u>\$ 138,284</u>	<u>\$ 151,176</u>

11. **Revaluation Reserve Fund:**

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

12. **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.

13. **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.

14. **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.

15. **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 2016

16. 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.

17. Annual Conference and Exhibition:

	For the year ended 30 September	
	<u>2016</u>	<u>2015</u>
Income:		
Sponsorships	\$ 340,000	\$ 336,100
Registration fees and extra sale of rooms	132,150	158,820
Exhibition booths	142,150	213,575
Advertising and miscellaneous income	<u>65,581</u>	<u>54,005</u>
Total Income	<u>679,881</u>	<u>762,500</u>
Expenses:		
Banners, plaques and gifts etc.	4,729	6,955
Booths and related expenses	22,272	52,895
Conference booklet	866	975
Contracted services	51,366	42,698
Events management fees	27,473	26,800
Finance charges	9,968	13,983
Ground transportation	696	477
Printing directory	15,520	17,522
Promotional material	23,567	24,934
Rental of auditorium/exhibition hall	6,802	8,540
Rental of equipment for conference	50,050	33,546
Shipping and customs expenses	5,531	6,460
Social events, dinners etc.	217,862	209,600
Stationery	1,898	747
Staff uniform	1,155	1,333
Telephone and telefaxing	2,148	1,495
Travel staff and speakers	46,590	48,555
T-shirts and bags	<u>12,204</u>	<u>16,401</u>
Total Expenses	<u>500,697</u>	<u>513,916</u>
Net Surplus	<u>\$ 179,184</u>	<u>\$ 248,584</u>

CANTO

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

30 SEPTEMBER 2016

18. Other Income:

	30 September	
	<u>2016</u>	<u>2015</u>
Interest on investments	\$ 8,383	\$ 4,102
Miscellaneous income	9,447	7,006
Sponsorship – AGM	82,500	59,839
Gain on disposal of property, plant and equipment	8,014	-
Gain on foreign exchange	<u>9,219</u>	<u>7,697</u>
	<u>\$ 117,563</u>	<u>\$ 78,644</u>

19. Administrative Expenses:

	30 September	
	<u>2016</u>	<u>2015</u>
Insurance	\$ 3,359	\$ 6,999
Donations	339	743
Miscellaneous	49	581
Office expenses	22,156	24,426
Rental of equipment	-	3,635
Repairs and maintenance	18,900	32,275
Salaries and staff costs	473,159	559,621
Security services	843	828
Subscriptions	5,725	5,684
Utilities	<u>4,958</u>	<u>5,166</u>
	<u>\$ 529,488</u>	<u>\$ 639,958</u>

20. Operating Expenses:

	30 September	
	<u>2016</u>	<u>2015</u>
Advertising	\$ 13,576	\$ 8,694
Audit fees	10,534	10,672
Bad debt expense	45,695	55,500
Legal and professional fees	11,052	4,637
Liability insurance	3,000	3,000
Membership services and seminars	143,868	107,201
Software fees	2,063	425
Travelling costs and entertainment	<u>7,009</u>	<u>11,795</u>
	<u>\$ 236,797</u>	<u>\$ 201,924</u>

CANTO

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

30 SEPTEMBER 2016

21. Taxation:

	30 September	
	<u>2016</u>	<u>2015</u>
Business Levy	\$ (6,176)	\$ (2,131)
Green Fund Levy	<u>(3,393)</u>	<u>(1,295)</u>
	<u>\$ (9,569)</u>	<u>\$ (3,426)</u>

22. 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>2016</u>	<u>2015</u>
Assets		
Amounts due from directors and key management personnel:		
Amounts due from key management personnel	<u>\$ 7,610</u>	<u>\$ 14,923</u>
Key management compensation		
Short-term benefits	<u>\$ 328,554</u>	<u>\$ 482,146</u>

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

33rd AGM Sponsors

The Board of Directors, Management and Staff of CANTO wish to thank the following companies for Sponsoring at the 33rd Annual General Meeting.

(Co-Host)



UTS
You get it all



(Gold Sponsor)



(Silver Sponsor)



(Bronze Sponsor)



(Sponsor)



33rd AGM Exhibitors

The Board of Directors, Management and Staff of CANTO wish to thank the following companies for Exhibiting at the 33rd Annual General Meeting.



*The Caribbean Premier Telecommunications Event
for Industry Professional, Operators, Suppliers
& Regional Government*

SAVE THE DATE



33rd Annual Conference & Trade Exhibition & 11th Annual Human Resource Forum 4th SMCC Forum

16th-19th JULY, 2017
Hard Rock Hotel & Casino
Punta Cana, Dominican Republic

OVER 30 CARIBBEAN AND REGIONAL OPERATORS

- Over 65 Exhibits
- Over 12 Caribbean ICT Ministers
- Over 600 Attendees
- Regulators
- Over 20 Conference Tracks
- 11th HR forum
- 4th Sale, Marketing and Customer Care Forum
- Caribbean Women in ICT (CWIC) Forum
- 3rd Annual CODE Hackathon