



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE ENVIRONMENTAL TRUST FUND FOR THE YEAR ENDED 30 SEPTEMBER 2014

The accompanying Financial Statements of the Environmental Trust Fund for the year ended 30 September 2014 have been audited. The Financial Statements comprise a Statement of Financial Position as at 30 September 2014, a Statement of Comprehensive Income, a Statement of Movement of Funds and a Statement of Cash Flows for the year ended 30 September 2014 and Notes to the Financial Statements numbered 1 to 14.

2. The audit was conducted by a firm of Accountants appointed by the Board of Directors with the written consent of the Auditor General in accordance with section 80 (2) of the Environmental Management Act, 2000. Their Report dated 2016 November 17 refers.

SUBMISSION OF REPORT

3. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance in accordance with the provisions of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

22ND JULY, 2019
PORT OF SPAIN




LORELLY PUJADAS
AUDITOR GENERAL

SS 20190722



Chartered Accountants
& Business Advisors

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

FINANCIAL STATEMENTS

30 SEPTEMBER 2014



Chartered Accountants
& Business Advisors

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

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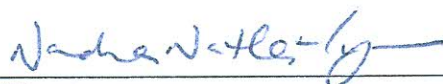
Management is responsible for the following:

- preparing and fairly presenting the accompanying financial statements of the Environmental Management Authority, which comprise the statement of financial position as at 30 September 2014, the statement of comprehensive income, statement of movement of funds and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- ensuring that the Authority keeps proper accounting records;
- selecting appropriate accounting policies and applying them in a consistent manner;
- implementing, monitoring and evaluating the system of internal control that assures security of the Authority's assets, detection/prevention of fraud, and the achievement of the Authority's operational efficiencies;
- ensuring that the system of internal control operated effectively during the reporting period;
- producing reliable financial reporting that comply with laws and regulations; and
- using reasonable and prudent judgment in the determination of estimates.

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


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

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



Director

Date 17 November, 2016



Director

Date 17, November, 2016

8 Elizabeth Street, St. Clair, Port of Spain, Trinidad & Tobago, West Indies.
Tel: (868) 628-8042; 8044/5 Fax: (868) 628-9122. E-Mail: ema@ema.co.tt

Board of Directors

Chairman: Nadra Nathai-Gyan, Deputy Chairman: Judy Daniel

Directors: Ronald Adams, John Julien, Vyash Nandlal, Garth Ottley, Dr. Roshan Parasram, Gordon Paul, Althea Thompson, Jacqueline Wilson





Chartered Accountants
& Business Advisors

INDEPENDENT AUDITORS' REPORT

The Trustees
Environmental Management Authority -
Environmental Trust Fund

We have audited the accompanying financial statements of Environmental Management Authority – Environmental Trust Fund, which comprise the statement of financial position as at 30 September 2014, the statements of comprehensive income, movement of funds and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Environmental Management Authority – Environmental Trust Fund as of 30 September 2014, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

PKF

Port of Spain
17 November 2016

Direct tel (868) 624-4569 | Direct fax (868) 624-4388
PKF | 90 Edward Street | Port-of-Spain | PO Bag 250 Belmont | Trinidad | WI

Partners: Renée-Lisa Philip | Mark K. Superville

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

STATEMENT OF FINANCIAL POSITION

| | | <u>ASSETS</u> | |
|--|--------------|-----------------------------|------------------------------|
| | | 30 September | |
| | <u>Notes</u> | <u>2014</u> | <u>2013</u> |
| Cash Resources: | | | |
| Cash in hand and at bank | 5 | \$ 47,689,365 | \$ 44,084,309 |
| Short-term investments | 6 | <u>3,068,063</u> | <u>8,986,972</u> |
| Total Cash Resources | | <u>50,757,428</u> | <u>53,071,281</u> |
| Other Assets: | | | |
| Accounts receivable and prepayments | 7 | 7,250,106 | 2,790,261 |
| Fixed assets | 8 | <u>74,192,545</u> | <u>47,586,486</u> |
| Total Non-Current Assets | | <u>81,442,651</u> | <u>50,376,747</u> |
| Total Assets | | <u>\$132,200,079</u> | <u>\$ 103,448,028</u> |
| <u>LIABILITIES AND FUNDS</u> | | | |
| Liabilities: | | | |
| Accounts payable and accruals | 9 | \$ 47,754,116 | \$ 20,745,245 |
| Deferred income | 10 | <u>218,725</u> | <u>344,725</u> |
| Total Liabilities | | <u>47,972,841</u> | <u>21,089,970</u> |
| Funds: | | | |
| GORTT Fund | 11 | 61,226,079 | 59,858,226 |
| UNDP Fund | 11 | 199,131 | 258,847 |
| IBRD Fund | 11 | 2,806,990 | 2,806,990 |
| Nariva Swamp Restoration, Carbon Sequestration and Livelihood Project | 11 | 1,149,185 | 588,142 |
| Other Fund | | 863,709 | 863,709 |
| Revaluation surplus | | <u>17,982,144</u> | <u>17,982,144</u> |
| Total Funds | | <u>84,227,238</u> | <u>82,358,058</u> |
| Total Liabilities and Funds | | <u>\$132,200,079</u> | <u>\$ 103,448,028</u> |

These financial statements were approved by the Board of Trustees and authorised for issue on 17 November 2016 and signed on their behalf by:


Trustee


Trustee

(The accompanying notes form part of these financial statements)

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

STATEMENT OF COMPREHENSIVE INCOME

| | For the year ended 30 September | |
|---|------------------------------------|--------------------|
| | <u>2014</u> | <u>2013</u> |
| Income: | | |
| Beverage Container Project | \$ 45,545,226 | \$ 45,711,281 |
| GORTT Fund | 3,486,860 | 6,530,984 |
| NSRCSL Project Fund | 1,982,457 | 1,695,363 |
| Activities income | 3,650,133 | - |
| Interest income | 94,900 | 122,426 |
| Gain on disposal of fixed assets | <u>246,175</u> | <u>10,849</u> |
| | 55,005,751 | 54,070,903 |
| Project expenses | <u>(9,608,953)</u> | <u>(8,116,298)</u> |
| Income after project expenditure, carried forward | <u>45,396,798</u> | <u>45,954,605</u> |

(The accompanying notes form part of these financial statements)

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

| | For the year ended 30 September | |
|---|--|----------------------------|
| | <u>2014</u> | <u>2013</u> |
| Income after project expenditure, brought forward | <u>45,396,798</u> | <u>45,954,605</u> |
| Expenditure: | | |
| Advertising and promotions | 1,080,140 | 1,761,689 |
| Audit fees | 91,992 | 99,562 |
| Conference costs | 650 | 16,086 |
| Contract services | 897,474 | 812,602 |
| Depreciation | 2,492,962 | 2,270,242 |
| Directors' fees and expenses | 691,542 | 673,219 |
| Interest and bank charges | 26,746 | 23,668 |
| Insurance | 507,677 | 427,350 |
| Loss on foreign exchange | 7,546 | 581 |
| Motor vehicle expenses | 409,790 | 591,765 |
| Maintenance contracts | 746,229 | 674,706 |
| Management fees | 22,853 | 18,000 |
| Office and general expenses | 182,330 | 108,305 |
| Permitting and compliance costs | 393,856 | 1,071,548 |
| Professional fees | 2,265,890 | 1,004,530 |
| Publication costs | - | 21,235 |
| Reference and research cost | 277,592 | 258,632 |
| Rent | 2,413,138 | 1,848,000 |
| Repairs and maintenance | 432,765 | 867,178 |
| Salaries and benefits | 26,363,651 | 25,190,492 |
| Security | 907,624 | 837,993 |
| Selection and recruitment costs | 163,270 | 267,783 |
| Severance | 142,854 | - |
| Supplies | 979,467 | 932,397 |
| Training | 141,069 | 379,251 |
| Travel | 381,094 | 431,975 |
| Utilities | <u>1,447,700</u> | <u>1,464,946</u> |
| | <u>43,467,901</u> | <u>42,053,735</u> |
| Total Comprehensive Income for the year | <u>\$ 1,928,897</u> | <u>\$ 3,900,870</u> |

The accompanying notes form part of these financial statements)

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

STATEMENT OF MOVEMENT OF FUNDS

For the year ended 30 September 2014

| | <u>GORTT Fund</u> | <u>UNDP Fund</u> | <u>IBRD Fund</u> | <u>Nariva Swamp Fund</u> | <u>Other Fund</u> | <u>Revaluation Surplus</u> | <u>Total</u> |
|--|-----------------------|----------------------|----------------------|------------------------------|-----------------------|--------------------------------|----------------------|
| Balance as at 1 October 2012 (Re-stated) | \$ 55,791,867 | \$ 292,172 | \$ 2,806,990 | \$ 753,631 | \$ 863,709 | \$ 17,982,144 | \$ 78,490,513 |
| Equity adjustment (Note 15) | | (33,325) | | | | | (33,325) |
| Funds received | 45,711,281 | - | - | 6,530,984 | - | - | 52,242,265 |
| Interest income | 122,426 | - | - | - | - | - | 122,426 |
| Activities income | 1,695,363 | - | - | - | - | - | 1,695,363 |
| Gain on disposal of fixed assets | 10,849 | - | - | (15,394) | - | - | (4,545) |
| Loss on foreign exchange | (581) | - | - | - | - | - | (581) |
| Expenditure | <u>(43,472,979)</u> | <u>-</u> | <u>-</u> | <u>(6,681,079)</u> | <u>-</u> | <u>-</u> | <u>(50,154,058)</u> |
| Balance as at 1 October 2013 | 59,858,226 | 258,847 | 2,806,990 | 588,142 | 863,709 | 17,982,144 | 82,358,058 |
| Equity adjustment (Note 15) | - | (59,716) | - | - | - | - | (59,716) |
| Funds received | 45,545,226 | - | - | 3,486,860 | - | - | 49,032,086 |
| Interest income | 94,900 | - | - | - | - | - | 94,900 |
| Activities income | 1,982,457 | - | - | - | - | - | 1,982,457 |
| Beverage Container Project | 3,650,133 | - | - | - | - | - | 3,650,133 |
| Gain on disposal of fixed assets | 246,175 | - | - | (5,711) | - | - | 240,464 |
| Loss on foreign exchange | (7,546) | - | - | - | - | - | (7,546) |
| Expenditure | <u>(50,143,492)</u> | <u>-</u> | <u>-</u> | <u>(2,920,106)</u> | <u>-</u> | <u>-</u> | <u>(53,063,598)</u> |
| Balance at 30 September 2014 | <u>\$ 61,226,079</u> | <u>\$ 199,131</u> | <u>\$ 2,806,990</u> | <u>\$ 1,149,185</u> | <u>\$ 863,709</u> | <u>\$ 17,982,144</u> | <u>\$ 84,227,238</u> |

(The accompanying notes form part of these financial statements)

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

STATEMENT OF CASH FLOWS

| | For the year ended 30 September | |
|---|--|-----------------------------|
| | <u>2014</u> | <u>2013</u> |
| Operating Activities: | | |
| Total comprehensive income for the year | \$ 1,928,896 | \$ 3,900,870 |
| Adjustments: | | |
| Depreciation | 2,657,626 | 2,435,002 |
| (Gain)/loss on disposal of fixed assets | (240,464) | 4,545 |
| Equity adjustment | <u>(59,716)</u> | <u>(33,325)</u> |
| | 4,286,342 | 6,307,092 |
| Net change in accounts receivable and prepayments | (4,459,845) | 1,746,894 |
| Net change in accounts payable and accruals | 27,008,871 | 10,626,540 |
| Net change in deferred income | <u>(126,000)</u> | <u>-</u> |
| Cash provided by Operating Activities | <u>26,709,368</u> | <u>18,680,526</u> |
| Cash Flows from Investing Activities: | | |
| Proceeds from sale of fixed assets | 363,652 | 117,086 |
| Purchase of fixed assets | <u>(29,386,873)</u> | <u>(2,918,158)</u> |
| Cash used in Investing Activities | <u>(29,023,221)</u> | <u>(2,801,072)</u> |
| Net change in cash resources | (2,313,853) | 15,879,454 |
| Cash resources, beginning of year | <u>53,071,281</u> | <u>37,191,827</u> |
| Cash resources, end of year | <u>\$ 50,757,428</u> | <u>\$ 53,071,281</u> |
| Represented by: | | |
| Cash in hand and at bank | \$ 47,689,365 | \$ 44,084,309 |
| Short-term investments | <u>3,068,063</u> | <u>8,986,972</u> |
| | <u>\$ 50,757,428</u> | <u>\$ 53,071,281</u> |

(The accompanying notes form part of these financial statements)

ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

1. **Registration and Activities:**

The Environmental Management Authority (the Authority) is a Statutory Authority established when Parliament assented to the Environmental Management Act, 1995 on 7 March 1995. The Authority was established to develop and implement institutional arrangements for the regulation and management of the environment in the Republic of Trinidad and Tobago. Its principal place of operation is at #8 Elizabeth Street St. Clair.

The Environmental Trust Fund was established by the Environmental Management Act, 1995 to fund the operations of the Authority and is administered by five members of the Board of Directors, designated by the President to act as Trustees.

The Environmental Management Act, 1995 was repealed on 8 March 2000 and replaced by the Environmental Management Act, 2000. The new Act changed the financial year end of the Authority to 30 September.

During the twelve month period ended 30 September 2012, the Authority continued its work in enforcing the Noise Pollution Control Rules, 2001; the Noise Pollution Control (Fees) Regulation, 2001; Certificate of Environmental Clearance Rules; the Certificate of Environmental Clearance (Designated Activities) Amendment Order, 2007 & 2008; Certificate of Environmental Clearance (Designated Activities) Order, 2001; the Certificate of Environmental Clearance (Fees and Charges) Regulations, 2001; the Environmental Commission Rules of Practice and Procedure; Water Pollution (Amendment) Rules, 2006; Water Pollution Rules, 2001; Water Pollution (Amendment) Fees; Water Pollution (Fees) Regulations, 2001; the Environmentally Sensitive Areas Rules, 2001; and Environmentally Sensitive Species Rules, 2001.

The draft Waste Management Rules, 2008 is still being developed. The Authority has completed its Strategic Plan for the period 2010 - 2014.

(a) **Basis of Financial Statements Preparation:**

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), and are stated in Trinidad and Tobago dollars, rounded to the nearest dollar. The historical cost basis is used, except for the measurement at fair value of available-for-sale investments and certain other financial instruments.

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

2. Summary of Significant Accounting Policies:

(b) New Accounting Standards and Interpretations -

- i) The Authority has applied the following standards and amendments that became effective during the current year, as they do apply to the activities of the Authority:

IFRS 7 Financial Instruments: Disclosure – Amendment on the disclosure of offsetting financial assets and financial liabilities (effective for accounting periods beginning on or after 1 January 2013).

IFRS 13 Fair Value Measurement (effective for accounting periods beginning on or after 1 January 2013).

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

IAS 16 Property, Plant and Equipment – Amendment re: classification of servicing equipment (effective for accounting periods beginning on or after 1 January 2013).

IAS 19 Employee Benefits – Amended standard resulting from the Post-Employment Benefits and Termination Benefits projects (effective for accounting periods beginning on or after 1 January 2013).

IAS 27 Consolidated and Separate Financial Statements – Reissued as IAS 27 Separate Financial Statements (effective for accounting periods beginning on or after 1 January 2013).

IAS 28 Investments in Associates – Reissued as IAS 28 Investments in Associates and Joint Ventures (effective for accounting periods beginning on or after 1 January 2013).

IAS 34 Interim Financial Reporting – Amendment on the clarification of interim financial reporting on segment information (effective for accounting periods beginning on or after 1 January 2013).

IFRS 10 Consolidated Financial Statements (effective for accounting periods beginning on or after 1 January 2013).

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

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

(b) New Accounting Standards and Interpretations -

- IFRS 10 Consolidated Financial Statements – Amendment to the transition guidance on consolidated financial statements, joint arrangements and disclosures of interest in other entities (effective for accounting periods beginning on or after 1 January 2013).
 - IFRS 11 Joint Arrangements (effective for accounting periods beginning on or after 1 January 2013).
 - IFRS 12 Disclosure of Interest in Other Entities (effective for accounting periods beginning on or after 1 January 2013).
 - IFRIC 20 Stripping Cost in the Production Phase of a Surface Mine (effective for accounting periods beginning on or after 1 January 2013).
- iii) The Authority has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they either do not apply to the activities of the Authority or have no material impact on its financial statements, except for IFRS 9 Financial Instruments:
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Amendment on borrowing costs relating to qualifying assets (effective for accounting periods beginning on or after 1 January 2013).
 - IFRS 1 First-time Adoption of International Financial Reporting Standards – Government Loans (effective for accounting periods beginning on or after 1 January 2013).
 - IFRS 2 Share-based payment – Amendment to the definition of vesting condition (effective for accounting periods beginning on or after 1 July 2014).
 - IFRS 3 Business Combinations – Amendment re: accounting for a contingent consideration in a business combination (effective for accounting periods beginning on or after 1 July 2014).
 - IFRS 3 Business Combinations – Amendment on the scope of exception for joint ventures (effective for accounting periods beginning on or after 1 July 2014).
 - IFRS 8 Operating Segments – Amendment re: disclosure of the aggregation of operating segments and the reconciliation of assets (effective for accounting periods beginning on or after 1 July 2014).

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

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

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

- | | |
|---------|---|
| IFRS 9 | Financial Instruments (effective for accounting periods beginning on or after 1 January 2018). |
| IFRS 10 | Consolidated Financial Statements – Amendment to measure at fair value eligible investment entities (effective for accounting periods beginning on or after 1 January 2014). |
| IFRS 11 | Joint Arrangements (effective for accounting periods beginning on or after 1 January 2013). |
| IFRS 12 | Disclosure of Interest in Other Entities (effective for accounting periods beginning on or after 1 January 2013). |
| IFRS 13 | Fair Value Measurement – Amendment re: clarification of portfolio exception (effective for periods beginning on or after 1 July 2014). |
| IFRS 14 | Regulatory Deferral Accounts (effective for accounting periods beginning on or after 1 January 2016). |
| IAS 1 | Presentation of Financial Statements – Amendment re: clarification of the requirement for comparative information (effective for accounting periods beginning on or after 1 July 2013). |
| IAS 16 | Property, Plant and Equipment – Amendment re: proportionate restatement of accumulated depreciation under the revaluation method (effective for accounting periods beginning on or after 1 July 2014). |
| IAS 24 | Related Party Disclosures – Amendment on disclosures for entities providing key management personnel services (effective for accounting periods beginning on or after 1 July 2014). |
| IAS 27 | Separate Financial Statements – Amendment to measure at fair value eligible investment entities (effective for accounting periods beginning on or after 1 January 2014). |
| IAS 32 | Financial Instruments; Presentation – Amendment re: application guidance on the offsetting of financial assets and financial liabilities (effective for accounting periods beginning on or after 1 January 2014). |
| IAS 36 | Impairment of Assets – Amendment re: disclosure of recoverable amount on non-financial assets (effective for accounting periods beginning on or after 1 January 2014). |

ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

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

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

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

(c) **Fixed assets and depreciation -**

Land and building comprise offices occupied by the Authority and include land purchased for construction of new offices in Trincity. A valuation was completed on the building at #8 Elizabeth Street, St. Clair by independent valuer G. A. Farrell & Associates Limited. The effective date of the valuation was 4 January 2010 and the value of **TT\$26 million** was determined after consideration and use of one or more of the following approaches: the Direct Sales Comparison Approach; the Income Approach; and the Cost Approach. Land and building are stated at historical cost/valuation, less depreciation in the case of building. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 Authority and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

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

(c) Fixed assets and depreciation (cont'd) -

Depreciation is calculated on the reducing balance method to write off the cost of assets to their residual values over their estimated useful life as follows:

| | | |
|---------------------------------------|---|--------------------|
| Leasehold improvement | - | 10% per annum |
| Building | - | 2% - 20% per annum |
| Furniture and fittings | - | 10% per annum |
| Office equipment | - | 20% per annum |
| Motor vehicles and computer equipment | - | 25% per annum |
| Specialised equipment | - | 20% per annum |
| Library/Information | - | 10% per annum |
| Computer equipment | - | 20% per annum |

Land is not depreciated as it is deemed to have an indefinite life.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are included in the Statement of Comprehensive Income.

(d) Foreign currency -

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the reporting date. All revenue and expenditure transactions denominated in foreign currencies are translated at the rates of exchange ruling at the date of the transaction and the resulting profits and losses on exchange from trading activities are recorded in the Statement of Comprehensive Income.

(e) Taxation -

The Authority is exempt from taxation under the Environmental Management Act of 2000, Part VII Section 76. According to Section 76:-

'The Fund and the Authority shall be exempted from stamp duty, corporation tax, customs duties, value added taxes, motor vehicle taxes, fees, charges, assessments, levies and imposts on any income or profits or on assets which are acquired for use by the Fund or the Authority'

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

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

(f) Use of estimates -

The preparation of the financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities. Also required is the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(g) Financial instruments -

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

Cash and cash equivalents

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

Trade payables

Trade payables are stated at amounts due.

(h) Income and funding -

Funding was provided to the Environmental Management Authority - Environmental Trust Fund as follows:

- (i) Proceeds of a loan of US\$6.25 million from the IBRD to the Government of the Republic of Trinidad and Tobago (GORTT). The loan facility closed on 31 December 2000.
- (ii) Ongoing funding from the GORTT to cover recurrent and development programme expenditure. Government Grants are accounted for using the income approach. Under this approach, the grant is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses, the related costs for which the grant is intended to compensate.

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

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

(h) Income and funding (cont'd) -

- (iii) Grant funds are provided by the United Nations Development Programme (UNDP) and United Nations Environment Programme (UNEP) to fund specific activities that are set out in the relevant multilateral agreements. The main projects administered by the Environmental Management Authority Environmental Trust Fund during the financial year ended 30 September 2012 are the Second National Communication to the Convention on Climate Change; Phase V of the Institutional Strengthening Programme for the Phase-out of Ozone Depleting Substances; and Phase II of the Terminal Management Plan for the Phase-out of CFC's.
- (iv) A Memorandum of Agreement was signed on 20 April 2010 with the Minister of Planning, Housing and the Environment acting on behalf of the GORTT to receive funding from the Green Fund to continue with the Nariva Swamp Restoration, Carbon Sequestration and Livelihoods Project (NSRCSL Project). The project duration is from 20 April 2011 to 31 March 2017. Upon signing of the agreement, the first tranche of **TT\$8.471 million** was received. The total amount to be disbursed over the period is **TT\$68.545 million**. Future disbursements will be made based on approved progress reports.

(i) Comparative information -

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

3. Financial Risk Management:

Financial risk factors

The Authority's activities are primarily related to the use of financial instruments. The Authority accepts funds mainly from the GORTT and earns interest by investing in equity investments.

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

3. Financial Risk Management (Cont'd):

Financial instruments

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

| | 2014 | |
|-------------------------------------|-----------------------------|-----------------------------|
| | <u>Carrying Value</u> | <u>Fair Value</u> |
| Financial Assets: | | |
| Cash in hand and at bank | \$ 47,689,365 | \$ 47,689,365 |
| Short term investments | 3,068,063 | 3,068,063 |
| Accounts receivable and prepayments | <u>7,250,106</u> | <u>7,250,106</u> |
| | <u>\$ 58,007,534</u> | <u>\$ 58,700,534</u> |
| Financial Liabilities: | | |
| Accounts payable and accruals | \$ 47,754,116 | \$ 47,754,116 |
| Deferred income | <u>218,725</u> | <u>218,725</u> |
| | <u>\$ 47,972,841</u> | <u>\$ 47,972,841</u> |
| | 2013 | |
| | <u>Carrying Value</u> | <u>Fair Value</u> |
| Financial Assets: | | |
| Cash in hand and at bank | \$ 44,084,309 | \$ 44,084,309 |
| Short terms investments | 8,986,972 | 8,986,972 |
| Accounts receivable and prepayments | <u>2,790,261</u> | <u>2,790,261</u> |
| | <u>\$ 55,861,542</u> | <u>\$ 55,861,542</u> |
| Financial Liabilities: | | |
| Accounts payable and accruals | \$ 20,745,245 | \$ 20,745,245 |
| Deferred income | <u>344,725</u> | <u>344,725</u> |
| | <u>\$ 21,089,970</u> | <u>\$ 21,089,970</u> |

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

3. Financial Risk Management (Cont'd):

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

(a) Interest rate risk -

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Authority's income and operating cash flows are substantially independent of changes in market interest rates as the Authority has no significant interest bearing assets. The Authority is only exposed to interest rate risk in relation to its current account held at Republic Bank Limited, RBC Royal Bank (Trinidad and Tobago) Limited, Scotiabank (Trinidad and Tobago) Limited and First Citizens Bank Limited. As the Authority has no significant variable interest-bearing asset, the Authority's income and operating cash flows are substantially independent of changes in market interest rates.

(b) Credit risk -

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Authority has policies in place to ensure that all amounts due are collected within specified credit period.

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

(c) Liquidity risk -

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

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

3. Financial Risk Management (Cont'd):

(c) Liquidity risk (cont'd) -

Liquidity gap

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

| | ----- 2014 ----- | | | |
|-------------------------------------|-----------------------------|---------------------|---------------------|-----------------------------|
| | <u>Up to 1 year</u> | <u>1 to 5 years</u> | <u>Over 5 years</u> | <u>Total</u> |
| Financial Assets: | | | | |
| Cash in hand and at bank | \$ 47,689,365 | \$ - | \$ - | \$ 47,689,365 |
| Short term investments | 3,068,063 | - | - | 3,068,063 |
| Accounts receivable and prepayments | <u>7,250,106</u> | <u>-</u> | <u>-</u> | <u>7,250,106</u> |
| | <u>\$ 58,007,534</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 58,007,534</u> |
| Financial Liabilities: | | | | |
| Accounts payable and accruals | \$ 47,754,116 | \$ - | \$ - | \$ 47,754,116 |
| Deferred income | <u>218,725</u> | <u>-</u> | <u>-</u> | <u>218,725</u> |
| | <u>\$ 47,792,841</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 47,792,841</u> |

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

3. Financial Risk Management (Cont'd):

(c) Liquidity risk (cont'd) -

Liquidity gap (cont'd)

| | 2013 | | | |
|-------------------------------------|----------------------------|---------------------|---------------------|----------------------------|
| | <u>Up to 1year</u> | <u>1 to 5 years</u> | <u>Over 5 years</u> | <u>Total</u> |
| Financial Assets: | | | | |
| Cash in hand and at bank | \$44,084,309 | \$ - | \$ - | \$44,084,309 |
| Short term investments | 8,986,972 | - | - | 8,986,972 |
| Accounts receivable and prepayments | <u>2,790,261</u> | <u>-</u> | <u>-</u> | <u>2,790,261</u> |
| | <u>\$55,861,542</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$55,861,542</u> |
| Financial Liabilities: | | | | |
| Accounts payable and accruals | \$20,745,245 | \$ - | \$ - | \$20,745,245 |
| Deferred income | <u>344,725</u> | <u>-</u> | <u>-</u> | <u>344,725</u> |
| | <u>\$21,089,970</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$21,089,970</u> |

(d) Currency risk -

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

(e) Operational risk -

Operational risk is the risk derived from deficiencies relating to the Authority's information technology and control systems, as well as the risk of human error and natural disasters. The Authority's systems are evaluated, maintained and upgraded continuously.

(f) Compliance risk -

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to the extent of monitoring controls applied by the Authority.

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

3. Financial Risk Management (Cont'd):

(g) Reputation risk -

The risk of loss of reputation arising from the negative publicity relating to the Authority's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Authority. The Authority applies procedures to minimize this risk.

4. Critical Accounting Estimates and Judgements:

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

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. The Authority makes estimates and assumptions concerning the future and actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Changes in accounting estimates are recognised in the Statement of Comprehensive Income in the period in which the estimate is changed, if the change affects that period only. If the change affects a prior period, the Authority recognizes this change in the Statement of Movement of Funds in the current period.

The critical judgement, apart from that involving estimations, which has the most significant effect on the amounts recognised in the financial statements, is as follows:-

1. Which depreciation method for building and equipment is used.
2. Whether fixed assets are measured at cost or revalued amount.

The key assumption concerning the future and other key sources of estimation uncertainty at the reporting date (requiring management's most difficult, subjective or complex judgements) that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is with respect to building and equipment. Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets.

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

5. Cash in Hand and at Bank:

| | 30 September | |
|--|-----------------------------|-----------------------------|
| | <u>2014</u> | <u>2013</u> |
| Petty Cash | \$ 9,000 | \$ 8,000 |
| Republic Bank Limited - | | |
| Operating account | 8,658,058 | 21,245,498 |
| Nariva Carbon Assessment Grant | 213,521 | 186,394 |
| NSRCSL Project Account | 3,759,981 | 7,244,434 |
| Highway Police Surveillance HPS Bays Project | 3,372,949 | 3,373,364 |
| First Citizens Bank Limited - | | |
| Oil Spill Assessment | 19,999,997 | - |
| IDB Technical | 36 | - |
| Permit income account | 8,170,048 | 11,142,765 |
| RBTT Bank Limited - | | |
| Other projects | 245,604 | 246,030 |
| Biodiversity | 13,687 | 13,987 |
| Biosafety | 97,115 | 97,415 |
| National Capacity Needs Self Assessment | 395,496 | 395,796 |
| United Nations Framework Convention on Climate Change | - | 59,867 |
| Green Fund National BCBC Project | 2,741,649 | 70 |
| Scotiabank Trinidad and Tobago Limited - | - | - |
| Terminal Phaseout Management Plan | 12,224 | 70,689 |
| Fleet Card | - | - |
| | <u>\$ 47,689,365</u> | <u>\$ 44,084,309</u> |

6. Short-Term Investments:

| | 30 September | |
|--|----------------------------|----------------------------|
| <u>Available-for-Sale:</u> | <u>2014</u> | <u>2013</u> |
| Republic Bank Limited Pool Bond | \$ 2,229,245 | \$ 2,200,851 |
| Trinidad and Tobago Unit Trust Corporation | 838,818 | 6,786,121 |
| | <u>\$ 3,068,063</u> | <u>\$ 8,986,972</u> |

ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

7. Accounts Receivable and Prepayments:

| | 30 September | |
|---------------------|---------------------|---------------------|
| | <u>2014</u> | <u>2013</u> |
| Accounts receivable | \$ - | \$ 31,000 |
| VAT receivable | 5,321,713 | 2,306,015 |
| Other receivables | 453,383 | 300,571 |
| Prepayments | <u>1,475,110</u> | <u>152,675</u> |
| | <u>\$ 7,250,206</u> | <u>\$ 2,790,261</u> |

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

8. **Fixed Assets:**

| Cost/Valuation | <u>Land</u> | <u>Leasehold Improvements</u> | <u>Building</u> | <u>Furniture and Fittings</u> | <u>Office Equipment</u> | <u>Motor Vehicle</u> | <u>Computer Equipment</u> | <u>Specialised Equipment</u> | <u>Library/ Information</u> | <u>Total</u> |
|---------------------------------|----------------------|--|------------------------|--|------------------------------------|---------------------------------|--------------------------------------|---|--|----------------------|
| Balance as at 1 October 2013 | \$ 13,729,868 | \$ - | \$26,000,000 | \$ 7,029,447 | \$ 5,396,837 | \$ 4,750,199 | \$ 5,492,368 | \$ 450,758 | \$ 332,331 | \$ 63,181,808 |
| Additions | - | 770,467 | 25,771,725 | 225,052 | 398,164 | 1,330,134 | 510,315 | 381,016 | - | 29,386,873 |
| Disposals | - | - | - | (4,865) | (261,591) | (876,555) | (384,733) | (4,400) | - | (1,532,144) |
| Balance as at 30 September 2014 | <u>13,729,868</u> | <u>770,467</u> | <u>51,771,725</u> | <u>7,249,634</u> | <u>5,533,410</u> | <u>5,203,778</u> | <u>5,617,950</u> | <u>827,374</u> | <u>332,331</u> | <u>91,036,537</u> |
| Accumulated Depreciation | | | | | | | | | | |
| Balance as at 1 October 2013 | - | - | 2,139,620 | 2,537,457 | 3,963,100 | 2,334,809 | 4,234,825 | 120,576 | 264,935 | 15,595,322 |
| Charge for the year | - | 12,447 | 666,113 | 462,206 | 347,391 | 707,325 | 355,914 | 99,490 | 6,740 | 2,657,626 |
| Disposals | - | - | - | (3,808) | (236,816) | (809,001) | (357,823) | (1,508) | - | (1,408,956) |
| Balance as at 30 September 2014 | <u>-</u> | <u>12,447</u> | <u>2,805,733</u> | <u>2,995,855</u> | <u>4,073,675</u> | <u>2,233,133</u> | <u>4,232,916</u> | <u>218,558</u> | <u>271,675</u> | <u>16,843,992</u> |
| Net Book Value | | | | | | | | | | |
| Balance as at 30 September 2014 | <u>\$ 13,729,868</u> | <u>\$ 758,020</u> | <u>\$48,965,992</u> | <u>\$ 4,253,779</u> | <u>\$ 1,459,735</u> | <u>\$ 2,970,645</u> | <u>\$ 1,385,034</u> | <u>\$ 608,816</u> | <u>\$ 60,656</u> | <u>\$ 74,192,545</u> |
| Balance as at 30 September 2013 | <u>\$ 13,729,868</u> | <u>\$ -</u> | <u>\$23,860,380</u> | <u>\$ 4,491,990</u> | <u>\$ 1,433,737</u> | <u>\$ 2,415,390</u> | <u>\$ 1,257,543</u> | <u>\$ 330,182</u> | <u>\$ 67,396</u> | <u>\$ 47,586,486</u> |

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

8. Fixed Assets (Cont'd):

| Cost/Valuation | <u>Land</u> | <u>Building</u> | <u>Furniture and Fittings</u> | <u>Office Equipment</u> | <u>Motor Vehicles</u> | <u>Computer Equipment</u> | <u>Specialised Equipment</u> | <u>Library/ Information</u> | <u>Total</u> |
|---------------------------------|---------------------|------------------------|--|------------------------------------|----------------------------------|--------------------------------------|---|--|----------------------|
| Balance as at 1 October 2012 | \$13,729,868 | \$26,000,000 | \$ 6,045,872 | \$ 4,972,318 | \$ 3,988,398 | \$ 5,277,263 | \$ 443,603 | \$ 332,331 | \$ 60,789,653 |
| Additions | - | - | 983,575 | 439,173 | 1,258,150 | 230,105 | 7,155 | - | 2,918,158 |
| Disposals | - | - | - | (14,654) | (496,349) | (15,000) | - | - | (526,003) |
| Balance as at 30 September 2013 | <u>13,729,868</u> | <u>26,000,000</u> | <u>7,029,447</u> | <u>5,396,837</u> | <u>4,750,199</u> | <u>5,492,368</u> | <u>450,758</u> | <u>332,331</u> | <u>63,181,808</u> |
| Accumulated Depreciation | | | | | | | | | |
| Balance as at 1 October 2012 | - | 1,627,179 | 2,059,099 | 3,661,824 | 2,051,702 | 3,868,963 | 38,478 | 257,447 | 13,564,692 |
| Charge for the year | - | 512,441 | 478,358 | 308,648 | 674,130 | 371,839 | 82,098 | 7,488 | 2,435,002 |
| Disposals | - | - | - | (7,372) | (391,023) | (5,977) | - | - | (404,372) |
| Balance as at 30 September 2013 | <u>-</u> | <u>2,139,620</u> | <u>2,537,457</u> | <u>3,963,100</u> | <u>2,334,809</u> | <u>4,234,825</u> | <u>120,576</u> | <u>264,935</u> | <u>15,595,322</u> |
| Net Book Value | | | | | | | | | |
| Balance as at 30 September 2013 | <u>\$13,729,868</u> | <u>\$ 23,860,380</u> | <u>\$ 4,491,990</u> | <u>\$ 1,433,737</u> | <u>\$ 2,415,390</u> | <u>\$ 1,257,543</u> | <u>\$ 330,182</u> | <u>\$ 67,396</u> | <u>\$ 47,586,486</u> |
| Balance as at 30 September 2012 | <u>\$13,729,868</u> | <u>\$ 24,372,821</u> | <u>\$ 3,986,773</u> | <u>\$ 1,310,494</u> | <u>\$ 1,936,696</u> | <u>\$ 1,408,300</u> | <u>\$ 405,125</u> | <u>\$ 74,884</u> | <u>\$ 47,224,961</u> |

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

9. Accounts Payable and Accruals:

| | 30 September | |
|--|-----------------------------|-----------------------------|
| | <u>2014</u> | <u>2013</u> |
| Accounts payable | \$ 2,894,771 | \$ 1,716,729 |
| Other payables | 3,476 | (20,046) |
| Accruals | 2,562,107 | 1,912,576 |
| Violations payable | 7,028,509 | 5,231,111 |
| Ministry of Public Utilities and the Environment | | |
| - National Forest Inventory Project | 396,736 | 373,308 |
| Nariva Swamp Restoration, Carbon Sequestration and Livelihood Project | 3,857,451 | 7,366,601 |
| Highway Police Surveillance Bays Project | 4,164,439 | 4,164,966 |
| Other liabilities – GF NBCBC | 6,846,630 | - |
| Other liabilities – OSARRA | <u>19,999,997</u> | <u>-</u> |
| | <u>\$ 47,754,116</u> | <u>\$ 20,745,245</u> |

10. Deferred Income:

| | 30 September | |
|--|---------------------|--------------------|
| | <u>2014</u> | <u>2013</u> |
| Records and Information Management (RIM) Project | <u>\$ 218,725</u> | <u>\$ 344,725</u> |

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

11. Funding:

Funds received during the year ended 30 September 2013 are as follows:

| | | 30 September | |
|--|------|---------------------|--------------------|
| | | <u>2014</u> | <u>2013</u> |
| External Funding | | | |
| UNDP | TT\$ | \$ - | \$ - |
| IBRD | TT\$ | - | - |
| Core Funding | | | |
| GORTT | TT\$ | 45,545,226 | 45,711,281 |
| Nariva Swamp Restoration, Carbon Sequestration and Livelihood Project | TT\$ | 3,486,860 | 6,530,984 |
| Beverage Container Bill Clean-up Project | TT\$ | 3,650,133 | - |

The Beverage Container Bill Clean-Up Project is funded by the Government of the Republic of Trinidad and Tobago aimed at the removal of all waste beverage containers over an eight (8) month period to precede the enactment of the Beverage Containers Bill 2012. A separate Fund has not been established for this project.

12. Fair Values:

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The existence of published price quotation in an active market is the best evidence of fair value. Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable, willing parties, if available, current fair value of another financial instrument that is substantially the same and discounted cash flow analysis.

The following methods have been used to estimate the fair values of various classes of financial assets and liabilities:

Current assets and liabilities -

The carrying amounts of current assets and liabilities are a reasonable approximation of the fair values because of their short-term nature.

**ENVIRONMENTAL MANAGEMENT AUTHORITY
ENVIRONMENTAL TRUST FUND**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2014

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 decisions.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Authority.

A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms at market rates.

Balances and transactions with related parties and key management personnel during the year were as follows:

| | 30 September | |
|------------------------------------|---------------------|--------------------|
| | <u>2014</u> | <u>2013</u> |
| Other expenses | | |
| Directors' fees | \$ 627,000 | \$ 519,750 |
| Directors' expenses | 64,542 | 153,469 |
| Key management compensation | | |
| Short-term benefits | \$ 3,528,661 | \$ 2,926,677 |

14. Equity Adjustment:

The equity adjustment of **\$59,716** represents a refund of the balance of funds to the United Nations Development Programme (UNDP) upon closure of the designated RBC Royal Bank (Trinidad and Tobago) Limited Account No. 100094148153 – United Nations Framework Convention on Climate Change.