



**St. Lucia Solid Waste
Management Authority**
Financial Statements
Year Ended March 31, 2010
(Expressed in Eastern Caribbean Dollars)

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INDEPENDENT AUDITORS' REPORT

To the Directors of St. Lucia Solid Waste Management Authority

Report on the Financial Statements

We have audited the accompanying financial statements of St. Lucia Solid Waste Management Authority which comprise the statement of financial position as at March 31, 2010, and the statements of changes in fund balances, comprehensive 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls 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 an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of St. Lucia Solid Waste Management Authority as at March 31, 2010, and the results of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

June 11, 2010

St. Lucia Solid Waste Management Authority

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Statement of Financial Position

As at March 31, 2010

(Expressed in Eastern Caribbean Dollars)

	Notes	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	4,035,960	3,224,408
Financial investment	6	2,123,157	2,017,875
Trade and other accounts receivable	7	878,191	1,442,678
Inventory		387,903	476,836
		<u>7,425,211</u>	<u>7,161,797</u>
Long-term Assets			
Deferred expenditure	8	5,168,085	6,334,584
Property, plant and equipment	9	1,605,122	2,024,207
		<u>6,773,207</u>	<u>8,358,791</u>
TOTAL ASSETS		<u>14,198,418</u>	<u>15,520,588</u>
LIABILITIES AND FUND BALANCES			
Current Liabilities			
Trade and other accounts payable	10	701,383	790,185
Deferred income	11	5,141,436	5,141,436
		<u>5,842,819</u>	<u>5,931,621</u>
Fund Balances			
Fixed assets fund	12	1,072,506	1,356,339
Deferred funding assistance	13	4,780,929	5,947,428
Fund balance		2,502,164	2,285,200
		<u>8,355,599</u>	<u>9,588,967</u>
TOTAL LIABILITIES AND FUND BALANCES		<u>14,198,418</u>	<u>15,520,588</u>

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

APPROVED ON BEHALF OF THE BOARD:-


Chairperson


Member

St. Lucia Solid Waste Management Authority

Statement of Changes in Fund Balances
 For the Year Ended March 31, 2010
 (Expressed in Eastern Caribbean Dollars)

	Fixed Assets Fund \$	Deferred Funding Assistance \$	Fund Balance \$	Total \$
Balance as at March 31, 2008	1,329,758	7,125,808	1,767,777	10,223,343
Funds received	281,296	-	-	281,296
Amortisation of fund balances	(254,715)	(1,178,380)	-	(1,433,095)
Excess of income over expenditure for the year	-	-	517,423	517,423
Balance as at March 31, 2009	1,356,339	5,947,428	2,285,200	9,588,967
Amortisation of fund balances	(283,833)	(1,166,499)	-	(1,450,332)
Excess of income over expenditure for the year	-	-	216,964	216,964
Balance as at March 31, 2010	1,072,506	4,780,929	2,502,164	8,355,599

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

St. Lucia Solid Waste Management Authority

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Statement of Comprehensive Income

For the Year Ended March 31, 2010

(Expressed in Eastern Caribbean Dollars)

	2010 \$	2009 \$
INCOME		
Amortisation of deferred funding assistance	1,166,499	1,178,380
Environmental levy	4,288,265	4,047,906
Gain on disposal of property, plant and equipment	12,375	-
Government of Saint Lucia	5,000,000	5,000,000
Interest income	198,281	154,764
Other income	521,998	740,242
Release of fixed assets fund	283,833	254,715
TOTAL INCOME	11,471,251	11,376,007
EXPENDITURE		
Advertising and public relations	151,183	167,227
Audit fees	12,500	12,500
Bank charges	2,868	3,351
Board expenses	22,600	13,600
Depreciation expense	466,999	429,320
Environmental levy deductions	567,137	343,484
Landfill operating costs:		
- Amortisation	1,166,499	1,166,499
- Operating costs	2,450,810	1,664,035
- Professional services	72,377	771,647
Miscellaneous	4,215	6,477
Motor vehicle expenses	6,704	8,563
Office expenses	57,567	43,498
Office rental	36,000	36,000
Professional fees	22,450	22,650
Safety equipment expenses	1,082	1,275
Salaries and staff benefits	949,729	874,027
Service contracts/maintenance	7,869	4,270
Subscriptions	2,421	919
Training/overseas travel/consultations	34,110	69,904
Travel and entertainment	30,467	28,684
Utilities	32,596	35,417
Waste collection	5,156,104	5,155,237
TOTAL EXPENDITURE	11,254,287	10,858,584
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR	216,964	517,423

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

St. Lucia Solid Waste Management Authority

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Statement of Cash Flows

For the Year Ended March 31, 2010

(Expressed in Eastern Caribbean Dollars)

	2010 \$	2009 \$
Cash Flows from Operating Activities		
Excess of income over expenditure for the year	216,964	517,423
Adjustments for:		
Amortisation of deferred funding assistance	(1,166,499)	(1,178,380)
Release of fixed assets fund	(283,833)	(254,715)
Gain on disposal of property, plant and equipment	(12,375)	-
Interest income	(198,281)	(154,764)
Amortisation of deferred expenditure	1,166,499	1,166,499
Depreciation	466,999	429,320
Operating income before working capital changes	189,474	525,383
Decrease/(increase) in trade and other accounts receivable	564,487	(112,124)
Decrease/(increase) in inventory	88,933	(8,076)
Decrease in trade and other accounts payable	(88,802)	(472,650)
Net cash generated from/(used in) operating activities	754,092	(67,467)
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	12,375	-
Purchase of property, plant and equipment	(47,914)	(461,116)
(Purchase)/disposal of financial investment	(122,575)	2,000,000
Interest received	215,574	160,987
Net cash generated from investing activities	57,460	1,699,871
Cash Flow from Financing Activities		
Funds received	-	281,296
Increase in Cash and Cash Equivalents	811,552	1,913,700
Cash and Cash Equivalents - Beginning of Year	3,224,408	1,310,708
Cash and Cash Equivalents - End of Year	4,035,960	3,224,408

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

St. Lucia Solid Waste Management Authority

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1. Introduction

The primary responsibility of St. Lucia Solid Waste Management 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. Date of Authorisation of Issue

These financial statements were authorised for issue by the Board of Directors on December 3, 2010.

3. 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 as modified by the revaluation of investments available-for-sale.

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. Critical accounting estimates may be made in determining impairment of financial assets as set out in Note 3 (e).

Amendment to International Financial Reporting Standards effective in the 2010 financial year IAS 1 (Revised), Presentation of Financial Statements

The revised standard introduces the term total comprehensive income, which represents changes in equity during the period other than those changes resulting from transactions with owners. Total comprehensive income may be presented in either a single statement of comprehensive income, or in an income statement and a separate statement of comprehensive income. The statement previously entitled 'Balance Sheet' is now referred to as 'Statement of Financial Position'.

Standards that are not yet effective and have not been early adopted

St. Lucia Solid Waste Management Authority has not early adopted the following standard which is mandatory from January 1, 2013:-

IFRS 9, 'Financial Instruments part 1: Classification and measurement'

IFRS 9 was issued in November 2009 and replaces those parts of IAS 39 relating to the classification and measurement of financial assets. Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instruments.

3. 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 date of the financial statements 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 Comprehensive 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 date of the financial statements 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 Comprehensive Income.

(d) Cash and Cash Equivalents

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

(e) Financial Assets

(i) Classification

The Authority classifies its financial assets into these categories:-

- Available-for-sale financial assets;
- Trade and other accounts receivable

Management determines the appropriate classification of these assets at initial recognition.

Available-for-sale financial assets are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Trade and other accounts receivable are financial assets with fixed or determinable payments that are not quoted in an active market.

(ii) Recognition and measurement

Available-for-sale financial assets are carried at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the security is disposed of.

Trade and other accounts receivable are carried at amortised cost less allowance for impairment.

3. Significant Accounting Policies (Cont'd)

(e) Financial Assets (Cont'd)

(iii) Impaired financial assets

A financial asset is considered impaired if its carrying amount exceeds its estimated recoverable amount.

The impairment loss for financial assets is calculated as the difference between the carrying amount and the present value of expected future cash flows discounted at the original effective interest rate. The carrying value of impaired financial assets is reduced by impairment losses. Impairment losses are recognised in the Statement of Comprehensive Income.

(f) Inventory

Inventory is valued at the lower of cost and net realisable value. In general, cost is determined on a specific item basis. Net realisable value is the price at which inventory can be disposed of in the normal course of business after allowing for the cost of realisation. Allowance is made for obsolete, slow-moving and damaged goods.

(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 property, plant and equipment over their estimated useful lives as follows:-

Assets	Estimated useful life
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 Comprehensive 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:-

Projects	Estimated useful life
Deglos landfill	15 years
Upgrade of Vieux Fort landfill	10 years

3. Significant Accounting Policies (Cont'd)

(k) Revenue

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.

(l) Income Tax

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

4. 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 concentrations of credit risk with respect to its cash and cash equivalents and financial investment. This risk is minimised as the cash and investment balances are held with reputable financial institutions.

The Authority is also exposed to credit risk with respect to its trade and other accounts receivable. An amount of \$702,825 (2009 : \$1,094,626) 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 has acknowledged this debt and payments have been made subsequent to the date of the financial statements.

(i) Fully performing trade accounts receivable

	2010 \$	2009 \$
Carrying values:		
Existing customers (some past defaults, fully recovered)	542,199	630,439

4. 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.

	2010 \$	2009 \$
Carrying values:		
With amounts past due under 30 days	50,496	48,971
With amounts past due 31 to 60 days	156,875	618,262
With amounts past due 61 to 90 days	20,749	31,890
With amounts past due over 90 days	61,649	31,005
	<u>289,769</u>	<u>730,128</u>

The Authority has no impaired trade accounts receivable.

(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 \$701,383 (2009 : \$790,185). Trade accounts payable totalling \$489,999 (2009 : \$438,973) are contractually repayable within 30 days. Other trade accounts payable have no contractual terms of repayment.

4. 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, 2010					
Financial Assets					
Cash and cash equivalents	2,547,694	-	-	1,488,266	4,035,960
Financial investment	2,123,157	-	-	-	2,123,157
Trade and other accounts receivable	-	-	-	840,343	840,343
	<u>4,670,851</u>	<u>-</u>	<u>-</u>	<u>2,328,609</u>	<u>6,999,460</u>
Financial Liability					
Trade and other accounts payable	-	-	-	701,383	701,383
Total Interest Sensitivity Gap	<u>4,670,851</u>	<u>-</u>	<u>-</u>	<u>1,627,226</u>	<u>6,298,077</u>
As at March 31, 2009					
Financial Assets					
Cash and cash equivalents	2,554,770	-	-	669,638	3,224,408
Financial investment	2,017,875	-	-	-	2,017,875
Trade and other accounts receivable	-	-	-	1,360,567	1,360,567
	<u>4,572,645</u>	<u>-</u>	<u>-</u>	<u>2,030,205</u>	<u>6,602,850</u>
Financial Liability					
Trade and other accounts payable	-	-	-	790,185	790,185
Total Interest Sensitivity Gap	<u>4,572,645</u>	<u>-</u>	<u>-</u>	<u>1,240,020</u>	<u>5,812,665</u>

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

	Interest Rates	
	2010	2009
Financial Assets		
Cash and cash equivalents	3.5%	3.5%
Financial investment	5%	5.25%

4. Financial Risk Management (Cont'd)

(d) Fair Value of Financial Instruments

Fair value risk is the risk that the fair value of a financial instrument may vary in response to changes in interest rates, equity prices, currency exchange rates or other market forces.

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 the financial investment. The Authority's financial assets and financial liabilities as disclosed in the Statement of Financial Position approximate their fair value.

5. Cash and Cash Equivalents

	2010 \$	2009 \$
Operating account	1,487,466	668,838
Gratuity account	2,547,694	2,554,770
Petty cash	800	800
	4,035,960	3,224,408

The accrued gratuities balance at year end, as indicated in note 10 is \$171,131 (2009 : \$227,408). The balance in this account represents short-term surplus funds which are deposited here in order to obtain interest income.

6. Financial Investment

	2010 \$	2009 \$
Investment available-for-sale	2,122,575	2,000,000
Interest receivable	582	17,875
	2,123,157	2,017,875

This investment is held with Caribbean Money Market Brokers and matures on April 28, 2010.

7. Trade and Other Accounts Receivable

	2010 \$	2009 \$
Saint Lucia Air and Sea Ports Authority	702,825	1,094,626
Other trade receivables	129,143	265,941
	831,968	1,360,567
Prepaid expenses	37,848	82,111
Staff receivable	8,375	-
	878,191	1,442,678

8. Deferred Expenditure

	Deglos Landfill \$	Vieux Fort Landfill \$	Total \$
Balance - March 31, 2008	6,282,761	1,218,322	7,501,083
Amortisation for the year	(913,565)	(252,934)	(1,166,499)
Balance - March 31, 2009	5,369,196	965,388	6,334,584
Amortisation for the year	(913,565)	(252,934)	(1,166,499)
Balance - March 31, 2010	4,455,631	712,454	5,168,085

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

St. Lucia Solid Waste Management Authority

Notes to the Financial Statements
 For the Year Ended March 31, 2010
 (Expressed in Eastern Caribbean Dollars)

9. Property, Plant and Equipment

	Land Improvements \$	Office Equipment \$	Furniture and Fittings \$	Motor Vehicles \$	Sanitary Equipment \$	Buildings \$	Total \$
At March 31, 2008							
Cost	187,757	195,685	90,923	3,891,217	3,559,234	920,063	8,844,879
Accumulated depreciation	(13,755)	(132,977)	(75,137)	(3,250,744)	(3,160,085)	(219,770)	(6,852,468)
Net book value	174,002	62,708	15,786	640,473	399,149	700,293	1,992,411
Year ended March 31, 2009							
Opening net book value	174,002	62,708	15,786	640,473	399,149	700,293	1,992,411
Additions	61,300	36,357	2,080	-	361,379	-	461,116
Depreciation charge	(11,492)	(35,589)	(6,771)	(165,200)	(164,265)	(46,003)	(429,320)
Closing net book value	223,810	63,476	11,095	475,273	596,263	654,290	2,024,207
At March 31, 2009							
Cost	249,057	232,042	93,003	3,891,217	3,920,613	920,063	9,305,995
Accumulated depreciation	(25,247)	(168,566)	(81,908)	(3,415,944)	(3,324,350)	(265,773)	(7,281,788)
Net book value	223,810	63,476	11,095	475,273	596,263	654,290	2,024,207
Year ended March 31, 2010							
Opening net book value	223,810	63,476	11,095	475,273	596,263	654,290	2,024,207
Additions	-	36,147	11,767	-	-	-	47,914
Depreciation charge	(14,474)	(36,189)	(7,239)	(165,202)	(197,892)	(46,003)	(466,999)
Closing net book value	209,336	63,434	15,623	310,071	398,371	608,287	1,605,122
At March 31, 2010							
Cost	249,057	239,420	98,591	3,242,452	3,297,354	920,063	8,046,937
Accumulated depreciation	(39,721)	(175,986)	(82,968)	(2,932,381)	(2,898,983)	(311,776)	(6,441,815)
Net book value	209,336	63,434	15,623	310,071	398,371	608,287	1,605,122

Notes to the Financial Statements
For the Year Ended March 31, 2010
(Expressed in Eastern Caribbean Dollars)

9. Property, Plant and Equipment (Cont'd)

Gain on Disposal

	Cost \$	Accumulated Depreciation \$	Net Book Value \$	Proceeds \$	Gain \$
March 31, 2010					
Office equipment	28,769	28,769	-	-	-
Furniture and fittings	6,179	6,179	-	-	-
Motor vehicles	648,765	648,765	-	12,375	12,375
Sanitary equipment	623,259	623,259	-	-	-
	<u>1,306,972</u>	<u>1,306,972</u>	-	<u>12,375</u>	<u>12,375</u>

10. Trade and Other Accounts Payable

	2010 \$	2009 \$
Accounts payable	489,999	438,973
Accrued gratuities	171,131	227,408
Audit fees payable	12,500	12,500
Other accrued liabilities	-	9,147
Union site rehabilitation	-	77,835
Withholding tax payable	27,753	24,322
	<u>701,383</u>	<u>790,185</u>

11. 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. The amount is deferred because the Authority plans to use this amount in the event that they become liable for a pending claim made against them by GPEC (see note 15).

12. Fixed Assets Fund

This balance represents the written down value of fixed assets purchased under the World Bank Project to be used at the landfills. 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.

13. Deferred Funding Assistance

	School Project British High Commission \$	Deglos Landfill CDB \$	Vieux Fort Landfill IBRD /IDA \$	Total \$
Balance - March 31, 2008	46,297	5,951,594	1,127,917	7,125,808
Released to revenue	(11,880)	(913,567)	(252,933)	(1,178,380)
Balance - March 31, 2009	34,417	5,038,027	874,984	5,947,428
Released to revenue	-	(913,565)	(252,934)	(1,166,499)
Balance - March 31, 2010	34,417	4,124,462	622,050	4,780,929

Deferred Funding Assistance comprises the following:-

British High Commission

Grant funds received from the British High Commission are released to income as the amounts are expensed for the projects.

Caribbean Development Bank

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

IBRD/IDA

Deferred funding assistance includes a non-interest bearing loan which was received from the International Bank for Reconstruction and Development and a loan received from the International Development Association. The Government of Saint Lucia is responsible for the payment of interest and repayment of the loan.

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.

14. 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.

15. Contingent Liability

There is a pending claim against the Authority in which GPEC, a subcontracting company of Canadian Commercial Corporation, claims \$5,100,000 for breach of contract in respect of the Deglos Landfill Project.

The Authority received approximately \$5,100,000 as a result of claims made against the Canadian Commercial Corporation relating to destruction of the Authority's property during construction work.

The Authority has recorded the amount as deferred income and plans to use those funds in the event that they become liable for the pending claims against them.

16. Employee and Management Costs

Included in expenditure are the following:-

	2010 \$	2009 \$
Administrative Staff		
Salaries	761,860	694,724
National Insurance contributions	31,622	32,670
Gratuity	125,515	119,842
Other staff costs	30,732	26,791
	<u>949,729</u>	<u>874,027</u>
Landfill Staff		
Salaries and wages	442,211	413,189
National Insurance contributions	16,566	15,857
Gratuity	10,900	10,500
Other staff costs	12,306	10,448
	<u>481,983</u>	<u>449,994</u>
	<u>1,431,712</u>	<u>1,324,021</u>

The average number of employees for the year ended March 31, 2010 was 31 (2009 : 32).