

**SAINT LUCIA SOLID WASTE
MANAGEMENT AUTHORITY
Financial Statements
For the Year Ended March 31, 2008
(Expressed in Eastern Caribbean Dollars)**

SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY
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SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY
Corporate Information

DIRECTORS

Mrs. Marcia Philbert-Jules
Ms. Thecla Augustin
Mr. Wilson Sifflet
Mrs. Brender Portland-Reynolds
Mr. Agosta Degazon
Mr. Norman St. Ville
Mr. Marcel Fevrier
Mr. Elrus Elcock
Mr. John La Force
Mr. George James
Mr. Darrel Montroupe
Ms. Christine Wilkinson

SECRETARY

Mrs. Arlett Ruiz

REGISTERED OFFICE

Maurice Mason Avenue,
Sans Souci,
Castries,
St. Lucia

SOLICITOR

Cynthia C. F. Combie

BANKER

Bank of Saint Lucia Limited

AUDITORS

Chase, Skeete & Boland (Chartered Accountants)

AUDITOR'S REPORT

To the Board of Directors of Saint Lucia Solid Waste Management Authority

We have audited the accompanying financial statements of Saint Lucia Solid Waste Management Authority, which comprise the balance sheet as at March 31, 2008, and the statements of changes in fund balances, income 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 financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, 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 auditors consider 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 positions of Saint Lucia Solid Waste Management Authority as at March 31, 2008, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Chase, Skeete & Boland

Chartered Accountants
Castries, St. Lucia
July 11, 2008

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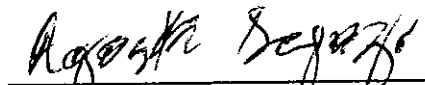
SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY
Balance Sheet
As at March 31, 2008
(Expressed in Eastern Caribbean Dollars)

	Notes	2008 \$	2007 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	1,310,708	2,404,080
Investment available-for-sale	5	4,000,000	-
Trade and other accounts receivable	6	1,354,652	1,370,462
Inventory		468,760	476,818
		<u>7,134,120</u>	<u>4,251,360</u>
Deferred Expenditure	7	7,501,083	8,699,987
Property, Plant and Equipment	8	<u>1,992,411</u>	<u>2,443,050</u>
TOTAL ASSETS		<u>16,627,614</u>	<u>15,394,397</u>
LIABILITIES AND FUND BALANCES			
Current Liabilities			
Deferred income	9	5,141,436	-
Trade and other accounts payable	10	<u>1,262,835</u>	<u>1,872,874</u>
		<u>6,404,271</u>	<u>1,872,874</u>
Fund Balances			
Fixed assets fund	11	1,329,758	2,084,809
Deferred funding assistance	12	7,125,808	8,324,712
Fund balance		<u>1,767,777</u>	<u>3,112,002</u>
		<u>10,223,343</u>	<u>13,521,523</u>
TOTAL LIABILITIES AND FUND BALANCES		<u>16,627,614</u>	<u>15,394,397</u>

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

SIGNED ON BEHALF OF THE BOARD


 Director


 Director

SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY

Statement of Changes in Fund Balances

For the Year Ended March 31, 2008

(Expressed in Eastern Caribbean Dollars)

	Notes	Fixed Assets Fund \$	Deferred Funding Assistance \$	Reserve Fund	Fund Balance \$	Total \$
Balance as at March 31, 2006 as restated		2,178,671	10,307,110		4,638,777	17,124,558
Transferred to Reserve Fund	13	-	-	1,755,875	(1,755,875)	-
Release of Reserve Fund	13	914,479	-	(1,755,875)	841,396	-
Amortisation of fund balances		(1,008,341)	(1,982,398)	-	-	(2,990,739)
Excess of expenditure over income for the year		-	-	-	(612,296)	(612,296)
Balance as at March 31, 2007		2,084,809	8,324,712	-	3,112,002	13,521,523
Amortisation of fund balances		(755,051)	(1,198,904)	-	-	(1,953,955)
Excess of expenditure over income for the year		-	-	-	(1,344,225)	(1,344,225)
Balance as at March 31, 2008		1,329,758	7,125,808	-	1,767,777	10,223,343

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

SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY
Statement of Income
For the Year Ended March 31, 2008
(Expressed in Eastern Caribbean Dollars)

	2008 \$	2007 \$
INCOME		
Amortisation of deferred funding assistance	1,198,904	1,982,398
Environmental levy	3,941,479	2,999,622
Government of Saint Lucia	3,537,764	5,117,854
Other income	501,266	328,925
Release of fixed assets fund	755,051	1,008,341
TOTAL INCOME	9,934,464	11,437,140
EXPENDITURE		
Advertising and public relations	118,811	102,751
Audit fees	9,000	8,000
Bank charges	2,182	1,890
Board expenses	14,700	15,600
Consultancy fees	-	2,500
Depreciation expense	910,217	1,090,740
Landfill operating costs:		
- Amortisation	1,198,904	1,697,938
- Operating costs	1,457,463	1,758,307
- Professional services	1,837,721	1,639,416
Miscellaneous	4,510	3,817
Motor vehicle expenses	9,807	10,252
Office expenses	56,072	52,246
Office rental	36,000	36,000
Professional fees	17,600	18,550
Safety equipment expenses	953	2,187
Salaries, wages and staff benefits	847,305	824,656
Service contracts/ maintenance	3,846	3,918
Subscriptions	470	-
Training/ overseas travel/ consultations	6,238	12,077
Travel and entertainment	28,690	25,202
Utilities	32,866	32,422
Waste collection	4,685,334	4,710,967
TOTAL EXPENDITURE	11,278,689	12,049,436
EXCESS OF EXPENDITURE OVER INCOME FOR THE YEAR	(1,344,225)	(612,296)

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

SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY
Statement of Cash Flows
For the Year Ended March 31, 2008
(Expressed in Eastern Caribbean Dollars)

	2008 \$	2007 \$
Cash Flows from Operating Activities		
Excess of expenditure over income for the year	(1,344,225)	(612,296)
Adjustments for:		
Amortisation of deferred funding assistance	(1,198,904)	(1,982,398)
Release of fixed assets fund	(755,051)	(1,008,341)
Interest income	(178,512)	(85,516)
Amortisation of deferred expenditure	1,198,904	1,713,576
Depreciation	910,217	1,090,740
Operating loss before working capital changes	<u>(1,367,571)</u>	<u>(884,235)</u>
Decrease in trade and other accounts receivable	39,908	452,810
Decrease/(increase) in inventory	8,058	(87,303)
Increase in deferred income	5,141,436	-
Decrease in trade and other accounts payable	(610,039)	(17,771)
Net cash generated from/(used in) operating activities	<u>3,211,792</u>	<u>(536,499)</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(459,578)	(1,108,165)
Purchase of investment available-for-sale	(4,000,000)	-
Interest received	154,414	85,516
Net cash used in investing activities	<u>(4,305,164)</u>	<u>(1,022,649)</u>
Decrease in Cash and Cash Equivalents	<u>(1,093,372)</u>	<u>(1,559,148)</u>
Cash and Cash Equivalents - Beginning of Year	<u>2,404,080</u>	<u>3,963,228</u>
Cash and Cash Equivalents - End of Year	<u><u>1,310,708</u></u>	<u><u>2,404,080</u></u>

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

SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY
Notes to Financial Statements
For the Year Ended March 31, 2008
(Expressed in Eastern Caribbean Dollars)

1. Introduction

The primary responsibility of the Authority is to provide co-ordinated and integrated systems for the collection, treatment and disposal of solid waste, including hazardous waste and to establish and manage sanitary landfills throughout Saint Lucia as appropriate.

2. Significant Accounting Policies

The principal accounting policies adopted are stated in order to assist in a general understanding of the financial statements. These policies have been consistently applied to the years presented, unless otherwise stated.

(a) Basis of Preparation

The financial statements have been drawn up in accordance with International Financial Reporting Standards and under the historical cost convention.

The preparation of the financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Amendments to International Financial Reporting Standards

The Authority has adopted the following new and revised International Financial Reporting Standards and International Accounting Standards which are effective from the 2008 reporting year.

IFRS 7 Financial Instruments: Disclosures

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Authority's financial instruments and the nature and extent of risks arising from those financial instruments. The disclosure requirements of IAS 32 have also been withdrawn and have been superseded by IFRS 7. The new disclosures are included throughout the financial statements.

SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY
Notes to Financial Statements
For the Year Ended March 31, 2008
(Expressed in Eastern Caribbean Dollars)

2. Significant Accounting Policies (Cont'd)

(b) Foreign Currencies

The financial statements are presented in Eastern Caribbean dollars which is the currency of the primary economic environment in which the Authority operates (its functional currency).

Transactions in foreign currencies are translated into Eastern Caribbean dollars at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Eastern Caribbean dollars at the foreign exchange rate ruling at the date. Foreign exchange differences arising on translation are recognised in the Statement of Income. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Eastern Caribbean dollars at the foreign exchange rates ruling at the dates the values were denominated.

(c) Impairment of Non-Financial Assets

The carrying amounts of the Authority's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Statement of Income.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks.

(e) Investments Available-for-Sale

These financial assets are intended to be held for an indefinite period of time, and may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. They are measured initially at cost and are subsequently re-measured at their fair value based on quoted bid prices. Unrealised gains and losses are recorded in the financial investments reserve. Either on the disposal of the asset or if the asset is determined to be impaired, the previously recorded gain or loss is transferred to the Statement of Income.

(f) Trade and Other Accounts Receivable

Trade and other accounts receivable are measured at amortised cost less, where applicable, allowance for impairment.

SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY
Notes to Financial Statements
For the Year Ended March 31, 2008
(Expressed in Eastern Caribbean Dollars)

2. Significant Accounting Policies (Cont'd)

(g) Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation.

Depreciation is calculated on the straight-line basis, so as to write-off the cost of fixed assets over their estimated useful lives as follows:-

Office equipment	3 and 5 years
Furniture and fittings	5 years
Motor vehicles	5 years
Sanitary equipment	3 and 5 years
Building	20 years

Gains or losses arising on the disposal or retirement of an item of property, plant and equipment are determined as the difference between the sales proceeds and the carrying amount of the asset and are recognised in the Statement of Income.

(h) Trade and Other Accounts Payable

Trade and other accounts payable are measured at amortised cost.

(i) Fixed Assets Fund

The fixed assets fund is released to income at a rate consistent with the related assets' depreciation.

(j) Deferred Funding Assistance

Deferred funding assistance is amortised over a period which approximates the related projects' useful lives as follows:-

Deglos landfill	15 years
Upgrade of Vieux Fort landfill	10 years
Closure of Ciceron landfill	5 years
Construction and installation of bin slabs	3 years

(k) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable from the rendering of services.

Interest income is accrued on a time basis.

SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY
Notes to Financial Statements
For the Year Ended March 31, 2008
(Expressed in Eastern Caribbean Dollars)

2. Significant Accounting Policies (Cont'd)

(i) Income Taxes

The Authority is not subject to taxation according to the statutory instrument by which it was formed.

3. Financial Risk Management

The activities of the Authority expose it to various financial risks. Financial risks include credit, liquidity and market risks. Market risks arise from changes in interest rates, equity prices, currency exchange rates or other market factors. The effects of these risks are disclosed in the sections below.

(a) Credit Risk

Credit risk is the exposure that the counterparty to a financial instrument is unable to meet an obligation, thereby causing a financial loss to the Authority. The maximum exposure of the Authority to credit risk is indicated by the carrying amount of its financial assets.

The Authority is exposed to concentration of credit risk with respect to its cash and cash equivalents and investment available-for-sale. This risk is minimal as the cash and investment balances are with a reputable financial institution.

The Authority is also exposed to credit risk with respect to its trade and other accounts receivable. An amount of \$1,133,272 (2007 : \$480,122) is owed to the Authority by Saint Lucia Air and Sea Ports Authority. This amount represents more than half of the Authority's total trade and other accounts receivable. Saint Lucia Air and Sea Ports Authority have acknowledged this debt and payments have been made subsequent to the balance sheet date.

(i) Fully performing trade accounts receivable

There are no fully performing trade accounts receivable.

SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY
Notes to Financial Statements
For the Year Ended March 31, 2008
(Expressed in Eastern Caribbean Dollars)

3. Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

(ii) Past due and impaired financial assets

A financial asset is past due when a counterparty has failed to make payment when contractually due. The Authority is most exposed to the risk of past due assets with respect to its trade accounts receivable.

Trade accounts receivable less than 90 days past due are not assessed for impairment unless other information is available to indicate the contrary. The assessment for impairment includes a review of the customer. If the past due period is less than the trigger for impairment review, the customer is not normally reviewed.

The table below summarises the carrying value of trade accounts receivable which are past due, but are not considered to be impaired.

	2008	2007
	\$	\$
Carrying values:		
With amounts past due under 30 days	585,156	498,166
With amounts past due 31 to 60 days	602,587	26,725
With amounts past due 61 to 90 days	9,418	3,428
With amounts past due over 90 days	18,644	747,975
Total	1,215,805	1,276,294

(b) Liquidity Risk

Liquidity risk is the exposure that the Authority may encounter difficulty in meeting obligations associated with its financial liabilities.

The Authority's only financial liability is its trade and other accounts payable of \$1,262,835 (2007 : \$1,872,874) which has no contractual terms of repayment.

SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY
Notes to Financial Statements
For the Year Ended March 31, 2008
(Expressed in Eastern Caribbean Dollars)

3. Financial Risk Management (Cont'd)

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Authority to cash flow interest rate risk, whereas fixed interest rate instruments expose the Authority to fair value interest rate risk.

The table below summarises the exposures to interest rate risks of the Authority's financial assets and financial liabilities. Amounts are stated at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	Due within 1 year \$	Due between 1 and 5 years \$	Due after 5 years \$	Non- interest bearing \$	Total \$
As at March 31, 2008					
Assets					
Cash and cash equivalents	1,301,088	-	-	9,620	1,310,708
Investment available-for-sale	4,000,000	-	-	-	4,000,000
Trade and other accounts receivable	-	-	-	1,354,652	1,354,652
	<u>5,301,088</u>	<u>-</u>	<u>-</u>	<u>1,364,272</u>	<u>6,665,360</u>
Liability					
Trade and other accounts payable	-	-	-	1,262,835	1,262,835
Total Interest Sensitivity Gap	<u>5,301,088</u>	<u>-</u>	<u>-</u>	<u>101,437</u>	<u>5,402,525</u>
As at March 31, 2007					
Cash and cash equivalents	2,005,316	-	-	398,764	2,404,080
Trade and other accounts receivable	-	-	-	1,370,462	1,370,462
	<u>2,005,316</u>	<u>-</u>	<u>-</u>	<u>1,769,226</u>	<u>3,774,542</u>
Liability					
Trade and other accounts payable	-	-	-	1,872,874	1,872,874
Total Interest Sensitivity Gap	<u>2,005,316</u>	<u>-</u>	<u>-</u>	<u>(103,648)</u>	<u>1,901,668</u>

The table below summarises the interest rates on financial assets and liabilities held at the balance sheet date.

	Interest Rates	
	2008	2007
Financial Assets		
Cash and cash equivalents	3.5%	3.5%
Investment available-for-sale	8.5%	-

SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY
Notes to Financial Statements
For the Year Ended March 31, 2008
(Expressed in Eastern Caribbean Dollars)

3. Financial Risk Management (Cont'd)

(d) Fair Value of Financial Assets and Liabilities

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists. The Authority is exposed to fair value risk on investments available-for-sale. The Authority's financial assets and financial liabilities as disclosed in the balance sheet approximate their fair value.

4. Cash and Cash Equivalents

	2008	2007
	\$	\$
Bank of Saint Lucia Limited		
-Operating Account	8,820	397,964
-Gratuity Account	1,301,088	2,005,316
Petty cash	800	800
	1,310,708	2,404,080

Interest is earned at 3.5% on the Bank of Saint Lucia gratuity account. The gratuity liability as at March 31, 2008 was EC\$268,708 (2007 : EC\$225,216): see Note 10. The balance in this account represents short-term surplus funds which are deposited here in order to obtain interest income.

5. Investments Available-for-Sale

The investment available-for-sale is held with British American Insurance Company Limited which bears interest at 8.5% per annum and matures on January 29, 2009.

SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY
Notes to Financial Statements
For the Year Ended March 31, 2008
(Expressed in Eastern Caribbean Dollars)

6. Trade and Other Accounts Receivable

	2008	2007
	\$	\$
Saint Lucia Air and Sea Ports Authority	1,133,272	480,122
Caribbean Development Bank	-	726,989
Other receivables	82,533	69,183
	<u>1,215,805</u>	<u>1,276,294</u>
Interest receivable	24,098	-
Prepaid expenses	114,749	94,168
	<u><u>1,354,652</u></u>	<u><u>1,370,462</u></u>

SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY
Notes to the Financial Statements
For the Year Ended March 31, 2008
(Expressed in Eastern Caribbean Dollars)

7. Deferred Expenditure

	Deglos Landfill \$	Ciceron Landfill \$	Vieux Fort Landfill \$	Bin Slabs \$	Total \$
Balance - March 31, 2006	8,109,892	563,843	1,724,190	15,638	10,413,563
Amortisation for the year	(913,566)	(531,439)	(252,933)	(15,638)	(1,713,576)
Balance - March 31, 2007	7,196,326	32,404	1,471,257	-	8,699,987
Amortisation for the year	(913,565)	(32,404)	(252,935)	-	(1,198,904)
Balance - March 31, 2008	6,282,761	-	1,218,322	-	7,501,083

The deferred expenditure includes consulting fees incurred for advice on the purchase of capital equipment, and costs incurred for development of the Deglos Landfill, upgrade of the Vieux Fort Landfill and closure of the Ciceron Landfill. Management has agreed to expense the cost of the projects over 15 years, 10 years and 5 years respectively. The Deglos Landfill is to be used for waste disposal for a period of 20 years.

Deferred expenditure also includes costs incurred for the construction and installation of bin slabs, which are to be expensed over 3 years.

SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY
Notes to the Financial Statements
For the Year Ended March 31, 2008
(Expressed in Eastern Caribbean Dollars)

8. Property, Plant and Equipment

	Land Improvements	Office Equipment	Furniture and Fittings	Motor Vehicles	Sanitary Equipment	Building	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance as at March 31, 2006	44,345	186,017	81,142	3,065,217	3,435,841	920,063	7,732,625
Additions	83,430	20,637	8,682	488,000	507,416	-	1,108,165
Disposals	-	(10,863)	-	-	(397,311)	-	(408,174)
Balance as at March 31, 2007	127,775	195,791	89,824	3,553,217	3,545,946	920,063	8,432,616
Additions	59,982	45,357	1,099	338,000	15,140	-	459,578
Disposals	-	(45,463)	-	-	(1,852)	-	(47,315)
Balance as at March 31, 2008	187,757	195,685	90,923	3,891,217	3,559,234	920,063	8,844,879
Accumulated Depreciation							
Balance as at March 31, 2006	-	131,666	60,487	2,649,487	2,337,596	127,764	5,307,000
Depreciation charge for year	6,388	24,797	7,285	341,434	664,833	46,003	1,090,740
Eliminated on disposal	-	(10,863)	-	-	(397,311)	-	(408,174)
Balance as at March 31, 2007	6,388	145,600	67,772	2,990,921	2,605,118	173,767	5,989,566
Depreciation charge for year	7,367	32,840	7,365	259,823	556,819	46,003	910,217
Eliminated on disposal	-	(45,463)	-	-	(1,852)	-	(47,315)
Balance as at March 31, 2008	13,755	132,977	75,137	3,250,744	3,160,085	219,770	6,852,468
Net Book Value - End of Year	174,002	62,708	15,786	640,473	399,149	700,293	1,992,411
Net Book Value - Beginning of Year	121,387	50,191	22,052	562,296	940,828	746,296	2,443,050

SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY
Notes to the Financial Statements
For the Year Ended March 31, 2008
(Expressed in Eastern Caribbean Dollars)

9. Deferred Income

This relates to funds received from Canadian Commercial Corporation for the settlement of some of the claims relating to the Deglos Landfill dispute.

10. Trade and Other Accounts Payable

	2008 \$	2007 \$
Accounts payable	850,157	804,824
Accrued gratuities	268,708	225,216
Audit fees payable	9,000	8,000
Other accrued liabilities	3,532	3,200
Retention for Deglos Landfill	-	726,989
Union site rehabilitation	77,835	77,835
Withholding tax payable	53,603	26,810
	<u>1,262,835</u>	<u>1,872,874</u>

11. Fixed Assets Fund

This balance represents the written down value of fixed assets purchased under the World Bank Project to be used at the land fills. The assets included in this fund balance are also included in property, plant and equipment. These assets are released to revenue over their estimated useful lives.

SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY
Notes to the Financial Statements
For the Year Ended March 31, 2008
(Expressed in Eastern Caribbean Dollars)

12. Deferred Funding Assistance

	Dispute Adjudication Board	School Project British High Commission	Marchand Project Japanese Embassy	Barnard Hill/ Faux a Chaud Project French Embassy	Deglos Landfill CDB	Ciceron Landfill IBRD	Vieux Fort Landfill IBRD	Bin Slabs IBRD	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance - March 31, 2006	253,873	58,353	1,035	1,857	7,778,728	563,843	1,633,784	15,637	10,307,110
Released to revenue	(253,873)	(12,056)	(1,035)	(1,857)	(913,567)	(531,439)	(252,934)	(15,637)	(1,982,398)
Balance - March 31, 2007	-	46,297	-	-	6,865,161	32,404	1,380,850	-	8,324,712
Released to revenue	-	-	-	-	(913,567)	(32,404)	(252,933)	-	(1,198,904)
Balance - March 31, 2008	-	46,297	-	-	5,951,594	-	1,127,917	-	7,125,808

SAINT LUCIA SOLID WASTE MANAGEMENT AUTHORITY
Notes to the Financial Statements
For the Year Ended March 31, 2008
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12. Deferred Funding Assistance (Cont'd)

Deferred funding assistance comprises a loan received from the International Development Association for which the Government of Saint Lucia is responsible for the payment of interest and repayment of the loan. In addition, grant funds were received from the Japan and French Embassies for projects that Saint Lucia Solid Waste Management Authority implemented in the current financial year, and from the British High Commission for projects to be implemented in the subsequent financial year.

The initial deposit of the loan was received from International Development Association (IDA). The full amount of the loan is US\$2,280,000 with interest at ¾% per annum, payable semi-annually on January 1 and July 1 each year, on the principal amount of the credit drawn-down.

Repayment is in semi-annual instalments of 1¼% of principal commencing July 1, 2005 until and including the payment due on January 1, 2015. Thereafter, semi-annual instalments increase to 2½% of principal until January 1, 2030.

The funds received from the Caribbean Development Bank for the Deglos landfill is released to revenue over a 15 year period (see Note 7). The deferred funding assistance for consulting fees is released to income over the useful life of the equipment purchased (see Note 8).

Grants from the Japanese and French Embassies and the British High Commission were released to income as the amounts were expensed for the projects.

An amount of EC\$672,000 was received during the year ended March 31, 2006 from the Government of Saint Lucia to cover the Authority's legal representation expense at hearings of the Dispute Adjudication Board. These funds were released to income as the related expenses were incurred.

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Notes to the Financial Statements
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13. Reserve Fund

As per Schedule 3, Section 17 (1) and (2) of the Waste Management Act of 2004, the Authority shall establish a Reserve Fund derived from the surplus of the Authority at a percentage to be determined by the Minister of Physical Development, Environment and Housing. However, that percentage has not yet been decided. This fund can be used for purposes as determined by the Authority.

Upon authorisation from the Ministry of Finance, the following were funded from the Reserve Fund:

- Purchase of an excavator and car crusher at a total cost of \$914,479. This amount was transferred to the Fixed Assets Fund, and is released to income at a rate consistent to the assets' depreciation.
- Costs incurred in representing the Authority before the Dispute Adjudication Board (\$841,396).

14. Prior Year Comparatives

Some of the comparative figures have been reclassified to conform with current year presentation.

15. Approval of Financial Statements

The financial statements were approved by the Board of Directors and authorised for issue on March 6, 2009.