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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**



R. Ramdass & Co.

CHARTERED ACCOUNTANTS

**#4 Gaston Street,
Lange Park, Chaguanas.
Trinidad, West Indies.
Tel: 665-0583, 0495.**





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012

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THE TRINIDAD AND TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

Statement of Management's Responsibilities

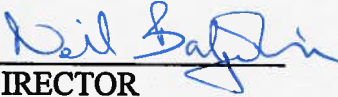
It is management's responsibility to apply the appropriate accounting policies and make accounting estimates that are reasonable.

Management is responsible for ensuring that the statements presented are a fair and true presentation of the state of affairs of the Company which includes ensuring that the controls over the information from which the statements are derived are designed and properly monitored in a manner which would allow accurate information to be provided.

In addition, management is responsible for ensuring that the information presented is free from material misstatement whether due to fraud or error.

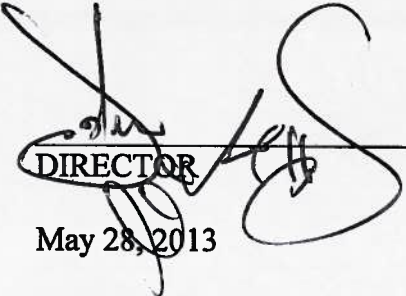
Management accepts responsibility for the annual financial statements as well as the responsibility for the maintenance of the accounting records and internal controls which form the basis of the financial statements. The financial statements of The Trinidad and Tobago Solid Waste Management Company Limited are prepared in accordance with International Financial Reporting Standards and the appropriate accounting policies have been established and applied in a manner which gives a true and fair view of the Company's financial affairs and operating results.

In addition, nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the date of this statement.



DIRECTOR

May 28, 2013



DIRECTOR

May 28, 2013



R. Ramdass & Co.
CHARTERED ACCOUNTANTS

4 A Gaston Street, Lange Park,
Chaguanas, Trinidad West Indies
Tel: 1-(868) 665-0583 / Fax: 665-0495
E-mail : tacslimited@yahoo.com

Independent Auditors' Report

To the shareholders of

The Trinidad and Tobago Solid Waste Management Company Limited

We have audited the financial statements of **The Trinidad and Tobago Solid Waste Management Company Limited** which comprise the statement of financial position as at 30th September 2012, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 auditor considers 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 the Company as at 30th September 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.


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

May 29, 2013



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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2012

	Notes	2012	2011
ASSETS			
Non-current assets			
Property, plant and equipment	3	21,739,287	24,122,793
Available-for-sale investments	4	24,087,022	23,543,661
Net pension asset	5	335,000	720,000
Deferred tax asset	15(b)	689,579	745,695
Total Non-Current Assets		46,850,888	49,132,149
Current assets			
Inventories		871,825	939,137
Receivables and prepayments	6	25,079,612	33,943,291
Cash and short term funds	7	17,243,229	15,909,851
Taxation recoverable		266,579	-
Total Current Assets		43,461,245	50,792,279
Total Assets		90,312,133	99,924,428
EQUITY AND LIABILITIES			
Shareholders' equity			
Stated capital	8	1,936,333	1,936,333
Revaluation reserve		1,429,550	1,429,550
Fair value reserve		(65,573)	(65,573)
Retained earnings		65,867,778	62,350,230
Total Shareholders' Equity		59,168,088	65,650,540
Non-current liabilities			
Capital grants deferred	9	1,228,272	3,561,789
Revenue grants deferred	10	9,283,945	9,434,539
Total Non-Current Liabilities		10,512,217	12,996,328
Current liabilities			
Bank overdrafts		-	411,345
Payables and accruals	11	20,631,828	20,690,479
Taxation payable		-	58,182
Current portion of finance lease obligations		-	117,554
Total Current Liabilities		20,631,828	21,277,560
Total Equity and Liabilities		90,312,133	99,924,428

The accompanying notes form an integral part of these financial statements

On May 28, 2013, the Board of Directors of The Trinidad & Tobago Solid Waste Management Company Limited authorised these financial statements for issue.

DIRECTOR

DIRECTOR





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Notes	2012 \$	2011 \$
Revenue	12	32,388,392	40,941,781
Operating loss	13	(6,571,788)	(507,963)
Interest income		399,703	586,708
Finance cost	14	(161,008)	(70,760)
(Loss)/Profit Before Taxation		(6,333,093)	7,985
Taxation	15	(149,359)	(191,368)
Loss For The Year		(6,482,452)	(183,383)

The accompanying notes form an integral part of these financial statements





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Stated Capital	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total Shareholders' Equity
	\$	\$	\$	\$	\$
Year ended September 30, 2012					
Balance at October 1, 2011	1,936,333	1,429,550	(65,573)	62,350,230	65,650,540
Loss for the year	-	-	-	(6,482,452)	(6,482,452)
Balance at September 30, 2012	1,936,333	1,429,550	(65,573)	55,867,778	59,168,088
Year ended September 30, 2011					
Balance at October 1, 2010	1,936,333	1,429,550	(65,573)	63,481,498	66,781,808
Prior year adjustments				(947,885)	(947,885)
Restated balances	1,936,333	1,429,550	(65,573)	62,533,613	65,833,923
Loss for the year	-	-	-	(183,383)	(183,383)
Balance at September 30, 2011	1,936,333	1,429,550	(65,573)	62,350,230	65,650,540

The accompanying notes form an integral part of these financial statements





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
Cash flows from operating activities		
(Loss)/Profit Before Taxation	(6,333,093)	7,985
Adjustments to reconcile net (loss)/profit to net cash from operating activities:		
Depreciation	3,303,936	3,608,536
Prior year adjustments	-	(947,885)
Pension plan expense	385,000	359,000
Amortization of Government grants	(2,333,517)	(2,333,517)
Loss on disposal of property, plant & equipment	191,990	121,731
Decrease in inventories	67,312	242,065
Decrease/(increase) in receivables and prepayments	8,863,679	(1,842,728)
Decrease in payables and accruals	(58,651)	(445,311)
Taxation paid	(418,005)	(2,082,975)
Net cash from/(used in) operating activities	<u>3,668,650</u>	<u>(3,313,099)</u>
Cash flows from investing activities		
Additions to property, plant and equipment	(1,668,461)	(3,984,495)
Proceeds on disposal of property, plant & equipment	556,043	135,490
Net (purchases)/proceeds from disposal of investments	(543,361)	8,517,875
Net cash (used in)/from investing activities	<u>(1,655,779)</u>	<u>4,668,870</u>
Cash flows from financing activities		
Net change in leases	(117,554)	(758,359)
Capital grants received	-	2,456,550
Net change in revenue grants deferred	(150,594)	(3,420,089)
Net cash used in financing activities	<u>(268,148)</u>	<u>(1,721,898)</u>
Net increase/(decrease) in cash and cash equivalents	<u>1,744,723</u>	<u>(366,127)</u>
Cash and cash equivalents at beginning of year	<u>15,498,506</u>	<u>15,864,633</u>
Cash and cash equivalents at end of year	<u>17,243,229</u>	<u>15,498,506</u>
Cash and cash equivalents		
Cash and short term funds	17,243,229	15,909,851
Bank overdrafts	-	(411,345)
Total cash and cash equivalents	<u>17,243,229</u>	<u>15,498,506</u>

The accompanying notes form an integral part of these financial statements





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012

1. INCORPORATION AND ACTIVITIES

The Trinidad and Tobago Solid Waste Management Company Limited (SWMCOL) is incorporated in the Republic of Trinidad and Tobago. The principal activity is the management and control of all wastes severally or jointly with any other company, statutory authority or persons in Trinidad and Tobago. The Company is the executing agent for specific programmes implemented by the Ministry of Local Government.

The registered office of the Company is 34 Independence Square, Port-of-Spain.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are stated below:

a. Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), and are stated in Trinidad and Tobago Dollars. These financial statements have been prepared on a historical cost basis, except for the measurement at fair value of available-for-sale investments and revaluation of land and buildings.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note (r).

b. Adoption of new and revised IFRSs and IFRICs

During the current year the Company adopted new, amended and revised International Financial Reporting Standards (IFRSs) and International Financial Reporting Interpretations (IFRICs) which are relevant to its operations and are effective for accounting periods commencing on or before October 1, 2011. The adoption of these Standards did not have a material effect on the financial statements, however additional disclosures were required.





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012 cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

c. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation (see note 3). The estimated useful lives of assets are reviewed periodically, taking account of commercial and technological obsolescence as well as normal wear and tear, and the depreciation rates are adjusted as appropriate. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Depreciation is provided on the reducing balance basis at rates estimated to write-off the assets over their expected useful lives.

Current rates of depreciation are:

Buildings	-	2%
Plant, machinery and equipment	-	20% to 25%
Motor vehicles	-	20%
Office furniture and equipment	-	10% to 20%

Land and buildings were professionally valued during the year 2004. Increases in the carrying amount arising on revaluation of properties are credited to revaluation reserve in shareholders' equity.

d. Financial assets

The Company classifies its financial assets as receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired.

Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

- Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve (12) months after the statement of financial position date. Receivables are classified as receivables and prepayments in the statement of financial position.





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

Financial assets (cont'd)

- Available-for-sale financial assets

Investments intended to be held for an indefinite period of time, which may be sold in response to the needs for liquidity or changes in interest rates, are classified as available-for-sale. These are included in non-current assets unless management has the express intention of holding the investment for less than twelve (12) months from the statement of financial position date, in which case they are included in current assets.

Unrealized gains and losses are reported as a separate component of equity until the investment is derecognized or the investment is determined to be impaired. On derecognition or impairment, the cumulative gain or loss previously reported in equity is transferred to the statement of comprehensive income.

e. Stated capital

Ordinary shares are classified as equity. Incremental cost directly attributable to the issue of new shares, if any, are shown in equity as a deduction, net of tax, from the proceeds.

f. Foreign currency translations

- Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). These financial statements are presented in Trinidad and Tobago Dollars, which is the Company's functional and presentation currency.

- Transactions and balances

Foreign currency transactions are translated into the presentation currency using 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 recognized in the statement of comprehensive income.





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012 cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

g. Inventories

Inventories are valued at the lower of cost and net realizable value and represent plant spares and consumables. Cost is arrived at on the first in first out (FIFO) or at the weighted average method. Net realizable value is determined after review by technical personnel.

h. Leases

- Operating leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

i. Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount.





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012 cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

j. Financial instruments

Financial instruments carried on the statement of financial position include cash and bank balances, investments, receivables, payables, bank overdrafts and borrowings and are stated at their approximate fair values determined in accordance with the policy statements disclosed.

k. Taxation

The taxation charge for the current year is based on the results for the year as adjusted for items which are non-assessable or disallowed. The taxation charge is calculated using the tax rate in effect at the statement of financial position date.

A deferred tax charge is provided, using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Currently enacted tax rates are used to determine deferred tax.

l. Employee benefits

The Company's full time employees are covered by The Trinidad and Tobago Solid Waste Management Company Limited Pension Plan, a defined benefit plan. The employee contributes five (5) percent of their pensionable salary and the Company contributes the balance of the cost as recommended by the actuary that is necessary to provide the benefits under the Plan. The Company shall not contribute in any one year less than the aggregate contributions paid to the Plan by all members in that year of income.

The pension accounting costs for the plan is assessed using the projected unit actuarial method. Under this method the cost of providing pensions is charged to the statement of comprehensive income so as to spread the regular cost over the service lives of the employees in accordance with the advice of the qualified actuary who carries out a full valuation of the plan every three (3) years.





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012 cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

m. Trade and other payables

Trade and other payables are recognized initially at cost.

n. Impairment of assets

- Non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value.

- Financial assets

The carrying value of all financial assets not carried at fair value through the statement of comprehensive income is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The identification of impairment and the determination of recoverable amounts is an inherently uncertain process involving various assumptions and factors, including the financial condition of the counter party, expected future cash flows, observable market prices and expected net selling prices.

o. Cash and cash equivalents

Cash and cash equivalents include all cash and bank balances, overdraft balances and cash investments with maturities of less than three months from the date of establishment.





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012 cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

p. Government grants

Grants from the Government of the Republic of Trinidad and Tobago are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

The Company manages three (3) landfill sites on behalf of the Government of the Republic of Trinidad and Tobago. Funds for the operation and management of these facilities are remitted monthly from The Ministry of Finance. Monthly grants received are treated as specific to the operation and management of the landfills and any shortfall in funding for the period of account is recognized as an amount receivable from the Government of the Republic of Trinidad and Tobago.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the statement of comprehensive income on a straight line basis over a period of four (4) years.

q. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is presented, net of applicable taxes, returns and discounts, and is recognized upon delivery of products or performance of services and customer acceptance. Interest and investment income are recognized as they accrue unless collectability is in doubt.

r. Significant accounting judgments, estimates and assumptions

In the process of applying the Company's accounting policies, management makes certain judgments, estimates and assumptions concerning the future that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities. The most significant of these are described next: -





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012 cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

- Impairment of financial assets

Management makes judgments at each statement of financial position date to determine whether financial assets are impaired. Financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment.

- Net pension asset

The cost of the defined benefit plan is determined using actuarial valuation. The Company's independent actuary use judgements and assumptions in determining discount rates, expected rates of return on assets, future salary increases and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

- Deferred taxes

In calculating the provision for deferred taxation, management uses judgements to determine the probability that future taxable profits will be available to facilitate utilization of temporary tax differences which may arise.

- Property, plant and equipment

Management exercises judgment in determining whether costs incurred can accrue sufficient future economic benefits to the Company to enable the value to be treated as a capital expense. Further judgment is used upon annual review of the residual values and useful lives of all capital items to determine any necessary adjustments to carrying value.

- s. **Provisions**

Provisions are recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012 cont'd

3. PROPERTY, PLANT AND EQUIPMENT

	Land & buildings	Plant, machinery & equipment	Motor vehicles	Office furniture & equipment	Total
	\$	\$	\$	\$	\$
Year ended September 30, 2012					
Cost/valuation	13,697,788	29,315,362	2,817,877	12,898,801	58,729,828
Accumulated depreciation	(3,194,248)	(22,222,786)	(1,239,776)	(10,333,732)	(36,990,542)
Net book amount	10,503,540	7,092,576	1,578,101	2,565,069	21,739,287
Net Book Amount					
October 1, 2011	10,361,424	10,017,187	1,138,663	2,605,519	24,122,793
Additions	333,483	170,481	755,748	408,749	1,668,461
Disposals	-	(734,927)	(13,106)	-	(748,033)
Depreciation charge	(191,367)	(2,360,165)	(303,204)	(449,199)	(3,303,935)
September 30, 2012	10,503,540	7,092,576	1,578,101	2,565,069	21,739,287
Year ended September 30, 2011					
Cost/valuation	13,364,305	34,287,344	2,152,261	12,500,197	62,304,107
Accumulated depreciation	(3,002,881)	(24,270,157)	(1,013,598)	(9,894,678)	(38,181,314)
Net book amount	10,361,424	10,017,187	1,138,663	2,605,519	24,122,793
Net Book Amount					
October 1, 2010	10,321,836	9,175,235	1,725,537	2,781,447	24,004,055
Additions	231,062	3,435,374	-	318,059	3,984,495
Disposals	-	-	(248,457)	(8,764)	(257,221)
Depreciation charge	(191,474)	(2,593,422)	(338,417)	(485,223)	(3,608,536)
September 30, 2011	10,361,424	10,017,187	1,138,663	2,605,519	24,122,793





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012 cont'd

	2012 \$	2011 \$
4. AVAILABLE-FOR-SALE INVESTMENTS		
First Citizens Bank Limited - Abercrombie Fund	4,846,248	4,723,897
Trinidad and Tobago Unit Trust Corporation	19,240,774	18,819,764
	<u>24,087,022</u>	<u>23,543,661</u>
5. EMPLOYEE BENEFITS		
a. Changes in the present value of the defined benefit obligation are as follows: -		
Present value of obligation at start of year	10,056,000	9,997,000
Interest cost	715,000	711,000
Current service cost	293,000	302,000
Benefits paid/payable	(267,000)	(277,000)
Actuarial (gain)/loss on obligation	(80,000)	(677,000)
Present value of obligation at end of year	<u>10,737,000</u>	<u>10,056,000</u>
b. Changes in the fair value of plan assets are as follows: -		
Fair value of plan assets at start of year	10,520,000	10,206,000
Expected return on plan assets	623,000	654,000
Benefits paid/payable	(267,000)	(277,000)
Actuarial gain/(loss) on plan assets	(87,000)	(63,000)
Fair value of plan assets at end of year	<u>10,789,000</u>	<u>10,520,000</u>
c. The amounts recognised in the statement of financial position are as follows: -		
Present value of the obligation	10,737,000	10,056,000
Fair value of plan assets	(10,789,000)	(10,520,000)
	(52,000)	(464,000)
Unrecognised actuarial gains/(losses)	(283,000)	(256,000)
Asset recognised in statement of financial position	<u>(335,000)</u>	<u>(720,000)</u>





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012 cont'd

	2012 \$	2011 \$
5. EMPLOYEE BENEFITS (cont'd)		
d. The amounts recognised in the statement of comprehensive income are as follows: -		
Current service cost	293,000	302,000
Interest cost	715,000	711,000
Expected return on plan assets	(623,000)	(654,000)
Expense recognised in statement of comprehensive income	385,000	359,000
e. Actual return on plan assets		
Expected return on plan assets	623,000	654,000
Actuarial (loss)/gain on plan assets	(87,000)	-63,000
Actual return on plan assets	536,000	591,000
f. The principal actuarial assumptions used were as follows: -		
Discount rate	5.00%	7.00%
Expected return on plan assets	5.00%	6.00%
Future salary increases	4.00%	6.00%
Future pension increases	1.00%	2.50%
6. RECEIVABLES AND PREPAYMENTS		
Trade receivables	23,897,184	25,575,816
Less : Provision for bad and doubtful debts	(4,060,346)	(4,239,287)
Trade receivables - (net)	19,836,838	21,336,529
Other receivables and prepayments	5,242,774	5,839,988
Ministry of Local Government	-	6,766,774
	25,079,612	33,943,291





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012 cont'd

	2012 \$	2011 \$
7. CASH AND SHORT TERM FUNDS		
Cash in hand	12,100	10,000
First Citizens Bank Limited-C/A	12,294,800	12,911,085
Scotiabank T&T Limited-C/A	679,162	385,714
Citibank T&T Limited-USD - C/A	4,257,167	2,603,052
	17,243,229	15,909,851
8. STATED CAPITAL		
<u>Authorised</u> 25,000,000 ordinary shares of no par value		
<u>Issued and fully paid</u>		
1,936,332 ordinary shares of no par value	1,936,332.00	1,936,332.00
1 call unit of 50 cents	0.50	0.50
	1,936,332.50	1,936,332.50
9. CAPITAL GRANTS DEFERRED		
Balance as at October 1,	3,561,789	3,438,756
Grants received	-	2,456,550
Amortized to the statement of comprehensive income	(2,333,517)	(2,333,517)
Balance as at September 30,	1,228,272	3,561,789

The above grants were received from the Government of the Republic of Trinidad and Tobago for funding of property, plant and equipment. Capital grants are deferred and credited to the statement of comprehensive income on a straight line basis over a period of four (4) years.

10. REVENUE GRANTS DEFERRED

Balance as at October 1	9,434,539	12,854,628
Amounts utilized	(150,594)	(3,420,089)
Balance as at September 30	9,283,945	9,434,539

The above grants were received from the Government of the Republic of Trinidad and Tobago to fund specific operations.





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012 cont'd

	2012 \$	2011 \$
11. PAYABLES AND ACCRUALS		
Trade payables	4,158,458	8,850,854
Other payables and accruals	6,903,821	4,027,104
Ministry of Local Government	1,757,028	-
Ministry of Finance (CEII)	7,812,521	7,812,521
	<u>20,631,828</u>	<u>20,690,479</u>
12. REVENUE		
Collection services	20,118,801	27,733,706
Recycling	164,891	-
Projects and consultancy	8,544,744	10,614,260
Other income	3,559,956	2,593,815
	<u>32,388,392</u>	<u>40,941,781</u>
13. OPERATING LOSS		
Revenue	32,388,392	40,941,781
Less expenses:		
Personnel remuneration and benefits	20,096,593	18,969,604
Other operating expenses	15,559,652	18,871,602
Depreciation	3,303,935	3,608,538
	<u>(6,571,788)</u>	<u>(507,963)</u>





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012 cont'd

	<u>2012</u>	<u>2011</u>
	\$	\$
Personnel remuneration and benefits		
Salaries and wages	17,917,874	16,810,719
Directors' fees	501,551	485,636
Termination benefits	123,278	89,082
Other staff benefits	520,155	493,216
Net pension expense	1,033,735	1,090,951
	<u>20,096,593</u>	<u>18,969,604</u>
14. FINANCE COST		
Interest expense	<u>161,008</u>	<u>70,760</u>
15. TAXATION		
a. (i) Green fund levy	31,081	37,913
(ii) Business levy	62,162	75,826
(iii) Deferred tax	56,116	77,629
	<u>149,359</u>	<u>191,368</u>
b. Movement in deferred tax balance :-		
Net balance as at October 1	(745,695)	(823,324)
Charge to income	56,116	77,629
Net balance as at September 30	<u>(689,579)</u>	<u>(745,695)</u>





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012 cont'd

16. CONTINGENT LIABILITIES

LITIGATIONS

As at 30 September 2012, there were certain legal proceedings against the Company for which no provision has been made as professional advice indicate that it would be premature at this stage of the action to determine that eventuality.

17. LANDFILL OPERATIONS

The Company received monthly grants from the Government of the Republic of Trinidad and Tobago to fund the operation and management of three (3) landfill sites.

Grants received for the year

Expenditure for the year

Surplus/(Shortfall)

	<u>2012</u>	<u>2011</u>
	\$	\$
	75,000,000	69,970,000
	(66,476,197)	(72,127,564)
	<u>8,523,803</u>	<u>(2,157,564)</u>





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012 cont'd

18. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT DISCLOSURES

The Company's activities expose it to a variety of financial risks: Foreign exchange risk, Credit risk and Liquidity risk.

(i) Foreign Exchange Risk

The Company is exposed to foreign exchange risk arising from the US Dollars financial instruments held. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

(ii) Credit Risk

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company manages this by regular analysis of the ability of debtors to settle their outstanding balances. Impairment provisions are established for losses or potential losses that have been incurred at the reporting date.

(iii) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and available funding through an adequate amount of committed credit facilities. The Company maintains flexibility in funding by keeping committed credit lines available.

