

2019 Annual Report

A Year of Accomplishments



PUCANGUILLA
Public Utilities Commission





PUBLIC UTILITIES COMMISSION

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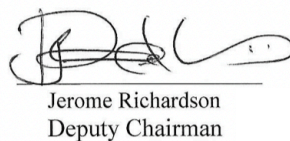
25 March 2021

Re: Public Utilities Commission 2019 Annual Report

The Annual Report of the Commission for 2019 is hereby approved and submitted pursuant to Section 19 of the Public Utilities Commission Act (2003).



Keesha C. Cary
Executive Chairman



Jerome Richardson
Deputy Chairman



Idona Alord
Commissioner



Christonie Fleming
Commissioner



Kenn Banks
Commissioner/Executive Director

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The Commission wishes to thank the management of Cable and Wireless and Digicel for providing the telecommunications sector data required for the preparation of this report.

Contributions in the form of design, research, analysis and drafting were provided by Ms. Léasha Samuel a Associates Degree Arts Caribbean Examination Council.

Public Utilities Commission (Anguilla) Website: <http://www.pucanguilla.com/>



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1.0 INTRODUCTION

The Public Utilities Commission was established to license and regulate Public Utilities and Telecommunications in Anguilla. The Commission is a corporate body and came into effect with the enactment of the Public Utilities Act (2003) on 7th April 2004.

THE PUC MISSION

To build an independent regulatory body by: recruiting and developing professional staff capable of providing sound and unbiased decisions in a timely and transparent manner; facilitating expansion and free and fair competition in the liberalized telecoms sector; and working with operators, government and the general populace towards the creation of appropriate service standards in the various utility sectors.

THE PUC VISION

To be the model independent regulatory body providing exemplary and timely decisions in an environment where there is a robust liberalized telecoms sector and where utility services respond effectively to the needs of the country.



THE DIRECTORS



Keesha C. Carty

Executive Chairman



Idona Alord

Commissioner



Jerome Richardson

Deputy Chairman



Christonie Fleming

Commissioner



Kenn Banks

Commissioner/ Executive Director

THE OFFICE



Kenn Banks OBE- Executive Director, joined the Public Utilities Commission (PUC) in March 2015. A former Permanent Secretary in the Ministry of Infrastructure from 1995 -2006, he was the driving force in the liberalisation of the Telecommunications Sector, this included the establishment of the PUC, and the creation of the laws that now govern the Sector.

He has served as director on various public and private sector boards being an Accredited Director, by Institute of Chartered Secretaries and Administrators (ICSA). Mr Banks is a civil engineer by training.



Kishena Webster- Executive Assistant to Executive Director, joined the permanent staff of Public Utilities Commission (PUC) in August 2012 on graduating with a degree in Accounting and Finance. She was appointed to the position of Regulatory Analyst. Ms. Webster had previously worked in the Commission as an intern.

In March 2017 she was promoted to her current position as Executive Assistant to Executive Director and at the same time as Secretary to the Board of the Commission.



Ardin Richardson-Regulatory Analyst II/Professional II, joined the permanent staff the Public Utilities Commission (PUC) in April 2017. He came to the Commission after years of experience in the banking and technology sectors in the area of information technology.

Mr Richardson's training is in the areas of computer science and business administration.

1.1 CONSTITUTION AND FUNCTION OF THE COMMISSION

The Public Utilities Commission is responsible for the administration of the Telecommunications Act R.S.A c. T6 (Telecom Act) which was enacted in 2003 and the Public Utilities Commission Act R.S.A. c.175 (PUC Act) which was initially enacted on 7 April 2004 and amended 23 May 2007 and 21 February 2014.

The affairs of the Commission are managed by a Board consisting of 5 Commissioners appointed to by the Governor-in-Council pursuant to Section 3 of the PUC Act. The following persons were members of the Commission during 2019:

Mrs Keesha Carty,	Executive Chairman;
Mr. Jerome Richardson,	Deputy Chairman;
Mrs. Idona Alord,	Commissioner;
Mr. Christonie Fleming,	Commissioner;
Mr. Kenn Banks,	Executive Director/Commissioner.

Mr. Jerome Richardson was first appointed on 25 November 2013 as Deputy Chairman. He was reappointed in November 2015 and again in November 2017 and 2019, for two-year terms in each instance. In June 2015, Mr. Christonie Fleming was appointed to serve for a term of two years. He was reappointed in 2017 and again in 2019 for a term of two. Mrs. Idona Alord was appointed in December 2015, she was reappointed in December 2017 and again in December 2019. Mrs. Keesha Carty was appointed on 20 March 2017 as Executive Chairman on a two-year term, she to replaced Mr Colville Petty who had resigned in December 2016. She was reappointment in March 2019 for another two-year term.

Mr. Kenn Banks, Executive Director of the PUC is by virtue of his position a Commissioner. He was appointed in March 2015.

The Board appoints the Executive Director who under its direction is responsible for: the day-to-day administration of the Commission; carrying out the duties specified under the Act or as directed by the Board; and providing technical advice and guidance to the Board on matters of policy.

The procedures of the board are set out in Schedule 1 of the PUC Act.

1.2 THE ANNUAL REPORT

The annual report of the Commission is prepared pursuant to Section 22 of the Public Utilities Act R.S.A. c.175 (PUC Act). Section 22 and reads as follows:

“Annual report

- 22.** (1) *within three months of the completion of the audit of the Commission's accounts, the Commission shall submit to the Governor-in-Council—*
- (a) *A copy of its audited accounts; and*
 - (b) *A written report of its operations and activities for that financial year (the annual report) together with a copy of the audited financial statements.*
- (2) *The annual report shall contain such matters as the Governor-in-Council may prescribe.”*

This report provides an overview of the Commission’s 2019 activities including the financial performance during 2019 and the financial position as of the year ending 31 December 2019 (see Appendix II).

Funding of the Commission’s activities consists of an Industry Levy established annually. The process of determining and assessing the Levy is described in Section 21 (as amended) of the Public Utilities Act R.S.A. c.175 (PUC Act).

2.0 APPLICATIONS

2.1 Network Applications

There were no licence applications for new networks or services submitted to the Commission during 2019 pursuant to Section 4 of the Telecommunication Act and the Telecommunications and Frequency Licensing Regulations (R.R.A. T6-2).

2.2 Frequency Authorization Applications

There were no requests for new frequency authorisations in 2019

2.2.1 FLOW Request for Restoration of Service

The Commission granted authorization for use of the 100 MHz of spectrum in the 2300MHz frequency band, 2300-2400MHz on an exclusive basis for the restoration of mobile voice and data services in October 2017. These frequencies were not deployed. At year end, the Commission was still awaiting word from the company on whether they intended to use these frequencies in the future or not.

2.2.2 Digicel Application for Updated Spectrum

The Commission granted authorization to Digicel (Wireless Ventures Anguilla) to utilize 120MHz of spectrum in the 3500 MHz frequency band, 3400-3520MHz, on an exclusive basis to create a fixed broadband network. This decision was recorded and communicated by way of letter dated 18 October 2017. The above spectrum has not been used for the requested purpose. The company indicated that deployment in these frequencies had not been finalised.

2.3 Type Approval Applications

The PUC receives and approves Type approval requests from equipment manufacturers on behalf of Government. While other British Overseas Territories charge fees for this service, there is none in Anguilla for these approvals. This would be another stream of Government Revenue. There is an inequality however, as all equipment manufacturers do not submit applications. It would be necessary to have some measures in place as a means of enforcement

Table 1: Type Approval Applications

Type of Approval	Company	Device	Model	Request Date	Approval Date	EU/FCC
19:33001	Honeywell International Inc.	Vehicle Dock	CX85-VD-WL	03/02/19	06/02/19	HD5-CX80VDWL
19:03902	Caterpillar Inc.	Radio Telematics	PL641V2	05/02/19	08/02/19	QIPPLS62-W
19:03903	Robert Bosch LLC	Keyless entry transceiver	Boschp002	06/03/19	12/03/19	LXPP002
19:03904	Kathrein Automotive Gmbh	BT Transceiver	TRANSCVRP01	19/3/19	25/3/19	2ACC7TRANSCVRP01
19:03905	Wireless Approval Consultants	Wireless Charger	WACM	19/3/19	26/3/19	L2C0066T
19:03906	Apple Inc.	iPad Air	A2123	19/3/19	27/3/19	BCGA2123
19:03907	Apple Inc.	iPad Mini	A2124	19/3/19	27/3/19	BCGA2124
19:03908	Apple Inc.	iPad Mini	A2133	19/3/19	27/3/19	BCGA2133
19:03909	Apple Inc.	iMac	A2115	19/3/19	27/3/19	BCGA2115
19:03910	Apple Inc.	iMac	A2116	19/3/19	27/3/19	BCGA2116
19:03911	APTIV Services Deutschland Gmbh	Car Head Unit with Bluetooth and WLAN technology	MIB3 TOP	19/3/19	26/3/19	2014/53/EU
19:03912	Apple Inc.	Air Pods	A2152	20/3/19	27/3/19	BCGA2152
19:03913	Apple Inc.	Air Pods	A2031	20/3/19	27/3/19	BCGA2031
19:03914	Apple Inc.	Air Pods	A2032	20/3/19	27/3/19	BCGA2032
19:03915	Resideo	Remote Controller	MRCH2	26/3/19	03/04/19	HS9-MRCH2
19:03916	Caterpillar Inc.	Cellular Radio Telematics Device	PL243	26/3/19	03/04/19	QIPPLS62-W
19:03917	Zebra Technologies Corporation	Device Transmitter	MC930B	27/3/19	03/04/19	UZ7MC930B
19:03918	Zebra Technologies Corporation	Device Transmitter	MC930P	27/3/19	17/4/19	UZ7MC930P
19:03919	Zebra Technologies Corporation	Device Transmitter	TC83BH	10/04/19	23/4/19	UZ7TC83BH
19:03920	Zebra Technologies Corporation	Device Transmitter	TC83B0	11/04/19	23/4/19	UZ7TC83B0
19:03921	Zebra Technologies Corporation	Device Transmitter	VC8300	11/04/19	23/4/19	UZ7VC8300
19:03922	Delta T LLC dba Big Ass Fans	IOT Wi-Fi/Bluetooth	ESP32-WROOM-32D	15/4/19	24/4/19	2AC7Z-ESPWROOM32D

Type of Approval	Company	Device	Model	Request Date	Approval Date	EU/FCC
19:03923	Delta T LLC dba Big Ass Fans	Bluetooth	BMD-350	15/4/19	29/4/19	2014/53/EU
19:03924	Apple Inc.	Ear Buds	A2047	22/4/19	29/4/19	BCGA2047
19:03925	Apple Inc.	Ear Buds	A2048	22/4/19	29/4/19	BCGA2048
19:03926	Mitsubishi Electric US	Wireless Receiver	MIFH2	05/04/19	23/4/19	HS9-MIFH2
19:16026	Zebra Technologies Corporation	Customer Concierge	CC6000	01/05/19	10/05/19	UZ7CC6000
19:16027	Zebra Technologies Corporation	Device Transmitter	ET56BE	01/05/19	10/05/19	UZ7ET56BE
19:16028	Zebra Technologies Corporation	Touch PC	TC520k	01/05/19	10/05/19	UZ7TC520K
19:16029	Zebra Technologies Corporation	Touch PC	TC57HO	01/05/19	10/05/19	UZ7TC57HO
19:16030	Zebra Technologies Corporation	Enterprise Tablet	ET51AE	01/05/19	10/05/19	UZ7ET51AE
19:16031	Zebra Technologies Corporation	Mobile PC	MC3300R	01/05/19	10/05/19	UZ7MC3300R
19:16032	Zebra Technologies Corporation	Hands Free Scanner	DS9908R	05/05/19	10/05/19	UZ7DS9908R
19:16034	Zebra Technologies Corporation	Hands Free Scanner	DS9908R	05/05/19	20/5/19	2014/53/EU &2011/65/EU
19:16035	Harman Beacker Automotive Systems GmbH	Device Transmission System	CONBOX-HIGH (type A981)	23/5/19	06/06/19	T8GP114
19:16036	Apple Inc.	iPod Touch	A2178	28/5/19	06/06/19	BCGA2178
19:16237	Zebra Technologies Corporation	Tablet	RTL10B1	03/06/19	19/6/19	UZ7RTL10B1
19:16238	Caterpillar Inc.	Cellular Radio Telematics Device	PL083	04/06/19	19/6/19	QIPPLS62-W
19:16239	Panasonic Corporation	Tablet	FZ-55	12/06/19	19/6/19	PD99560NG/ACJ9TGWL17A
19:16240	Zebra Technologies Corporation	Tablet	ET51AT	13/6/19	19/6/19	UZ7ET51AT
19:16241	Veonner US, INC	Radar Sensor	77V12CRN	27/6/19	02/07/19	WU877V12CRN
19:16242	Veonner US, INC	Radar Sensor	77V12BSM	27/6/19	02/07/19	WU877V12BSM
19:16244	Zebra Technologies Corporation	Wireless Device	ET56BT	19/9/19	27/9/19	UZ7ET56BT
19:16245	Zebra Technologies Corporation	Wireless Device	EC300K	02/07/19	02/07/19	UZ7EC300K
19:16347	APTIV Services Deutschland GmbH	Radar System	RN5TR	13/8/19	15/8/19	LTQRN5TR
19:16348	Ford Motor Company	Vehicle Infotainment System	SYNC-G4L	05/08/19	15/8/19	2014/53/EU
19:16349	Ford Motor Company	Vehicle Infotainment System	SYNC-G4	05/08/19	15/8/19	2014/53/EU
19:26750	Apple Inc.	iPad	A2197	10/09/19	24/9/19	BCGA2197
19:26751	Apple Inc.	Magnetic Charging Cable	A2256	10/09/19	24/9/19	BCGA2256
19:26752	Apple Inc.	iPad	A2198	10/09/19	24/9/19	BCGA2198
19:26753	Apple Inc.	Magnetic Charging Cable	A2255	10/09/19	24/9/19	BCGA2255
19:26754	Apple Inc.	Apple Watch	A2092	10/09/19	24/9/19	BCGA2092

Type of Approval	Company	Device	Model	Request Date	Approval Date	EU/FCC
19:26755	Apple Inc.	Apple Watch	A2093	10/09/19	24/9/19	BCGA2093
19:26756	Apple Inc.	Apple iPhone	A2215	10/09/19	24/9/19	BCGA2215
19:26757	Apple Inc.	Apple iPhone	A2218	10/09/19	24/9/19	BCGA2218
19:26758	Apple Inc.	Apple iPhone	A2221	10/09/19	24/9/19	BCGA2221
19:26759	Apple Inc.	Magnetic Charging Cable	A2257	10/09/19	24/9/19	BCGA2257
19:26860	Zebra Technologies Corporation	Wireless Device	CC600	08/10/19	17/10/19	UZ7CC600
19:27161	Apple Inc.	iPad	A1881	15/10/19	01/11/19	BCGA1881
19:27362	Continental Automotive GmbH	Device Transmitter	17101072	18/10/19	01/11/19	2AOUZ17101072
19:27163	Apple Inc.	iPad	A2083	28/10/19	01/11/19	BCGA2083
19:27164	Apple Inc.	iPad	A2084	28/10/19	01/11/19	BCGA2084
19:27165	Apple Inc.	iPad	A1991	30/10/19	01/11/19	BCGA1991
19:32266	Aptiv Services Deutschland GmbH	Vehicle Radar system	H5TR	06/11/19	18/11/19	2014/53/EU
19:32267	Apple Inc.	MacBook Pro	A2141	13/11/19	18/11/19	BCGA2141
19:32268	LG Electronics	Premium Magic Remote	PM20GA	16/11/19	18/11/19	BEJPM20GA
19:33269	Zebra Technologies Corporation	Scanner Device	RS5100	19/11/19	02/12/19	UZ7RS5100
19:33270	Zebra Technologies Corporation	Tablet	ET56DE	20/11/19	02/12/19	UZ7ET56DE
19:36271	Apple Inc.	MacBook Pro	A2304	11/12/19	23/12/19	BCGA2304
19:36572	Zebra Technologies Corporation	Mobile Computer	MC330L	19/12/19	23/12/19	UZ7MC330L

3.0 OTHER TECHNICAL MATTERS

3.1 Radio Frequency Exposure Study

In 2017 the Commission became part of a multi-institutional study aimed at gaining a comprehensive understanding of the current levels and forms of Radio Frequency (RF) exposure in Anguilla as a crucial first step in addressing a public health concern. The objectives of the study were:

- a. To map the types and distribution of the sources of RF exposure in Anguilla
- b. To ascertain if the levels of RF exposure are within internationally accepted limits
- c. Identify constraints to effective telecommunication mainstreaming in Anguilla

The institutions involved in the study are the Ministry of Health and Social Development, The Ministry of Infrastructure Communication and Utilities, the Department of Health Protection, the Department of Environment, the Anguilla Cancer Society, the Social Security Board, and the Public Utility Commission. The study was deferred following the passage of Hurricane Irma 2017. The application by the Caribbean Beacon Radio now with Government for the renew of its contract with upgraded services has seen an increase interest in advancing project as to determine the effects of the upgrades.

In the meantime the commission is reviewing need to acquire the additional technical tools and skills to allow it to conduct these studies.

3.2 Frequency Monitoring

The PUC currently performs monitoring each month on the 698-972 MHz and 1800MHz-2000MHz frequency bands. This is done to collect information on spectrum used by the operators and monitor the power measurement of the various cell towers. The PUC is considering expanding the range of its spectrum as new technologies continue to expand in the spectrum bands that are used.

The PUC is working on increasing its toolset to also allow the monitoring of E and H fields that are usually emitted from the various radio and cell towers to ensure they are compliant with recommended limits.

3.3 Frequency Coordination with St. Maarten/ St. Martin

Interference from St. Martin Sites

All our telecom operators informed the Commission in 2018 that the nearby neighboring islands telecom towers were creating roaming issues in Anguilla. As the commission lacked capabilities to test this on our own; we contracted resources from St. Maarten to assist with this testing. A drive test communication roaming test was using chips from our local providers and also chips from Dutch SXM. Various points along the main road were tested continuously. Measurements were conducted utilizing an Omni antenna as not to discriminate between one operator against the other. As part of the overall measurement process, a spectrum scan was conducted in order to verify if overseas operators were indeed impeding our local operator's spectrum.

The results of the testing showed that all parties involved are living up to the Frequency Coordination agreement as it relates to assignments.

What was noticed during the spectrum measurements process was that within proximity of the mobile cell sites the noise level increased. It is believed that the cause for such maybe, a leakage in the cabling or as a result of the damages sustained due to the passing of Hurricane Irma or that emergency measures/infrastructure such as microwave links that these temporary installations may have their transmit power too high.

A result of any of the two scenarios at a mobile cell site, can cause the receive/uplink portion of the installation to limit what is being received as to protect its amplifiers from being damaged, also the handsets will not be able to connect to the base station because of the high noise level and roam. The provider could be interpreting as being an interference coming from a third party and render a complaint for such.

4.0 POLICY FRAMEWORK

4.1 Internet Governance

The Internet and cable television sectors remain unregulated. Given the continued significance of the Internet as a critical component of the overall information infrastructure, the continued importance of the cable television sector and the increasing convergence of the two, there continues to be a need for a sound policy and governance framework for both of these sectors.

The current international debate on net-neutrality, and the concerns expressed by operators on the possible effects of the new technologies for voice calling on their sustainability, a new regulatory framework for this sector is becoming more and more relevant. Here the outputs from project on Internet Governance by DITES and PUC staff members could be instructive.

A new Broadcast policy for the sector was compiled in 2013. To date the policy has not been implemented or translated into enforceable legislation. Prior to this there will need to be a further review to ensure new technological advances in the sector are addressed.

5.0 TELECOMS SECTOR DEVELOPMENT & RETAIL PRICES

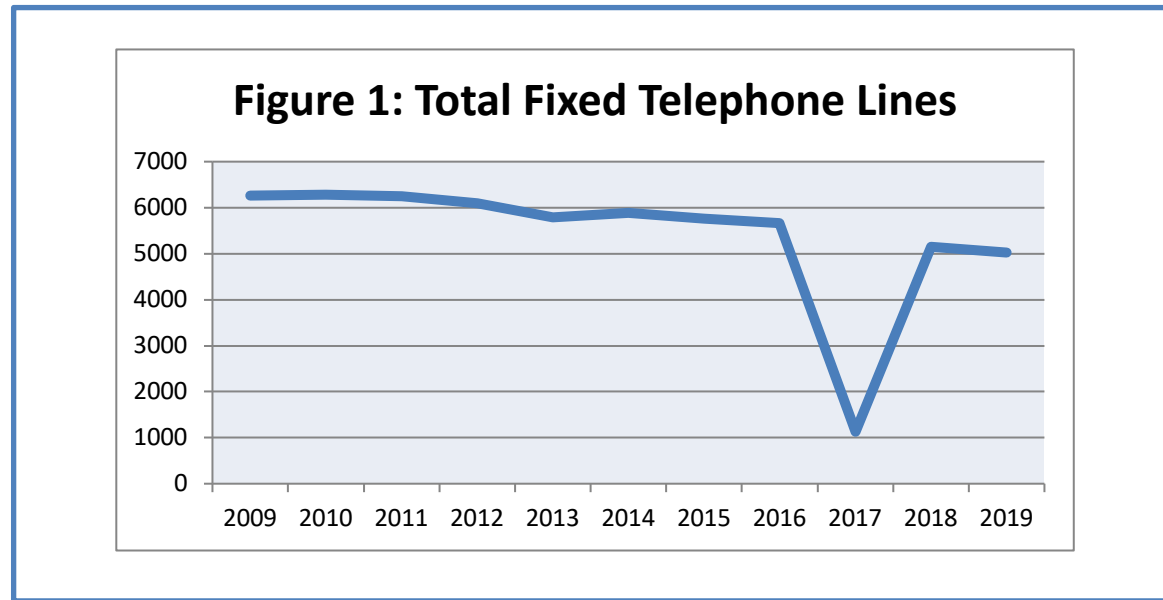
5.1 Sector Development

The main telecommunication indicators are presented in Table 2 which contains actual population data for 2019 being 15,602 derived from the Anguilla Statistics Department.

	Table 2: Anguilla Telecommunications Indicators 2012 to 2019							
	Year Ending 31 December 2019							
	2012	2013	2014	2015	2016	2017	2018	2019
Population	13,952	14,342	14,221	14,723	15,084	15,053	15,068	15,602
Fixed telephone lines in operation.	6,101	5,790	5,889	5,761	5,669	1,129	5,156	5020
Fixed telephone lines per 100 inhabitants.	43.72	40.37	41.41	39.13	37.58	7.5	34.22	32.17
Cellular mobile telephone customers.	26,872	20,681	21,840	Prepaid 14,046	Prepaid 12,910	Prepaid 13,022	Prepaid 11,730	Prepaid 11,236
				Postpaid 8,097	Postpaid 8,458	Postpaid 7,649	Postpaid 8,543	Postpaid 6,303
				Total Mobile 22,143	Total Mobile 21,368	Total Mobile 20,700	Total mobile 20,273	Total mobile 17,539
Cellular customers per 100 inhabitants.	192.60	144.20	153.58	150.40	141.66	137.51	134.54	112.41
Internet Customers fixed	4,165	4,239	5,465	5,293	5,679	3,756	6,245	6,391
Internet customers per 100 inhabitants Fixed	29.08	29.85	29.60	38.43	37.65	24.95	41.45	41.01
Mobile Data Customers				10,132	10,697	13,405	11,598	17,098
Internet customers per 100 inhabitants including mobile data				109.68	108.57	114.00	118.42	109.59

Figure #1

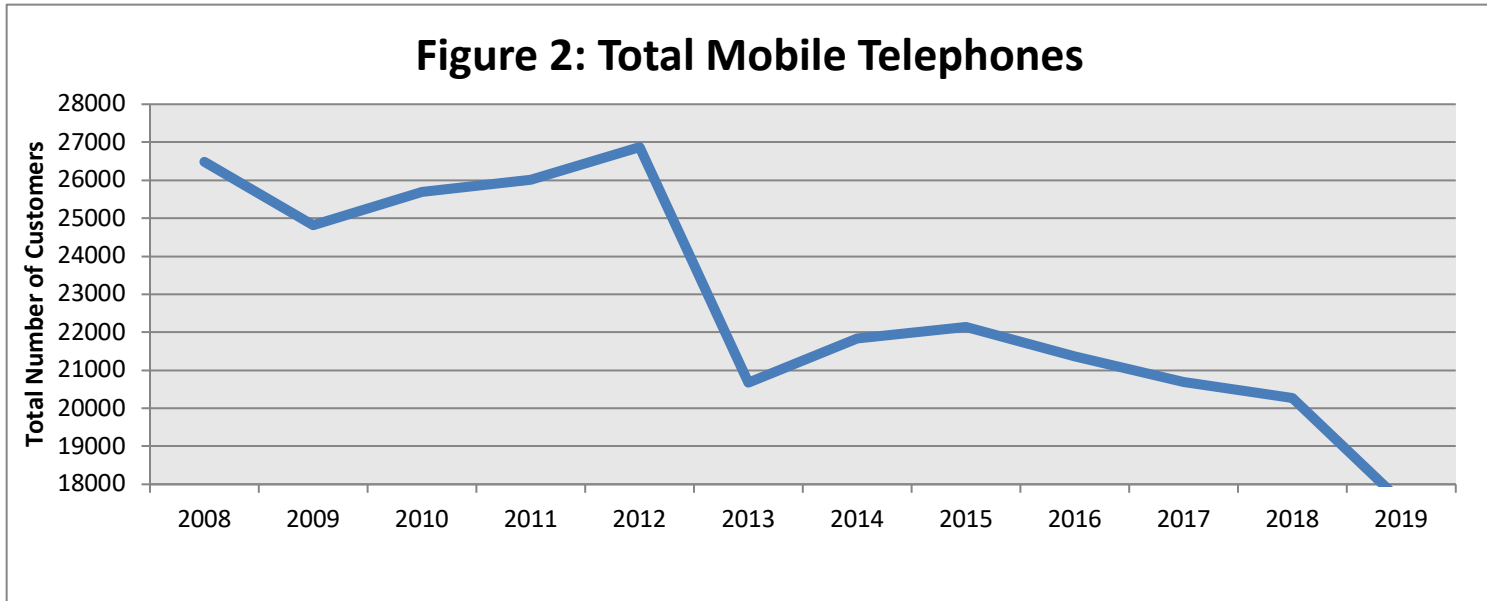
Presents an overall graph of the total number of fixed lines for the period 2009- 2019



As shown in Figure1, there was a growth in the number of in- service fixed lines during the 2009-2010 periods and remained constant until 2012 with a 311 decrease. A significant reason for such may have been the replacement of fixed service with mobile service.

Figure #2

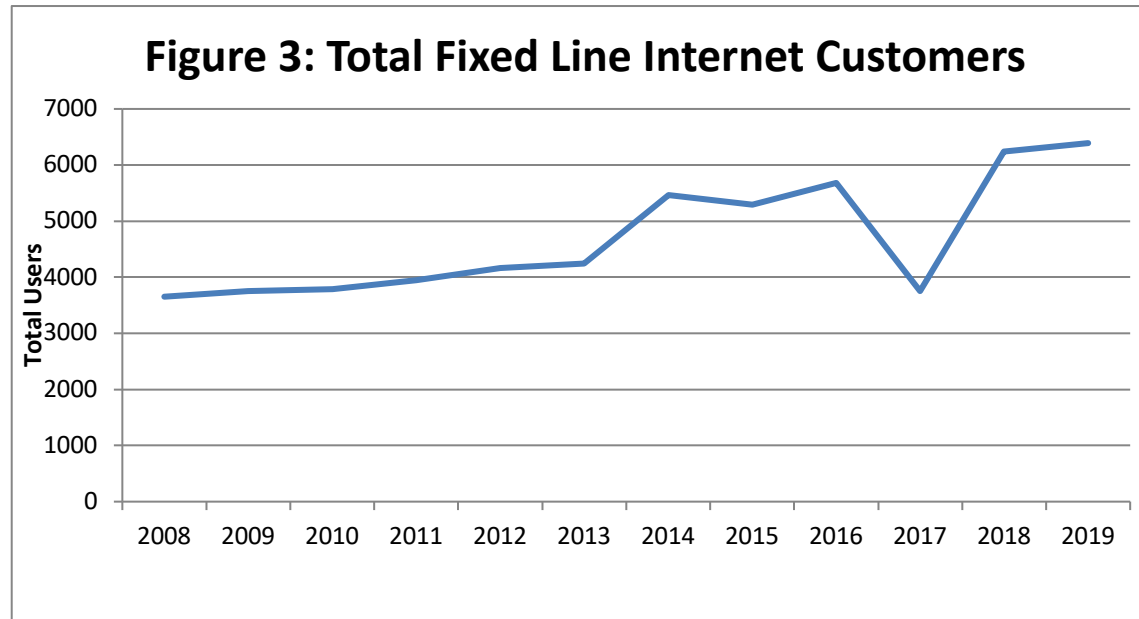
Presents an overall graph of the total amount of mobile telephone numbers between the years of 2008-2019



Based on the information in Figure 2 shown above, the number of mobile telephones in use has fluctuated over the years. Based on the data shown, the mobile segment evolved between the years of 2009-2012, and has been declining since with a modest rise from 2013 to 2015. The data for the last four years are 21,368 in 2016, 20,700 in 2017, 20,273 in 2018, and 17,539 in 2019. The population during that same period was 15,084 in 2016, 15,053 in 2017, 15,068 in 2018 and 15,602 in 2019.

Figure #3

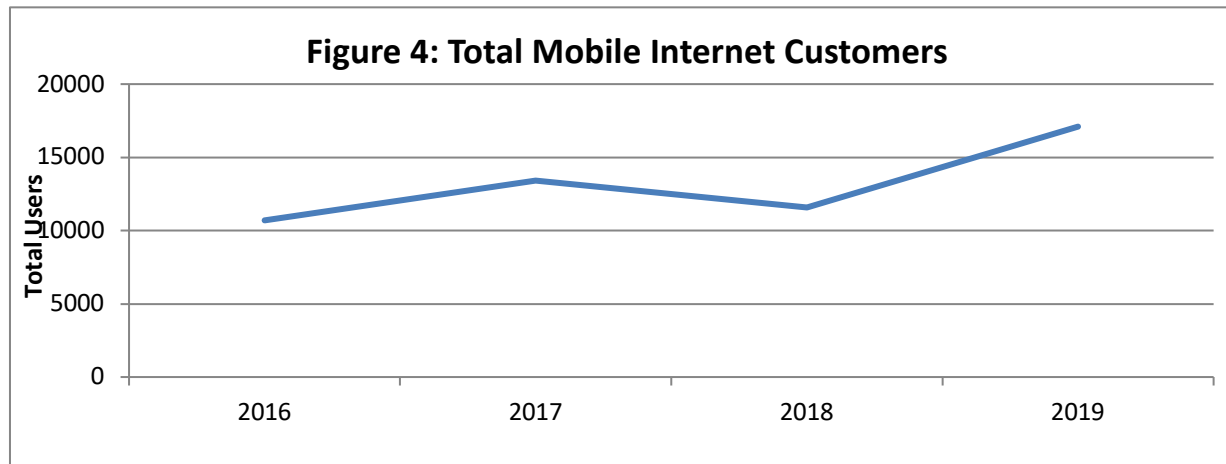
Shows the total fixed line internet customers for the periods 2008- 2019



In this report for the last four years, we have included information on customers who access the internet using mobile data services. This is particularly relevant as both operators have deployed 4G services providing improved internet access. As a result, many young customers now use mobile handheld devices as their primary access point to the internet.

Figure #4

Shows the total Mobile internet customers for the periods 2016- 2019



Within the last few years we have noticed that the demand for internet has been growing rapidly. Figure 4 above is a reflection of this trend. This growth is seen in pair with the number of cellular customers as mobile data service is a compliment of most mobile phone packages. If the usage is to be compared from 2017 to 2019 the data can be interpreted that there was an 28,696 number increase in the usage of mobile data service.

5.1.1 Total Outgoing and Incoming Minutes

Table 3: Total International Minutes

Table 3: Total International Minutes - Outgoing and Incoming Minutes (2019) (Millions of Minutes)				
Companies	Service	Outgoing Minutes	Incoming Minutes	Total
FLOW Caribbean Cable Communications and Digicel	Fixed International outgoing and Incoming	N/A	8824124.00	N/A
	Mobile Outgoing and Incoming	316088.19	1333615.28	185139.51
	Total	316088.19	3399384.28	185139.51

Table 3 presents the total Outgoing and Incoming International minutes for 2019 as reported by three of the licensed Telecommunication service providers.

5.1.2 Roaming Revenues

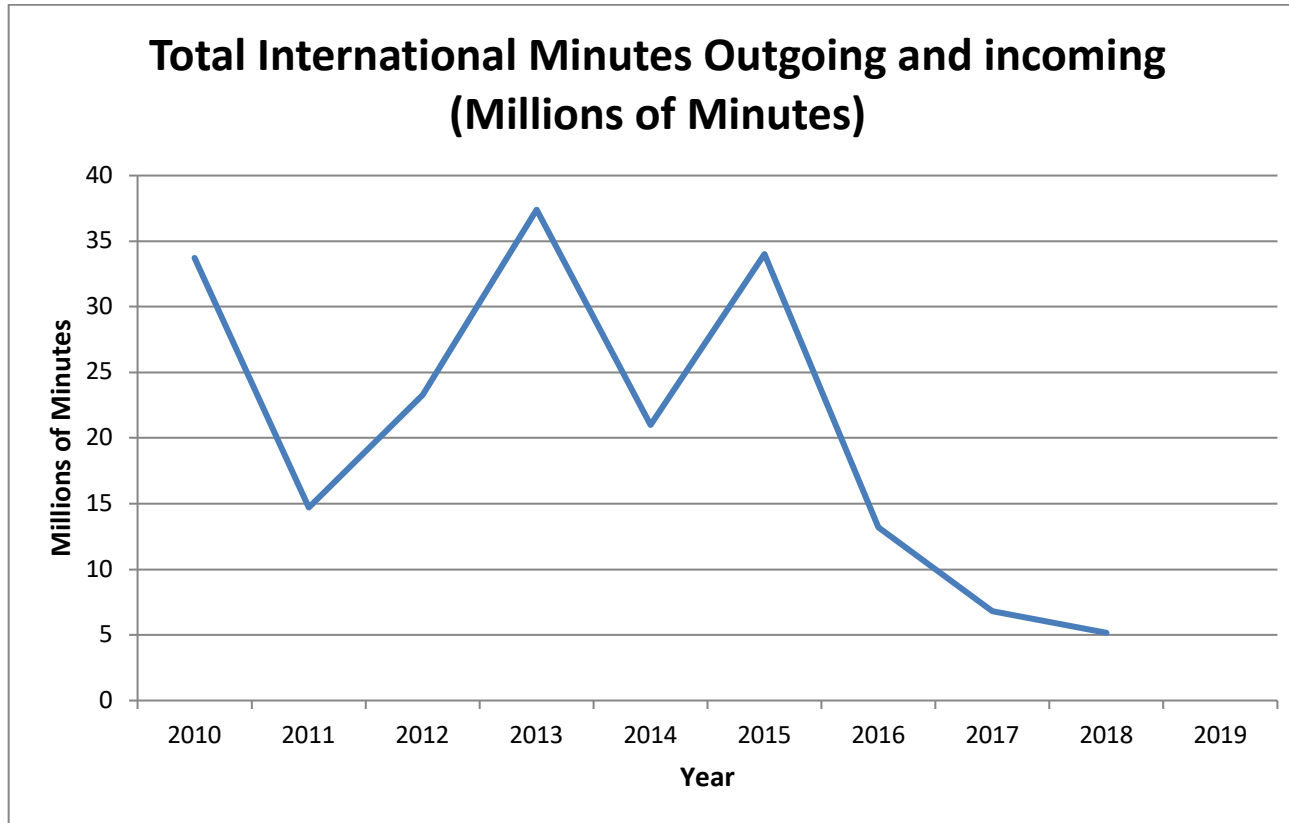
Table 4: Total Roaming Revenues 2019 (EC\$)

Table 4: Total Roaming Revenues 2019 (EC\$)			
	FLOW	DIGICEL	Total
From Domestic Customers (outgoing and incoming when in Anguilla)	NA	1,041,000.00	1,041,000.00
International Customers (in Anguilla)	792,442.70	305,000.00	1,097,442.70
Total	792,442.70	1,346,000.00	2,138,442.70

Table 4 presents the total roaming revenues of Flow and Digicel Domestic and International Customers.

Figure #5

Shows the total international minutes outgoing and incoming minutes 2010-2019



5.2 Retail Prices

Cable and Wireless (Anguilla) Limited (FLOW), Caribbean Cable Communications (Anguilla) Limited (CCC) and Wireless Ventures (Anguilla) Limited (Digicel) are the three telecommunication providers in Anguilla. FLOW offers fixed telephone, mobile, and internet access services; Digicel offers mobile services; and CCC, supplies fixed telephone, cable television and internet access services.

5.2.1 Fixed Access, Mobile and Domestic Calling Prices

Company	Service	Package	Price (EC\$/month)							
			2012	2013	2014	2015	2016	2017	2018	2019
CCC	Residential	Regular	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
	Business	Regular	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
FLOW	Residential	Regular	35.00	35.00	35.00	35.00	35.00	35.00	30.36	30.36
	Business	Regular	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00

Tables 5 to 8 show the prices for monthly fixed line rentals, international calling, roaming prices and high speed internet access that were provided by the three main telecommunication providers.

As indicated in the previous annual report the price of residential service and the business service provided by CCC and FLOW has remained the same since 2018 to 2019 as shown in Table 5 above

5.2.2 International Calling Prices



Table 6: Prices for International Direct Dialed calls from Anguilla (2018-2019)

Company	Destination	Time Band	Price per Min (ECS) 2018		Price per Min (ECS) 2019	
CCC	St. Martin, Guadeloupe, Martinique, St. Barths	Fixed line Anytime	0.27		0.27	
	USA, Canada, UK and the Caribbean (excluding Cuba, French Guiana and Haiti)	Fixed line Anytime	0.27		0.27	
	All Western & Eastern Europe, Australia, New Zealand, Japan, Hong Kong, China, Malaysia, Singapore, South Africa, Taiwan, and many more.	Fixed line Anytime	0.27		0.27	
	Rest of Caribbean	Anytime	0.40		0.40	
	Rest of the World	Anytime	0.90		0.90	
	Cuba	Anytime	3.23		3.23	
	Saba, St. Eustatius, St. Maarten, Netherland	Anytime	0.40		0.40	
FLOW	Saba, St. Eustace, St. Martin, St. Maarten, St. Kitts & Nevis, Antigua & Barbuda, BVI, Montserrat & Guadeloupe	Day Evening Weekend	0.99		0.99	
	USA, Canada, UK, Ireland and the rest of the Caribbean	Day Evening Weekend	1.05		1.05	
	Rest of the World and other countries (Cuba, Solomon Islands, Guinea)	Day Evening Weekend	1.38		1.38	
Digicel	Cuba	Day Evening Weekend	Prepaid& Postpaid		Prepaid& Postpaid	
			3.30	3.00	3.30	3.00
			3.00	3.00	3.30	3.00
	Rest of the World	Day Evening Weekend	1.30	1.30	1.30	1.30
	UK, USA & Canada	Day Evening Weekend	1.04	0.70	1.04	0.78
	Rest of the Caribbean	Day Evening Weekend	Prepaid	Postpaid	Prepaid	Postpaid
			1.25	0.75	1.25	0.75
0.74			0.75	0.74	0.75	
Dominica, St. Lucia, Antigua & Barbuda, Grenada, St. Kitts & Nevis, St. Vincent & the Grenadines, Montserrat, St. Martin, St. Maarten	Day Evening Weekend	0.85	0.60	0.85	0.60	
		0.85	0.60	0.85	0.60	
		0.75	0.50	0.75	0.60	

5.2.3 Mobile Roaming Prices

Table 7: FLOW Roaming Service Prices EC\$ 2019				
1. Postpaid Plans (EC\$ per minute) First minute/ additional minutes				
Mobile Calls				
Roaming Destination	Local	Back to Flow	Other	Incoming Calls
FLOW	0.57	0.57	8.37	0.57
Caribbean Preferred	2.3	3.65	8.37	2.30
USA	2.67	3.38	5.37	2.30
UK	2.97	4.32	11.07	2.97
Rest of World	3.65	7.02	11.07	3.65
2. Prepaid Plans (EC\$ per minute) First minute/ additional minutes				
Roaming Destination	Local	Back to Flow	Other	Incoming Calls
FLOW	1.05	1.05	8.91	1.05
Caribbean Preferred	2.84	4.19	8.91	2.84
USA	2.84	4.19	8.91	2.84
UK	3.51	4.86	11.61	3.51
Rest of World	4.19	7.56	11.61	4.19
Plans	1.05	1.05	8.91	1.05
My Roaming Data	100MB	250MB	500MB	
Duration	7 Days	30 Days	30 Days	
Cost	26.99	64.99	129.99	

TABLE 8: DIGICEL ROAMING SERVICE PRICES ECS (2019)			
1. Postpaid Plans (EC \$ per minute)			
Country	Calls Home	Calls within the country	Receive Calls
Digicel Countries	3.50	3.50	2.14
USA (Cingular)	3.50	3.50	2.14
Other Countries	3.50	3.50	2.14
2. Prepaid Plans (EC \$ per minute)			
Country	Receive Calls	Calls within the country	Calls Home
Digicel countries	6.76	6.76	6.76
USA (Cingular)	6.76	6.76	6.76
Other Countries	6.76	6.76	6.76

Digicel

The Bigger, Better Network.

FLOW

5.2.4 Domestic and Regional Internet Prices

Table 9: Monthly Charges for Internet Access 2015-2019

Company	Service Name	Speed (Mbps)		Price (EC\$)				
		Down	Up	2015	2016	2017	2018	2019
	Residential							
	Silver	2.048	1.544					N/A
	Gold	3.072	1.544					N/A
	Platinum	6.144	1.544					N/A
	Extreme	6.000	1.500					N/A
	Turbo	16.000	1.500	99.00				N/A
	Turbo Plus	32.000	2.000	199.00				N/A
	Blazing	50.000	2.000	299.00				N/A
Fibre 10	Play 10	10.000	2.000	399.00	120	120	130	139
Fibre 25	Play 25	25.000	5.000		229	229	239	159
Fibre 50	Play 50	50.000	10.000		349	349	359	299
CCC	Commercial							
Fibre 10BS	Select Net I (Business)	3.072	1.544		N/A	N/A	N/A	N/A
Fibre 25BS	Select Net II (Business)	6.144	1.544		N/A	N/A	N/A	N/A
Fibre 50BS	Select Net III (Business)	8.192	1.544		N/A	N/A	N/A	N/A
	Extreme	6.000	1.500		N/A	N/A	N/A	N/A
	Turbo	16.000	1.500	200.00	N/A	N/A	N/A	N/A
	Turbo Plus	32.000	2.000	320.00	N/A	N/A	N/A	N/A
	Blazing	50.000	2.000	640.00	1100.00	1100.00	N/A	N/A

Table 10: FLOW Monthly Charges for Internet Access 2015-2019

Company	Service Name	Speed (Mbps)		Price (EC\$)				
		Down	Up	2015	2016	2017	2018	2019
FLOW	Residential ADSL							
	Mega	1.000	0.512					N/A
	Monthly			115.00	90.00	90.00	90.00	
	Annually			-	115.00	115.00	115.00	
	No Contract			-	139.00	139.00	139.00	
	Mega Plus	2.000	0.152					N/A
	Monthly				134.00	134.00	134.00	
	Annually			159.00	159.00	159.00	159.00	
	No Contract			-	181.00	181.00	181.00	
	Mega Max	3.000	0.512					N/A
	Monthly			209.00	184.00	184.00	184.00	
	Annually			-	209.00	209.00	209.00	
	No Contract			-	232.00	232.00	232.00	
	Mega Extreme	8.000	0.512					N/A
	Monthly				349.00	349.00	349.00	
	Annually				375.00	375.00	375.00	
	No Contract				400.00	400.00	400.00	
	Residential VDSL							
	Super-Fast 60	6.000	0.512					
	Monthly				124.99	124.99	124.99	124.99
	Annually				151.68	151.68	151.68	N/A
	No Contract							
	Super-Fast 120	12.000	0.512					
	Monthly				179.99	179.99	179.99	179.99
	Annually				179.99	179.99	179.99	179.99
	No Contract				206.68	206.68	206.68	N/A
	Super-Fast 240	24.000	0.512					
	Monthly				249.99	249.99	249.99	249.99
	Annually				249.99	249.99	249.99	249.99
	No Contract				276.98	276.98	276.98	N/A
	Super-Fast 480	48.000	0.512					
	Monthly				349.00	349.00	349.00	349.00
Annually				349.00	349.00	349.00	349.00	
No Contract				400.00	400.00	400.00	N/A	

	Service Name	Speed (Mbps)	Price (EC\$)					
			Down	Up	2015	2016	2017	2018
	Commercial							
	Premier	4.000	0.512					
	Monthly			359.00	334.00	334.00	334.00	334.00
	Annually			-	359.00	359.00	359.00	359.00
	No Contract			-				
	Premier Plus	5.000	1.000					
	Monthly			459.00	434.00	434.00	434.00	434.00
	Annually			-	459.00	459.00	459.00	459.00
	No Contract			-				
	Premier Max	6.000	1.000					
	Monthly			659.00	634.00	634.00	634.00	634.00
	Annually			-	659.00	659.00	659.00	659.00
	No Contract			-				

5.2.5 Digicel and Flow Prepaid and Post-paid Mobile Data Plan Pricing

Table 10: FLOW Prepaid Mobile Data Plans

	Minutes	Data (MB)	Text	Price (XCD)	Validity
Data		75		\$4.00	1day
		300		\$12.65	3days
		500		\$23.00	3days
		1000		\$31.05	7day
		500		\$27.60	14day
		1000		\$37.95	14day
		1000		\$46.00	30day
		3000		\$103.50	30 day
		5000		138.00	30 day
Pay as you go		1			

Table 11: Digicel Prepaid Mobile Data Plans

Plan Name	Price (LC)	Bundle (MB)	Price /MB (LC cts)	Price/Day (LC)
	1 Day 100MB (WFIT)	2.99	50	6
3 Day 250MB (WFIT)	7	150	4.7	2.3
7 Day 250MB (WFIT)	15	250	6	2.1
30 Day 500MB (WFIT)	25	500	5	0.8
30 Day 1GB Data	40	1024	3.9	1.3
30 Day 2Gb	59	2048	2.9	2
Overage (Per MB)	0.3	N/A	N/A	N/A
PAYGO (per MB)	0.1	N/A	N/A	N/A

Digicel

FLOW

Table 12: FLOW Residential Postpaid Mobile Data Plans

Table 12: FLOW Residential Postpaid Mobile Data Plans				
<u>Name</u>	<u>Product</u>			<u>Price (XCD)</u>
RESIDENTIAL				
	<u>Minutes</u>	<u>Data</u>	<u>Text</u>	<u>Cost</u>
Base Plan	100	250MB	100	\$49.99
My Talk	100	-	-	\$39.00
	200	-	-	\$59.00
	300	-	-	\$79.00
	500	-	-	\$129.00
	1000	-	-	\$229.00
	2000	-	-	\$49.00
	4000	-	-	\$99.00
My Text			1000	\$9.00
My Data	-	500MB	-	\$24.00
	-	1GB	-	\$40.00
	-	2GB	-	\$49.00
	-	3GB	-	\$59.00
	-	5GB	-	\$69.00
My Data LTE	-	1GB	-	\$49.00
	-	2GB	-	\$59.00
	-	3GB	-	\$79.00
	-	5GB	-	\$109.00
My Roaming	30	30MB	30	\$53.60
	-	500MB	-	\$268.82
	-	1GB	-	\$403.23
My Share Plan				

Table 13: FLOW Corporate Postpaid Mobile Data Plans

Table 13: FLOW Corporate Postpaid Mobile Data Plans				
Product				Price (XCD)
CORPORATE				
	Minutes	Data(MB)	Text	
SME Packages	500	5	100	157.50
	800	5	150	220.50
	1000	5	200	300.00
Corporate	2000	5	300	540.00
	3,000	5	500	810.00
	5,000	5	750	1350.00
	7,000	5	1000	1750.00
	10,000	5	1250	2500.00
	15,000	10	1500	3750.00
	20,000	10	1750	4600.00
	30,000	10	2500	6900.00
	40000	20	3000	8800.00
	50000	20	3500	11,000.00
	60000	20	4000	13,200.00
Overage per Extra MB				
Data Plans		5 MB		
		15 MB		
		100 MB		
		7 GB		
		Unlimited		

5.3 Service Standards

The Public Utilities Commission began assessing the Quality of Service that is being delivered to customers of the operators as per **clause # 20. Quality of Service** of the **Universal Service and Public Telecommunications Regulations**. This is now being requested of the operators to ensure customers are getting value for the services being rendered. **Please note the information below is provided by the operators, the Public Utilities Commission has not verified the accuracy of the below.**

	Parameters		FLOW	Digicel
1.	Supply time for initial connection upon new installation request	Average supply time (number of days from request to when customer is able to use the service.):	22.4 Hrs	24 Hrs
2.	Punctuality of delivery of service	Percentage of orders for which service is activated on the day promised to customer	96.2%	99.98%
3.	Fault repair time:	In Access Network	13.8 Hrs	4 Hrs
		Average time for other	8.7 Hrs	7 Hrs
4.	Fault rate in the network per access line	Percentage of access lines in service that are out of service at any one time due to fault on service providers' side of network termination point:	.61% per 1000	NA
5.	Billing complaints	Number of complaints per quarter as a percentage of subscribers	.83%	2.8%
6.	Call set up time (Average time to establish call between parties.)	Average for national calls:	2 Secs	5 Secs
		Average for wireless calls:	2-4 Secs	5 Secs
		Average for international calls:	2-4 Sec	5 Secs
	Unsuccessful call ratio	Average for national calls:	.3%	.23%
		Average for international calls:	.4%	.20 %
		Average for wireless calls:	.6%	.23%
8.	Response time for operator services	Average time (in seconds) for operator to come on line:	20-35 Secs	20 Secs
9.	Response time for directory inquiry services	Average time (in seconds) for directory inquiry to come on line:	25-45 Secs	NA
10.	Accessibility percentage for directory inquiry services	Percentage of calls to directory inquiry service that are unanswered:	.3%	NA

6.0 FINANCES

6.1 Annual Levy- 2019

The annual levy is calculated to cover the annual cost of regulation, pursuant to Section 48 of the Telecommunications Act R.S.A c.T6 and Section 24 of the Public Utilities Act R.S.A. c.175. It is comprised of a surplus or deficit as identified in the last available audited statements from a preceding fiscal year as expressed in Section 24 (2).

By the Public Utilities Act, the Assessment of Industry Levy on the regulated industries is determined by the addition or subtraction of the deficit or surplus to or from the last audited year. The deficit or surplus however is not determined based on the budget of the Commission for the year, but on the levy collected. As the PUC has never exceeded its approved budget the need for the supplement is only an artificial one created by the mechanism used. This has produced cycles of two years of deficits then two years of surplus. However, due to large budget surpluses in some years, there have been large fluctuations ranging between a deficit of - \$342,000 to a surplus of + \$570,000. While some fluctuations can be expected, the existing magnitude causes some concern to the operators who can see their Levy decrease by as much as 65% in one year and increase by 150% two years later.

The Commission in its meeting of 16th March 2017 decided to propose to Government changes to the PUC Act which would give the Commission more discretion in the application of the previous year's deficits to the annual assessment levy. These changes would allow the Commission the discretion to abstain from applying all or some of the deficit from the previous years to the levy assessed on the licensees. It would also give the Commission the discretion of allowing payment by installments of the assessment over the year.

The proposal by the Commission was approved by the Executive Council and recorded by Ex Min 17/240 on 6th June 2017. As of the end of 2019 was the Public Utilities Commission Act was still not amended to reflect the change, the Commission made the decision to implement the change in the assessment levy for each of the years 2017 and in 2018. As there was a small surplus in 2017 this amendment did not apply to the 2019 levy.

The annual industry levy applicable based on the existing formula for was 2019 **EC\$874,461** after deducting the surplus of **EC\$5,540** from the approved budget of **EC\$ 880,001**.

6.2 Financial Report- 2019

This annual report was prepared in compliance with the requirements in Section 22 of the Public Utilities Act (Annual Report) that the Commission submits such a report to the Governor-in-Council. Section 22 reads as follows:

'Annual report

22. (1) *Within three months of the completion of the audit of the Commission's accounts, the Commission shall submit to the Governor-in-Council—*

(a) A copy of its audited accounts; and

(b) A written report of its operations and activities for that financial year (the annual report) together with a copy of the audited financial statements.

(2) The annual report shall contain such matters as the Governor-in-Council may prescribe'.

The audited financial results for the year 2019 as prepared by BDO LLC are presented in Appendix III of this report.

7.0 FUTURE CHALLENGES AND OPPORTUNITIES

7.1 Participation in International Organisations

The Commission maintains members in several regional organisations. In this ways it is kept aware with regulatory and policy trends in the industry.

In 2017 the Commission for the first time established direct membership of the Caribbean Telecommunications Union (CTU) in the category of Associate Member. Previously our involvement was only possible through our association with Government of Anguilla which is a full member. During the year under review the Commission was not represented at any CTU conferences or Seminars.

In the year under review the Commission hosted the annual general meeting of The Organisation of Caribbean Utility Regulators (OOCUR).

Public Utilities Commission hosted the annual conference of the Organization of Caribbean Utility Regulations (OCCUR) in Anguilla from the 11th – 14th November at Resorts and Residences by Cuisinart and the Reef by Cuisinart, under the theme- **“Smart and Green Regulation: Technology Driven and Environmentally Friendly”**.

OOCUR is a non-profit organization for utility regulators, whose objectives are to assist in the improvement of utility regulation, foster transparent and stable utility regulation through autonomous and independent regulators in member countries; to undertake research, training and development; and to facilitate understanding of regulation issues and sharing of information and experience.

The Annual OOCUR conference is the premier event that brings regulators, service providers, policy makers, academia, consultants, consumer advocates and civil society together to discuss key issues in the energy/electricity, ICTs/Telecommunications and Water, Wastewater and Sewerage sectors.

The 2019 Three day event featured topics included “Waste to energy; Renewable Energy integration; Benefits and investment issues; Cybersecurity; Challenges and Opportunities; and the Performance Based Contracts for Non-Revenue Water reduction and how regulators should treat them.

The Chairperson of the PUC Anguilla, Ms. Keesha Carty said *“it was an absolute pleasure for the Public Utilities Commission of Anguilla to have hosted the 17th Annual OOCUR conference. We have been a member of this organization and beneficiary of its training and opportunities for several years and we considered it our honour and duty to facilitate the 2019 conference; and a privilege to have welcomed our regional members and international partners to our shores.”*

Mr. Clayton Blackman, Chairman, OOCUR notes. *“This annual conference is critical for regulators to convene and collaborate amongst themselves and with others.”* He further extended thanks to PUC Anguilla for the line-up of presentations and the hospitality extended.

At the Conference Anguilla was elected as a member of the OCCUR Executive for the ensuing year.

*OOCUR 2019 Highlights are attached in Appendix 3.

The Commission maintains relationships with international bodies, including the International Telecommunications Union (ITU) through the OFCOM in the UK

7.2 Human Resource Development

The Commission continued to rely on the periodic recruitment of external consultants to acquire certain technical expertise when needed. Mr. Kenn Banks continued to serve as the Executive Director of the Public Utilities Commission.

During the year Mr. Kevon Proctor a recent intern at the Commission continued, on a part scholarship from the Commission, in finance and accounting at Trent University in Canada.

The Commission is still awaiting the enactment of new legislation for electricity governance geared towards bringing that sector under the regulatory authority of the PUC. No legislative changes were made during the year under review; however, government engaged a consultant who made recommendations on a new regime for renewable energy integration including: legislative changes; power purchase agreements; and metering arrangements.

If the PUC is to become the regulator in this proposed new arrangement then there would be the need for support from Government to begin the process of acquiring the skill sets required in this area, as the industry assessment levy on the telecommunications sector cannot be used to fund any of the costs associated with the energy sector.

7.3 Regulatory Framework

The main function of the Commission is the administration of the Telecommunications Act (R.S.A c.T6). Section 7 of the PUC Act provides for a broader mandate, in particular sub-section 7(3) (a) which reads as follows:

- (3) *Subject to subsection (1), the Commission has the following general functions—*
- (a) *to secure, as far as it is economical to meet them, that all reasonable demands in Anguilla for electricity, telecommunications and piped water are met;*

There was no new legislation enacted during 2019 to expand the Commission's mandate to other sectors however there has been some discussion on expanding roles for the PUC as mentioned in section 5 of the report.

APPENDIX 1

Report from the Auditor
On the
Accounts of
The Public Utilities Commission
Of
Anguilla
2019





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INDEPENDENT AUDITOR'S REPORT

To the Members of Public Utilities Commission

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Public Utilities Commission (the "Commission"), which comprise:

- the statement of financial position as at December 31, 2019;
- the statement of revenue and expenses, statement of changes in surplus and statement of cash flows for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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



INDEPENDENT AUDITOR'S REPORT *(continued)*

To the Members of Public Utilities Commission *(continued)*

Report on the Audit of the Financial Statements *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



INDEPENDENT AUDITOR'S REPORT *(continued)*

To the Members of Public Utilities Commission

Report on the Audit of the Financial Statements *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements *(continued)*

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

BDO LLC

Chartered Accountants
The Valley, Anguilla
January 14, 2021

APPENDIX 2

Financial Statements 2019





PUBLIC UTILITIES COMMISSION

Financial Statements

December 31, 2019

(Expressed in Eastern Caribbean Dollars)

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PHYSICAL ADDRESS

Fairplay Complex
The Valley
Anguilla
British West Indies

DIRECTORS

Keesha Carty, Executive Chairperson
Jerome Richardson, Deputy Chairperson
Christonie Fleming, Commissioner
Idona Alord, Commissioner
Kenn Banks, Executive Director

SECRETARY

Kishena Webster (Executive Assistant to Executive Director)

BANKERS

National Commercial Bank of Anguilla Limited

SOLICITORS

Attorney General's Chambers
P.O. Box 60
Commercial Complex
The Valley, Anguilla

AUDITORS

BDO LLC
Chartered Accountants
17 Fairplay Complex
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Anguilla, B.W. I.

PUBLIC UTILITIES COMMISSION
Statement of Financial Position
As at December 31, 2019

(Expressed in Eastern Caribbean Dollars (EC\$))

	<i>Notes</i>	2019	2018
ASSETS			
Cash and cash equivalents	7	343,263	307,860
Investments	8	233,980	330,389
Receivable		11,399	886
Prepayment		4,422	4,422
Property and equipment - net	9	55,309	81,800
Right-of-use assets	13	197,717	-
Total assets		846,090	725,357

LIABILITIES AND SURPLUS

Liabilities			
Trade and other payables		52,520	52,442
Lease Liability	13	199,391	-
Surplus	10	594,179	672,915
Total liabilities and surplus		846,090	725,357

The financial statements on pages 5 to 23 were approved and authorized for issue by the Board on December 16, 2020 and were signed on its behalf by:


Keesha Carty
Executive Chairperson


Kenn Banks
Executive Director

The accompanying notes on pages 9 to 23 are integral part of these financial statements.

PUBLIC UTILITIES COMMISSION
Statement of Revenue and Expenses
For the Year Ended December 31, 2019

(Expressed in Eastern Caribbean Dollars (EC\$))

	<i>Notes</i>	2019	2018
Revenue	10	874,461	835,721
General and administrative expenses	11	(1,014,975)	(848,481)
Operating loss		(140,514)	(12,760)
Lease finance charge	13	(4,534)	-
Grant- conference		59,376	-
Interest income	7, 8	6,936	6,881
(Deficit)/surplus		(78,736)	(5,879)

The accompanying notes on pages 9 to 23 are integral part of these financial statements.

PUBLIC UTILITIES COMMISSION
Statement of Changes in Surplus
For the Year Ended December 31, 2019

(Expressed in Eastern Caribbean Dollars (EC\$))

	2019	2018
Surplus		
Balance at beginning of year	672,915	678,794
Net (deficit) for the year	(78,736)	(5,879)
Balance at end of year	594,179	672,915

The accompanying notes on pages 9 to 23 are integral part of these financial statements.

PUBLIC UTILITIES COMMISSION
Statement of Cash Flows
For the Year Ended December 31, 2019

(Expressed in Eastern Caribbean Dollars (EC\$))

	<i>Notes</i>	2019	2018
Cash flows from operating activities			
Net deficit		(78,736)	(5,879)
Adjustments for:			
Interest income	7, 8	(6,936)	(6,881)
Amortization of right-of-use assets	13	10,406	-
Depreciation	9	26,491	29,629
Finance lease charge	13	4,534	-
(Deficit)/surplus before working capital changes		(44,241)	16,869
Increase in receivable		(10,513)	(27)
Increase/(decrease) in trade and other payable		78	(11,294)
Net cash (used in)/provided by operating activities		(54,676)	5,548
Cash from investing activities			
Withdrawal of investment		330,389	423,589
Acquisition of investments		(233,980)	(330,389)
Interest received		6,936	9,105
Acquisition of property and equipment	9	-	(11,892)
Net cash from investing activities		103,345	90,413
Cash from financing activities			
Payment of finance lease liability	13	(8,732)	-
Payment of finance lease interest charge	13	(4,534)	-
Net cash used in financing activities		(13,266)	-
Net increase in cash and cash equivalents		35,403	95,961
Cash and cash equivalents at January 1		307,860	211,899
Cash and cash equivalents at December 31		343,263	307,860

The accompanying notes on pages 9 to 23 are integral part of these financial statements.

PUBLIC UTILITIES COMMISSION
Notes to the Financial Statements
December 31, 2019

(Expressed in Eastern Caribbean Dollars (EC\$))

1. Reporting entity

The Public Utilities Commission (the "Commission") is a statutory body corporate established by the Public Utilities Commission Act R.S.A. c.R55 of 2003. The primary function of the Commission is the administration of the Telecommunications Act R.S.A.c.R55 (Chapter T6). Section 3 of Telecom Act, which describes the main functions of the Commission with respect to the regulation of the telecommunications sector.

The Commission commenced operations on April 7th, 2004. The registered office and principal place of business of the Commission is located at Fairplay Complex, The Valley, Anguilla, British West Indies.

2. Basis of preparation

(a) Statement of compliance

The financial statements of the Commission have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) as issued by the International Accounting Standards Board (IASB).

(b) Basis of measurement

The financial statements of the Commission have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Eastern Caribbean Dollars (EC Dollars), which is the Commission's functional and presentation currency. Except as otherwise indicated, all financial information presented in EC Dollars have been rounded to the nearest dollar.

(d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in note 6 to the financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

(Expressed in Eastern Caribbean Dollars (EC\$))

2. Basis of preparation (continued)

(e) Changes in accounting policies and disclosures

New standards, interpretations and amendments effective from 1 January 2019

The accounting policies adopted are consistent with those of the previous financial year except that the Commission has adopted the following new and amended IFRS and IFRIC (International Financial Reporting Interpretations Committee) interpretations as of January 1, 2019:

- IFRS 16 Leases (IFRS 16); and

Effective January 1, 2019, IFRS 16 has replaced IAS 17 Leases and IFRIC 4 Determining whether an Arrangement Contains a Lease.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Commission does not have significant leasing activities acting as a lessor.

IFRS 16 Leases is relevant to the Commission (See note 13).

- IFRIC 23 Uncertainty over Income Tax Treatments (IFRIC 23)

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation requires:

- The Commission to determine whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- The Commission to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and
- If it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

IFRIC 23 is not relevant to the Commission.

None of the amendments to Standards and interpretations that are effective from that date had a significant effect on the Commission's financial statements.

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Commission has decided not to adopt early, or these are not relevant to its operation.

(Expressed in Eastern Caribbean Dollars (EC\$))

3. Significant accounting policies

The accounting policies set out below have been applied consistently by the Commission to all periods presented in these financial statements unless otherwise stated.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the Commission's functional currency at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the Commission's functional currency at the exchange rate ruling at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in the foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the Commission's functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(b) Financial instruments

i. Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, investments in certificates of deposit, trade and other receivables and trade and other payables.

Non-derivative financial instruments are recognized initially at fair value plus, for instruments that are not fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Cash and cash equivalents

Cash and cash equivalents comprise cash in banks and other highly liquid financial assets with maturities of less than three months that are purposed to meet short-term cash commitments and are not subject to significant risk of change in value.

Investment in certificates of deposit

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Commission has the positive intent and ability to hold to maturity, and which are not designated at fair value through statement of revenue and expenses or available-for-sale.

Held-to-maturity investments are carried at amortized cost using the effective interest method. Any sale or reclassification of a significant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale and prevent the Commission from classifying securities as held-to-maturity for the current and the following two financial years.

(Expressed in Eastern Caribbean Dollars (EC\$))

3. Significant accounting policies (continued)

(b) Financial instruments (continued)

i. Non-derivative financial instruments (continued)

Trade and other receivables

Trade and other receivables are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortized cost less allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the Commission will not be able to collect all amounts due according to the original terms of the receivable. The amount of allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of allowance is recognized in statement of revenue and expenses.

Trade and other payables

Trade and other payables are stated at their cost, which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Commission.

Other

Other non-derivative financial instruments are measured at cost less any impairment losses.

(c) Property and equipment - net

i. Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal within the carrying amount of property and equipment and are recognized net in statement of revenue and expenses.

(Expressed in Eastern Caribbean Dollars (EC\$))

3. Significant accounting policies (continued)

(c) Property and equipment - net (continued)

ii. Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Commission and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognised in statement of revenue and expenses as incurred.

iii. Depreciation

Depreciation is recognized in statement of revenue and expenses on the straight-line basis over the estimated useful lives of each part of an item of property and equipment. The estimated useful lives for the current and comparative years are as follows:

Office Equipment	4 - 5 years
Equipment	6.67 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(d) Leases

IFRS 16 was adopted 1 January 2019 without restatement of comparative figures. The following policies apply after the date of initial application, 1 January 2019.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Commission's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Commission if it is reasonably certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right of use assets is initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognized where the Commission is contractually required to dismantle, remove, or restore the leased asset.

(Expressed in Eastern Caribbean Dollars (EC\$))

3. Significant accounting policies (continued)

(d) Leases (continued)

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding or reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Commission revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

(e) Impairment

i. Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. An impairment is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in the statement of revenue and expenses.

ii. Non-financial asset

The carrying amounts of the Commission's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(Expressed in Eastern Caribbean Dollars (EC\$))

3. Significant accounting policies (continued)

(e) Impairment (continued)

ii. Non-financial asset (continued)

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of revenue and expenses. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(f) Provision

A provision is recognized if, as a result of a past event, the Commission has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(g) Employee benefits

i. Retirement benefits

The Commission's retirement benefit is sponsored by the Government of Anguilla under its Pension Scheme for Public Officers. The scheme is a defined contributory state plan which operates under the simple pay-as-you-go basis. Obligations for contributions to the defined contribution state plan are recognized as a pension expense in the statement of revenue and expenses when they are due.

ii. Short-term benefits

Short-term employee benefit obligations, including gratuity and holiday entitlement, are measured on an undiscounted basis and are expensed as the related service is provided.

(h) Revenues

Revenue is measured at the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Commission's activities. The Commission recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Commission's activities, as described below.

(Expressed in Eastern Caribbean Dollars (EC\$))

3. Significant accounting policies (continued)

(h) Revenues (continued)

Revenue is measured at the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Commission's activities. The Commission recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Commission's activities, as described below.

Levy income

The levy income is recognised on an accrual basis in accordance with the annual industry levy set, in accordance with Section 21 of the Public Utilities Commission (PUC) Act on public utilities, telecommunication suppliers and holders of frequency authorizations. The levy income set for each financial year is also determined by the financial results used to meet the requirements under Section 21 (2) of the PUC Act as amended by the PUC Amendment Act (2007).

Interest income

Interest income is recognized on a time-proportion basis using the effective interest method.

Grant income

A grant was received from the Government of Anguilla to assist in costs associated with the OOCUR Conference.

(i) Expense recognition

Expenses are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. Expenses are recognized when they are incurred. Expenses are recognized in statement of the profit or loss: (a) on the basis of a direct association between the cost incurred and the earning of specific items of income; (b) on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; (c) or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the Commission's financial position as asset.

Expenses in the statement of revenue and expenses are presented using the function of expense method.

(j) Related party transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Transactions between related parties are based on terms similar to those offered to non-related parties.

(Expressed in Eastern Caribbean Dollars (EC\$))

3. Significant accounting policies (continued)

(k) Retained surplus

Retained surplus represents the cumulative net surplus of current and prior period including prior period adjustments, if any. When retained surplus account has a debit balance, it is called "deficit", and presented as a deduction from equity.

(l) Subsequent events

Post year-end events that provide additional information about the Commission's financial position at reporting date (adjusting events) are reflected in the financial statements when material. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

4. Determination of fair values

A number of the Commission's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

(a) *Held-to-maturity investment securities*

The fair value of held-to-maturity investment securities is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(b) *Trade and other receivables*

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(c) *Cash and cash equivalents*

The fair value of cash and cash equivalents approximates carrying value due to its short-term nature.

(d) *Non-derivative financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Current liabilities are not discounted, since the present value of future cash flows is equal to its carrying amount.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Management believes that the effect of discounting those short-term financial assets and liabilities at market rate is immaterial as at year-end.

(Expressed in Eastern Caribbean Dollars (EC\$))

5. Financial risk management

(a) Introduction and overview

The Commission has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

The Commission is exposed to various risks in relation financial instruments. The Commission's financial assets and liabilities by category are summarized in Note 3 (b). The Commission's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Commission's financial performance. There are no formal risk management policies and procedures in place. Management identifies and evaluates financial risk when these arise.

The Commission does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Commission is exposed are described below.

(b) Credit risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Commission. The Commission has made adequate provision for any potential credit losses and the amount of the Commission's maximum exposure to credit risk is indicated by the carrying amount of its financial assets.

Investment securities

The Commission limits its exposure to credit risk by only investing in fixed deposits with local banks. Management does not expect the related counterparty to fail to meet its obligations.

Trade and other receivables

The Commission's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Commission's customer base, including the default risk of the industry and country in which customers operate, has less influence on credit risk. The Commission establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investment securities. The main components of this allowance are collective losses based on number of days in receivable.

(c) Liquidity risk

Liquidity risk is the risk that the Commission will not be able to meet its financial obligations as they fall due. The Commission's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Commission's reputation.

(Expressed in Eastern Caribbean Dollars (EC\$))

5. Financial risk management (continued)

(d) Market risk

Currency risk

The Commission's exposure to currency risk is minimal as the exchange rate of the Eastern Caribbean dollar (EC\$) to the United States dollar (US\$) has been formally pegged at EC\$2.70 = US\$1.00.

Interest rate risk

Differences in contractual re-pricing or maturity dates and changes in interest rates may expose the Commission to interest rate risk.

	2019	2018
	%	%
Financial assets		
Cash and cash equivalents	1.00 - 2.00	1.00 - 2.00
Investments	1.1250-1.3750	1.3750

6. Critical accounting estimates and judgments

The Commission makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experiences and other facts, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. 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:

a. Impairment of assets

Financial and non-financial assets are evaluated for impairment on a basis described in note 3 (e) to the financial statements.

b. Estimated useful lives of property and equipment

The Commission estimates useful lives of equipment on the period over which the individual assets are expected to be available for use and are updated if expectations differ from previous estimates due to physical wear and tear, technical and commercial obsolescence. The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items equipment. As at December 31, 2019 and 2018, the carrying value of equipment is presented in note 9.

PUBLIC UTILITIES COMMISSION
Notes to the Financial Statements (continued)
December 31, 2019

(Expressed in Eastern Caribbean Dollars (EC\$))

7. Cash and cash equivalents

Cash and cash equivalents include cash deposits with National Commercial Bank Anguilla (NCBA) Ltd. These deposits earned interest at bank prevailing rates.

The total interest income earned from these deposits for the year ended December 31, 2019 amounted to \$4,038 (2018: \$2,305).

8. Investments

Details of the Commission's investments are as follows:

	<i>Interest rates</i>	2019	2018
Fixed deposits - National Commercial Bank Anguilla (NCBA) Ltd	1.125% - 1.375%	233,980	330,389

This deposit has a maturity date of six months that ended June 9th, 2020. A new deposit was opened and matures December 9th, 2020.

Total interest earned from this deposit as at December 31, 2019 amounted to \$2,898 (2018: \$4,576)

9. Property and equipment - net

	Furniture and Fixture	Office Equipment	Total
Cost			
December 31, 2017	101,115	75,679	176,794
Acquisitions	11,892	-	11,892
December 31, 2018	113,007	75,679	188,686
Acquisitions	-	-	-
December 31, 2019	113,007	75,679	188,686
Accumulated depreciation			
December 31, 2017	20,223	57,034	77,257
Depreciation	20,223	9,406	29,629
December 31, 2018	40,446	66,440	106,886
Depreciation	20,223	6,268	26,491
December 31, 2019	60,669	72,708	133,377
Net book values			
December 31, 2018	72,561	9,239	81,800
December 31, 2019	52,338	2,971	55,309

PUBLIC UTILITIES COMMISSION
Notes to the Financial Statements (continued)
December 31, 2019

(Expressed in Eastern Caribbean Dollars (EC\$))

10. Surplus

In accordance with the PUC Act Section 24(2), the industry levy for a financial year shall equal the net estimated expenditure of the Commission for that financial year, as set out in the estimates approved by the Governor in Council, adjusted by -

- the addition of the deficit, if any, shown in the audited accounts for the last available financial year; or
- the subtraction of the surplus, if any, shown in the audited accounts for the last available financial year.

The surplus reflected as at December 31, 2019 represents the accumulated excess of industry levy and other income over actual expenditures since the Commission's inception.

11. General and administrative expenses

	<i>Notes</i>	2019	2018
Salaries and employee benefits	12	476,999	464,824
Training costs		294,162	127,057
Professional fees		67,229	64,708
Meeting allowance		61,800	61,800
Rent		39,938	44,360
Depreciation		26,491	29,629
Utilities		25,096	26,427
Amortization right-of-use assets	13	10,406	-
Office expenses		7,141	25,942
Other		5,713	3,734
		1,014,975	848,481

Text

12. Employee benefits expense

	2019	2018
Salaries	425,378	380,130
Bonus	-	30,689
Social security and levy	8,903	8,864
Pension	6,322	6,322
Travel allowance	18,000	19,000
Other costs	18,396	19,819
	476,999	464,824

(Expressed in Eastern Caribbean Dollars (EC\$))

13. Operating lease

The Commission leases the premises it occupies. The lease expired September 30, 2019 and a new lease commenced October 1, 2019 and expires October 1 2024 with the option to renew the contract. The lease charges a monthly rate of US\$1,650 (EC\$4,422).

Right-of-Use Assets

	2019
As at 1 January 2019	-
Additions	208,123
Amortization	(10,406)
	197,717

Lease Liabilities

	2019
As at 1 January 2019	-
Additions	208,123
Interest Expense	4,534
Lease payments	(13,266)
	199,391

Details of lease payments follow:

	2019
Finance lease liabilities	8,732
Finance lease interest	4,534
	13,266

14. Related party transactions

Identification of related party

A party is related to the Commission if:

- (i) Directly or indirectly the party:
 - Control is controlled by, or is under common control with the Commission;
 - Has interest in the Commission that gives it significant influence over the Commission; or
 - Has joint control over the Commission.
- (ii) The party is a member of the key management personnel of the Commission. These include the Executive Director, the Accountant and the Corporate Secretary.
- (iii) The party is a close member of the family of any individual referred to in (i) or (ii)
- (iv) The party is a postemployment benefit plan for the benefit of employees of the Commission or any entity that is a related party of the Commission.

Remuneration to directors and executive staff follows:

	2019	2018
Directors' allowance	61,800	61,800
Executive staff salaries and gratuity	197,818	165,697
	259,618	227,497

(Expressed in Eastern Caribbean Dollars (EC\$))

15. Subsequent events

COVID -19

As at report date, the coronavirus (COVID-19) outbreak which became an official pandemic on March 11, 2020 has prompted global health and economic concerns. Coronavirus affected entities in every sector, due to the following impacts:

- Reduced consumer demand for goods and services due to lost income and/or restrictions on consumers' ability to move freely;
- Lack of investment in capital improvements and construction reducing demand for many goods and services;
- Reduction in market prices for commodities and financial assets, including equity and debt instruments; and
- Disruption of global supply chains due to restrictions placed on the movement of people and goods.

The above resulted in the closure of businesses, travel bans and border closures in different countries including Anguilla. The Commission continues to assess and monitor the ongoing effect of the Covid-19 pandemic to the island and specifically to the Commission's operations and the financial statements as at and for the year ended December 31, 2020.

APPENDIX 3

OCCUR 2019 Highlights

Welcome Cocktail- Sunday 10th November 2019

Opening Ceremony- Monday 11th November 2019

Dine & Wine Night- Monday 11th November 2019

OCCUR Session- Tuesday 12th November 2019

Grill & Chill Night- Tuesday 12th November 2019

OCCUR Session- Wednesday 13th November 2019

Formal Gala & Dance- Wednesday 13th November 2019

OCCUR Final- Thursday 14th November 2019



















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