



# **SWMCOL**

**THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**



***R. Ramdass & Co.***

**CHARTERED ACCOUNTANTS**

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



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AWARD 2008



# **SWMCOL**

**THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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*R. Ramdass & Co.*  
CHARTERED ACCOUNTANTS

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## **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 30<sup>th</sup> September 2010, 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.

### **Auditor's 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 30<sup>th</sup> September 2010 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.**

September 7, 2011



# SWMCOL


THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

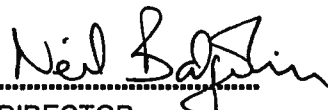
## STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2010

	Notes	2010 \$	2009 \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	24,004,055	21,913,380
Available-for-sale investments	4	32,061,536	37,331,589
Net pension asset	5	1,079,000	1,348,000
Deferred tax asset	18(c)	823,324	550,171
<b>Total Non-Current Assets</b>		<b>57,967,915</b>	<b>61,143,140</b>
<b>Current assets</b>			
Inventories		1,181,202	1,272,780
Receivables and prepayments	6	54,439,313	36,507,084
Cash and short term funds	7	18,143,680	21,508,303
<b>Total Current Assets</b>		<b>73,764,195</b>	<b>59,288,167</b>
<b>Total Assets</b>		<b>131,732,110</b>	<b>120,431,307</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
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		70,768,335	57,574,612
<b>Total Equity</b>		<b>74,068,645</b>	<b>60,874,922</b>
<b>Non-current liabilities</b>			
Finance lease obligations	9	178,639	-
Capital grants deferred	10	3,438,756	5,158,135
Government revenue grants deferred	11	12,854,628	5,794,668
Severance benefits	12	7,281,838	6,422,084
<b>Total Non-Current Liabilities</b>		<b>23,753,861</b>	<b>17,374,887</b>
<b>Current liabilities</b>			
Bank overdrafts	13	2,279,047	3,916,103
Payables and accruals	14	24,049,540	36,278,389
Taxation payable		6,883,743	1,987,006
Current portion of finance lease obligations	9	697,274	-
<b>Total Current Liabilities</b>		<b>33,909,604</b>	<b>42,181,498</b>
<b>Total Equity and Liabilities</b>		<b>131,732,110</b>	<b>120,431,307</b>

The accompanying notes form an integral part of these financial statements

On September 7, 2011, the Board of Directors of The Trinidad & Tobago Solid Waste Management Company Limited authorised these financial statements for issue.

  
 DIRECTOR

  
 DIRECTOR





# SWMCOL

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Notes</u>	<u>2010</u> \$	<u>2009</u> \$
<b>Revenue</b>	15	<b>70,168,000</b>	<b>91,318,754</b>
Operating profit	16	17,983,317	10,729,763
Interest income		841,692	2,552,882
Finance cost	17	(351,154)	(57,335)
<b>Profit before taxation</b>		<b>18,473,855</b>	<b>13,225,310</b>
Taxation	18	(5,280,132)	(2,538,861)
<b>Profit attributable to shareholders</b>		<b>13,193,723</b>	<b>10,686,449</b>

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, 2010**

	<b>Stated Capital</b>	<b>Revaluation Reserve</b>	<b>Fair Value Reserve</b>	<b>Retained Earnings</b>	<b>Shareholders' Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Year ended September 30, 2010</b>					
Balance at October 1, 2009	1,936,333	1,429,550	(65,573)	57,574,612	60,874,922
Profit attributable to shareholders	-	-	-	13,193,723	13,193,723
<b>Balance at September 30, 2010</b>	<b>1,936,333</b>	<b>1,429,550</b>	<b>(65,573)</b>	<b>70,768,335</b>	<b>74,068,645</b>
<b>Year ended September 30, 2009</b>					
Balance at October 1, 2008	1,936,333	1,429,550	(65,573)	46,888,163	50,188,473
Profit attributable to shareholders	-	-	-	10,686,449	10,686,449
<b>Balance at September 30, 2009</b>	<b>1,936,333</b>	<b>1,429,550</b>	<b>(65,573)</b>	<b>57,574,612</b>	<b>60,874,922</b>

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, 2010

	2010 \$	2009 \$
<b>Cash flows from operating activities</b>		
Profit before taxation	18,473,855	13,225,310
Adjustments to reconcile net profit to net cash used in operating activities:		
Depreciation	4,485,241	3,195,172
Severance benefits	859,754	641,557
Pension plan expense	269,000	353,000
Amortization of Government grants	(1,719,379)	(1,719,379)
Other adjustment	7,059,959	3,742,523
Loss on disposal of property, plant & equipment		6,368
Operating profit before working capital changes	29,428,430	19,444,551
Decrease in inventories	91,578	215,553
(Increase)/decrease in receivables and prepayments	(17,932,229)	17,451,524
Decrease in payables and accruals	(12,228,849)	(55,676,696)
Cash used in operations	(641,070)	(18,565,068)
Taxation paid	(656,546)	(2,143,701)
Net cash used in operating activities	(1,297,616)	(20,708,769)
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(6,575,916)	(7,602,897)
Net proceeds from disposal of investments	5,270,053	28,772,258
Net cash (used in)/generated by investing activities	(1,305,863)	21,169,361
<b>Cash flows from financing activities</b>		
Net proceeds from/(repayment of) loans	875,912	(13,236,988)
Capital grants received		6,877,514
Net cash generated by/(used in) financing activities	875,912	(6,359,474)
<b>Net decrease in cash and cash equivalents</b>	(1,727,567)	(5,898,882)
<b>Cash and cash equivalents at beginning of year</b>	17,592,200	23,491,082
<b>Cash and cash equivalents at end of year</b>	15,864,633	17,592,200
<b>Cash and cash equivalents</b>		
Cash and short term funds	18,143,680	21,508,303
Bank overdrafts	(2,279,047)	(3,916,103)
<b>Total cash and cash equivalents</b>	15,864,633	17,592,200

The accompanying notes form an integral part of these financial statements





# SWMCOL

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010

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### 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 Public Utilities and the Environment.

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 (IFRSs), and are stated in Trinidad and Tobago Dollars. These financial statements have been prepared on a historical 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 judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note(r).

#### New accounting policies not adopted

The Company has not adopted the following new and revised IFRS and IFRIC Interpretations that have been issued as these standards/interpretations do not apply to the activities of the Company:

- |          |   |   |
|----------|---|---|
| IAS 39   | - | Financial Instruments: Recognition and Measurement – Eligible Hedged Items  |
| IFRS 1   | - | First-time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters (Amendments) |
| IFRS 2   | - | Group Cash – Settled Share-based Payment Arrangements   |
| IFRS 5   | - | Non-Current Assets Held for Sale and Discontinued Operations (Amendment)  |
| IFRIC 17 | - | Distributions of Non-Cash Assets to Owners  |







# SWMCOL

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010

### 2. SIGNIFICANT ACCOUNTING POLICIES cont'd

#### b. 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 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, 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.

#### c. 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.





# SWMCOL

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010

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### 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.

#### d. 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.

#### e. Foreign currency translation

- 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 measurement 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.



# SWMCOL

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010

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### 2. SIGNIFICANT ACCOUNTING POLICIES cont'd

#### f. 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.

#### g. 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.

- Finance leases

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased assets or, if lower, at the present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

#### h. 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.





# SWMCOL

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010

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### 2. SIGNIFICANT ACCOUNTING POLICIES cont'd

#### i. Severance benefits

Provision has been made for severance benefits for all employees in accordance with the provisions of The Retrenchment and Severance Benefits Act of 1985.

#### 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.





# SWMCOL

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010

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### 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 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 are not carried at fair value through the statement of comprehensive income and 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.





# SWMCOL

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010

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### 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.





# SWMCOL

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010

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### 2. SIGNIFICANT ACCOUNTING POLICIES cont'd

#### r. Significant accounting judgements, estimates and assumptions

In the process of applying the Company's accounting policies, management makes certain judgements, 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 judgements 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 judgement 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 judgement 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.





# SWMCOL

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010

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### 2. SIGNIFICANT ACCOUNTING POLICIES cont'd

#### t. CEII

The Community Environment Improvement Initiative (CEII) was formed to provide manpower resources for observing and monitoring local communities throughout Trinidad and Tobago. The Company is the executing agent of the Government of the Republic of Trinidad and Tobago whose responsibility is the administration, supervision and management of the Programme. The project was funded by a bank loan which is guaranteed by a letter of comfort issued by the Ministry of Finance on behalf of the Government of the Republic of Trinidad and Tobago. Additional funding has been provided via transfers from the Ministry of Finance.

#### u. Comparative information

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. Adjustments to previously reported results were made in accordance with International Accounting Standards No. 8-Accounting Policies, Changes in Accounting Estimates and Errors.







# SWMCOL

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010

### 3. PROPERTY, PLANT AND EQUIPMENT

	Land & buildings	Plant, machinery & equipment	Motor vehicles	Office furniture & equipment	Total
	\$	\$	\$	\$	\$
<b>Year ended September 30, 2010</b>					
Cost/valuation	13,133,244	30,851,968	2,555,206	12,196,128	58,736,546
Accumulated depreciation	(2,811,408)	(21,676,733)	(829,669)	(9,414,681)	(34,732,491)
<b>Net book amount</b>	<b>10,321,836</b>	<b>9,175,235</b>	<b>1,725,537</b>	<b>2,781,447</b>	<b>24,004,055</b>
<b>Net Book Amount</b>					
October 1, 2009	6,819,808	11,808,817	172,888	3,111,867	21,913,380
Additions	4,084,351	216,681	2,121,627	153,257	6,575,916
Depreciation charge	(582,323)	(2,850,263)	(568,978)	(483,677)	(4,485,241)
<b>September 30, 2010</b>	<b>10,321,836</b>	<b>9,175,235</b>	<b>1,725,537</b>	<b>2,781,447</b>	<b>24,004,055</b>
<b>Year ended September 30, 2009</b>					
Cost/valuation	9,048,893	30,635,287	433,579	12,042,872	52,160,631
Accumulated depreciation	(2,229,085)	(18,826,470)	(260,691)	(8,931,005)	(30,247,251)
<b>Net book amount</b>	<b>6,819,808</b>	<b>11,808,817</b>	<b>172,888</b>	<b>3,111,867</b>	<b>21,913,380</b>
<b>Net Book Amount</b>					
October 1, 2008	5,602,759	8,467,423	218,607	3,223,234	17,512,023
Additions	1,411,457	5,776,815	-	414,625	7,602,897
Disposals	-	-	-	(6,368)	(6,368)
Depreciation charge	(194,408)	(2,435,421)	(45,719)	(519,624)	(3,195,172)
<b>September 30, 2009</b>	<b>6,819,808</b>	<b>11,808,817</b>	<b>172,888</b>	<b>3,111,867</b>	<b>21,913,380</b>



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# SWMCOL

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2010 \$	2009 \$
<b>4. AVAILABLE-FOR-SALE INVESTMENTS</b>		
First Citizens Bank Limited - Abercrombie Fund	12,237,980	20,278,296
Trinidad and Tobago Unit Trust Corporation	19,823,556	16,283,272
RBTT Bank Ltd - Roytrin Mutual Fund	-	770,021
	<b>32,061,536</b>	<b>37,331,589</b>
<b>5. EMPLOYEE BENEFITS</b>		
<b>a. Changes in the present value of the defined benefit obligation are as follows: -</b>		
Present value of obligation at start of year	8,549,000	8,373,000
Interest cost	651,000	642,000
Current service cost	286,000	300,000
Benefits paid/payable	(300,000)	(224,000)
Actuarial (gain)/loss on obligation	811,000	(542,000)
<b>Present value of obligation at end of year</b>	<b>9,997,000</b>	<b>8,549,000</b>
<b>b. Changes in the fair value of plan assets are as follows: -</b>		
Fair value of plan assets at start of year	9,687,000	8,874,000
Expected return on plan assets	668,000	613,000
Benefits paid/payable	(300,000)	(224,000)
Actuarial gain/(loss) on plan assets	151,000	424,000
<b>Fair value of plan assets at end of year</b>	<b>10,206,000</b>	<b>9,687,000</b>
<b>c. The amounts recognised in the statement of financial position are as follows: -</b>		
Present value of the obligation	9,997,000	8,549,000
Fair value of plan assets	(10,206,000)	(9,687,000)
	(209,000)	(1,138,000)
Unrecognised actuarial gains/(losses)	(870,000)	(210,000)
<b>Asset recognised in statement of financial position</b>	<b>(1,079,000)</b>	<b>(1,348,000)</b>



# SWMCOL

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2010 \$	2009 \$
<b>5. EMPLOYEE BENEFITS (cont'd)</b>		
d. The amounts recognised in the statement of comprehensive income are as follows: -		
Current service cost	286,000	300,000
Interest cost	651,000	642,000
Expected return on plan assets	(668,000)	(613,000)
Net actual gain recognised in year	-	24,000
Expense recognised in statement of comprehensive income	<u>269,000</u>	<u>353,000</u>
e. Actual return on plan assets		
Expected return on plan assets	668,000	613,000
Actuarial (loss)/gain on plan assets	151,000	424,000
Actual return on plan assets	<u>819,000</u>	<u>1,037,000</u>
f. The principal actuarial assumptions used were as follows: -		
Discount rate	7.00%	7.50%
Expected return on plan assets	6.50%	7.00%
Future salary increases	6.00%	6.50%
Future pension increases	2.50%	3.00%
<b>6. RECEIVABLES AND PREPAYMENTS</b>		
Trade receivables	51,058,005	21,857,399
Less : Provision for bad and doubtful debts	(4,501,407)	(2,107,025)
Trade receivables - (net)	46,556,598	19,750,374
Other receivables and prepayments	3,272,896	2,622,332
Ministry of Public Utilities & the Environment	4,609,819	14,134,378
	<u>54,439,313</u>	<u>36,507,084</u>





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2010 \$	2009 \$
<b>7. CASH AND SHORT TERM FUNDS</b>		
Cash in hand	10,500	10,500
First Citizens Bank Limited-C/A	11,109,276	20,209,348
Scotia Bank (T&T) Limited-C/A	261,260	374,267
Citibank (T&T) Limited-USD	6,762,644	914,188
	<b>18,143,680</b>	<b>21,508,303</b>
<b>8. STATED CAPITAL</b>		
<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
	<b>1,936,332.50</b>	<b>1,936,332.50</b>
<b>9. FINANCE LEASE OBLIGATIONS</b>		
<b>a. Maturity of lease obligations:</b>		
One year	697,274	-
Two years	178,639	-
	875,913	-
Current portion	(697,274)	-
	<b>178,639</b>	<b>-</b>
<b>b. Finance lease obligations:</b>		
General Finance Corporation Limited	<b>875,913</b>	<b>-</b>
These finance leases carry an interest rate of 8.5% and were taken for motor vehicles. The lease period is thirty-six (36) months. Finance lease liabilities are effectively secured as the rights to the leased asset and this revert to the lessor in the event of default.		
Future minimum lease payments under the lease are as follows:		
Amounts payable within one year	887,280	-
After one year but not more than five years	198,941	-
Total minimum lease payments	1,086,221	-
Less amounts representing interest charges	(210,308)	-
Present value of minimum lease payments	<b>875,913</b>	<b>-</b>





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2010 \$	2009 \$
<b>10. CAPITAL GRANTS DEFERRED</b>		
Balance as at October 1,	5,158,135	-
Grants received during the year	-	6,877,514
Amortized to the statement of comprehensive income	(1,719,379)	(1,719,379)
	<u>3,438,756</u>	<u>5,158,135</u>

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.

### 11. GOVERNMENT REVENUE GRANTS DEFERRED

Balance as at October 1	5,794,668	2,052,145
Grants received	9,000,000	5,600,000
Amounts utilized	(1,940,040)	(1,857,477)
Balance as at September 30	<u>12,854,628</u>	<u>5,794,668</u>

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

### 12. SEVERANCE BENEFITS

This is provided to cover accumulated employees' severance benefits amounting to \$7,281,838 as at September 30, 2010 (2009-\$6,422,084).

### 13. BANK OVERDRAFTS

Scotia Bank (T&T) Limited	1,575,518	3,732,340
First Citizens Bank Limited	703,529	183,763
	<u>2,279,047</u>	<u>3,916,103</u>

Bank overdrafts are secured by certain investments and carries an interest rate of 9%.

### 14. PAYABLES AND ACCRUALS

Trade payables	6,368,587	21,838,691
Other payables and accruals	9,868,432	6,712,194
Ministry of Finance (CEII)	7,812,521	7,727,504
	<u>24,049,540</u>	<u>36,278,389</u>





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>2010</u>	<u>2009</u>
	\$	\$
<b>15. REVENUE</b>		
Collection services	56,108,780	57,299,628
Recycling	-	15,971
Projects and consultancy	12,355,570	28,551,106
Other income	1,703,650	5,452,049
	<b>70,168,000</b>	<b>91,318,754</b>
<b>16. OPERATING PROFIT</b>		
Revenue	70,168,000	91,318,754
Less expenses:		
Personnel remuneration and benefits	18,745,657	19,292,010
Other operating expenses	28,953,785	58,101,809
Depreciation	4,485,241	3,195,172
	<b>17,983,317</b>	<b>10,729,763</b>
<b>Personnel remuneration and benefits</b>		
Salaries and wages	16,094,848	16,703,266
Directors' fees	400,800	296,900
Termination benefits	781,061	641,556
Other staff benefits	545,080	740,164
Net pension expense	923,868	910,124
	<b>18,745,657</b>	<b>19,292,010</b>
<b>17. FINANCE COST</b>		
Interest expense	351,154	57,335

