



SWMCOL

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS

for the year ended

September 30, 2022



SWMCOL

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

Financial Statements
for the year ended September 30, 2022

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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

Statement of Management's Responsibilities

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

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

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

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

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



DIRECTOR

July 2, 2024



CHIEF EXECUTIVE OFFICER

July 2, 2024





R. Ramdass & Co.

CHARTERED ACCOUNTANTS

"ICATT REGISTERED FIRM"

Independent Auditor's Report

To the Shareholders of 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 September 30, 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Ramnarine Ramdass F.C.C.A., C.A. / Vidya Ramdass F.C.C.A., C.A., C.I.A.

17 Gaston Street, Lange Park, Chaguanas 500703 Trinidad, West Indies

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R. Ramdass & Co.

CHARTERED ACCOUNTANTS

"ICATT REGISTERED FIRM"

Independent Auditor's Report (cont'd)

To the Shareholders of The Trinidad and Tobago Solid Waste Management Company Limited
(cont'd)

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

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

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

July 3, 2024

Ramnarine Ramdass F.C.C.A., C.A. / Vidya Ramdass F.C.C.A., C.A., C.I.A.

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**SWMCOL**

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

Statement of Financial Position

as at September 30, 2022

ASSETS	<u>Notes</u>	<u>2022</u>	<u>2021</u>
		\$	\$
Current assets			
Inventories	5	1,719,760	1,837,825
Trade and other receivables	6	8,001,012	10,559,594
Cash and cash equivalents	7	33,353,849	34,134,839
Total Current Assets		<u>43,074,621</u>	<u>46,532,258</u>
Non-current assets			
Property, plant and equipment	4	16,235,451	16,996,921
Investment securities	8	2,737,173	2,798,490
Deferred tax	18(c)	19,222,296	17,262,587
Total Non-Current Assets		<u>38,194,920</u>	<u>37,057,998</u>
Total Assets		<u>81,269,541</u>	<u>83,590,256</u>
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current liabilities			
Bank overdraft	10	427,274	965,211
Trade and other payables	11	60,657,787	55,659,807
Taxation	18(b)	350,151	361,382
Total Current Liabilities		<u>61,435,212</u>	<u>56,986,400</u>
Non-current liabilities			
Capital grants deferred	12	3,297,712	4,293,340
Revenue grants deferred	13	1,657,200	3,271,523
Total Non-Current Liabilities		<u>4,954,912</u>	<u>7,564,863</u>
Total Liabilities		<u>66,390,124</u>	<u>64,551,263</u>
Shareholder's equity			
Stated capital	9	1,936,333	1,936,333
Revaluation reserve		280,542	280,542
Retained earnings		12,125,044	16,361,907
Investment remeasurement reserve		537,498	460,211
Total Shareholder's Equity		<u>14,879,417</u>	<u>19,038,993</u>
Total Liabilities and Shareholder's Equity		<u>81,269,541</u>	<u>83,590,256</u>

The accompanying notes form an integral part of these financial statements

On July 2, 2024, the Board of Directors of The Trinidad & Tobago Solid Waste Management Company Limited authorised these financial statements for issue



 DIRECTOR



 CHIEF EXECUTIVE OFFICER




SWMCOL

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

Statement of Comprehensive Income for the year ended September 30, 2022

	<u>Notes</u>	<u>2022</u> \$	<u>2021</u> \$
Revenue	14	22,840,328	26,498,216
Interest income		148,008	161,303
Total income		22,988,336	26,659,519
Personnel remuneration and benefits	15	(15,349,972)	(17,288,232)
Depreciation	4	(2,167,262)	(2,496,804)
Impairment loss on property, plant and equipment	4(ii)	(496,950)	-
Other operating expenses	16	(10,958,897)	(12,849,748)
Finance costs	17	(40,497)	(27,643)
Operating loss before taxation		(6,025,242)	(6,002,908)
Taxation	18(a)	1,755,256	1,621,117
Loss for the year		(4,269,986)	(4,381,791)
Other comprehensive income:			
<i>Items that may not be reclassified subsequently to Profit or Loss:</i>			
Net change in fair value of investment securities measured at fair value through other comprehensive income		77,287	247,160
Actuarial gain/(loss) on net pension asset net of deferred tax		33,123	(1,598,800)
Total comprehensive loss for the year		(4,159,576)	(5,733,431)

The accompanying notes form an integral part of these financial statements



**SWMCOL**

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

Statement of Changes in Equity
for the year ended September 30, 2022

	Stated capital	Revaluation reserve	Investment remeasurement reserve	Retained earnings	Total shareholders' equity
	\$	\$	\$	\$	\$
Year ended September 30, 2022					
Balance at October 1, 2021	1,936,333	280,542	460,211	16,361,907	19,038,993
Gain on investment securities	-	-	77,287	-	77,287
Actuarial gain on net pension assets (net of deferred tax)	-	-	-	33,123	33,123
Loss for the year	-	-	-	(4,269,986)	(4,269,986)
Balance as at September 30, 2022	1,936,333	280,542	537,498	12,125,044	14,879,417
Year ended September 30, 2021					
Balance at October 1, 2020	1,936,333	280,542	213,051	22,342,498	24,772,424
Gain on investment securities	-	-	247,160	-	247,160
Actuarial loss on net pension assets (net of deferred tax)	-	-	-	(1,598,800)	(1,598,800)
Loss for the year	-	-	-	(4,381,791)	(4,381,791)
Balance as at September 30, 2021	1,936,333	280,542	460,211	16,361,907	19,038,993

The accompanying notes form an integral part of these summary financial statements



**SWMCOL**

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

Statement of Cash Flows

for the year ended September 30, 2022

	<u>Notes</u>	<u>2022</u> \$	<u>2021</u> \$
Cash flows from operating activities			
Loss before taxation		(6,025,242)	(6,002,908)
Adjustments to reconcile net loss to net cash from operating activities:			
Depreciation		2,167,262	2,496,804
Impairment loss on property, plant and equipment	4	496,950	-
Pension plan expense		33,123	38,999
Net change in capital grants deferred	12	(995,628)	(1,306,220)
Net change in revenue grants deferred	13	(1,614,323)	(2,810,612)
(Decrease)/increase in expected credit losses	6	(128,959)	510,460
Loss on disposal of property, plant and equipment	16	31,146	17,865
Decrease/(increase) in inventories		118,065	(294,136)
Decrease/(increase) in receivables and prepayments		2,687,541	(68,249)
Increase in payables and accruals		4,997,980	12,819,173
Taxation paid		(215,684)	(254,269)
Taxation refunded		-	5,697
Net cash from operating activities		<u>1,552,231</u>	<u>5,152,604</u>
Cash flows from investing activities			
Additions to property, plant and equipment		(1,933,888)	(188,546)
Proceeds on disposal of property, plant and equipment		-	1,759
Net change in investment securities		138,604	(14,037)
Net change in pension asset		-	(1,480,000)
Net cash used in investing activities		<u>(1,795,284)</u>	<u>(1,680,824)</u>
Net (decrease)/increase in cash and cash equivalents		(243,053)	3,471,780
Cash and cash equivalents at beginning of year		33,169,628	29,697,848
Cash and cash equivalents at end of year		<u>32,926,575</u>	<u>33,169,628</u>
Represented by:			
Cash and cash equivalents	7	33,353,849	34,134,839
Bank overdraft	10	<u>(427,274)</u>	<u>(965,211)</u>
Total cash and cash equivalents		<u>32,926,575</u>	<u>33,169,628</u>

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, 2022

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 wholly owned by the Minister of Finance (Corporation Sole) and is the executing agent for specific programmes implemented by the Ministry of Public Utilities.

The registered office is situated at 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 have been prepared under the historical cost convention as modified by the revaluation of land and building and investment securities at fair value. The financial statements are presented in Trinidad and Tobago dollars.

Statement of compliance

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

b. Changes in accounting policies and disclosures

(I) New and amended standards and interpretations adopted by the Company.

There were no new and amended standards and interpretations adopted by the Company.

(II) Standards amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

The new amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(i) Property, Plant and Equipment – Proceeds before Intended Use – Amendment to IAS 16 – Property, Plant and Equipment

This amendment prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related costs in profit or loss (effective for annual periods beginning on or after January 1, 2022).

(ii) Onerous Contracts – Cost of Fulfilling a Contract - Amendments to IAS 37 – Provisions, contingent assets and contingent liabilities.

The amendments to IAS 37 clarify that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract (effective for annual periods beginning on or after January 1, 2022).





Notes to the Financial Statements for the year ended September 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b. Changes in accounting policies and disclosures (cont'd)

(II) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company (cont'd).

(iii) Classification of Liabilities as Current or Non-current - Amendments to IAS 1 – Presentation of Financial Statements.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an exposure draft proposing to defer the effective date of the amendments from January 1, 2022 to January 1, 2023.

(iv) Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The amendments aim to help entities apply materiality judgements to accounting policy disclosures to ensure that they are more useful by (i) replacing the requirements for entities to disclose its "significant" accounting policies with a requirement to disclose its "material" accounting policies and (ii) adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures (effective for annual periods beginning on or after January 1, 2023).

(v) Definition of Accounting Estimates – Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates (effective for annual periods beginning on or after January 1, 2023).

(vi) Annual improvements to IFRSs 2018-2020 Cycles

The above standards and amendments are not expected to have a significant impact on the Company's financial statements.

(III) Standards, amendments and interpretations to existing standards early adopted by the Company.

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

c. Property, plant and equipment

It is the Company's policy to account for property, plant and equipment at cost except for land and building situated at 34 Independence Square, Port of Spain which are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and accumulated impairment losses. The loss arising on revaluation was debited to the revaluation reserve. Subsequently, the Company has elected to use the revalued amount as their deemed cost.

Subsequent costs are included in the assets carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.



Notes to the Financial Statements

for the year ended September 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c. Property, plant and equipment (cont'd)

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

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

Land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

d. Inventories

Inventories comprise raw materials (bins) and consumables (spares) and are measured at the lower of cost and net realisable value. Cost is valued using the first in first out (FIFO) method and net realisable value is the estimated selling price less direct selling expenses. Damaged items or those that are no longer fit for purpose are considered obsolete.

e. Trade and other receivables

Trade and other receivables are carried at original invoice amount (which represents fair value) less provision made for impairment of these receivables. A provision for impairment of these 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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Impairment testing of trade receivables is described in note q.

f. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand and at bank net of bank overdraft and cash investments with maturities of less than three months from the date of establishment.

g. Investment securities

The Company has classified its investment securities as Fair Value through Other Comprehensive Income (FVTOCI). These securities are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity or changes in interest rates. After initial recognition, these investments are measured at fair value with unrealised gains or losses recognised in the investment remeasurement reserve.





Notes to the Financial Statements

for the year ended September 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h. 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.

i. Trade and other payables

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for services rendered. The Company is obligated to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are initially recognised at fair value and subsequently at amortised cost.

j. Government grants

Revenue grants deferred

Grants from the Government of the Republic of Trinidad and Tobago (GORTT) are recognised at its 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 GORTT. Funds for the operation and management of these facilities are remitted monthly from The Ministry of Public Utilities. 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 recognised as an amount receivable from the GORTT.

Capital grants deferred

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.

k. Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity.

The current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the statement of financial position date.

Deferred income tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and its carrying amounts in the financial statements. Deferred income tax is determined using tax rates and tax laws that have enacted or substantially enacted at the statement of financial position date and are expected to apply when the related income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets relating to carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.



Notes to the Financial Statements

for the year ended September 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i. Revenue recognition

Revenue is recognised 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 recognised upon delivery of products or performance of services and customer acceptance. Interest and investment income are recognised as they accrue unless collectability is in doubt.

m. Leases

The Company accounts for a contract or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Company obtains substantially all the economic benefits from the use of the asset; and
- The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Company obtains substantially all the economic benefits from the use of the asset, the Company considers only the economic benefits that arise from the use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low-value assets; and
- Leases with a duration of 12 months or less.

n. Investment remeasurement reserve

The Company created an investment remeasurement reserve to recycle unrealised gains/ losses on its investment securities recorded at FVTOCI.

o. Revaluation reserve

The Company created a revaluation reserve to include revaluation gains/ losses on the Company's revalued assets carried at fair value.



Notes to the Financial Statements

for the year ended September 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

p. 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.

q. Financial instruments

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial 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 regular purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date on which the Company commits itself to purchase or sell an asset. A purchase and sale of financial assets is a purchase or sale of an asset under a contract whose terms require delivery of the asset within the timeframe established generally by regulation or convention in the marketplace concerned.

When financial assets are recognised initially, they are measured at fair value at the consideration given plus transaction costs directly attributable to the acquisition of the asset. It is measured on the basis of the Company's business model for managing financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets are derecognised when the contractual rights to receive the cash flows expire or where the risks and rewards of ownership of the assets have been transferred.

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 – Fair Value Measurement, 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 (note 22).

Subsequent measurement

Those financial assets such as 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 measurement of such financial assets are recognised in the Statement of Comprehensive Income as profit or loss as movements in Expected Credit Loss (ECL).



Notes to the Financial Statements

for the year ended September 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

q. Financial instruments (cont'd)

Financial assets (cont'd)

Impairment of financial assets

The impairment model uses a three-stage approach based on the extent of credit deterioration since origination:

Stage 1 - 12 month ECL applies to all financial assets that have not experienced a significant increase in credit risk since origination and are not credit impaired. The ECL will be computed using a 12-month PD that represents the probability of default occurring over the next 12 months.

Stage 2 – When a financial asset experiences a significant increase in credit risk subsequent to origination but is not credit impaired, it is considered to be in stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset. Provisions are higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.

Stage 3 – Financial assets that are considered to be credit impaired will be included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime ECL.

The Company uses judgement when considering the following factors that affects the determination of impairment:

Assessment of Significant Increase in Credit Risk

The assessment of a significant increase in credit risk is done on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Company compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Company's existing risk management processes. At each reporting date, the assessment of a change in credit risk will be individually assessed for those considered individually significant.

Macroeconomic Factors, Forward Looking Information and multiple Scenarios

The Company applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions.

Macroeconomic factors and forward looking information are incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination. Measurement of ECLs at each reporting period reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

Application of the Simplified Approach

For trade receivables, the Company applies the simplified approach permitted by IFRS 9 – Financial Instruments, which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECLs for trade receivables.

The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward looking information.





Notes to the Financial Statements

for the year ended September 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

q. Financial instruments (cont'd)

Financial liabilities

When financial liabilities are recognised initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the liability. Financial liabilities are re-measured at amortised cost using the effective interest method. The effective interest method is used in the calculation of amortised cost of a financial liability and in the allocation and recognition of interest revenue or interest expense in profit or loss over the relevant period.

Financial liabilities are derecognised when they are extinguished that is when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognised in the statement of comprehensive income.

r. Foreign currency translations

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the 'functional' currency'). The 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 functional 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 at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

s. Provisions

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

Provisions are not recognised for future operating losses. Where there are number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any other item included in the same class of obligations may be small.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.





Notes to the Financial Statements

for the year ended September 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

t. Comparatives

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with International Financial Reporting Standards (IFRSs) 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 future and actual results which could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results.

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 recognises this change in the statement of changes in equity in the current period.

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

Property, plant and equipment

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets and which depreciation method should be used.

Impairment of assets

Management assesses at each year-end date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

Fair values

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each statement of financial position date.

Investment securities

Management assesses whether investments are classified at Fair Value Through Profit or Loss (FVTPL), FVTOCI or Amortised cost.



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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

Notes to the Financial Statements

for the year ended September 30, 2022

4. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Computer equipment	Motor vehicles	Office furniture and equipment	Plant, machinery and equipment	Total
	\$	\$	\$	\$	\$	\$
Year ended September 30, 2022						
Cost/valuation	14,538,851	1,508,393	2,675,117	9,966,460	38,691,044	67,379,865
Accumulated depreciation	(5,674,322)	(1,123,737)	(2,264,494)	(7,976,650)	(34,105,211)	(51,144,414)
Net book amount	8,864,529	384,656	410,623	1,989,810	4,585,833	16,235,451
Net Book Amount						
October 1, 2021	9,024,111	480,820	513,279	1,809,139	5,169,572	16,996,921
Additions	-	-	-	566,742	1,367,146	1,933,888
Disposals	-	-	-	(26,891)	(4,255)	(31,146)
Depreciation charge	(159,582)	(96,164)	(102,656)	(359,180)	(1,449,680)	(2,167,262)
Impairment loss Note 4(ii)	-	-	-	-	(496,950)	(496,950)
September 30, 2022	8,864,529	384,656	410,623	1,989,810	4,585,833	16,235,451
Year ended September 30, 2021						
Cost/valuation	14,538,851	1,508,393	2,675,117	9,521,625	37,344,646	65,588,632
Accumulated depreciation	(5,514,740)	(1,027,573)	(2,161,838)	(7,712,486)	(32,175,074)	(48,591,711)
Net book amount	9,024,111	480,820	513,279	1,809,139	5,169,572	16,996,921
Net Book Amount						
October 1, 2020	9,186,950	603,247	641,599	2,084,303	6,808,704	19,324,803
Additions	-	-	-	120,664	67,882	188,546
Disposals	-	(2,074)	-	(17,550)	-	(19,624)
Depreciation charge	(162,839)	(120,353)	(128,320)	(378,278)	(1,707,014)	(2,496,804)
September 30, 2021	9,024,111	480,820	513,279	1,809,139	5,169,572	16,996,921

Land and building situated at 34 Independence Square, Port of Spain were valued by independent valuator Raymond & Pierre Ltd. The effective date of the valuation was February 4, 2020 and the accumulated fair value was determined after consideration and use of the Income Approach.



**Notes to the Financial Statements**

for the year ended September 30, 2022

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

	<u>2022</u>	<u>2021</u>
Land and building	\$	\$
Cost	16,907,233	16,907,233
Accumulated depreciation	<u>(5,788,609)</u>	<u>(5,591,698)</u>
Net book amount	<u>11,118,624</u>	<u>11,315,535</u>

(ii) Impairment loss

The Company has begun a physical count on its bins subsequent to year end and noted that the existence seems to be overstated when compared to that of the fixed asset register. Consequently, the Company has recorded an impairment loss in the statement of comprehensive income in compliance with International Accounting Standard IAS 16-Property, Plant and Equipment, as at September 30, 2022 (2021: Nil).

5. INVENTORIES

	<u>2022</u>	<u>2021</u>
	\$	\$
Raw materials - bins	270,132	270,132
Consumables - spares	1,603,711	1,733,957
	1,873,843	2,004,089
Less: provision for obsolete inventories	<u>(154,083)</u>	<u>(166,264)</u>
	<u>1,719,760</u>	<u>1,837,825</u>

6. TRADE AND OTHER RECEIVABLES

Trade receivables	19,699,017	22,275,802
Less : Expected credit losses	<u>(14,636,446)</u>	<u>(14,765,405)</u>
Net trade receivables	5,062,571	7,510,397
Beverage container projects	1,080	720
Sundry receivables and prepayments	2,937,361	3,048,477
	<u>8,001,012</u>	<u>10,559,594</u>

Analysis of movement in expected credit losses:

Balance as at October 1	14,765,405	14,254,945
Expected credit losses	<u>(128,959)</u>	510,460
Balance at September 30	<u>14,636,446</u>	<u>14,765,405</u>



**Notes to the Financial Statements**

for the year ended September 30, 2022

6. TRADE AND OTHER RECEIVABLES (CONT'D)**Analysis of movement in expected credit losses (cont'd):**

The trade receivables loss allowance as at September 30, 2022 and September 30, 2021 was determined as follows:

	Stage 1 0-60 days in arrears	Stage 2 61-90 days in arrears	Stage 3 over 90 days in arrears	Sum total
	\$	\$	\$	\$
September 30, 2022				
Gross carrying amount	3,282,709	941,526	15,474,782	19,699,017
Less: Expected credit losses	(97,035)	(51,329)	(14,488,082)	(14,636,446)
Net carrying amount	3,185,674	890,197	986,700	5,062,571

	Stage 1 0-60 days in arrears	Stage 2 61-90 days in arrears	Stage 3 over 90 days in arrears	Sum total
	\$	\$	\$	\$
September 30, 2021				
Gross carrying amount	3,537,613	836,805	17,901,384	22,275,802
Less: Expected credit losses	(602,010)	(92,049)	(14,071,346)	(14,765,405)
Net carrying amount	2,935,603	744,756	3,830,038	7,510,397

	<u>2022</u>	<u>2021</u>
	\$	\$
7. CASH AND CASH EQUIVALENTS		
Cash in hand	19,500	17,000
First Citizens Bank Limited	5,732,713	6,918,476
Scotiabank Trinidad and Tobago Limited	626,225	445,169
Citibank Trinidad and Tobago Limited	353,974	16,691,691
The Trinidad and Tobago Unit Trust Corporation	9,266,291	10,062,503
Republic Bank Limited	17,355,146	-
	33,353,849	34,134,839
8. INVESTMENT SECURITIES		
The Trinidad and Tobago Unit Trust Corporation;		
Growth and Income Fund	2,737,173	2,798,490

An amount of \$2,0078,826 included in the above instrument represents the collateral for the Company's overdraft facility, as stated in note 10.



**Notes to the Financial Statements**

for the year ended September 30, 2022

	<u>2022</u>	<u>2021</u>
	\$	\$
9. STATED CAPITAL		
<u>Authorised</u>		
25,000,000 ordinary shares of no par value		
<u>Issued and fully paid</u>		
1,936,332 ordinary shares of no par value	1,936,332	1,936,332
1 call unit of 50 cents	1	1
	<u>1,936,333</u>	<u>1,936,333</u>

10. BANK OVERDRAFT

Scotiabank Trinidad and Tobago Limited

427,274

965,211

This facility attracts an interest rate of 9.00% and is secured by The Trinidad and Tobago Unit Trust Corporation Second Unit Scheme, in the sum of TT\$2,007,826 (note 8).

	<u>2022</u>	<u>2021</u>
	\$	\$
11. TRADE AND OTHER PAYABLES		
Trade payables	6,832,582	8,351,935
Sundry payables and accruals		
Accrued charges	13,994,783	11,576,392
Beverage container project	584,239	504,882
Recyclable collections project	492,738	493,098
Value added tax	230,683	241,077
Ministry of Public Utilities	<u>38,522,762</u>	<u>34,492,423</u>
	<u>60,657,787</u>	<u>55,659,807</u>

a) Accrued charges

Accrued charges mainly consist of performance bonds for municipal waste, staff vacation leave and retroactive wages still in negotiations.

b) Ministry of Public Utilities

The Company receives monthly grants from the Ministry of Public Utilities to fund the operation and management of three (3) landfill sites and to cover certain corporate expenses.

	<u>2022</u>	<u>2021</u>
	\$	\$
Balance as at October 1,	34,492,423	13,797,156
Grants received for the year	97,000,000	108,595,000
Operational expenditure	<u>(92,969,661)</u>	<u>(87,899,733)</u>
Balance as at September 30,	<u>38,522,762</u>	<u>34,492,423</u>



**Notes to the Financial Statements**

for the year ended September 30, 2022

	<u>2022</u>	<u>2021</u>
	\$	\$
11. TRADE AND OTHER PAYABLES (CONT'D)		
b) Ministry of Public Utilities (cont'd)		
Operational expenditure:		
Advertising	1,406,236	220,775
Communication	819,404	745,835
Electricity	783,367	738,164
Facility upgrades	1,142,484	1,239,164
General maintenance	2,271,942	3,640,242
Industrial equipment rentals	32,264,209	34,441,025
Legal and professional	1,924,149	996,129
Minor equipment	1,737,576	2,909,992
Other operating expenditure	4,473,920	5,844,752
Personnel	29,849,643	22,773,429
Roadway maintenance	5,719,131	3,813,300
Security	10,577,600	10,536,926
	<u>92,969,661</u>	<u>87,899,733</u>
12. CAPITAL GRANTS DEFERRED		
Balance as at October 1,	4,293,340	5,599,560
Amounts utilised	(995,628)	(1,825,285)
Amounts capitalised	-	519,065
Balance as at September 30,	<u>3,297,712</u>	<u>4,293,340</u>
13. REVENUE GRANTS DEFERRED		
Balance as at October 1,	3,271,523	6,082,135
Additions	3,450,595	2,073,720
Amounts utilised	(5,064,918)	(4,884,332)
Balance as at September 30,	<u>1,657,200</u>	<u>3,271,523</u>



**Notes to the Financial Statements**

for the year ended September 30, 2022

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		\$	\$
14. REVENUE			
Commercial waste water		1,587,873	1,127,567
Faecal ponds		1,276,217	1,348,709
General waste collection - rental		2,356,139	2,179,064
General waste collection - service		5,568,339	5,229,242
Other income		1,093,274	1,424,399
Portable toilet - rental		726,502	652,601
Portable toilet - service		23,461	186,012
Recycling		255,276	188,666
Resource recovery		166,294	1,563
Special disposal - collection		135,518	131,350
Special disposal - disposal		8,076,102	11,925,764
Tyre shredding		88,983	187,103
Vacuum tanker cleaning		1,439,295	1,887,847
Wrap		47,055	28,330
		<u>22,840,328</u>	<u>26,498,216</u>
15. PERSONNEL REMUNERATION AND BENEFITS			
Other staff benefits		1,156,874	1,089,298
Salaries and wages		14,193,098	16,097,926
Termination benefits		-	101,008
		<u>15,349,972</u>	<u>17,288,232</u>
16. OTHER OPERATING EXPENSES			
Advertising		83,469	21,904
Communications		195,371	229,644
Contract labour and equipment		5,330,443	5,999,826
Expected credit losses	6	(128,959)	510,460
Fuel and lubricants		987,926	691,971
Insurances		235,494	183,731
Legal and professional		41,252	(134,043)
Loss on disposal of property, plant and equipment		31,146	17,865
Miscellaneous		274,796	49,853
Motor vehicles		1,160,714	1,727,752
Office		285,262	138,537
Penalties and other charges		7,809	-
Rent - short term leases		359,272	672,910
Repairs and maintenance		1,604,881	1,288,014
Safety		284,777	959,789
Security		123,200	217,676
Training		30,967	197,531
Travel		27,149	21,694
Utilities		23,928	54,635
		<u>10,958,897</u>	<u>12,849,748</u>





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

Notes to the Financial Statements for the year ended September 30, 2022

	<u>2022</u>	<u>2021</u>
17. FINANCE COSTS	\$	\$
Bank interest and charges (net)	<u>40,497</u>	<u>27,643</u>
18. TAXATION		
(a) (i) Business levy	136,302	139,091
(ii) Green fund levy	68,151	69,545
(iii) Deferred tax asset	<u>(1,959,709)</u>	<u>(1,829,753)</u>
	<u>(1,755,256)</u>	<u>(1,621,117)</u>

The Company determines its Business levy, Green fund levy and Deferred tax expenses using rates of 0.6%, 0.3% and 30% in accordance with the Corporation Tax Act of Trinidad and Tobago.

				<u>2022</u>	<u>2021</u>
	Green fund levy	Business levy	Corporation tax	Total	Total
	\$	\$	\$	\$	\$
At October 1	327	73,899	287,156	361,382	401,318
Accruals	68,151	136,302	-	204,453	208,636
Payments	(69,090)	(146,594)	-	(215,684)	(254,269)
Refunds	-	-	-	-	5,697
As at September 30	<u>(612)</u>	<u>63,607</u>	<u>287,156</u>	<u>350,151</u>	<u>361,382</u>

(c) Deferred tax (net)

	Tax losses	Property, plant and equipment	Total	Total
	\$	\$	\$	\$
At October 1	19,194,257	(1,931,670)	17,262,587	15,516,634
Credit to profit or loss	1,952,030	7,679	1,959,709	1,829,753
IAS 19 Pension Provision	-	-	-	(83,800)
As at September 30	<u>21,146,287</u>	<u>(1,923,991)</u>	<u>19,222,296</u>	<u>17,262,587</u>

(d) Unrelieved losses

The Company has tax losses available for set off against future chargeable profits but which have not yet been agreed by the Board of Inland Revenue of \$70,487,623 (2021: \$63,983,353)



**Notes to the Financial Statements
for the year ended September 30, 2022****19. RELATED PARTY TRANSACTIONS**

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

	<u>2022</u>	<u>2021</u>
Expenses	\$	\$
Directors' fees	515,500	454,886
Directors' expenses	138,397	23,083
Key management compensation		
Short-term benefits	4,955,266	6,479,377

20. FINANCIAL RISK MANAGEMENTFinancial risk factors

The Company's activities are related to the use of financial instruments. The Company earns its income through the provision of services for the collection and treatment of waste and receives grants from the GORTT. Interest is earned by investing in equity investments.

Financial instruments

The table below summarises the carrying amount and fair values of the Company's financial assets and liabilities:-

	2022	
	<u>Carrying Value</u>	<u>Fair Value</u>
	\$	\$
Financial Assets		
Trade and other receivables	8,001,012	8,001,012
Cash and cash equivalents	33,353,849	33,353,849
Investment securities	2,737,173	2,737,173
Financial Liabilities		
Bank overdraft	427,274	427,274
Trade and other payables	60,657,787	60,657,787
	2021	
	<u>Carrying Value</u>	<u>Fair Value</u>
	\$	\$
Financial Assets		
Trade and other receivables	10,559,594	10,559,594
Cash and cash equivalents	34,134,839	34,134,839
Investment securities	2,798,490	2,798,490
Financial Liabilities		
Bank overdraft	965,211	965,211
Trade and other payables	55,659,807	55,659,807





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THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

Notes to the Financial Statements

for the year ended September 30, 2022

20. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial instruments (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 Growth and Income Funds held at the Trinidad and Tobago Unit Trust Corporation (note 8). 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 the specified credit period.

c. Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the objective of minimising such losses such as maintaining sufficient cash and other highly liquid current assets.





Notes to the Financial Statements
for the year ended September 30, 2022

20. FINANCIAL RISK MANAGEMENT (CONT'D)Financial instruments (cont'd)**c. Liquidity risk (cont'd)**Liquidity gap

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

	Up to 1 year \$	1 to 5 years \$	Over 5 years \$	Total \$
As at September 30, 2022:				
Financial assets:				
Trade and other receivables	8,001,012	-	-	8,001,012
Cash and cash equivalents	33,353,849	-	-	33,353,849
Investment securities	2,737,173	-	-	2,737,173
	44,092,034	-	-	44,092,034
Financial liabilities				
Bank overdraft	427,274	-	-	427,274
Trade and other payables	60,657,787	-	-	60,657,787
	61,085,061	-	-	61,085,061
Net liquidity gap	(16,993,027)	-	-	(16,993,027)
	Up to 1 year \$	1 to 5 years \$	Over 5 years \$	Total \$
As at September 30, 2021:				
Financial assets:				
Trade and other receivables	10,559,594	-	-	10,559,594
Cash and cash equivalents	34,134,839	-	-	34,134,839
Investment securities	2,798,490	-	-	2,798,490
	47,492,923	-	-	47,492,923
Financial liabilities				
Bank overdraft	965,211	-	-	965,211
Trade and other payables	55,659,807	-	-	55,659,807
	56,625,018	-	-	56,625,018
Net liquidity gap	(9,132,095)	-	-	(9,132,095)





Notes to the Financial Statements

for the year ended September 30, 2022

20. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial instruments (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 Dollars. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The Company had the following significant currency positions:

	USD (TT\$ Equivalent)
As at September 30, 2022	
Assets	
Cash at bank	3,796,116
Total foreign currency assets	3,796,116
As at September 30, 2021	
Assets	
Cash at bank	3,047,966
Total foreign currency assets	3,047,966

Foreign currency sensitivity analysis

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

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

	<u>2022</u>	<u>2021</u>
	\$	\$
Effect - US dollar impact	<u>27,998</u>	<u>22,480</u>





Notes to the Financial Statements

for the year ended September 30, 2022

20. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial instruments (cont'd)

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 Systems. 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 in revenue clientele and increase legal cases against the Company. The Company applies procedures to minimise this risk.

21. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard its ability to continue as a going concern.

The Company's projects and landfill operations are one hundred percent (100%) funded by the Government of the Republic of Trinidad and Tobago and therefore does not require external financing.

The Company's commercial assets and operations are internally funded.

22. FAIR VALUE HIERARCHY

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets and liabilities recorded at fair value in the financial statements based upon the level of judgement associated with the inputs used to measure its fair value.

The hierarchical levels, from lowest to highest based on the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities are as follows:

Level 1

Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date. The types of assets carried at level 1 fair value are equity and debt securities listed in active markets. The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Company is the current bid price.





Notes to the Financial Statements

for the year ended September 30, 2022

22. FAIR VALUE HIERARCHY (CONT'D)

Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived principally from or corroborated by observable market data by correlation or other means at the measurement date and for the duration of the instruments' anticipated life.

Level 3

Inputs that are unobservable for the asset or liability for which there are no active markets to determine a price. These financial instruments are carried at fair value and are regularly tested for impairment with changes taken through other comprehensive income.

The following table presents the Company's assets that are measured at fair value at September 30, 2022:

	<u>2022</u>			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<u>Financial asset at FVTOCI:</u>				
Trinidad and Tobago Unit Trust Corporation: Growth and Income Fund	2,737,173	-	-	2,737,173

	<u>2021</u>			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<u>Financial asset at FVTOCI:</u>				
Trinidad and Tobago Unit Trust Corporation: Growth and Income Fund	2,798,490	-	-	2,798,490

The Company did not have any transfers between levels during the year ended September 30, 2022.



SWMCOL

THE TRINIDAD & TOBAGO SOLID WASTE MANAGEMENT COMPANY LIMITED

Notes to the Financial Statements

for the year ended September 30, 2022

23. CAPITAL COMMITMENTS

The Company has no contracted capital commitments at year end (2021: Nil).

24. CONTINGENT LIABILITY

In 2011 The Trinidad and Tobago Solid Waste Management Company Limited (SWMCOL) entered into an agreement with VENTEC Limited for the development of an accounting system. VENTEC has claimed that SWMCOL neglected to make payments with respect to the agreement and is claiming damages totalling approximately \$3.2 million dollars inclusive of interest and costs (CV 2015 – 00124). An offer of \$50,000.00 was made by SWMCOL in settlement of the matter which was rejected by VENTEC Limited. SWMCOL's attorneys (MG Daly & Partners) have advised that it is unlikely that VENTEC Limited would be successful in its claim, however there is a 50% prospect of success for a claim of \$454,990.25 plus VAT.

25. SUBSEQUENT EVENTS

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

26. GOING CONCERN

There is no material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and therefore Management has determined that the Company can continue into the foreseeable future as a going concern.

