PKF

Chartered Accountants
& Business Advisors

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS

30 SEPTEMBER 2019

Chartered Accountants
& Business Advisors

THE TRINIDAD AND TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

CONTENTS

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

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SWMCOL

CELEBRATING OUR 40th ANNIVERSARY 1980-2020

Ref:GMFCS/302/2021

October 20, 2021

Statement of Management Responsibilities

It is the responsibility of management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the operating results of the Company for the year. It is also management's responsibility to ensure that the Company proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

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 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.

Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards. Management are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its operating results. Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of Management to indicate that the Company will not remain a going concern for at least the next twelve months from the date of this statement.

Yours Sincerely
SWMCOL

Kevin Thompson
Chief Executive Officer

Date: 20 October, 2021

Sylvia Derby, MBA CA FCCA
General Manager – Finance and Corporate Services

Date: 20 October, 2021

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Chartered Accountants
& Business Advisors

INDEPENDENT AUDITORS' REPORT

The Shareholder
The Trinidad and Tobago Solid Waste Management Company Limited

Opinion

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 30 September 2019, the statements of comprehensive income, changes in shareholder's equity and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Trinidad and Tobago Solid Waste Management Company Limited as at 30 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of The Trinidad and Tobago Solid Waste Management Company Limited in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors 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 Trinidad and Tobago Solid Waste Management Company Limited 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 Trinidad and Tobago Solid Waste or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

INDEPENDENT AUDITORS' REPORT (Cont'd)

Responsibilities of Management and the Board of Directors for the Financial Statements (Cont'd)
In preparing the financial statements, management is responsible for assessing The Trinidad and Tobago Solid Waste Management Company Limited 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 Trinidad and Tobago Solid Waste Management Company Limited or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing The Trinidad and Tobago Solid Waste Management Company Limited financial reporting process.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of 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 Trinidad and Tobago Solid Waste Management Company Limited'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 Trinidad and Tobago solid Waste Management Company Limited 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 auditors' report. However, future events or conditions may cause the Trinidad and Tobago Solid Waste Management Company Limited 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 the Board of Directors 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.

PKF
Barataria
TRINIDAD
20 October 2021

THE TRINIDAD AND TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

ASSETS

	Notes	2019 ($)	30 September 2018 ($) (Re-Stated)	2017 ($) (Re-Stated)
Current Assets:				
Cash and Cash Equivalents	5	23,197,373	19,701,569	20,252,360
Short-Term Investments	6	2,530,470	2,433,682	2,338,815
Accounts Receivable and Prepayments	7	14,267,260	24,109,167	22,514,257
Inventories	8	1,337,520	782,762	397,151
Total Current Assets		41,332,623	47,027,180	45,502,583
Non-Current Assets:				
Pension Plan Asset	13	139,000	-	-
Deferred Tax Asset	9	6,173,444	6,173,444	6,173,444
Property, Plant and Equipment	10	23,811,103	25,483,747	26,953,231
Total Assets		**71,456,170**	**78,684,371**	**78,629,258**

LIABILITIES AND SHAREHOLDER'S EQUITY

	Notes	2019 ($)	2018 ($) (Re-Stated)	2017 ($) (Re-Stated)
Current Liabilities:				
Bank Overdraft	11	1,539,932	1,721,311	1,547,896
Accounts Payable and Accruals	12	35,605,385	41,405,016	33,489,112
Taxation Payable		367,645	354,034	406,925
Total Current Liabilities		37,512,962	43,480,361	35,443,933
Non-Current Liabilities:				
Pension Plan Liability	13	-	265,000	474,000
Capital Grants Deferred	14	6,816,890	6,888,315	6,232,649
Revenue Grants Deferred	15	3,345,023	4,115,955	4,269,238
Total Liabilities		47,674,875	54,749,631	46,419,820
Shareholder's Equity:				
Stated Capital	16	1,936,333	1,936,333	1,936,333
Revaluation Reserve	17	2,583,924	2,550,924	2,550,924
Fair Value Reserve		(65,573)	(65,573)	(65,573)
Investment Remeasurement Reserve	18	284,370	230,260	169,295
Retained Earnings		19,042,241	19,282,796	27,618,459
Total Shareholder's Equity		23,781,295	23,934,740	32,209,438
Total Equity and Liabilities		**71,456,170**	**78,684,371**	**78,629,258**

These financial statements were approved by the Board of Directors and authorized for issue on 20 October 2021 and signed on their behalf by:

Director

Director

(The accompanying notes form an integral part of these financial statements)

THE TRINIDAD AND TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

30 SEPTEMBER 2019

	Notes	30 September 2019 ($)	2018 ($) (Re-Stated)
Income:			
Revenue	20	40,348,922	33,306,455
Expenditure:			
Personnel remuneration and benefits	21	26,192,909	24,515,635
Depreciation		3,631,400	3,883,871
Other operating expenses	22	12,363,246	13,560,844
Finance costs		39,146	30,618
Total Expenditure		42,226,701	41,990,968
Operating loss for the year		(1,877,779)	(8,684,513)
Interest income		190,484	169,283
Loss before taxation		(1,687,295)	(8,515,230)
Taxation	23	(356,433)	(300,433)
Net loss for the year		(2,043,728)	(8,815,663)
Other Comprehensive Income:			
Items that will not be reclassified subsequently to profit and loss			
Gain on Asset Revaluation		33,000	-
Net fair value gain on financial assets classified as fair value through other comprehensive income		54,110	60,956
Items that may be reclassified subsequently to profit and loss			
Gain on Net Pension Liability		666,000	480,000
Total Comprehensive Loss for the Year		(1,290,618)	(8,274,698)

(The accompanying notes form an integral part of these financial statements)

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

30 SEPTEMBER 2019

	Stated Capital ($)	Revaluation Reserve ($)	Fair Value Reserve ($)	Investment Remeasurement Reserve ($)	Retained Earnings ($)	Total Shareholder's Equity ($)
Balance as at 30 September 2017	1,936,333	2,550,924	(65,573)	169,295	28,092,459	32,683,438
Restatement - IAS 19 adjustment	-	-	-	-	(474,000)	(474,000)
Re-Stated Balance as at 30 September 2017	1,936,333	2,550,924	(65,573)	169,295	27,618,459	32,209,438
Re-Stated Balance as at 1 October 2017	1,936,333	2,550,924	(65,573)	169,295	27,618,459	32,209,438
Total Comprehensive Loss	-	-	-	60,965	(8,335,663)	(8,274,698)
Re-Stated Balance as at 30 September 2018	1,936,333	2,550,924	(65,573)	230,260	19,282,796	23,934,740
Re-Stated Balance as at 1 October 2018	1,936,333	2,550,924	(65,573)	230,260	19,282,796	23,934,740
IFRS 9 Transition adjustment	-	-	-	-	1,137,173	1,137,173
Total Comprehensive Loss	-	33,000	-	54,110	(1,377,728)	(1,290,618)
Balance as at 30 September 2019	1,936,333	2,583,924	(65,573)	284,370	19,042,241	23,781,295

(The accompanying notes form an integral part of these financial statements)

THE TRINIDAD AND TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

STATEMENT OF CASH FLOWS

	30 September 2019 ($)	2018 ($) (Re-Stated)
Operating Activities:		
Loss before taxation	(1,687,295)	(8,515,230)
(Decrease)/increase in expected credit loss	(85,950)	1,162,008
Depreciation	3,631,400	3,883,871
Loss on Disposal of Property, Plant and Equipment	33,390	107,831
	1,891,545	(3,361,520)
Net Change in Inventories	(554,758)	(385,610)
Net Change in Accounts Receivable and Prepayments	11,065,030	(2,756,918)
Net Change in Accounts Payable and Accruals	(5,799,631)	7,915,904
Net taxation	(342,822)	(353,325)
Cash provided by Operating Activities	6,259,364	1,058,531
Investing Activities		
Net change in Pension Plan Asset/Liability	262,000	271,000
Purchase of Property, Plant and Equipment	(2,008,193)	(2,527,522)
Net change in Short-Term Investments	(42,678)	(33,902)
Proceeds from Disposal of Property, Plant and Equipment	49,047	5,304
Cash used in Investing Activities	(1,739,824)	(2,285,120)
Financing Activities		
Net Change in Grants (Revenue and Capital)	(842,357)	502,383
Cash (used in)/provided by Financing Activities	(842,357)	502,383
Net Change in Cash and Cash Equivalents	3,677,183	(724,206)
Cash and Cash Equivalents		
- at Beginning of Year	17,980,258	18,704,464
- at End of Year	**21,657,441**	**17,980,258**
Represented by:		
Cash and Cash Equivalents	23,197,373	19,701,569
Bank Overdraft	(1,539,932)	(1,721,311)
	21,657,441	**17,980,258**

(The accompanying notes form an integral part of these financial statements)

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

1. **Incorporation and Principal Activity:**

The Trinidad and Tobago Solid Waste Management Company Limited ("SWMCOL" of "the Company") is incorporated in the Republic of Trinidad and Tobago. The principal activity is the management and control of all wastes individually 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. **Summary of Significant Accounting Policies:**

(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 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 judgment 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 2 (n)**.

(b) **New Accounting Standards and Interpretations -**

The company has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective or are effective but do not apply to the activities of the company, do not have a material impact on its financial statements or have not been early adopted:

IFRS 1 First-time Adoption of Financial Reporting Standards - Amendments regarding Annual Improvements to IFRS Standards 2014-2016 cycle (effective for accounting periods beginning on or after 1 January 2018).

IFRS 2 Share-based Payment - Amendments regarding the classification and measurement of share-based payment transactions (effective for accounting periods beginning on or after 1 January 2018).

IFRS 4 Insurance Contracts - Amendments regarding the application of IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (effective for accounting periods beginning on or after 1 January 2018).

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

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 9	Financial Instruments - Amendments regarding the application of IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (effective for accounting periods beginning on or after 1 January 2018).
IFRS 9	Financial Instruments - Amendments regarding prepayment features with negative compensation (effective for accounting periods beginning on or after 1 January 2019).
IFRS 15	Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2018).
IFRS 16	Leases (effective for accounting periods beginning on or after 1 January 2019).
IFRS 17	Insurance Contracts (effective for accounting periods beginning on or after 1 January 2021).
IAS 19	Employee Benefits - Amendments regarding plan amendment, curtailment or settlement (effective for accounting periods beginning on or after 1 January 2019).
IAS 28	Investment in Associates - Amendments regarding the long-term interests in associates and Joint Ventures (effective for accounting periods beginning on or after 1 January 2019).
IAS 40	Investment Property - Amendments regarding the transfer of investment property (effective for accounting periods beginning on or after 1 July 2018).
IFRIC 22	Foreign Currency Transactions and Advance Consideration (effective for accounting periods beginning on or after 1 January 2018).
IFRIC 23	Uncertainty over Income Tax Treatments (effective for accounting periods beginning on or after 1 January 2019).

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

(c) **Property, plant and equipment -**

Property, plant and equipment are stated at cost less accumulated depreciation. The estimated useful lives of assets are review periodically, taking account of commercial and technological obsolescence as well as normal wear and tear, and the depreciation rates are adjusted if 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 and machinery	-	20% to 25%
Motor vehicles	-	20% to 25%
Office furniture and equipment	-	10% to 25%
Computer equipment	-	20%
Portable toilets	-	20%

Land and buildings were professionally valued in the year 2013 by Raymond and Pierre, Chartered Valuation Surveyors. Increases in the carrying amount arising on revaluation of properties were credited to other comprehensive income and shown as revaluation reserve in shareholder's equity.

(d) **Financial Instruments -**

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

Financial assets

All recognised financial assets that are within the scope of International Financial Reporting Standard (IFRS) 9 are required to be subsequently measured at amortised cost or fair value on the basis of:

(i) the entity's business model for managing the financial assets; and
(ii) the contractual cash flow characteristics of the financial assets.

The company reassess its business models each reporting period to determine whether they have changed. No such changes have been identified for the current year.

Principal is the fair value of the financial asset at initial recognition. Interest is consideration for the time value of money and for credit and other risks associated with the principal outstanding. Interest also has a profit margin element.

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

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

(d) **Financial Instruments (cont'd) -**

Initial measurement

All financial instruments are initially measured at the fair value of consideration given or received.

The company measures fair values in accordance with IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The company uses a fair value hierarchy that categorises valuation techniques into three levels:

(i) Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Assets and liabilities are classified as Level 1 if their value is observable in an active market. The use of observable market prices and model inputs, when available, reduces the need for management judgement and estimation, as well as the uncertainty related with the estimated fair value.

(ii) Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability.

(iii) Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.

Subsequent measurement

Those financial assets such receivables, which are held within a business model with the sole objective of collecting contractual cash flows which comprise principal only, are subsequently measured at amortised cost. Gains/losses arising on remeasurement of such financial assets are recognised in profit or loss as movements in Expected Credit Loss. When a financial asset measured at amortised cost is derecognised, the gain/loss is reflected in profit or loss.

All other financial assets are subsequently measured at Fair Value Through Profit and Loss (FVTPL), except for equity investments, which the company has opted, irrevocably, to measure at Fair Value Through Other Comprehensive Income (FVTOCI). When a financial asset measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. When an equity investment measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but instead, transferred within equity.

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

(d) **Financial Instruments (cont'd) -**

Reclassification

If the business model under which the company holds financial assets changes, the financial assets affected are reclassified accordingly from the first day of the first reporting period following the change in business model. Equity instruments which the company opted to treat at FVTOCI cannot be reclassified.

Impairment

Financial assets are amortised costs are impaired at one of two levels:

(i) Twelve-month Expected credit loss (ECL) – These are losses that result from default events that are possible within twelve months after the reporting date. Such financial assets are at 'Stage 1'.

(ii) Lifetime ECL - These are losses that result from all possible default events over the life of the financial instrument. Such financial assets are at 'Stage 2' or 'Stage 3'.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the twelve-month ECL.

ECL is a probability-weighted estimate of the present value of credit losses, measured as the present value of the difference between (i) the cash flows due to the company under contract; and (ii) the cash flows that the company expects to receive, discounted at the asset's effective interest rate.

Performing financial assets – Stage 1

For performing assets and those expected to perform normally, the loss allowance is the 12-month expected credit loss and is done immediately at initial recognition of asset.

Significant increase in credit risk – Stage 2

When an asset becomes 30 days past due, the company considers that a significant increase in credit risk has occurred and the asset is deemed to be at Stage 2 and the loss allowance is measured as the lifetime ECL

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

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

(d) **Financial Instruments (cont'd) -**

Credit-impaired financial assets – Stage 3

A financial asset is 'credit-impaired' when events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about one or more of the following events:

(i) significant financial difficulty of the Ministry, Division or Agency (MDAs)
(ii) a breach of contract such as a default or past due event;

There is a rebuttable presumption that financial assets that are in defaulted for more than one hundred and twenty (120) days are credit impaired. The company also considers a financial asset to be credit impaired if the client is unlikely to pay its credit obligation. To determine this, the company takes into account changes in the public sector. The company used its historical experience and forward-looking information that is available without undue cost or effort. If there has been a significant increase in credit risk the company will measure the loss allowance based on lifetime rather than twelve-month ECL.

Modification and Derecognition of Financial Assets

The company will continue to work with MDAs that are in financial difficulty in order to maximise collection and minimise the risk of default. When a financial asset is modified, the company assesses whether this modification results in derecognition of the original amount.

In the case where the financial asset is derecognised, the new financial asset will have a loss allowance measured based on twelve-month ECL. If, however, there remains a high risk of default under the renegotiated terms, the loss allowance will be measured based on lifetime ECL.

When the modification does not result in derecognition, the company will measure loss allowance at an amount equal to lifetime ECL.

Write-off

Receivables are written off when the company has no reasonable expectations of recovering the financial asset, for example, when the company determines or when the MDAs has written advising of their inability to settle. A write-off constitutes a derecognition event. Subsequent recoveries resulting from the company's enforcement activities will result in gains.

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

(d) Financial Instruments (cont'd) -

Financial liabilities

Since the company does not trade in financial liabilities, and since there are no measurement or recognition inconsistencies, all financial liabilities are initially measured at fair value, net of transaction costs and subsequently, at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount on initial recognition. Financial liabilities recognised at amortised cost are not reclassified.

Critical accounting judgements and key sources of estimation uncertainty

Business model assessment:
The company reassess its business models each reporting period to determine whether they continue to be appropriate and if there need to be a prospective change to the classification of financial assets. This assessment includes judgement regarding:

(i) how the performance of the assets is evaluated and measured; and
(ii) the risks that affect the performance of the assets and how these risks are managed.

Significant increase of credit risk:
The company computes twelve-month ECL for Stage 1 assets and lifetime ECL for Stage 2 or Stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Assessing whether there has been a significant increase in credit risk requires judgement which takes into the account reasonable and supportable forward-looking information.

Establishing groups of assets with similar credit risk characteristics:
When ECL is measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. Judgement is required in determining whether and when to move assets between portfolios.

Valuation models and assumptions used:
The company uses various valuation models and assumptions in measuring the fair value of financial assets, as well as in estimating ECL. Judgement is applied in identifying the most appropriate valuation model for each type of asset, as well as in determining the assumptions to be used for each model.

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

(d) Financial Instruments (cont'd) -

Key sources of estimation uncertainty

Probability of default (PD):
PD is an estimate of the likelihood of default over a given period of time, the calculation of which includes historical data, assumptions and expectations of future conditions. PD constitutes a key input in measuring ECL.

Loss Given Default (LGD):
LGD is an estimate of the percentage loss arising on default, and is based on the difference between the contractual cash flows due and those that the company would reasonably expect to receive. LGD is a key input in measuring ECL.

Fair value measurement and valuation process:
In estimating the fair value of a financial asset or a liability, the company uses market-observable data to the extent it is available. Where such Level 1 inputs are not available, the company uses valuation models to determine the fair value of its financial instruments.

Exposure at Default (EAD):
EAD is an estimate of the total loss incurred when a customer defaults, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest. EAD is a key input in measuring ECL.

Credit risk

Credit risk is the risk that a MDAs will default on their contractual obligations resulting in financial loss to the company. Credit risk mainly arises from projects, because it represents the company's main income generating activity, credit risk is the principal risk for the company.

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

(d) **Financial Instruments (cont'd) -**

Credit risk management

The company's finance committee is responsible for managing the company's credit risk by:

(i) ensuring that the company has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the company's policies and procedures, International Financial Reporting Standards and relevant supervisory guidance.

(ii) identifying, assessing and measuring credit risk across the company, from an individual financial instrument to the portfolio level.

(iii) categorising exposures according to the degree of risk of default.

(iv) developing and maintaining processes for measuring ECL.

(v) providing guidance to promote best practice in the management of risk.

The internal audit function performs regular audits making sure that the established controls and procedures are adequately designed and implemented.

Significant increase in credit risk

The company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than one hundred and twenty (120) days past due, unless the company has reasonable and supportable information that demonstrates otherwise. The company has monitoring procedures to ensure that significant increase in credit risk is identified before default occurs.

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

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

(d) **Financial Instruments (cont'd) -**

Measurement of ECL

The key inputs used for measuring ECL are:

(i) probability of default (PD);
(ii) loss given default (LGD); and
(iii) exposure at default (EAD).

The company measures ECL on an individual basis, or on a collective basis for portfolios of accounts that share similar economic risk characteristics.

The following table reconciles the carrying amount of the financial assets from their previous measurement category in accordance with IAS 39 to their new measurement categories upon transition to IFRS 9 on 1 October 2018.

	IAS 39 carrying value 30/09/18 $	Reclassification $	ECL Remeasurement $	IFRS 9 carrying value 01/10/18 $
Accounts receivable and prepayments	20,301,546	-	-	20,301,546
Expected credit loss	(13,644,513)	-	1,137,173	(12,507,340)
	6,657,033	-	1,137,173	7,794,206

THE TRINIDAD AND TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

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

(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 -**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operated ('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.

(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.

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

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

(i) **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 reporting 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 taxes rated are used to determine deferred tax.

(j) **Employee benefits -**

Some of 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 other 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.

The asset recognized in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligations less the fair value of plan assets at the financial position date together with adjustments for unrecognized actuarial gains and losses and past service cost.

Actuarial gains and losses arising from defined benefit obligations and plan assets are credited or charged to equity in other comprehensive income in the period in which they arise.

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

(j) **Employee benefits (cont'd) -**

Actuarial Valuation:

(i) The wind-up actuarial valuation was conducted as at 1 October 2016, carried forward to 1 October 2018, the assumed date of purchase of annuities. The purposes of this actuarial valuation are to determine the financial position of the Plan and to determine the share of the assets for each Active Member, Deferred Pensioner and Pensioner as at 1 October 2018.

The report submitted indicated that the Plan has a past service surplus of **$448,000** and a funding ratio of 103.9%. For the purpose of the valuation, the Plan's assets were valued at **$11,865,000.**

This wind-up valuation is being carried out in accordance with Clauses 22 and 23 of the Trust Deed and Rule 22 of the Rules of the Plan.

The surplus as at 1 October 2018 should be distributed amongst the Active Members, Deferred Pensioners and Pensioners in proportion to the value of the accrued pensions at that date.

(ii) On 1 November 2016, the Board of Directors of Trinidad and Tobago Solid Waste Management Company Limited approved a plan of liquidation for the Trinidad and Tobago Solid Waste Management Company Limited Employees' Pension Fund Plan, as the company determined that liquidation was imminent. As a result, the Pension Fund Plan changed its basis of accounting on 1 July 2017 from the going concern basis to a liquidation basis.

(k) **Impairment -**

The carrying amounts of the company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

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

(l) **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.

(m) **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 not doubt.

(n) **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:

- Impairment of financial assets

  Management makes judgments at each reporting 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.

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

(n) Significant accounting judgments, estimates and assumptions (cont'd) -

- Net pension asset

  The cost of the defined benefit plan is determined using actuarial valuation. The Company's independent actuary uses judgments 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 judgment 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.

(o) 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.

(p) Comparative information -

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

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. **Financial Risk Management:**

Financial risk factors

The Company's activities are primarily related to the use of financial instruments. The Company earns its income through the provision of services for the collection of waste and accepts funds mainly from the GORTT and earns interest by investing in equity investments.

Financial instruments

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

	2019	
Financial Assets:	**Carrying Value ($)**	**Fair Value ($)**
Cash and cash equivalents	23,197,373	23,197,373
Short-term investments	2,530,470	2,530,470
Accounts receivable and prepayments	14,267,260	14,267,260
	39,995,103	**39,995,103**
Financial Liabilities:		
Bank overdraft	1,539,932	1,539,932
Accounts payable and accruals	35,605,385	35,605,385
	37,145,317	**37,145,317**

	2018 (Re-Stated)	
Financial Assets:	**Carrying Value ($)**	**Fair Value ($)**
Cash and cash equivalents	19,701,569	19,701,569
Short-term investments	2,433,682	2,433,682
Accounts receivable and prepayments	24,109,167	24,109,167
	46,244,418	**46,244,418**
Financial Liabilities:		
Bank overdraft	1,721,311	1,721,311
Accounts payable and accruals	41,405,016	41,405,016
	43,126,327	**43,126,327**

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. **Financial Risk Management (Cont'd):**

The Company 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 Company 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 Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest bearing assets. The Company is only exposed to interest rate risk in relation to its current accounts held at Citibank Trinidad Limited, Scotiabank (Trinidad and Tobago) Limited and First Citizens Bank Limited. As the Company has no significant variable interest-bearing asset, the Company'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 Company 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 Company 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 Company 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.

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. **Financial Risk Management (Cont'd):**

(c) **Liquidity risk (cont'd) -**

(i) Liquidity gap

The Company'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.

	2019			
	Up to 1 year ($)	1 to 5 years ($)	Over 5 years ($)	Total ($)
Financial Assets:				
Cash and cash equivalents	23,197,373	-	-	23,197,373
Short-term investments	2,530,470	-	-	2,530,470
Accounts receivable and prepayments	14,267,260	-	-	14,267,260
	39,995,103	-	-	39,995,103
Financial Liabilities:				
Bank overdraft	1,539,932	-	-	1,539,932
Accounts payable and accruals	35,605,385	-	-	35,605,385
	37,145,317	-	-	37,145,317

	2018 (Re-Stated)			
	Up to 1 year ($)	1 to 5 years ($)	Over 5 years ($)	Total ($)
Financial Assets:				
Cash and cash equivalents	19,701,569	-	-	19,701,569
Short-term investments	2,433,682	-	-	2,433,682
Accounts receivable and prepayments	24,109,167	-	-	24,109,167
	46,244,418	-	-	46,244,418
Financial Liabilities:				
Bank overdraft	1,721,311	-	-	1,721,311
Accounts payable and accruals	41,405,016	-	-	41,405,016
	43,126,327	-	-	43,126,327

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. **Financial Risk Management (Cont'd):**

(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 Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar. The Company'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 Company's information technology and control systems, as well as the risk of human error and natural disasters. The Company continues to manage its operational risk relating to the Company's Information Technology (IT) and Control System. There were subsequent IT upgrades as part of a strategy to reduce human error and mitigate against external environmental risk. The Company'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. Plans and measures have been established with the Occupational Safety and Health Agency, thus mitigating against financial loss through fines and penalties for non-compliance. The risk is limited to the extent of monitoring controls applied by the Company.

(g) **Reputation risk -**

The risk of loss of reputation arising from the negative publicity relating to the Company's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Company. The Company 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 company'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 company 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 Company recognizes this change in the Statement of Movement of Funds in the current period.

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

i) Whether investments are classified as Fair Value through Profit and Loss, Fair Value through Other Comprehensive Income or Amortised Cost.

ii) Which depreciation method for fixed assets is used.

iii) Whether future economic benefits can be derived from expenditures to be capitalized.

5. Cash and Cash Equivalents:

	30 September	
	2019	**2018**
	($)	**($)**
Petty cash	17,000	17,000
Cash at bank – First Citizens Bank Limited –TT$	1,499,211	1,846,508
Scotiabank US$	241,585	131,055
FCB Project Accounts	5,465,551	5,498,028
Citibank	4,647,066	1,018,402
First Citizens Bank Limited – Abercrombie Fund	1,526,070	1,510,400
Trinidad and Tobago Unit Trust Corporation	9,800,890	9,680,176
	23,197,373	**19,701,569**

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

6. Short-Term Investments:

	30 September 2019 ($)	30 September 2018 ($)
Trinidad and Tobago Unit Trust Corporation	2,530,470	2,433,682

7. Accounts Receivable and Prepayments:

	30 September 2019 ($)	30 September 2018 ($)
Trade receivables	20,473,862	20,301,546
Less: Expected Credit Loss	(12,421,391)	(13,644,513)
	8,052,471	6,657,033
Beverage container projects	535,144	700,248
Other receivables and prepayments	2,325,133	1,635,100
Ministry of Local Government	3,354,512	15,116,786
	14,267,260	24,109,167

Expected Credit Loss:

	30 September 2019 ($)	30 September 2018 ($)
Balance brought forward	13,644,513	12,482,505
Expected credit losses -		
IFRS 9 transition adjustment	(1,137,173)	-
Current year	(85,949)	1,162,008
Balance carried forward	12,421,391	13,644,513

THE TRINIDAD AND TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

8. Inventories:

	30 September 2019 ($)	30 September 2018 ($)
Bins	112,999	73,159
Spares	1,396,275	1,222,856
Less: Provision for obsolete stock	(171,754)	(513,253)
	1,337,520	782,762

9. Deferred Tax Asset:

	30 September 2019 ($)	30 September 2018 ($) (Re-Stated)
Balance as at beginning of the year	6,173,444	6,173,444
Effect on Statement of Total Comprehensive Income:		
Profit and loss	-	-
Balance at end of year	6,173,444	6,173,444

Deferred taxation is attributable to the following item:

	2019 ($)	2018 ($)
Excess of net book value over written-down value	(2,039,788)	(1,993,967)
Pension (Asset)/Liability	(41,700)	79,500
Taxable losses	8,254,932	8,087,911
	6,173,444	6,173,444

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

10. Property, Plant and Equipment:

	Land and Building ($)	Plant and Machinery ($)	Motor Vehicles ($)	Office Furniture and Equipment ($)	Computer Equipment ($)	Portable Toilets ($)	Total ($)
Cost							
Balance as at 1 October 2018	16,889,235	34,303,619	2,422,229	9,856,554	1,044,500	1,438,965	65,955,102
Additions	18,000	1,386,471	-	194,553	409,169	-	2,008,193
Revaluation	-	-	33,000	-	-	-	33,000
Disposals	-	(43,738)	(199,973)	(32,913)	(16,556)	-	(293,180)
Balance as at 30 September 2019	16,907,235	35,646,352	2,255,256	10,018,194	1,437,113	1,438,965	67,703,115
Accumulated Depreciation							
Balance as at 1 October 2018	4,978,472	24,204,477	1,998,790	7,193,834	684,174	1,411,608	40,471,355
Charge for the year	209,153	2,722,431	81,706	502,779	94,767	20,564	3,631,400
Disposals	-	(39,238)	(140,794)	(23,733)	(6,978)	-	(210,743)
Balance as at 30 September 2019	5,187,625	26,887,670	1,939,702	7,672,880	771,963	1,432,172	43,892,012
Net Book Value							
Balance as at 30 September 2019	11,719,610	8,758,682	315,554	2,345,314	665,150	6,793	23,811,103
Balance as at 30 September 2018	11,910,763	10,099,142	423,439	2,662,720	360,326	27,357	25,483,747

SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

10. Property, Plant and Equipment (Cont'd):

	Land and Building ($)	Plant and Machinery ($)	Motor Vehicles ($)	Office Furniture and Equipment ($)	Computer Equipment ($)	Portable Toilets ($)	Total ($)
Cost							
Balance as at 1 October 2017	16,889,235	33,132,924	2,634,359	9,788,738	1,100,017	1,539,931	65,085,204
Additions	-	1,896,732	-	603,253	27,537	-	2,527,522
Disposals	-	(726,037)	(212,130)	(535,437)	(83,054)	(100,966)	(1,657,624)
Balance as at 30 September 2018	16,889,235	34,303,619	2,422,229	9,856,554	1,044,500	1,438,965	65,955,102
Accumulated Depreciation							
Balance as at 1 October 2017	4,765,357	22,003,821	2,085,694	7,130,384	667,030	1,479,687	38,131,973
Charge for the year	213,115	2,896,107	107,482	550,436	87,944	28,787	3,883,871
Disposals	-	(695,451)	(194,386)	(486,986)	(70,800)	(96,866)	(1,544,489)
Balance as at 30 September 2018	4,978,472	24,204,477	1,998,790	7,193,834	684,174	1,411,608	40,471,355
Net Book Value							
Balance as at 30 September 2018	11,910,763	10,099,142	423,439	2,662,720	360,326	27,357	25,483,747
Balance as at 30 September 2017	12,123,878	11,129,103	548,665	2,658,354	432,987	60,244	26,953,231

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

11. **Bank Overdraft:**

This represents the balance on an overdraft current account held with Scotiabank Trinidad and Tobago Limited which attracts a rate of interest of 9.00% per annum. The overdraft limit of **$1,755,000** is covered by an account held with the Trinidad and Tobago Unit Trust Corporation,

12. **Accounts Payable Accruals:**

	30 September	
	2019	**2018**
	($)	**($)**
Trade Payables	23,673,197	28,349,281
Value Added Tax	348,945	278,916
Other Payables and Accruals	11,583,243	12,776,819
	35,605,385	41,405,016

13. **Net Pension Assets:**

(a) **Changes in the Defined Benefit Obligation -**

	30 September	
	2019	**2018**
	($)	**($)**
Present value of obligation at start of year	12,093,000	12,273,000
Interest cost	660,000	621,000
Current service cost	234,000	235,000
Benefits paid/payable	(657,000)	(185,000)
Actuarial gain on obligation	(690,000)	(851,000)
Defined Benefit Obligation at end of year	11,640,000	12,093,000

(b) **Amounts recognised in the Statement of Financial Position -**

	30 September	
	2019	**2018**
	($)	**($)**
Present value of the obligation	11,640,000	12,093,000
Fair value of plan assets	(11,779,000)	(11,828,000)
Asset recognised in statement of financial position	(139,000)	265,000

THE TRINIDAD AND TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

13. **Net Pension Assets (Cont'd):**

(c) **Changes in Plan Assets -**

	30 September 2019 ($)	30 September 2018 ($)
Fair value of plan assets at start of year	11,828,000	11,799,000
Actual return on plan assets	608,000	214,000
Benefits paid/payable	(657,000)	(185,000)
Fair value of plan assets at end of year	11,779,000	11,828,000

(d) **Amounts recognized in the Statement of Comprehensive Income -**

	30 September 2019 ($)	30 September 2018 ($)
Current service cost	234,000	235,000
Net interest on pension assets	28,000	36,000
Net pension cost	262,000	271,000

(e) **Movement in the asset recognised in the Statement of Financial Position -**

	30 September 2019 ($)	30 September 2018 ($)
Net assets at start of year	265,000	474,000
Amounts recognised in profit and loss	262,000	271,000
Remeasurements recognised in Other Comprehensive Income	(666,000)	(480,000)
Net asset at end of year	(139,000)	265,000

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

13. **Net Pension Assets (Cont'd):**

(f) **Amounts recognised in Other Comprehensive Income -**

	30 September 2019 ($)	30 September 2018 ($)
Actuarial loss	(690,000)	(851,000)
Return on plan assets excluding interest income	24,000	371,000
	(666,000)	(480,000)

(g) **Return on plan assets excluding interest income -**

	30 September 2019 ($)	30 September 2018 ($)
Interest income	(632,000)	(585,000)
Actual return on assets	608,000	214,000
	(24,000)	(371,000)

(h) **Summary of Principal Assumptions -**

	30 September 2019 ($)	30 September 2018 ($)
Discount rate	5.50%	5.50%
Future salary increases	4.50%	4.50%
Future pension increases	0.00%	0.00%
Post-Retirement Mortality	GAM94	GAM94

14. Capital Grants Deferred:

	30 September 2019 ($)	30 September 2018 ($)
Balance, beginning of year	6,888,315	6,232,649
Addition	1,818,447	2,354,585
Amortized to the Statement of Comprehensive Income	(1,889,872)	(1,698,919)
Balance, end of the year	6,816,890	6,888,315

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.

15. Revenue Grants Deferred:

	30 September 2019 ($)	30 September 2018 ($)
Balance, beginning of year	4,115,955	4,269,238
Additions	2,000,000	5,898,665
Amounts utilized	(2,770,932)	(6,051,948)
Balance, end of the year	3,345,023	4,115,955

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

16. Stated Capital:

	30 September 2019 ($)	30 September 2018 ($)
Authorised:		
25,000,000 ordinary shares shares of no par value		
Issued and fully paid:		
1,936,332 ordinary shares of no par value	1,936,332	1,936,332
1 call unit of 50 cents	1	1
	1,936,333	1,936,333

THE TRINIDAD AND TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

17. Revaluation Reserve:

The revaluation of the company's land and buildings was done by independent valuators Raymond and Pierre during the year 2013. This resulted in an increase in the value of the land and building. In 2019, the company revalued its motor vehicles, which was performed by Cariclaims Investigators and Adjusters. This resulted in an increase in the value of motor vehicles. The increase in valuations of these classes of assets were transferred to the revaluation reserve, increasing it to **$2,583,924.**

18. Investment Remeasurement Reserve:

The Company has created an investment remeasurement reserve which includes unrealized gain/losses on short-term investments.

19. 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 company.

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

	30 September	
	2019	**2018**
	($)	**($)**
Expenses		
Directors' fees	503,984	443,686
Directors' expenses	144,697	139,808
Key management compensation		
Short-term benefits	5,298,289	4,592,185

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

20. Revenue:

	30 September 2019 ($)	30 September 2018 ($)
Collection services	22,318,442	21,082,249
Recycling	434,293	852,957
Project and Consultancy	13,159,078	9,372,481
Other income	4,437,109	1,998,768
	40,348,922	33,306,455

21. Personnel Remuneration and Benefits:

	30 September 2019 ($)	30 September 2018 ($) (Re-Stated)
Salaries and wages	24,515,775	22,727,330
Termination benefits	-	139,530
Other staff benefits	1,677,134	1,648,775
	26,192,909	24,515,635

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

22. Other Operating Expenses:

	30 September 2019 ($)	30 September 2018 ($)
Advertising	192,049	131,286
Auditing	172,184	115,644
Communication	651,536	613,154
Contract labour and equipment	2,873,072	3,408,151
Directors' fees	503,984	443,686
Directors' expenses	144,697	139,808
Entertainment	1,034	385
Expected Credit Loss	(85,950)	1,162,008
Fuel and lubricants	1,150,878	1,211,887
Insurance	286,154	357,137
Loss on disposal	33,390	107,831
Membership dues and subscriptions	110,351	23,329
Motor vehicle expenses	1,175,359	1,158,178
Office supplies	725,940	663,871
Other expenses	934,177	594,531
Penalties and other charges	95,010	127,630
Professional and legal fees	258,720	482,089
Rentals	826,039	741,776
Repairs and maintenance	607,157	516,201
Safety gear	351,749	381,348
Security	558,252	562,633
Sponsorship and donations	87,514	36,128
Staff events	153,392	95,710
Training	184,969	121,605
Travel – local	51,139	28,135
Travel – foreign	5,984	17,168
Utilities	314,466	319,535
	12,363,246	13,560,844

23. Taxation:

	30 September	
	2019	**2018**
	($)	**($)**
		(Re-Stated)
Business Levy	(237,622)	(200,288)
Green Fund Levy	(118,811)	(100,145)
Deferred taxation	-	-
	(356,433)	(300,433)
Loss before taxation	(1,687,295)	(8,515,230)
Tax calculated @ 30%	506,189	2,554,569
Business Levy	(237,622)	(200,288)
Green Fund Levy	(118,811)	(100,145)
Expenses not deductible for tax purposes	(27,012)	(30,886)
Taxable losses impaired	(536,322)	(2,574,468)
Income not subject to tax	57,145	50,785
	(356,433)	(300,433)

24. 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.

	30 September	
	2019	**2018**
	($)	**($)**
Grants received for the year	110,971,000	75,670,000
Expenditure for the year	(99,208,726)	(76,709,917)
	11,762,274	(1,039,917)

25. Capital Commitment:

The Company has capital commitments for 2020 and beyond of **$5.3 million.**

THE TRINIDAD AND TOBAGO
SOLID WASTE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

26. **Re-statement:**

During the financial year ended 30 September 2017, at the company's 37th meeting of the Board of Directors held on 9 March 2017, a resolution was passed, that with effect from 9 March 2016, the Trinidad and Tobago Solid Waste Management Company Limited shall discontinue the Sagicor Life Pension Fund Plan. All the stakeholders were informed - RBC Trust (Trustees) and Sagicor Life Incorporated and the process began to close off the Plan, and the winding up of the Plan was accounted for in the audited financial statements for the year ended 30 September 2016.

On 24 August 2020, the management of SWMCOL was informed by the Trustees, that the Central Bank of Trinidad and Tobago indicated that the wind-up of the company's Pension Plan was not done in accordance with the rules of the plan, thereby resulting in the winding-up process having to be redone. The Board of Directors, during its 77th meeting held on 25 August 2020, issued a new resolution and letters were written on 9 September 2020 to each Active member and Deferred Pensioner, thereby re-starting the Plan in accordance with the Plan's rules.

Communication was then sent to Sagicor Life Incorporated who then informed the company's management of the revised wind-up date of 24 March 2021.

The impact of the above information resulted in the audited financial statements for the financial years ended 30 September 2017 and 2018 being restated. Consequently, the net loss reported for both years were decreased.

In accordance with IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' this prior period adjustment has been applied retrospectively.

27. **Events after the Statement of Financial Position Date:**

Management continues to evaluate the potential impact of the coronavirus disease 2019 (Covid-19). This disease was declared a pandemic by the World Health Organisation on 11 March 2020. The extent of the impact on the financial position and performance of the Fund depends on the following future developments, all of which are highly uncertain and cannot be predicted:

- Duration and spread of the outbreak;
- Extent of the restrictions and advisories; and
- Effect on the total and global financial and economic markets.