

Public Utilities Commission

ANGUILLA

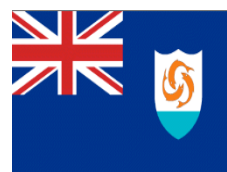


**CELEBRATING FIFTY YEARS
SINCE THE REVOLUTION;
TRANSFORMING, EMPOWERING AND BUILDING
OUR NATION!**

Annual Report



2016





PUBLIC UTILITIES COMMISSION

FAIR PLAY COMMERCIAL COMPLEX, P. O. BOX 1400, THE VALLEY, ANGUILLA, B.W.I.
Email: pucaxa@puc.ai Fax: 1.264.497.2762
Website: www.pucanguilla.org Tel: 1.264.497.7374

24 August 2017

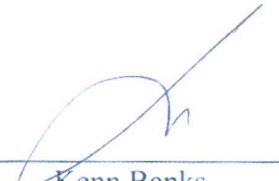
Re: Public Utilities Commission 2016 Annual Report

The Annual Report of the Commission for 2016 is hereby approved and submitted pursuant to Section 19 of the Public Utilities Commission Act (2003).


Keesha C. Carty
Executive Chairman


Jerome Richardson
Deputy Chairman


Idona Alord
Commissioner


Kenn Banks

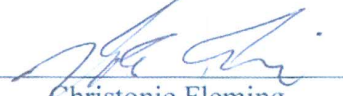

Christonie Fleming

Table of Contents

TABLE OF CONTENTS	1
1.0 INTRODUCTION	5
2.0 APPPLICATIONS	7
2.1 NETWORK APPLICATIONS	7
2.1.1 TRANSITION FROM LIME TO FLOW BRAND.....	7
2.2 FREQUENCY AUTHOURIZATION APPLICATIONS	7
2.2.1 DIGICEL APPLICATION FOR MICROWAVE FREQUENCIES FOR ROLLOUT OF 4G LTE NETWORK.....	7
2.2.2 DIGICEL APPLICATION FOR MICROWAVE FREQUENCY.....	7
2.2.3 DIGICEL APPLICATION FOR 900 MHZ RF SPECTRUM – SURRENDERING OF 1900 MHZ RF SPECTRUM.....	8
2.3 NUMBERING APPLICATIONS	8
2.3.1 APPLICATION FOR USE OF SHORT CODES 2300 AND 2525.....	8
2.3.2 APPLICATION FOR USE OF SHORT CODES 5363 AND 536.....	8
2.3.3 ANGLINE SURRENDER OF LICENSE.....	8
2.4 TYPE APPROVAL APPLICATIONS	9
2.4.1 APPLICATION FOR DIRECT V MODEL #RC72L F4CE 2012.....	9
2.4.2 APPLICATION FOR CONTINENTAL GMBH EQUIPMENT	9
2.4.3 APPROVE IT! APPLICATION FOR RADIO MODELS VP3 SILVERBOX AND VP4 SILVEBROX..	9
2.4.4 WIRELESS APPROVAL CONSULTANTS APPLICATION.....	10
2.4.5 APPLICATION FOR CONTINENTAL GMBH EQUIPMENT.....	10
2.4.6 APPROVE IT! APPLICATION FOR APPLE IPHONE SE MODELS A1723 & A1662 AND IPAD PRO MODELS A1673 AND A1674.....	10
2.4.7 APPROVE IT! APPLICATION FOR APPLE WATCH MODELS A1757, A1758, A1816, A1817, A1802 AND A1803; APPLE WATCH WIRELESS CHARGER MODEL A1768; POWERBEATS 3 WIRELESS MODEL A1747; BEATS SOLO3 WIRELESS MODEL A1796 AND APPLE AIRPOD MODELS A1722 AND A152.....	10

3.0 OTHER TECHNICAL MATTERS	11
3.1 FREQUENCY COORDINATION MEETING BETWEEN THE ADMINISTRATIONS OF ANGUILLA(AIA), FRANCE(F), ST.MAARTEN(SXM) AND THE STATE OF THE NETHERLANDS FOR SABA AND ST. EUSTATIUS(BES)	11-12
3.2 SPECTRUM MONITORING EQUIPMENT	12
4.0 POLICY FRAMEWORK	13
4.1 INTERNET GOVERNANCE	13
5.0 TELECOMS SECTOR DEVELOPMENT & RETAIL PRICES	14
5.1 SECTOR DEVELOPMENT	14
5.1.1 Total outgoing and incoming calls	17
5.2 RETAIL PRICES	19
5.2.1 Fixed Access, Mobile and Domestic Calling Prices	19
5.2.2 International Calling Prices	22
5.2.3 Flat Rate Calling Prices	23
5.2.4 Mobile Roaming Prices	24
5.2.5 Domestic and Regional Internet Prices	25
5.2.6 Digicel and Flow Prepaid and Postpaid Mobile Data Plan Pricing	28
6.0 FINANCES	31
6.1 ANNUAL LEVY – 2016	31
6.2 FINANCIAL REPORT – 2016	31
7.0 FUTURE CHALLENGES AND OPPURTUNITIES	32
7.1 HUMAN RESOURCE DEVELOPMENT	32
7.2 REGULATORY FRAMEWORK	33
7.3 BROADCASTING	33
7.4 ENERGY	33

Index of Tables

TABLE 1: ANGUILLA’S TELECOMMUNICATION INDICATORS 2008-2015.....	16
TABLE 2: TOTAL INTERNATIONAL MINUTES- OUTGOING & INCOMING	17
TABLE 3: DOMESTIC MONTHLY FIXED LINE PRICES	19
TABLE 4A: DOMESTIC CALLING PRICES CCC AND FLOW POSTPAID.....	20
TABLE 4B: DOMESTIC CALLING PRICES FLOW PREPAID & DIGICEL POSTPAID AND PREPAID.....	21
TABLE 5: PRICES FOR INTERNATIONAL DIRECT DIALED CALLS FROM ANGUILLA	22
TABLE 6: FLAT RATE CALLING PLANS.....	23
TABLE 7: FLOW ROAMING SERVICE.....	24
TABLE 8: DIGICEL ROAMING SERVICE.....	24
TABLE 9: CCC MONTHLY CHARGES FOR INTERNET ACCESS 2012-2016.....	25
TABLE 10: FLOW MONTHLY CHARGES FOR INTERNET ACCESS 2012-2016.....	26-27
TABLE 11: FLOW PREPAID MOBILE DATA PLANS.....	28
TABLE 12: DIGICEL PREPAID MOBILE DATA PLANS.....	28
TABLE 13: FLOW RESIDENTIAL POSTPAID MOBILE DATA PLANS.....	29
TABLE 14: FLOW CORPORATE POSTPAID MOBILE DATA PLANS.....	30

Index of Figures

FIGURE 1: TOTAL FIXED TELEPHONE LINES.....	14
FIGURE 2: TOTAL MOBILE TELEPHONES.....	15
FIGURE 3: TOTAL FIXED LINE INTERNET CUSTOMERS.....	15
FIGURE 4: TOTAL INTERNATIONAL MINUTES OUTGOING AND INCOMING.....	18

Acknowledgements

Contributions in the form of design, research, analysis and drafting were provided by Mr. Kevon Proctor, undergraduate student at the University of Trent currently pursuing a Bachelor's Degree in Business Administration – Finance, a summer intern at the Commission.

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

1.0 Introduction

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.

Appointments to the Commission are made by the Governor-in-Council pursuant to Section 3 of the PUC Act. The following persons were members of the Commission during 2016: Mr. Colville Petty, Executive Chairman; Mr. Jerome Richardson, Deputy Chairman; Mrs. Idona Alord, Commissioner; Mr. Christonie Fleming, Commissioner; Mr. Kenn Banks, Commissioner.

Mr. Jerome Richardson was first appointed on 25 November 2013 as Deputy Chairman and Mr. Colville Petty, OBE on 17 December 2013 as Executive Chairman. Both members were appointed for two-year terms. In June 2015, Mr. Christonie Fleming was appointed to serve for a term of two years. Mr. Richardson was reappointed in November 2015 and Mr. Colville Petty in December 2015 for a two year term. Mrs. Idona Alord was appointed as Commissioner with the PUC in December 2016 to replace Ms. Bernadine Jeffers whose term had expired.

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

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 2016 activities including the financial performance during 2016 and the financial position as of the year ending 31 December 2016 (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).

Vision and Mission Statement of PUC

Vision

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

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 liberalised telecoms sector; and working with operators, government and the general populace towards the creation of appropriate service standards in the various utility sectors.

2.0 APPLICATIONS

2.1 Network Applications

There were no licence applications for new networks or services submitted to the Commission during 2016 pursuant to Section 4 of the Telecommunication Act and the Telecommunications and Frequency Licensing Regulations (R.R.A. T6-2).

2.1.1 Transition from LIME to FLOW Brand

During the year, Cable and Wireless Communications had transitioned the consumer brand from LIME to FLOW as a result of a successful merger between Cable and Wireless and Columbus International. This transformation was expected to provide a greater value of services to customers and employees through improved mobile networking, internet access and advanced communication. The company reported that this development would result in the improvement in the quality of services to consumers.

2.2 Frequency Authorization Applications

2.2.1 Digicel Application for Microwave Frequencies for Rollout of 4G LTE Network

Digicel presented an application to the Commission dated 19 July 2016, for the approval of two adjacent channels in the 8 GHz frequency with 56MHz Channel Spacing and 266 MHz Duplex and two adjacent channels in the 10 GHz frequency with 56 MHz Channel Spacing and 350 MHz Duplex. This is to facilitate the rollout of its 4G LTE Network.

The Commission granted authorization for the use of the microwave frequencies in Anguilla pursuant to the Telecommunication Spectrum Fee Regulations R.A. This decision was recorded and communicated by way of letter dated 29 July 2016.

2.2.2 Digicel Application for Microwave Frequency

Digicel, in application dated 10 October 2016, for the approval of a 56 MHz channel block with lower frequency centered on 7996.00 MHz and upper frequency centered on 8262.00.

The Commission granted authorization for the use of the microwave frequency in Anguilla, pursuant to the Telecommunication Spectrum Fee Regulations R.A. This decision was recorded and communicated by way of letter dated 10 October 2016.

2.2.3 Digicel Application for 900 MHz RF Spectrum - Surrendering of 1900 MHz RF Spectrum

Digicel, in an application to the Commission dated 23 November 2016, requested use of the following frequencies on an exclusive basis: 905.00-910.00 MHz Uplink and 950.00-955.00 MHz downlink of a 56 MHz to replace the 1900 MHz Band 1905.00-1910.00 MHz uplink and 1985.00-1990.00 MHz downlink.

The Commission granted authorization to Digicel Anguilla to utilize the following frequencies on an exclusive basis. This decision was recorded and communicated by way of letter dated 23 November 2016.

2.3 Numbering Applications

2.3.1 Application for Use of Short Codes 2300 and 2525

FLOW, in an application dated 1 February 2016, requested approval for use of short codes 2300 and 2525 on both mobile and fixed networks. The former would be used to access news and information service provided by Manchester United and other promotional initiatives.

The Commission granted authorization for use of short codes 2300 and 2525 in Anguilla. This decision was recorded and communicated by way of letter dated 29 June 2016.

2.3.2 Application for Use of Short Codes 5363 and 536

FLOW presented an application to the Commission dated 23 June 2016 for the approval of short codes 5363 and 536 to access their credit advance service to be used in Anguilla. This credit advance service allows prepaid mobile customers to request a credit balance (loan) on their account, using IVR or USSD interface which is used for voice calls, data/internet and sending SMS.

The Commission granted authorization for use of short codes 5363 and 536 in Anguilla. This decision was recorded and communicated by way of letter dated 29 June 2016.

2.3.3 Angline Surrender of License

Director of ANGLINE LTD, Mr. Crefton Niles in a letter dated 15 September 2016, formally requested the temporary cessation/surrender of Angline's licenses namely, the Telecommunications License and the Numbering Resource Licence as he had relocated to the US to live.

The Commission having considered the letter, accepted his request for surrender of and further stated that he would have to reapply upon his return for the same. This decision was recorded and communicated by way of letter dated 20 September 2016.

2.4 Type Approval Applications

2.4.1 Application for DIRECT V Model #RC72L F4CE 2012

Latin America Regulatory Compliance Group filed an application with the Commission, on behalf of Universal Electronics Inc., dated 1 February 2016, for approval to use the DIRECTTV RC72L remote in Anguilla.

The application was approved and communicated by way of letter dated 23 February 2016.

2.4.2 Application for Continental GmbH Equipment

Wireless Approval Consultants filed an application with the Commission on behalf of Continental Automotive Systems Inc., dated 4 February 2016, for approval to use the following: Handheld RKE, PASE (PEPS) System Transmitter, Radio Frequency Transmitter and Keyless Vehicle Module (KVM).

The application was approved and communicated by way of letter dated 12 July 2016.

2.4.3 Approve It! Application for Radio Type Models VP3 Silverbox and VP4 Silverbox

Approve It! submitted an application, on behalf of 7 Layers Inc., dated 18 February 2016, for approval to use Harman Becker Automotive Systems VP3 Silverbox and VP4 Silverbox in Anguilla.

The application was approved and communicated by way of letter dated 23 February 2016.

2.4.4 Wireless Approval Consultants Application

Wireless Approval Consultants submitted an application, dated 23 February 2016, for the use of the HW10 Radio Transceiver Module in Anguilla.

The application was approved and communicated by way of letter dated 4 March 2016.

2.4.5 Application for Continental GmbH Equipment

Wireless Approval Consultants filed an application to the Commission, on behalf of Continental Automotive Systems Inc., dated 25 February 2016, for approval to use the 2017 PEPS Bidirectional Fob in Anguilla.

The application was approved and communicated by way of letter dated 4 March 2016.

2.4.6 Approve It! Application for Apple iPhone SE models A1723 & A1662 and iPad Pro models A1673 & A1674

Approve It! filed an application, on behalf of Apple Inc. dated 22 March 2016, requesting approval to sell and use of the following Apple products in Anguilla: iPhone SE models A1723 & A1662 and iPad Pro models A1673 & A1674.

The application was approved and communicated by way of letter dated 19 April 2016.

2.4.7 Approve It! Application for Apple Watch Models A1757, A1758, A1816, A1817, A1802 and A1803; Apple Watch Wireless Charger Model A1768; Powerbeats 3 Wireless Model A1747; Beats Solo3 Wireless Model A1796 and Apple Airpod Models A1722 and A1523

Approve It! filed an application, on behalf of Apple Inc. dated 6 September 2016, requesting approval to sell and use of the following Apple products in Anguilla: Apple Watch models A1757, A1758, A1816, A1817, A1802 and A1803; Apple Watch Wireless Charger model A1768; Powerbeats 3 Wireless model A1747; Beats Solo3 Wireless model A1796 and Apple Airpod models A1722 and A1523.

The application was approved and communicated by way of letter dated 19 September 2016.

3.0 Other Technical Matters

3.1 Frequency Coordination Meeting Between the Administrations of Anguilla (AIA), France (F), St. Maarten (SXM and The State of the Netherlands for Saba and St. Eustatius (BES),

The frequency coordination meeting which was held 8 -10 June 2016 at the La Vue Hotel in Anguilla was attended by representatives from the four delegations listed below:

- **Anguilla Delegation:**

Mr. Larry Franklin – Permanent Secretary, Ministry of Infrastructure Communications, Utilities and Housing (MICUH), Head of Delegation;
Mr. Damien Harrigan- Telecoms Officer MICUH
Mr. Kenn Banks, Executive Director, Public Utilities Commission; and
Mr. Gary Rolston, Consultant, to the PUC

- **French Delegation:**

Mr. Cedric Perros – Agence Nationale des Frequences, (ANFR) Head of Delegation; and
Ms. Andrianilana Rakotondradalo ANFR

- **Sint Maarten Delegation:**

Mr. Anthony Carty, Director of the Bureau Telecommunicatie en Post (BTP), Head of Delegation
Mr. Sidney De Weever, BTP; and
Mr. Jan van Rees, Consultant to BTP

- **Kingdom of the Netherlands**

Mr. Giovanni King, Bureau Telecommunicatie en Post Curacao

FM Band Plan

Anguilla expressed an interest in the band 76-90 MHz, as many residents have second-hand vehicles from Japan containing radios which operate in the band 76-90 MHz rather than 88-108 MHz. Anguilla radio stations would like to operate repeaters in the 76-90 MHz band which would operate at lower power.

It was agreed that Anguilla would prepare a proposal on the above.

Review and finalize Draft FM agreement 2010

The agreement was finalized, with minor editorial changes, and the addition of a clarifying statement to the effect that gaps in the plan do not represent assignable channels.

Review and finalize Draft UHF Agreement in the 470-694 MHz band

It was agreed that the spectrum in the range 694-790 MHz would be dealt with in the revision of the *2006 Agreement for the frequency range 820 MHz to 2170 MHz*. As a consequence, to preserve equity, channels 30-33 would be transferred to Anguilla to replace channels 53-60 which were removed from the agreement. As there was no intent by any of the Administrations to use the band for mobile services,

the reference to '*Land Mobile Communications Networks*' was deleted from the title and the first paragraph of the text. With the addition of editorial changes, the agreement was approved.

Cross border coordination for mobile services

Review of use of 700, 800, 850, 900, 1800, 1900 and 2100 MHz bands

It was agreed that the 700 and 800 MHz bands would be incorporated into the 2006 Agreement for the frequency range 820 MHz to 2170 MHz. ANFR will provide a reconfigured version of the Agreement, moving specific band information to a series of annexes.

Review of use of 2.3, 2.6 and 3.5 GHz bands

It was agreed that the 2.3, 2.6 and 3.5 GHz bands would be incorporated into the revision of the 2006 Agreement and that all administrations would try to use these bands in a harmonized manner.

Review of GSM/UMTA Agreement (2006)

The 2006 Agreement was extensively revised, and now covers the frequency range 694 MHz to 3600 MHz.

Coordination of frequency scanning schedules

There was agreement on coordination of the schedules of the three administrations involved with frequency scanning, recognizing that France would be performing scanning in all the administrations in French territories twice a year.

There was agreement that a standard format for the information to be collected should be developed and agreed upon.

3.2 Spectrum Monitoring Equipment

During the year the Commission acquired an Anristu MS2720T Spectrum Master. It is a Handheld Spectrum Analyzer featuring and with ancillary equipment can perform multiple functions. The package includes both onsite and offsite training for PUC staff to enable them to exploit the full potential of the equipment.

This piece of equipment will facilitate the monitoring of the use of spectrum in Anguilla, which will help the Commission ensure that all frequencies in use are appropriately licensed. It will also allow for monitoring the transmission levels from services licensed in other jurisdictions to determine if they are operating in accordance with the coordination agreements.

4.0 Policy Framework

4.1 Internet Governance

The internet and cable television sectors remain unregulated as noted in the Commission's 2009 Annual Report (Section 5.2). 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.

The new Broadcast policy was compiled in 2013, in light of rapid changes in this sector, prior to the issuing the final drafting instructions there should be a quick review for continued relevance.

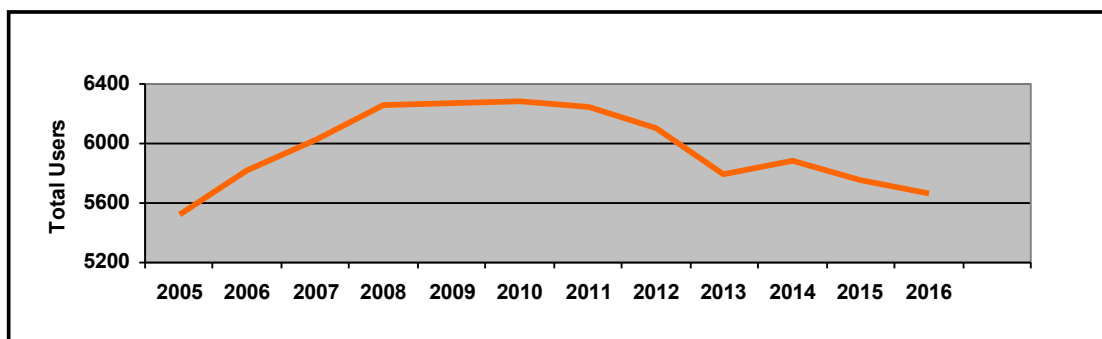
5.0 Telecoms Sector Development & Retail Prices

5.1 Sector Development

The main telecommunication indicators are presented in Table 1 which contains actual population data from the Anguilla Statistics Department from 2009 to 2016. The estimates for 2009, 2010, 2011, 2012 and 2014 were based on employing a 2.8 percent average annual growth rate established by the Anguilla Statistical Department study entitled 'Anguilla's Demographic trends over the Last Decade'¹.

Figure 1, presents an overall graph of the total number of fixed lines for the period 2005 to 2016.

Figure 1: Total Fixed Telephone Lines



As evidenced the number of in-service fixed lines in Anguilla increased during 2005-2008 and remained constant until 2011 with a decrease in 2012 and 2013. A significant reason for such may have been the replacement of fixed service with mobile service. In several of the largest industrialized economies, for instance, the United States of America, the number of fixed lines in service has also declined.

Over the last three years, the number of fixed lines in operation fluctuated, namely, 5,889 in 2014 to 5,669 in 2016. Further indicating that market penetration had fallen from 41.41 per 100 in 2014 to 37.58 in 2016, this may be due in part to due to the conversion of customers from fixed line telephones to cellular mobile telephones.

As illustrated in Figure 2, the number of mobile telephones in use had fluctuated over the four year period 2013 to 2016. While the population decreased in 2011 and increased in 2013, the number of mobile customers decreased from 26,872 to 20,681. Based on data shown in Figure 2, the mobile segment matured between 2009-2012, declined vastly in 2013 and recovered slightly in 2014 and 2015. During the 2015-2016 period there was a slight decrease in the number of mobile telephones in use. This varied from 22,143 in 2015 to 21,368 in 2016.

¹ Anguilla Statistics Department) 'Anguilla's Demographic Trends over the last Decade.' Anguilla Statistics Department, <http://www.gov.ai/statistics/images/Demographic_Trends.pdf> Accessed 25 September 2016

Figure 2 Total Mobile Telephones

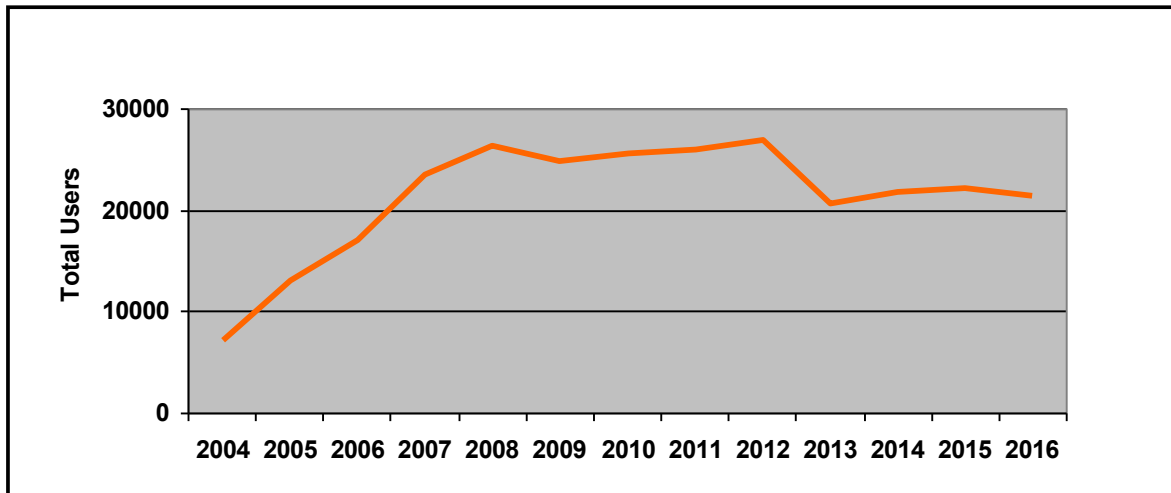
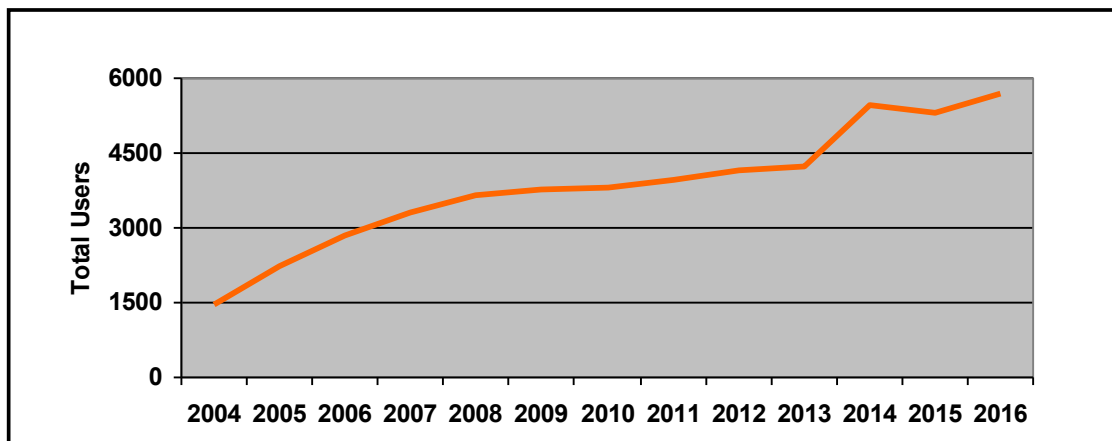


Figure 3 illustrates the number of broadband-internet users. Based on the former, it is evident that the number of broadband users had increased progressively over the 2005-2013 period from 2,839 to 4,239. In 2014 there was an increase of 29% bringing the number to 5,465 users, a penetration of 38.43 per 100. This growth appears to be primarily the result of increased interest in the internet, as the base price of acquiring the service had been significantly not reduced.

In this report for the last three 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. The data shows that there were 5,465 fixed line internet customers in 2014, 5,293 in 2015 and 5,679 in 2016. When combined with mobile data customers, the market penetration was 109.68 per 100 in 2014, 110.19 per 100 in 2015 and 108.57 per 100 in 2016.

Figure 3 Total Fixed Line Internet Customers



² Sources of data are identified below.

³ 2011–2014 Preliminary Census finding #5- press release November 2014- Accessed 25 November 2014.

	Table 1: Anguilla Telecommunications Indicators 2009 to 2016²							
	Year Ending 31 December 2016							
	2009	2010	2011³	2012	2013	2014	2015	2016
Population⁴	15,962	16,373	13,572	13,952	14,342	14,221	14723	15084
Fixed telephone lines in operation.⁵	6,268	6,282	6,243	6,101	5,790	5,889	5761	5669
Fixed telephone lines per 100 inhabitants.	39.27	38.37	45.90	43.72	40.37	41.41	39.13	37.58
Cellular mobile telephone customers.⁶	24,820	25,695	26,019	26,872	20,681	21,840	Prepaid 14046	Prepaid 12910
							Postpaid 8097	Postpaid 8458
							Total Mobile 22143	Total Mobile 21368
Cellular customers per 100 inhabitants.	155.49	156.94	191.71	192.60	144.20	153.58	150.40	141.66
Internet customers Fixed.⁷	3,753	3,789	3947	4165	4,239	5,465	5293	5679
Internet customers per 100 inhabitants Fixed	23.51	23.14	29.08	29.85	29.60	38.43	35.95	37.65
Mobile Data Customers						10,132	10930	10697
Internet customers per 100 inhabitants including mobile data						109.68	110.19	108.57

⁴ 2009 , 2010, 2012 and 2013 (Estimates using 2.8 average annual growth rate as determined by the Anguilla Statistics Department) Accessed 2 May 2013
2006 <http://gov.ai/statistics/POP_DEMO_HEALTH.htm> Accessed June 13 2007.

⁵ 2009-2016 Data submitted by Companies; 2016 data submitted by companies (CCC: submitted) (FLOW: submitted 18 May 2017)

⁶ 2009-2016 Data submitted by Companies; 2016 data submitted by companies (Digicel: submitted) (FLOW: submitted 18 May 2017)

⁷ 2009-2016 Data submitted by Companies; 2016 data submitted by companies (CCC: submitted) (FLOW: submitted 18 May 2017)

5.1.1 Total Outgoing and Incoming Minutes

Table 2: Total International Minutes - Outgoing and Incoming Minutes (2016) (Millions of Minutes)				
Companies	Service	Outgoing Minutes	Incoming Minutes	Total
FLOW⁸ Caribbean Cable Communications⁹ and Digicel¹⁰	Fixed International outgoing and Incoming	1,926,585	771,916	2,698,501
	Mobile Outgoing and Incoming	6,946,906	3,559,285	10,506,191
	Total	8,873,491	4,331,201	13,204,692

Table 2 presents the total outgoing and incoming international minutes for 2016 as reported by three of the licensed telecommunication service providers

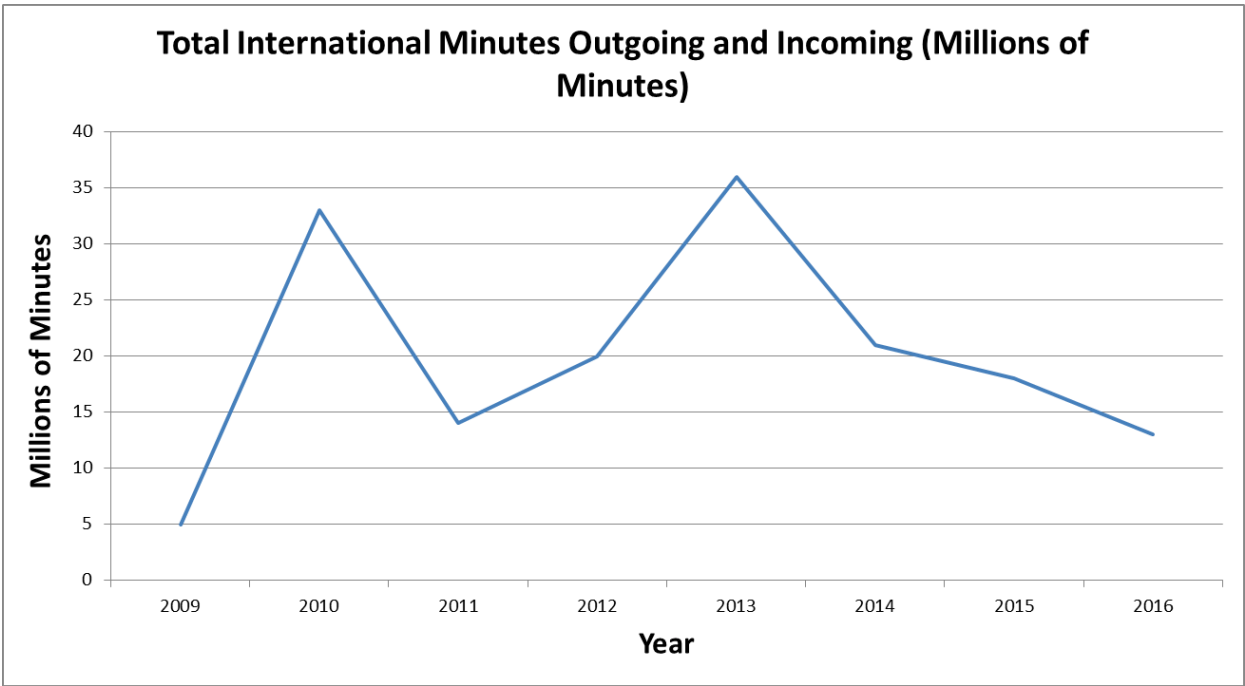
⁸ **2016** data submitted 18 May 2017

⁹ **2016** data submitted 23 May 2017

¹⁰ **2016** data submitted 2 June 2017

Figure 4, presents an overall graph of the total international outgoing and incoming minutes for the period 2009 to 2016. The results vary markedly, there appears to be some differences in the way the figures are reported year by year. The Commission will attempt to standardize reporting between the operators

Figure 4: Total International Minutes – Outgoing and Incoming



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. Weblinks, a telecommunication company that was granted a ten-year cellular mobile licence in 2004 was not renewed on expiration.

5.2.1 Fixed Access, Mobile and Domestic Calling Prices

Table 3: Domestic Monthly Fixed Line Prices										
Company	Service	Package	Price (EC\$/month)							
			2009	2010	2011	2012	2013	2014	2015	2016
CCC ¹¹	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 ¹²	Residential	Regular	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
	Business	Regular	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00
	Fixed Line Rental	Landline							35.00	
	Business Line	Landline							70.00	

Tables 3 to 9 show the prices for monthly fixed line rentals, domestic calling, 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 from 2009 to 2016 as shown in Table 3 above.

¹¹ **2009-2016** Data submitted by CCC; 23 May 2017

¹² **2009- 2016** Data submitted by FLOW; 18 May 2017

Table 4a: Domestic Calling Prices (2015-2016) ¹³								
Company	Service	Calls from	Calls To	Various Plans	EC\$/min. 2015		EC\$/min. 2016	
CCC ¹⁴	Fixed Lines	From CCC Fixed Lines	To CCC Fixed		Free		Free	
			To other Fixed		0.08		0.08	
			To Mobile Phones		0.54		0.54	
FLOW ¹⁵	Fixed Lines	From Fixed Lines	To FLOW Fixed	Day	0.09		0.09	
				Evening	0.07		0.08	
				Weekend	0.06		0.07	
			To other Fixed		0.09		0.09	
			To Other Mobile		0.60		0.60	
			To FLOW Mobile		0.60		0.60	
	Postpaid	From FLOW Mobile	To FLOW Mobile	B 100	Monthly	Per min.	Monthly	Per min.
					\$40	0.40	\$40	0.40
				B 200	\$50	0.25	\$50	0.25
				B 425	\$99	0.23	\$99	0.23
				B 675	\$149	0.22	\$149	0.22
				B 950	\$199	0.21	\$199	0.21
				bBiz 1250	\$249	0.20	\$249	0.20
				bBiz 2500	\$449	0.18	\$449	0.18
				bBiz 5000	\$849	0.17	\$849	0.18
			bBiz 10000	\$1599	0.16	\$1599	0.16	
			To FLOW fixed			0.45		0.45
			To Other mobile			0.55		0.55
			To other Fixed			0.45		0.45

¹³ Table 4a: Domestic Calling Prices as of 31 December 2016

¹⁴ 2016 data submitted 23 May 2017

¹⁵ 2016 data submitted 18 May 2017

Table 4b: Domestic Calling Price (2016)¹⁶								
Company	Service	Calls From	Calls To	Various Plans	ECS/min. 2016			
FLOW¹⁷	Prepaid	From FLOW Mobile	To FLOW Mobile	bFree	Day	Evening	Late Night	Weekend
					.68	.68	.68	.68
				bFree	.68	.68	.68	.68
			To Other Fixed	bFree/ pay as you go/ anytime	.68			
			To Other Mobile	bFree/ pay as you go/ anytime	.94			
			mms/picture/ video	bFree/anytime/ bFree One	.65			
			SMS to on net	bFree/anytime/ bFree One	.25			
			SMS to off net local	bFree/anytime/ bFree One	.25			
			SMS to any international network	bFree/anytime/ bFree One	.25			
Digicel¹⁸	Postpaid	From Digicel	Digicel Mobiles		Peak	Off-Peak	Weekend	
					0.45	0.45	0.45	
			Fixed Lines		0.55	0.55	0.55	
			Other Mobiles		0.55	0.55	0.55	
	Prepaid	From Digicel	Digicel Mobiles	Digicel Flex	0.70	0.70	0.70	
			Fixed Lines	Digicel Flex	0.70	0.70	0.70	
			Other Mobiles	Digicel Flex	0.95	0.95	0.95	

¹⁶ Table 4b Domestic Calling Prices as of December 2016

¹⁷ 2016 data submitted 18 May 2017

¹⁸ 2016 data submitted 2 June 2017

5.2.2 International Calling Prices

Table 5: Prices for International Direct Dialed calls from Anguilla (2015-2016)					
Company	Destination	Time Band ¹⁹	Price per Min (EC\$) 2015	Price per Min (EC\$) 2016	
<i>CCC</i> ²⁰	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	
<i>FLOW</i> ²¹	Saba, St. Eustace, St. Martin, St. Maarten, St. Kitts & Nevis, Antigua & Barbuda, BVI, Montserrat & Guadeloupe	Day Evening Weekend	0.60 0.50 0.40	.99	
	USA, Canada, UK, Ireland and the rest of the Caribbean	Day Evening Weekend	0.90 0.80 0.70	1.05	
	Rest of the World and other countries (Cuba, Solomon Islands, Guinea)	Day Evening Weekend	1.50 1.25 1.00	1.38	
<i>Digicel</i> ²²	Cuba	Day Evening Weekend	Prepaid& Postpaid		Prepaid& Postpaid
			3.30		3.45
			3.00		3.45
	Rest of the World	Day Evening Weekend	1.30		1.38
			1.30		1.38
			1.30		1.38
	UK, USA & Canada	Day Evening Weekend	0.70		1.12
			0.70		1.12
			0.70		0.70
	Rest of the Caribbean	Day Evening Weekend	Prepaid	Postpaid	Prepaid
			0.85	0.75	1.35
			0.85	0.75	0.81
	Dominica, St. Lucia, Antigua & Barbuda, Grenada, St. Kitts & Nevis, St. Vincent & the Grenadines, Montserrat, St. Martin, St. Maarten	Day Evening Weekend	0.70	0.60	0.91
			0.60	0.60	0.91
			0.50	0.50	0.82

¹⁹ **Time Bands:** Day Mon to Fri, 8am to 6pm; Evening Mon to Fri, 6pm to 8am; Weekend All day Saturday and Sunday.

²⁰ 2015 data submitted 14 September 2016. 2016 data submitted 23 May 2017

²¹ 2015 data submitted 24 September 2016. 2016 data submitted 18 May 2017

²² 2015 data submitted 14 September 2016. 2016 data submitted 2 June 2017

5.2.3 Flat Rate Calling Prices

Table 6: Flat Rate Calling Plans (2015-2016)²³			
Company	Service Name	Price (EC\$)	
		2015	2016
CCC²⁴	North American & UK	\$134.00	\$134.00
	US/ International DID Numbers	\$26.88	\$26.88
	800 DID Numbers North America	\$40.32	\$40.32
FLOW²⁵	Basic NetSpeak	\$99.95	\$99.00
	NetSpeak - Plan A: Unlimited Calling to US and Canada	\$69.00	\$69.00
	NetSpeak - Plan B: unlimited Calling to UK and Western Europe Fixed numbers	\$69.00	\$69.00
	NetSpeak - Plan C: Unlimited Calling to C&W Caribbean	\$99.00	\$99.00
	NetSpeak – Overseas Number	\$15.95	\$10.00
	Netspeak - Toll-Free Number ²⁶	\$39.95	\$39.95
	AllTalk- 6000 minutes per month; FLOW mobile, FLOW fixed and FLOW Caribbean	N/A	N/A
	B 150 anywhere: 150 minutes per month; 50 SMS	\$75	N/A
	B 350 anywhere: 350 minutes per month; 75 SMS	\$175	N/A
	B 500 anywhere: 500 minutes per month ; 100 SMS	\$250	N/A
	B 1000 anywhere: 1000 minutes per month; 200 SMS	\$500	N/A
	B 2000 anywhere: 3750 minutes per month; 300 SMS	\$1,000	N/A
	B 3750 anywhere; 3750 minutes per month; 400 SMS	\$1,875	N/A
	B 7500 anywhere: 7500 minutes per month; 500 SMS ²⁷	\$3,750	N/A
	Talk, Text Data 50	\$25	N/A
	Talk, Text Data 350	\$154	N/A
	Talk, Text Data 1000	\$400	N/A
	Iphone 200	N/A	N/A
	Iphone 400	N/A	N/A

²³Digicel flat rate calling packages were discontinued on 1 June 2013

²⁴**2015** data submitted 14 September 2016. **2016** data submitted 23 May 2017

²⁵**2015** data submitted 24 September 2016. **2016** data submitted 18 May 2017

²⁶Additional usage charged at a per-minute rate for the country.

²⁷Includes both fixed and mobile numbers in all countries except Cuba

5.2.4 Mobile Roaming Prices

TABLE 7: FLOW ROAMING SERVICE PRICES EC\$ 2016²⁸				
1. Postpaid Plans (EC\$ per minute) First minute/ additional minutes				
	Mobile Calls			
Roaming Destination	Local	Back to bmobile	Other	Incoming Calls
FLOW	.57	.57	8.37	.57
Caribbean Preferred	2.30	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 bmobile	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
My Roaming base	67.5			
My Roaming Data 500MB	270.00			
My Roaming Data 1GB	405.00			

TABLE 8: DIGICEL ROAMING SERVICE PRICES EC\$ (2016)²⁹			
1. Postpaid Plans (EC \$ per minute)			
Country	Calls Home	Calls within the country	Receive Calls
Digicel Countries	0.70	0.91	FREE
USA (Cingular)	1.120	1.12	FREE
Other Countries	1.38	1.38	
2. Prepaid Plans (EC \$ per minute)			
Country	Receive Calls	Calls within the country	Calls Home
Digicel countries	FREE	0.60	0.45
USA (Cingular)	FREE	0.70	0.70
Other Countries	FREE	1.30	1.30

²⁸ Information provided by FLOW, 18 May 2017

²⁹ Information provided and submitted by DIGICEL, 2 June 2017

5.2.5 Domestic and Regional Internet Prices

Table 9: Monthly Charges for Internet Access 2012-2016

Company	Service Name	Speed (Mbps)		Price (EC\$)				
		<i>Down</i>	<i>Up</i>	2012	2013	2014	2015	2016
CCC	Residential							
	Silver	2.048	1.544	107.00	107.00			
	Gold	3.072	1.544	144.00	144.00			
	Platinum	6.144	1.544	239.00	239.00			
	Extreme	6.000	1.500			99.00		
	Turbo	16.000	1.500			199.00		
	Turbo Plus	32.000	2.000			299.00		
	Blazing	50.000	2.000			399.00		
	Play 10	10.000	2.000				99	120
	Play 25	25.000	5.000				199	229
	Play 50	50.000	10.000				349	349
	Commercial							
	SelectNet I (Business)	3.072	1.544	359.00	359.00		N/A	
	SelectNet II (Business)	6.144	1.544	476.00	476.00		N/A	
	SelectNet III (Business)	8.192	1.544	595.00	595.00		N/A	
	Extreme	6.000	1.500			200.00	N/A	
	Turbo	16.000	1.500			320.00	N/A	
	Turbo Plus	32.000	2.000			640.00	N/A	
	Blazing	50.000	2.000			1100.00	N/A	

Table 10: FLOW Monthly Charges for Internet Access 2012- 2016³⁰

Company	Service Name	Speed (Mbps)		Price(EC\$)					
			<i>Down</i>	<i>Up</i>	2012	2013	2014	2015	2016
FLOW	<u>Residential ADSL</u>								
	<u>Mega</u>		1.000	0.512					
	Monthly				115.00	115.00	115.00	90.00	90.00
	Annually				-	-	-	115.00	115.00
	No Contract				-	-	-	139.00	139.00
	<u>Mega Plus</u>		2.000	0.512					
	Monthly								
	Annually				159.00	159.00	159.00	134.00	134.00
	No Contract				-	-	-	159.00	159.00
					-	-	-	181.00	181.00
	<u>Mega Max</u>		3.000	0.512					
	Monthly								
	Annually				209.00	209.00	209.00	184.00	184.00
	No Contract				-	-	-	209.00	209.00
					-	-	-	232.00	232.00
	<u>Mega Extreme</u>		8.000	0.512					
	Monthly								
	Annually							349.00	349.00
	No Contact							375.00	375.00
								400.00	400.00
	<u>Residential VDSL</u>								
	<u>SuperFast 60</u>		6.000	0.512					
	Monthly								
	Annually							124.99	124.99
	No Contract							124.99	124.99
								151.68	151.68

FLOW	Table 10 Cont'd: FLOW Monthly Charges for Internet Access 2012- 2016 ³⁰							
	Service Name	Speed (Mbps)	Price(EC\$)					
		Down	Up	2012	2013	2014	2015	2016
	<u>SuperFast 120</u>	12.000	0.512					
	Monthly						179.99	179.99
	Annually						179.99	179.99
	No Contract						206.68	206.68
	<u>SuperFast 240</u>	24.000	0.512					
	Monthly						249.99	249.99
	Annually						249.99	249.99
	No Contract						276.98	276.98
	<u>SuperFast 480</u>	48.000	0.512					
	Monthly						349.00	349.00
	Annually						349.00	349.00
	No Contract						400.00	400.00
	<u>Commercial</u>							
	<u>Premier</u>	4.000	0.512					
	Monthly			359.00	359.00	359.00	334.00	334.00
	Annually			-	-	-	359.00	359.00
	No Contract			-	-	-		
	<u>Premier Plus</u>	5.000	1.000					
	Monthly			459.00	459.00	459.00	434.00	434.00
	Annually			-	-	-	459.00	459.00
	No Contract			-	-	-		
	<u>Premier Max</u>	6.000	1.000					
	Monthly			659.00	659.00	659.00	634.00	634.00
	Annually			-	-	-	659.00	659.00
	No Contract			-	-	-		

³⁰ Data submitted by companies (CCC - 23 May 2017, FLOW - 18 May 2017)

5.2.6 Digicel And Flow Prepaid And Postpaid Mobile Data Plan Pricing

Table 11: Flow Prepaid Mobile Data Plans					
Data	Minutes	Data(MB)	Text	Price (XCD)	Validity
	1 day	75		\$ 1.99	
	3 day	300		\$ 12.65	
	7 day	500		\$ 23.00	
	7 day	1000		\$ 31.00	
	14 day	500		\$ 27.60	
	14 day	1000		\$ 37.95	
	30 day	1000		\$ 46.00	
	30 day	3000		\$ 103.50	
	30 day	5000		\$ 138.00	
Pay as you go		1		\$ 0.04	

Plan Name	Table 12: Digicel Prepaid Mobile Data Plans			
	Price (LC)	Bundle (MB)	Price /MB (LC cts)	Price/Day (LC)
1 Day 100MB (WFIT)	2.99	100	3	2.99
3 Day 250MB (WFIT)	10	250	4	3.33
7 Day 300MB (WFIT)	15	300	5	2.14
7 Day 750MB (WFIT)	25	750	3	3.57
14 Day 1GB Data	35	1024	3	2.50
30 Day 1Gb (WFIT)	30	1024	3	1.00
30 Day 1.5Gb (WFIT)	35	1536	2	1.17
30 Day 3Gb (WFIT)	50	3,072	2	1.67
30 Day 5Gb	75	5,120	1	2.50
Overage (Per MB)	0.41	N/A	N/A	N/A
PAYGO (per MB)	0.41	N/A	N/A	N/A

Table 13: Flow Residential Postpaid Mobile Data Plans				
Name	Product			Price (XCD)
RESIDENTIAL				
	Minutes	Data	Text	
Base Plan	100	250MB	100	\$ 49.95
My Talk	100			
	200			
	300			
	500			
	1000			
	2000			
	4000			
My Text			1000	\$ 9.00
My Data		500MB		\$ 24.00
		1 GB		\$ 40.00
		2 GB		\$ 49.00
		3 GB		\$ 59.00
		5GB		\$ 69.00
My Data LTE		1 GB		\$ 40.00
		2 GB		\$ 70.00
		3 GB		\$ 90.00
		5 GB		\$ 140.00
My Roaming	30	30 MB	30	\$ 53.76
		500MB		\$ 270.00
		1GB		\$ 450.00
My Share Plan				\$ 10.00

Table 14: Flow Corporate Postpaid Mobile Data Plans				
Product				Price (XCD)
CORPORATE				
	Minutes	Data(MB)	Text	
SME Packages	500	5	100	\$ 150.00
	800	5	150	\$ 210.00
	1000	5	200	\$ 300.00
Corporate	2000	5	300	\$ 540.00
	3,000	5	500	\$ 810.00
	5,000	5	750	\$ 1,350.00
	7,000	5	1000	\$ 1,750.00
	10,000	5	1250	\$ 2,500.00
	15,000	10	1500	\$ 3,750.00
	20,000	10	1750	\$ 4,600.00
	30,000	10	2500	\$ 6,900.00
	40000	20	3000	\$ 8,800.00
	50000	20	3500	\$ 11,000.00
	60000	20	4000	\$ 13,200.00
Overage per Extra MB				
Data Plans		5 MB		N/A
		15 MB		N/A
		100 MB		N/A
		7GB		N/A
		Unlimited		N/A

6.0 Finances

6.1 Annual Levy - 2016

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).

The total annual levy for 2016 was EC\$491,667 as set out in the Assessment of Industry Levy (Telecommunications) Regulations (2016). According to Section 3 of the Regulations there was a surplus of EC\$398,333 with respect to the Commission's operations in the 2014 financial year which was the last available audited year. The 2016 levy of EC\$491,667 was the difference of the total 2016 budget of EC\$890,000 minus the 2014 surplus of EC\$398,333.

Budget 2016	\$890,000
Surplus 2015	\$398,333
Levy 2016	\$491,667

6.2 Financial Report - 2016

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 2016 are presented in Appendix II of this report.

7.0 Future Challenges and Opportunities

7.1 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 with his two employees Ms. Kishena Webster and Mrs. Vernice Proctor. The past Executive Director was called upon on a few occasions during the year to provide background information and advice on some matters; however his contract on retainer was not renewed.

The Assistant to the Executive Director retired from service in August 2016. The Commission made the decision to reappoint her for a six month period during which she created an administrative procedure manual for the commission and trained her understudy. On this matter, the Pensions Board who opined that the Commission could not reappoint Mrs. Proctor without the permission of the Governor and the Public Service Commission. The Commission challenged this opinion on the grounds that it would jeopardize the independence of the PUC. After several exchanges, Private Counsel was enlisted to pursue this matter as the Attorney General's Chambers was the Counsel of note for both parties. At the end of the year the matter was still unresolved.

The Commission agreed that Ms. Kishena Webster, Regulatory Analyst, would be transferred to post of Executive assistant 1 March 2017, and a new Regulatory Analyst was to be recruited with background in Electrical and/ICT, Ms. Webster would continue to support the new Regulatory Analyst in the areas of Finance and Economic regulation

Training in Telecoms Regulation will be provided to the new Regulatory Analyst by in-house and short-term courses over the coming years. It was also agreed that Ms. Kishena Webster would be supported in Training to MSc in Utility Regulation by an Online or Sandwich course.

The Commission approved a scholarship, for tuition and books only, for Mr. Kevon Proctor, who was a Business Intern at the Commission for the past two years to study finance and accounting at Trent University in Canada.

As mentioned in Section 5 of the report, the Government of Anguilla has indicated that it intends to bring the Energy Sector under the regulatory control of the Commission in the near future. With the new emphasis on renewable energy development and grid integration, the challenge is now for the PUC to begin the process of acquiring the skill sets required in this area. These include tariffs and costs for monopoly utility operators, and to put in place policies to facilitate this new mandate. It will be also important to ensure that incremental costs for regulating this sector are appropriately allocated to its operators.

7.2 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 2016 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.

7.3 Energy

During the year the Commission has had discussions with officials in the Ministry of Infrastructure on the inclusions of Electricity regulation under the purview of the Commissions.

The decision has also been made by Government to enable renewable energy integration into the national grid by home owners and eventually power supply companies.

Government began the process of creating the enabling legislation for regulation by the PUC and the regulations required for renewable energy integration.

7.4 Broadcasting

The new Broadcast policy was compiled in 2013, in light of rapid changes in this sector. Prior to the issuing the final drafting instructions there should be a quick review for continued relevance.

The Government Legislative agenda for 2016 included the completion of a new Broadcast Act in line with the Broadcast policy completed in 2013. It is understood that the new Draft Bill has been prepared and in need of further revisions. While the new policy discussed regulation of the sector by the PUC, there was not a clear decision to proceed in this direction.

Appendix I

Report from the Auditor

On the

Accounts of

The Public Utilities Commission

Of

Anguilla

2016

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the Commission's 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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.

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 the Commission's 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


Chartered Accountants
August 1, 2017
St. John's, Antigua

Appendix II

(2016 Audited Financial Statements)

PUBLIC UTILITIES COMMISSION

ANGUILLA

FINANCIAL STATEMENTS

FOR THE YEAR ENDING

31 DECEMBER 2016

Public Utilities Commission

Financial Statements

December 31, 2016

(expressed in Eastern Caribbean dollars)

Public Utilities Commission

Statement of Financial Position

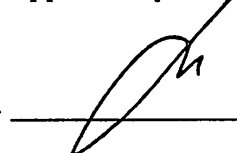
As of December 31, 2016

(expressed in Eastern Caribbean dollars)

	Notes	2016 \$	2015 \$
Assets			
Current assets			
Cash and cash equivalents		78,155	282,686
Term deposits	7	517,291	505,437
Trade and other receivables	8	4,422	86,134
		<u>599,868</u>	<u>874,257</u>
Non-current assets			
Plant and equipment	9	<u>117,909</u>	<u>23,998</u>
Total assets		<u>717,777</u>	<u>898,255</u>
Liabilities			
Current liabilities			
Trade and other payables		<u>44,523</u>	<u>42,452</u>
Total liabilities		<u>44,523</u>	<u>42,452</u>
Equity			
Retained earnings		<u>673,254</u>	<u>855,803</u>
Total liabilities and equity		<u>717,777</u>	<u>898,255</u>

The notes on pages 1 to 13 are an integral part of these financial statements.

Approved by the Executive Director on behalf of the Board on 1 August 2017



Executive Director

Public Utilities Commission

Statement of Comprehensive Income

For the year ended December 31, 2016

(expressed in Eastern Caribbean dollars)

	Note	2016 \$	2015 \$
Revenue		491,667	328,090
General and administrative expenses	10	<u>(690,537)</u>	<u>(698,155)</u>
Operating loss for the year		(198,870)	(370,065)
Finance income			
Interest income		<u>16,321</u>	<u>28,212</u>
Total comprehensive loss for the year		<u>(182,549)</u>	<u>(341,853)</u>

The notes on pages 1 to 13 are an integral part of these financial statements.

Public Utilities Commission

Statement of Changes in Equity

For the year ended December 31, 2016

(expressed in Eastern Caribbean dollars)

	Retained earnings \$
Balance as of December 31, 2014	1,197,656
Total comprehensive loss for the year	<u>(341,853)</u>
Balance as of December 31, 2015	855,803
Total comprehensive loss for the year	<u>(182,549)</u>
Balance as of December 31, 2016	<u>673,254</u>

The notes on pages 1 to 13 are an integral part of these financial statements.

Public Utilities Commission

Statement of Cash Flows

For the year ended December 31, 2016

(expressed in Eastern Caribbean dollars)

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Operating loss from operations		(198,870)	(370,065)
Adjustments for non-cash items:			
Depreciation	9	7,204	6,907
Changes in working capital:			
Trade and other receivables		81,712	(81,712)
Trade and other payables		2,071	(1,881)
Net cash used in operating activities		(107,883)	(446,751)
Cash flows from investing activities			
(Purchase)/disposal of term deposits		(13,385)	222,670
Interest received		17,852	30,633
Purchase of plant and equipment	9	(101,115)	(5,776)
Net cash (used in)/generated from investing activities		(96,648)	247,527
Net decrease in cash and cash equivalents during the year		(204,531)	(199,224)
Cash and cash equivalents, beginning of year		282,686	481,910
Cash and cash equivalents, end of year		78,155	282,686
Represented by:			
Cash		78,155	282,686

The notes on pages 1 to 13 are an integral part of these financial statements.

Public Utilities Commission

Notes to Financial Statements

December 31, 2016

(expressed in Eastern Caribbean dollars)

1 Nature of operations

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

2 General information and statement of compliance with IFRSs

The Commission commenced operations on April 7, 2004 in The Valley, Anguilla, BWI. The financial statements of the Commission have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRICs as issued by the International Accounting Standards Board (IASB). They have been prepared under the historical cost convention.

3 Changes in accounting policies

3.1 New and revised standards that are effective for annual periods beginning on or after 1 January 2016

There were no new and revised IFRSs or IFRIC interpretations which are effective for annual periods beginning on or after January 1, 2016 that had a material impact on the Commission.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Commission

At the date of authorisation of these financial statements, certain new standards, and amendments to existing standards have been published by the IASB that are not yet effective, and have not been adopted early by the Commission. Information on those expected to be relevant to the Commission’s financial statements is provided below.

Management anticipates that all relevant pronouncements will be adopted in the Commission’s accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not either adopted or listed below are not expected to have a material impact on the Commission’s financial statements.

IFRS 9 ‘Financial Instruments’ (2014)

The IASB recently released IFRS 9 ‘Financial Instruments’ (2014), representing the completion of its project to replace IAS 39 ‘Financial Instruments: Recognition and Measurement’. The new standard introduces extensive changes to IAS 39’s guidance on the classification and measurement of financial assets and introduces a new ‘expected credit loss’ model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. The Commission’s management has yet to fully assess the impact of IFRS 9 and is not yet in a position to provide quantified information.

The new standard is required to be applied for annual reporting periods beginning on or after January 1, 2018.

At this stage the main areas of expected impact are as follows:

- the classification and measurement of the Commission’s financial assets will need to be reviewed based on the new criteria that considers the assets’ contractual cash flows and the business model in which they are managed.
- an expected credit loss-based impairment will need to be recognised on the Commission’s financial assets classified as loans and receivables.

Public Utilities Commission

Notes to Financial Statements

December 31, 2016

(expressed in Eastern Caribbean dollars)

3 Changes in accounting policies ... *continued*

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Commission's financial statements.

4 Summary of accounting policies

4.1 Overall considerations

The financial statements have been prepared using significant accounting policies and measurement bases summarised below.

4.2 Foreign currency translation

Functional and presentation currency

The financial statements are presented in Eastern Caribbean Dollars, which is also the functional currency of the Commission.

Foreign currency transactions and balances

Foreign currency transactions are translated into Eastern Caribbean Dollars using the rates of exchange prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

4.3 Revenue

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 accruals 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 recognised using the effective interest method, when the right to receive payment on term deposits is established.

Public Utilities Commission

Notes to Financial Statements

December 31, 2016

(expressed in Eastern Caribbean dollars)

4 Summary of accounting policies ...continued

4.4 Operating expenses

Operating expenses are recognised in the statement of comprehensive income upon utilisation of the service or as incurred.

4.5 Plant and equipment and depreciation

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Commission and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Office equipment	4 – 5 years
Equipment	6.67 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last 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 within 'other income (expense)' in the statement of comprehensive income.

4.6 Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

4.7 Financial instruments

Recognition initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Commission becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Public Utilities Commission

Notes to Financial Statements

December 31, 2016

(expressed in Eastern Caribbean dollars)

4 Summary of accounting policies ...continued

4.7 Financial instruments ... continued

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified as loans and receivables upon initial recognition.

All financial assets are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

All income and expenses relating to financial assets that are recognised in the statement of comprehensive are presented within interest income, interest expense or other financial items, except for impairment of trade receivables which is presented within general and administrative expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Commission's cash and cash equivalents, term deposits, and trade and other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Classification and subsequent measurement of financial liabilities

The Commission's financial liabilities include trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit and loss, that are carried subsequently at fair value with gains or losses recognised in the statement of comprehensive income.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of comprehensive income are included within interest expense or interest income.

4.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

Public Utilities Commission

Notes to Financial Statements

December 31, 2016

(expressed in Eastern Caribbean dollars)

4 Summary of accounting policies ... *continued*

4.9 Post-employment benefits and short-term employee benefits

Post-employment benefit plans

The Commission provides post-employment benefits through a defined contribution plan.

Defined contribution plan

The Commission pays fixed contributions into independent entities in relation to several government plans and insurances for individual employees. The Commission has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

Short-term employee benefits

Short-term employee benefits, including gratuity and holiday entitlement, are current liabilities measured at the undiscounted amount that the Commission expects to pay as a result of the unused entitlement.

4.10 Leases

Leases where the lessor retains substantially all the risk and rewards of ownership of the assets are classified as operating leases. Where the Commission is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

4.11 Provisions

Provisions are recognised when the Commission has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Public Utilities Commission

Notes to Financial Statements

December 31, 2016

(expressed in Eastern Caribbean dollars)

5 Financial risk management

Risk management objectives and policies

The Commission is exposed to various risks in relation to financial instruments. The Commission's financial assets and liabilities by category are summarized in note 4.7. The main types of risks are market risk, credit risk and liquidity risk.

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.

5.1 Market risk analysis

The Commission is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk which result from both its operating and investing activities.

Foreign currency sensitivity

The Commission's foreign exchange risk is limited as the Commission does not operate extra-regionally. The Commission is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. At December 31, 2016 the United States dollar was constant against the Eastern Caribbean dollar, therefore there is no potential effect on the Commission's profit.

Interest rate sensitivity

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Commission takes on exposure to the effects of fluctuations in the prevailing level of market interest rates. The table below summarises the interest yields on financial assets held during the year:

	Interest rates	
	2016 %	2015 %
Financial assets		
Cash and cash equivalents	1.00 – 2.00	1.00 - 2.00
Term deposits	2.175	3.125

Public Utilities Commission

Notes to Financial Statements

December 31, 2016

(expressed in Eastern Caribbean dollars)

5 Financial risk management ... continued

5.1 Market risk analysis ... continued

Interest rate sensitivity ... continued

The table below analyses the interest bearing assets and liabilities of the commission:

	0 – 6 months \$	Non-interest bearing \$	Total \$
Assets			
Cash and cash equivalents	78,155	–	78,155
Term deposits	517,291	–	517,291
Trade and other receivables	–	4,422	4,422
Total assets	595,446	4,422	599,868
Liabilities			
Trade and other payables	–	(44,523)	(44,523)
Total liabilities	–	(44,523)	(44,523)
Net re-pricing gap, December 31, 2016	595,446	(40,101)	555,345

	0 – 6 months \$	Non-interest bearing \$	Total \$
Assets			
Cash and cash equivalents	282,686	–	282,686
Term deposits	505,437	–	505,437
Trade and other receivables	–	86,134	86,134
Total assets	788,123	86,134	874,257
Liabilities			
Trade and other payables	–	(42,452)	(42,452)
Total liabilities	–	(42,452)	(42,452)
Net re-pricing gap, December 31, 2015	788,123	43,682	831,805

Other price sensitivity

The Commission is not exposed to other price risk as it does not hold any quoted equity security investments.

Public Utilities Commission

Notes to Financial Statements

December 31, 2016

(expressed in Eastern Caribbean dollars)

5 Financial risk management ... *continued*

5.2 Credit risk analysis

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.

Geographic

Substantially all of the Commission's counterparties are located within Anguilla.

Industry Sectors

The following table analyses the Commission's main credit risk exposure at their carrying amounts, as categorised by the industry sectors of the counterparties.

	Financial institutions \$	Others \$	Total \$
Cash and cash equivalents	78,155	—	78,155
Term deposits	517,291	—	517,291
As at December 31, 2016	595,446	—	595,446
As at December 31, 2015	788,123	—	788,123

Management does not expect any losses from non-performance by these counterparties.

5.3 Liquidity risk analysis

Prudent liquidity risk management includes maintaining sufficient cash balances and the availability of funding from an adequate amount of committed credit facilities. Management monitors forecasts of the Commission's liquidity position based on expected cash flows.

Public Utilities Commission

Notes to Financial Statements

December 31, 2016

(expressed in Eastern Caribbean dollars)

5 Financial risk management ... continued

5.3 Liquidity risk analysis ...continued

	Within 1 year \$
Trade and other payables	<u>44,523</u>
December 31, 2016	<u>44,523</u>
Trade and other payables	<u>42,452</u>
December 31, 2015	<u>42,452</u>

The table above analyses the Commission's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. For balances due within 12 months, their fair values equal their carrying values as the impact of discounting is not significant.

5.4 Fair value of financial instruments

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists.

With the exception of cash, none of the Commission's financial instruments are traded in a formal market. Estimated fair values approximate their carrying values due to their short-term nature.

6 Significant management judgement in applying accounting policies and estimation uncertainty

Estimates and judgements 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.

Where the Commission makes estimates and assumptions concerning the future the resulting accounting estimates will, by definition, seldom equal the related actual results. The Commission has made no significant estimates and assumptions in the preparation of these financial statements.

Public Utilities Commission

Notes to Financial Statements

December 31, 2016

(expressed in Eastern Caribbean dollars)

7 Term deposits

	2016 \$	2015 \$
Short-term deposits, maturing on February 27, 2017	513,385	500,000
Interest receivable	3,906	5,437
Total term deposits	517,291	505,437

Term deposits have original maturities of ninety days or more and bear interest of 2.175% (2015: 3.125%) per annum.

8 Trade and other receivables

	2016 \$	2015 \$
Trade receivables	—	40,000
Less: provision for impairment of trade receivables	—	(40,000)
	—	—
Prepayments	4,422	86,134
Total trade and other receivables	4,422	86,134
Financial assets	—	—
Non-financial assets	4,422	86,134
	4,422	86,134

Public Utilities Commission

Notes to Financial Statements

December 31, 2016

(expressed in Eastern Caribbean dollars)

9 Plant and equipment

	Equipment \$	Office equipment \$	Total \$
At December 31, 2014			
Cost	—	59,886	59,886
Accumulated depreciation	—	(34,757)	(34,757)
Net book amount	—	25,129	25,129
Year ended December 31, 2015			
Opening net book amount	—	25,129	25,129
Additions in the year	—	5,776	5,776
Depreciation charge	—	(6,907)	(6,907)
Closing net book amount	—	23,998	23,998
At December 31, 2015			
Cost	—	65,662	65,662
Accumulated depreciation	—	(41,664)	(41,664)
Net book amount	—	23,998	23,998
Year ended December 31, 2016			
Opening net book amount	—	23,998	23,998
Additions in the year	101,115	—	101,115
Depreciation charge	—	(7,204)	(7,204)
Closing net book amount	101,115	16,794	117,909
At December 31, 2016			
Cost	101,115	65,662	166,777
Accumulated depreciation	—	(48,868)	(48,868)
Net book amount	101,115	16,794	117,909

Public Utilities Commission

Notes to Financial Statements

December 31, 2016

(expressed in Eastern Caribbean dollars)

10 General and administrative expenses

	Notes	2016 \$	2015 \$
Employee benefits expense	11	417,375	379,207
Professional fees		87,779	114,517
Rent		53,064	53,064
Meeting allowance		37,250	35,100
Training costs		27,789	25,210
Utilities		27,568	28,164
Office expenses		15,282	28,352
Travel expense		10,806	15,949
Depreciation	9	7,204	6,907
Other expense		6,420	11,685
Total general and administrative expenses		690,537	698,155

11 Employee benefits expense

	2016 \$	2015 \$
Wages and salaries	373,853	331,221
Other costs	19,465	19,988
Payroll taxes	12,218	11,695
Travel allowance	11,839	11,000
Bonus	—	5,303
Total employee benefits expense	417,375	379,207

12 Commitments

Operating leases as lessee

The Commission occupies an office building under an operating lease. The lease term is five years beginning of October 1, 2015 and is renewable at the end of the lease period. The lease expenditure charged to the statement of comprehensive income during the year is disclosed in note 10 (rent).

The future aggregate minimum lease payments under the operating lease is as follows:

	2016 \$	2015 \$
No later than 1 year	53,064	53,064
Later than 1 year and no later than 5 years	92,862	145,926
	145,926	198,990

Public Utilities Commission

Notes to Financial Statements

December 31, 2016

(expressed in Eastern Caribbean dollars)

13 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Commission is controlled by the Government of Anguilla. The Commission operates in an environment with a strong presence of entities directly or indirectly controlled by the Government of Anguilla through its government authorities, agencies, affiliations and other organisation (collectively referred to as “government related entities”). The Commission has transactions with other government related entities including but not limited to the purchase of goods and receiving various services.

These transactions are conducted in the ordinary course of the Commission’s business on terms comparable to those with other entities that are not government related. The Commission has an established approval process for purchases of products and services, which are independent of whether the counterparties are government related or not.

For the year ended December 31, 2016, management estimates that the aggregate amount of the Commission’s transactions with other government-related entities are 5% (2015: 6%) of its total expenditure.

Remuneration of key members of management

During the year, salaries and related benefits were paid to key members of management as follows:

	2016 \$	2015 \$
Salaries and wages	135,000	112,500
Travel allowance	6,000	5,000
Telecommunications allowance	4,800	4,000
	145,800	121,500

