



**REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE ENVIRONMENTAL MANAGEMENT AUTHORITY -ENVIRONMENTAL TRUST FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019**

The accompanying Financial Statements of the Environmental Management Authority-Environmental Trust Fund for the year ended September 30, 2019 have been audited. The Financial Statements comprise a Statement of Financial Position as at September 30, 2019, a Statement of Income, a Statement of Other Comprehensive Income, a Statement of Movement in Funds and a Statement of Cash Flows for the year ended September 30, 2019 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 April 10, 2020, which is attached, 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.



**1<sup>st</sup> SEPTEMBER, 2020  
PORT OF SPAIN**

  
**LORELLY PUJADAS  
AUDITOR GENERAL**

**ENVIRONMENTAL MANAGEMENT AUTHORITY  
ENVIRONMENTAL TRUST FUND**

**Financial Statements**

for the year ended September 30, 2019

**C O N T E N T S** **P A G E S**

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# ENVIRONMENTAL MANAGEMENT AUTHORITY ENVIRONMENTAL TRUST FUND

## Statement of Management's Responsibilities

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Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Environmental Management Authority Environmental Trust Fund ("the Authority"), which comprise the statement of financial position as at September 30, 2019, the statements of income, other comprehensive income, movement in funds and cash flows for the year then ended, and notes, comprising 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 complies with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

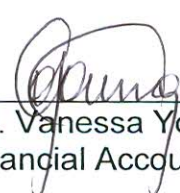
In preparing these financial statements, management utilised International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented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

Nothing has come to the attention of management to indicate that the 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 authorised for issue, if later.

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

  
\_\_\_\_\_  
Mr. Hayden Romano  
Managing Director

April 9, 2020

  
\_\_\_\_\_  
Ms. Vanessa Young  
Financial Accountant

April 9, 2020



# R. Ramdass & Co.

CHARTERED ACCOUNTANTS

“ICATT REGISTERED FIRM”

17 Gaston Street, Lange Park,  
Chaguanas 500703 Trinidad West Indies  
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## Independent Auditor's Report

### To the Board of Trustees of Environmental Management Authority Environmental Trust Fund

#### Opinion

We have audited the accompanying financial statements of **Environmental Management Authority Environmental Trust Fund** (“the Authority”), which comprise the statement of financial position as at 30<sup>th</sup> September 2019, and the statement of income, statement of other comprehensive income, statement of movement in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as at 30<sup>th</sup> September 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for opinion

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

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

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

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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



# *R. Ramdass & Co.*

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## Independent Auditor's Report (cont'd)

### To the Board of Trustees of Environmental Management Authority Environmental Trust Fund (cont'd)

#### Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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 omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority 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 internal control that we identify during our audit.

**R. RAMDASS & CO.**  
CHAGUANAS  
TRINIDAD W.I.

April 10, 2020

**ENVIRONMENTAL MANAGEMENT AUTHORITY  
ENVIRONMENTAL TRUST FUND**


**Statement of Financial Position**

as at September 30, 2019

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		<b>\$</b>	<b>\$</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	56,863,614	55,833,437
<b>Total Non-Current Assets</b>		<u>56,863,614</u>	<u>55,833,437</u>
<b>Current assets</b>			
Cash in hand and at bank	4	75,712,029	98,723,452
Receivables and prepayments	5	9,218,842	5,239,997
<b>Total Current Assets</b>		<u>84,930,871</u>	<u>103,963,449</u>
<b>Total Assets</b>		<u><b>141,794,485</b></u>	<u><b>159,796,886</b></u>
<b>FUNDS AND LIABILITIES</b>			
<b>Funds</b>			
GORTT Fund		36,939,813	34,127,223
UNDP Fund		199,131	199,131
IRBD Fund		2,806,990	2,806,990
Other Fund		863,709	863,709
Revaluation reserve		19,815,644	19,815,644
<b>Total Funds</b>		<u>60,625,287</u>	<u>57,812,697</u>
<b>Current liabilities</b>			
Payables and accruals	7	81,169,198	101,984,189
<b>Total Current Liabilities</b>		<u>81,169,198</u>	<u>101,984,189</u>
<b>Total Funds and Liabilities</b>		<u><b>141,794,485</b></u>	<u><b>159,796,886</b></u>

The accompanying notes form an integral part of these financial statements

On April 9, 2020, the Board of Directors of Environmental Management Authority Environmental Trust Fund authorised these financial statements for issue and signed on its behalf by:

  
.....  
DIRECTOR



  
.....  
DIRECTOR

**ENVIRONMENTAL MANAGEMENT AUTHORITY  
ENVIRONMENTAL TRUST FUND**

**Statement of Income**

for the year ended September 30, 2019

	Notes	2019 \$	2018 \$
<b>Fund Income</b>	11	62,837,012	58,411,257
Less: Project expenses	12	(19,824,775)	(11,701,436)
<b>Income after project expenditure</b>		<u>43,012,237</u>	<u>46,709,821</u>
<b>Operating expenses</b>			
Advertising		203,233	311,733
Audit fees		87,255	42,000
Conference cost		10,500	12,068
Contract services		343,823	308,218
Depreciation		2,245,604	2,564,964
Directors' fees and expenses		878,510	760,000
Interest and bank charges		26,027	29,535
Insurances		396,225	400,514
Gain on foreign exchange		(13,700)	(10,838)
Loss on disposal of prop. plant and equip.		22,848	-
Motor vehicle		327,024	345,635
Management fees		42,000	33,000
Office and general		198,693	192,105
Permit and compliance		193,392	372,525
Legal & professional		385,280	7,051,657
Reference and research		123,027	263,697
Rent		1,644,484	3,188,082
Repairs and maintenance		477,726	610,062
Salaries and benefits		30,162,923	31,870,251
Security		579,682	441,115
Selection and recruitment		18,935	6,110
Supplies		662,984	829,047
Training		95,643	31,340
Travel		43,769	77,896
Utilities		1,043,761	1,230,892
<b>Total operating expenditure</b>		<u>40,199,648</u>	<u>50,961,608</u>
<b>Operating surplus/(deficit)</b>		<u>2,812,589</u>	<u>(4,251,787)</u>
Loss on revaluation of land & buildings		-	(17,004,378)
<b>Surplus/(deficit) for the year</b>		<u>2,812,589</u>	<u>(21,256,165)</u>

The accompanying notes form an integral part of these financial statements

ENVIRONMENTAL MANAGEMENT AUTHORITY  
ENVIRONMENTAL TRUST FUND

Statement of Other Comprehensive Income  
for the year ended September 30, 2019

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	<u>2019</u>	<u>2018</u>
	\$	\$
Surplus/(deficit) for the year	2,812,589	(21,256,165)
Other Comprehensive Income:		
<i>Items that will not be reclassified to profit or loss:</i>		
Gain on revaluation of land & buildings	-	1,833,500
Other comprehensive income for the year	-	1,833,500
<b>Total comprehensive surplus/(deficit) for the year</b>	<u>2,812,589</u>	<u>(19,422,665)</u>



**ENVIRONMENTAL MANAGEMENT AUTHORITY**

**ENVIRONMENTAL TRUST FUND**

**Statement of Movement in Funds**

for the year ended September 30, 2019

	GORTT Fund	UNDP Fund	IBRD Fund	Other Fund	Revaluation Reserve	Total Funds
	\$	\$	\$	\$	\$	\$
<b>Year ended September 30, 2019</b>						
Balance at October 1, 2018	34,127,223	199,131	2,806,990	863,709	19,815,644	57,812,697
Total comprehensive surplus for the year	2,812,589	-	-	-	-	2,812,589
<b>Balance at September 30, 2019</b>	<b>36,939,813</b>	<b>199,131</b>	<b>2,806,990</b>	<b>863,709</b>	<b>19,815,644</b>	<b>60,625,287</b>
<b>Year ended September 30, 2018</b>						
Balance at October 1, 2017	55,383,387	199,131	2,806,990	863,709	17,982,144	77,235,361
Total comprehensive deficit for the year	(21,256,165)	-	-	-	1,833,500	(19,422,665)
<b>Balance at September 30, 2018</b>	<b>34,127,223</b>	<b>199,131</b>	<b>2,806,990</b>	<b>863,709</b>	<b>19,815,644</b>	<b>57,812,697</b>

The accompanying notes form an integral part of these financial statements

**ENVIRONMENTAL MANAGEMENT AUTHORITY  
ENVIRONMENTAL TRUST FUND**

**Statement of Cash Flows**  
for the year ended September 30, 2019

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
		\$	\$
<b>Cash flows from operating activities</b>			
Surplus/(deficit) for the year		2,812,589	(21,256,165)
Adjustments to reconcile net surplus/(deficit) to net cash used in operating activities:			
Depreciation	6	3,603,864	3,125,701
Impairment loss		-	17,004,378
Loss on disposal of property, plant and equipment		32,273	-
Increase in receivables and prepayments		(3,978,845)	(3,147,778)
Decrease in payables and accruals		(20,814,990)	(6,080,555)
Net cash used in operating activities		<u>(18,345,109)</u>	<u>(10,354,419)</u>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	6	(4,718,115)	(359,838)
Proceeds from disposal of property, plant & equip.		51,801	70,313
Net cash used in investing activities		<u>(4,666,314)</u>	<u>(289,525)</u>
<b>Net decrease in cash and cash equivalents</b>		<b>(23,011,423)</b>	<b>(10,643,944)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>98,723,452</b>	<b>109,367,396</b>
<b>Cash and cash equivalents at end of year</b>		<b><u>75,712,029</u></b>	<b><u>98,723,452</u></b>
<b>Represented by:</b>			
Cash in hand and at bank	4	75,712,029	98,723,452
<b>Total cash and cash equivalents</b>		<b><u>75,712,029</u></b>	<b><u>98,723,452</u></b>

The accompanying notes form an integral part of these financial statements

# ENVIRONMENTAL MANAGEMENT AUTHORITY ENVIRONMENTAL TRUST FUND

## Notes to the Financial Statements

for the year ended September 30, 2019

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### 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 instructional 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 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.

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.

During the twelve month period ended 30 September 2019, 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; 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; Air Pollution Rules, 2014 and Air Pollution (Fees) Regulations, 2014.

The draft Waste Management Rules, 2008 is still being developed. The Authority has completed its Strategic Plan for the period 2017-2021.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of preparation

These financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings. The financial statements are presented in Trinidad and Tobago dollars.

#### Statement of compliance

These financial statements of the Authority have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### b) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less at the time of purchase, which are subject to an insignificant risk of changes in value.

# ENVIRONMENTAL MANAGEMENT AUTHORITY ENVIRONMENTAL TRUST FUND

## Notes to the Financial Statements

for the year ended September 30, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### c) Property, plant and equipment

Land and buildings comprise offices occupied by the Authority and include land purchased for construction of a new office in Trincity. A valuation was completed on these properties by independent valuator G. A. Farrell & Associates Limited. The effective date of the valuation was 30 September 2018 and the value of TT\$44.6 million was determined after consideration and use of one or more of the following approaches: the Direct Sale Comparison Approach; the Income Approach; and the Cost Approach. Land and buildings are stated at revalued amounts, less accumulated depreciation and/or accumulated impairment losses. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost include expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount 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 income during the financial period in which they are incurred.

Depreciation is calculated on the reducing balance method to write off the cost/valuation of assets to its residual values over its estimated useful lives as follows:

Leasehold improvements	-	10% per annum
Buildings	-	2 - 20% per annum
Furniture and fittings	-	10% per annum
Office and computer equipment	-	20% per annum
Motor vehicles	-	25% per annum
Specialised equipment	-	20% per annum
Library/information	-	10% per annum

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

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each statement of financial position date.

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 its carrying amounts and are included in the statement of income.

# ENVIRONMENTAL MANAGEMENT AUTHORITY ENVIRONMENTAL TRUST FUND

## Notes to the Financial Statements

for the year ended September 30, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### d) Government grants

##### 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 International Bank for Reconstruction and Development also known as the World Bank (IBRD) to the Government of the Republic of Trinidad and Tobago (GORTT). This loan facility closed on 31 December 2000.
- (ii) Ongoing funding from 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 period in which the entity recognises as expenses, the related costs for which the grant is intended to compensate.
- (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 11 of the Terminal Management Plan for the Phase-out of CFCs.
- (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 the 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.

# ENVIRONMENTAL MANAGEMENT AUTHORITY ENVIRONMENTAL TRUST FUND

## Notes to the Financial Statements

for the year ended September 30, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Government grants (cont'd)

##### Income and funding (cont'd)

- (v) A Memorandum of Agreement (MOA) was signed on 19th June 2015 with the Minister of the Environment and Water Resources acting on behalf of the GORTT to receive funding from the Green Fund to execute the Recyclable Solid Waste Collection Project (RSWCP). The project's initial duration was nine months, with an end date of 29th March 2016. The project has since requested approval for a MOA amendment to June 2020 and is awaiting approval of the revised project plan and budget. Upon the signing of the agreement, the first tranche of TT\$80 million was received by the EMA. The total amount to be disbursed over the period is TT\$107.754 million. Future disbursement will be made based on approved progress report.
- (vi) A Memorandum of Agreement (MOA) was signed on 17<sup>th</sup> September 2013 with the Minister of the Environment and Water Resources acting on behalf of the GORTT to receive funding from the Green Fund to execute the National Beverage Containers Bill Cleanup Project (BCCP). The project duration is from 17<sup>th</sup> September 2013 to 30<sup>th</sup> May 2014. Upon the signing of the agreement, the first tranche of TT\$56.662 million was received. The total amount to be disbursed over the period is TT\$62.329 million. Future disbursements will be made based on approved progress reports.
- (vii) A Memorandum of Agreement (MOA) was signed on 7<sup>th</sup> September 2011 with the Minister of Housing and the Environment acting on behalf of the GORTT to receive funding from the Green Fund to execute the Highway Police Surveillance Bays Project (HPSB Project). The project duration is from 7<sup>th</sup> September 2011 to 30<sup>th</sup> June 2012. Upon the signing of the agreement, the first tranche of TT\$4.818 million was received. The total amount to be disbursed over the period is TT\$9.635 million. Future disbursements will be made based on approved progress reports.

#### e. Foreign currency transactions

##### Functional and presentation currency

The financial statements are presented in Trinidad and Tobago dollars, which is the Authority's functional and presentation currency.

##### Transactions and balances

Foreign currency transactions are translated into the reporting currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

# ENVIRONMENTAL MANAGEMENT AUTHORITY

## ENVIRONMENTAL TRUST FUND

### Notes to the Financial Statements

for the year ended September 30, 2019

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

##### f. Payables and accruals

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the Authority if longer). If not, they are presented as non-current liabilities. Payables and accruals are recognised at fair value.

##### g. Taxation

The Authority is exempt from taxation under the Environmental Management Act of 2000, Part V11 Section 76. According to Section 76:-

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

##### h. Changes in accounting policies and disclosures

###### 1) Standards and interpretations adopted by the Authority with no material effect on the financial statements:

- i) IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.

# ENVIRONMENTAL MANAGEMENT AUTHORITY

## ENVIRONMENTAL TRUST FUND

### Notes to the Financial Statements

for the year ended September 30, 2019

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Changes in accounting policies and disclosures (cont'd)

#### Standards and interpretations adopted by the Authority with no material effect on the financial statements: (cont'd)

- ii) IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted.

#### II) Standards and interpretations not yet adopted by the Authority

##### **IFRS 16 Leases**

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees- leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset, which will lead to a higher charge being recorded in the statement of income compared to IAS 17. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.



# ENVIRONMENTAL MANAGEMENT AUTHORITY ENVIRONMENTAL TRUST FUND

## Notes to the Financial Statements

for the year ended September 30, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Changes in accounting policies and disclosures (cont'd)

##### Standards and interpretations not yet adopted by the Authority (cont'd)

Other standards, amendments and interpretations to existing standards in issue but not yet effective are not considered to be relevant to the Authority and have not been disclosed.

The Authority did not early adopt any new, revised or amended standards.

Management is currently assessing the impact of this new standard on the financial reporting of the Authority.

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

### 3. 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 income and other 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 recognises this change in the statement of movement in funds in the current period.

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

1. Which depreciation method for building and equipment is used and the useful life.
2. Whether property plant and equipment are measured at cost or revalued amount.

# ENVIRONMENTAL MANAGEMENT AUTHORITY ENVIRONMENTAL TRUST FUND

## Notes to the Financial Statements

for the year ended September 30, 2019

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### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

#### Contingent liabilities

Management applies its judgement to the facts and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not or remote. Such judgement is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

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  
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**Notes to the Financial Statements  
for the year ended September 30, 2019**

	<u>2019</u>	<u>2018</u>
	\$	\$
<b>4. CASH IN HAND AND AT BANK</b>		
Petty cash	16,000	16,000
<b>Republic Bank Limited:</b>		
Operating account	10,575,965	9,935,513
US Dollar account	1,491,711	1,022,799
The Green Fund - National Restoration, Carbon Sequestration, Wildlife & Livelihoods Project	1,223,355	2,520,057
The Green Fund - Highway Police Surveillance Bays Project	2,928,376	2,928,677
The Green Fund - National Beverage Containers Bill Cleanup Project	7,279,908	7,280,208
The Green Fund - Recyclable Solid Waste Collection Project	38,279,091	59,813,574
EMA - ETF - Oil Spill Assessment, Remediation and Rehabilitation	8,067,074	12,646,349
VTM card	13,251	12,968
<b>First Citizens Bank Limited:</b>		
Permit account	5,057,991	1,738,877
<b>RBC Royal Bank (T&amp;T) Limited:</b>		
Other projects	243,127	243,602
Biodiversity	-	12,013
Biosafety	95,093	95,453
National Capacity Needs Self-Assessment	393,436	393,796
<b>Scotiabank (T&amp;T) Limited:</b>		
Scotia Fleet Card	47,651	63,566
	<b>75,712,029</b>	<b>98,723,452</b>
<b>5. RECEIVABLES AND PREPAYMENTS</b>		
Accounts receivable	1,313,684	218,514
VAT receivable	6,338,500	3,140,042
Other receivables	1,429,957	1,633,033
Prepayments	136,701	248,408
	<b>9,218,842</b>	<b>5,239,997</b>

**ENVIRONMENTAL MANAGEMENT AUTHORITY**  
**ENVIRONMENTAL TRUST FUND**

**Statement of Financial Position**  
for the year ended September 30, 2019

**6. PROPERTY, PLANT AND EQUIPMENT**

	Land & Buildings	Leasehold Imp.	Furniture & Fittings	Office & Comp. Equip.	Motor Vehicle	Specialised Equipment	Library/ Infor.	RSWC Project	NSRCSL Project	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Year ended September 30, 2019</b>										
Cost/valuation	51,110,539	3,622,277	7,671,092	10,928,292	4,165,376	2,687,739	332,331	5,500,450	3,323,058	89,341,154
Accumulated depreciation	(7,317,252)	(1,428,214)	(4,817,891)	(9,508,179)	(3,660,572)	(1,573,168)	(296,514)	(1,742,629)	(2,133,122)	(32,477,540)
<b>Net book amount</b>	<b>43,793,287</b>	<b>2,194,063</b>	<b>2,853,201</b>	<b>1,420,113</b>	<b>504,804</b>	<b>1,114,571</b>	<b>35,817</b>	<b>3,757,821</b>	<b>1,189,936</b>	<b>56,863,614</b>
<b>Net Book Amount</b>										
October 1, 2018	44,600,001	2,437,846	3,170,904	1,582,383	727,125	1,393,215	39,796	378,928	1,503,238	55,833,437
Additions	54,450	-	-	230,390	-	-	-	4,431,000	2,275	4,718,115
Disposal	-	-	(635)	(22,214)	(51,801)	-	-	(2,268)	(7,156)	(84,074)
Depreciation charge	(861,164)	(243,783)	(317,068)	(370,446)	(170,520)	(278,644)	(3,979)	(1,049,839)	(308,421)	(3,603,864)
<b>September 30, 2019</b>	<b>43,793,287</b>	<b>2,194,063</b>	<b>2,853,201</b>	<b>1,420,113</b>	<b>504,804</b>	<b>1,114,571</b>	<b>35,817</b>	<b>3,757,821</b>	<b>1,189,936</b>	<b>56,863,614</b>
<b>Year ended September 30, 2018</b>										
Cost/valuation	51,056,089	3,622,277	7,677,733	11,288,339	4,365,376	2,687,739	332,331	1,074,940	3,360,961	85,465,785
Accumulated depreciation	(6,456,088)	(1,184,431)	(4,506,829)	(9,705,956)	(3,638,251)	(1,294,524)	(292,535)	(696,012)	(1,857,723)	(29,632,348)
<b>Net book amount</b>	<b>44,600,001</b>	<b>2,437,846</b>	<b>3,170,904</b>	<b>1,582,383</b>	<b>727,125</b>	<b>1,393,215</b>	<b>39,796</b>	<b>378,928</b>	<b>1,503,238</b>	<b>55,833,437</b>
<b>Net Book Amount</b>										
October 1, 2017	60,615,003	2,708,718	3,509,805	1,975,611	1,053,875	1,535,681	44,218	502,570	1,895,009	73,840,490
Additions	46,314	-	12,957	55,381	-	199,862	-	45,324	-	359,838
Revaluation	1,833,500	-	-	-	-	-	-	-	-	1,833,500
Impairment	(17,004,378)	-	-	-	-	-	-	-	-	(17,004,378)
Disposal	-	-	-	-	(70,313)	-	-	-	-	(70,313)
Depreciation charge	(890,438)	(270,872)	(351,858)	(448,609)	(256,437)	(342,328)	(4,422)	(168,966)	(391,771)	(3,125,701)
<b>September 30, 2018</b>	<b>44,600,001</b>	<b>2,437,846</b>	<b>3,170,904</b>	<b>1,582,383</b>	<b>727,125</b>	<b>1,393,215</b>	<b>39,796</b>	<b>378,928</b>	<b>1,503,238</b>	<b>55,833,437</b>

**ENVIRONMENTAL MANAGEMENT AUTHORITY  
ENVIRONMENTAL TRUST FUND**

**Notes to the Financial Statements  
for the year ended September 30, 2019**

**PROPERTY, PLANT AND EQUIPMENT (Cont'd)**

- i) Fair value measurement of the Authority's properties.

The Authority's properties (land & buildings) are stated at its revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. All four (4) properties were revalued by an independent valuator G. A. Farrell & Associates Limited. The effective date of the valuations was September 30, 2018 and the accumulated fair value was determined after consideration and use of one or more of the following approaches: the Direct Sale Comparison Approach; the Income Approach; and the Cost Approach.

Details of the Authority's properties and information about the fair value hierarchy as at 30 September 2019 and 2018 are as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>At 30 September 2019</b>	-	43,793,287	-	43,793,287
<b>At 30 September 2018</b>	-	44,600,001	-	44,600,001

There were no transfers between levels during the year.

- ii) If the properties were stated using the historical cost basis, the carrying values would have been as follows:

	2019	2018
	\$	\$
<b>Land &amp; buildings</b>		
Cost	48,299,273	48,244,823
Accumulated depreciation/impairment	(21,107,169)	(20,547,388)
<b>Net book amount</b>	<b>27,192,104</b>	<b>27,697,435</b>

**7. PAYABLES AND ACCRUALS**

Accounts payable	2,304,194	1,388,500
Campam	11,235	-
Other payables	5,301	5,301
Contingent liability	1,132,827	1,132,827
Accruals	8,379,431	9,319,475
Violations payable	4,500	(1,539)
Ministry of Agriculture Forestry Division:		
National Forestry Inventory	378,455	378,455
National Restoration, Carbon Sequestration, Wildlife and Livelihood Project	2,539,415	4,130,952
Recyclables Solid Waste Collection Project	44,615,503	61,669,954
Highway Police Surveillance Bays	2,927,671	2,927,972
Oil Spill Assessment Remediation and Rehabilitation	8,236,763	12,309,988
National Beverage Container Bill Clean Up Project	7,279,908	7,280,208
IWEco Project	1,023,465	577,545
UNEP - UNC	127,275	259,551
NIDCO: TOR for CEC 5345/2017	2,203,255	605,000
	<b>81,169,198</b>	<b>101,984,189</b>

**ENVIRONMENTAL MANAGEMENT AUTHORITY  
ENVIRONMENTAL TRUST FUND**

**Notes to the Financial Statements  
for the year ended September 30, 2019**

**8. 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 for 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.

*Current assets and liabilities*

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

**9. 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:

	<u>2019</u>	<u>2018</u>
<b>Other expenses</b>	<b>\$</b>	<b>\$</b>
Directors' fees	836,000	726,000
Directors' expenses	42,510	34,000
	<u>878,510</u>	<u>760,000</u>
<b>Key management compensation</b>		
Short-term benefits	<u>4,252,717</u>	<u>4,534,376</u>

**10. FINANCIAL RISK MANAGEMENT**

**Financial risk factor**

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 short term money market instruments.

**Financial instruments**

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

**ENVIRONMENTAL MANAGEMENT AUTHORITY  
ENVIRONMENTAL TRUST FUND**

**Notes to the Financial Statements**  
for the year ended September 30, 2019

**10. FINANCIAL RISK MANAGEMENT (Cont'd)**  
**Financial instruments (cont'd)**

	Financial assets and liabilities \$	Non-financial assets and liabilities \$	Equity \$	Total \$
<b>As at September 30, 2019</b>				
<b>Assets:</b>				
Cash in hand and at bank	75,712,029	-	-	75,712,029
Receivables and prepayments	9,082,141	136,701	-	9,218,842
Property, Plant & Equipment	-	56,863,614	-	56,863,614
<b>Total</b>	<b>84,794,170</b>	<b>57,000,315</b>	<b>-</b>	<b>141,794,485</b>
<b>Liabilities and fund:</b>				
Payables and accruals	81,169,198	-	-	81,169,198
Funds	-	-	40,809,643	40,809,643
Revaluation reserve	-	-	19,815,644	19,815,644
<b>Total</b>	<b>81,169,198</b>	<b>-</b>	<b>60,625,287</b>	<b>141,794,485</b>
<b>As at September 30, 2018</b>				
<b>Assets:</b>				
Cash in hand and at bank	98,723,452	-	-	98,723,452
Receivables and prepayments	4,991,589	248,408	-	5,239,997
Property, Plant & Equipment	-	55,833,437	-	55,833,437
<b>Total</b>	<b>103,715,041</b>	<b>56,081,845</b>	<b>-</b>	<b>159,796,886</b>
<b>Liabilities and fund:</b>				
Payables and accruals	101,984,189	-	-	101,984,189
Funds	-	-	37,997,053	37,997,053
Revaluation reserve	-	-	19,815,644	19,815,644
<b>Total</b>	<b>101,984,189</b>	<b>-</b>	<b>57,812,697</b>	<b>159,796,886</b>

**ENVIRONMENTAL MANAGEMENT AUTHORITY  
ENVIRONMENTAL TRUST FUND**

**Notes to the Financial Statements  
for the year ended September 30, 2019**

**10. 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 savings account held at Republic Bank 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 the specified credit period.

**(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 objective of minimising such losses such as maintaining sufficient cash and other highly liquid current assets.

Liquidity gap

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

	On demand \$	Up to 1 year \$	Total \$
<b>As at 30 September 2019:</b>			
<b>Financial assets:</b>			
Cash in hand and at bank	75,712,029	-	75,712,029
Receivables and prepayments	1,313,684	7,905,158	9,218,842
	<u>77,025,713</u>	<u>7,905,158</u>	<u>84,930,871</u>
<b>Financial liabilities</b>			
Payables and accruals	-	81,169,198	81,169,198
<b>Net liquidity gap</b>	<u>77,025,713</u>	<u>89,074,356</u>	<u>166,100,069</u>



**ENVIRONMENTAL MANAGEMENT AUTHORITY  
ENVIRONMENTAL TRUST FUND**

**Notes to the Financial Statements**  
for the year ended September 30, 2019

**10. FINANCIAL RISK MANAGEMENT (Cont'd)**

	On demand \$	Up to 1 year \$	Total \$
<b>As at 30 September 2018:</b>			
<b>Financial assets:</b>			
Cash in hand and at bank	98,723,452	-	98,723,452
Receivables and prepayments	218,514	5,021,483	5,239,997
	<u>98,941,966</u>	<u>5,021,483</u>	<u>103,963,449</u>
<b>Financial liabilities</b>			
Payables and accruals	-	101,984,189	101,984,189
<b>Net liquidity gap</b>	<u>98,941,966</u>	<u>107,005,672</u>	<u>205,947,638</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 Dollars. The Authority's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The Authority had the following significant currency positions:

	USD (TT\$ Equivalent)
<b>As at September 30, 2019</b>	
<b>Assets</b>	
Cash at bank	1,491,711
<b>Total foreign currency assets</b>	<u>1,491,711</u>

	USD (TT\$ Equivalent)
<b>As at September 30, 2018</b>	
<b>Assets</b>	
Cash at bank	1,022,799
<b>Total foreign currency assets</b>	<u>1,022,799</u>

**ENVIRONMENTAL MANAGEMENT AUTHORITY  
ENVIRONMENTAL TRUST FUND**

**Notes to the Financial Statements  
for the year ended September 30, 2019**

**10. FINANCIAL RISK MANAGEMENT (Cont'd)**

**(d) Currency risk (Cont'd)**

Foreign currency sensitivity analysis

The following table details the sensitivity to a 5% increase and decrease in the Trinidad and Tobago dollar against the US dollar with all other variables held constant. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items.

If the Trinidad and Tobago dollar strengthens or weakens by 5% against the US dollar the effect would be as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
	US dollar impact	
<b>Effect</b>	<b>11,132</b>	<b>7,770</b>

**(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.

**(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 in revenue and increase legal cases against the Authority. The Authority applies procedures to minimise this risk.

	<u>2019</u>	<u>2018</u>
	\$	\$
<b>11. FUND INCOME</b>		
Government fund	40,108,519	45,278,605
NSRCSL Project Fund	1,558,636	3,679,515
RSWC Project Fund	17,054,450	6,325,972
Activities Income	4,005,666	2,992,485
Interest Income	4,723	23,241
Miscellaneous Income	105,018	111,439
	<u>62,837,012</u>	<u>58,411,257</u>

**12. PROJECT EXPENSES**

Project expenses comprise of general expenses incurred by the different projects managed by the Authority.

	<u>2019</u>	<u>2018</u>
	\$	\$
<b>Description</b>		
National Restoration, Carbon Sequestration, Wildlife and Livelihoods Project	1,558,636	3,679,515
Pollution Prevention and Control	1,283,289	1,695,949
Recyclable Solid Waste Collection Project	17,054,182	6,325,972
Other	(71,600)	-
	<u>19,824,507</u>	<u>11,701,436</u>

**ENVIRONMENTAL MANAGEMENT AUTHORITY  
ENVIRONMENTAL TRUST FUND**

Notes to the Financial Statements  
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**13. COMMITMENTS AND CONTINGENCIES**

*i) Leasing arrangements commitments*

Operating leases relate to leases of offices and other equipment with lease terms of between 6 months and 5 years. The Authority does not have an option to purchase the leased offices at the expiry of the lease periods.

	<u>2019</u>	<u>2018</u>
	\$	\$
No later than 1 year	1,415,250	1,584,000
Later than 1 year and no later than 5 years	5,778,938	-
	<u>7,194,188</u>	<u>1,584,000</u>

*ii) Contingent liabilities*

The Authority is currently involved in various legal proceedings arising in the ordinary course of operation which are at various stages of litigation. Provision is made for such matters when, in the opinion of management and its professional advisors, it is probable that a payment will be made by the Authority, and the amount can be reasonably estimated. No provision is made for matters which are premature to determine their outcome and for which no reliable estimate of payment is available.

**14. SUBSEQUENT EVENTS**

There are no subsequent events occurring after the statement of financial position date and before the date of approval of these financial statements by the Directors that require adjustment to or disclosure in these financial statements.