



**St. Lucia Solid Waste  
Management Authority**  
Financial Statements  
Year Ended March 31, 2011  
(Expressed in Eastern Caribbean Dollars)

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## **REGISTERED OFFICE**

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Sans Souci  
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St. Lucia

## **DIRECTORS**

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Felix St. Hill  
Wilson Sifflet  
Brender Portland-Reynolds  
Agosta Degazon  
John St. Lucy  
Michael Flood  
Alan Didier  
Gregor Louis  
Donovan Williams  
Noorani Azeez

## **SECRETARY**

Arlett Ruiz

## **SOLICITOR**

Greene Nelson & Associates

## **BANKER**

Bank of Saint Lucia Limited

## **AUDITORS**

BDO  
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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, 2011, 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, 2011, and the results of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

August 11, 2011

# St. Lucia Solid Waste Management Authority

## Statement of Financial Position


As at March 31, 2011

(Expressed in Eastern Caribbean Dollars)

	Notes	2011 \$	2010 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	2,926,230	4,035,960
Financial investment	7	2,227,068	2,123,157
Trade and other accounts receivable	8	766,326	878,191
Inventory		370,568	387,903
		<u>6,290,192</u>	<u>7,425,211</u>
<b>Long-term Assets</b>			
Deferred expenditure	9	4,001,583	5,168,085
Property, plant and equipment	10	1,338,212	1,605,122
		<u>5,339,795</u>	<u>6,773,207</u>
<b>TOTAL ASSETS</b>		<u>11,629,987</u>	<u>14,198,418</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Current Liabilities</b>			
Trade and other accounts payable	11	707,363	701,383
Deferred income	12	5,141,436	5,141,436
		<u>5,848,799</u>	<u>5,842,819</u>
<b>Fund Balances</b>			
Fixed assets fund	13	788,674	1,072,506
Deferred funding assistance	14	3,580,010	4,780,929
Fund balance		1,412,504	2,502,164
		<u>5,781,188</u>	<u>8,355,599</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<u>11,629,987</u>	<u>14,198,418</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, 2011  
(Expressed in Eastern Caribbean Dollars)

	Fixed Assets Fund \$	Deferred Funding Assistance \$	Fund Balance \$	Total \$
<b>Balance as at March 31, 2009</b>	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
<b>Balance as at March 31, 2010</b>	1,072,506	4,780,929	2,502,164	8,355,599
Amortisation of fund balances	(283,832)	(1,200,919)	-	(1,484,751)
Excess of expenditure over income for the year	-	-	(1,089,660)	(1,089,660)
<b>Balance as at March 31, 2011</b>	788,674	3,580,010	1,412,504	5,781,188

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, 2011

(Expressed in Eastern Caribbean Dollars)

	Notes	2011 \$	2010 \$
<b>INCOME</b>			
Amortisation of deferred funding assistance	14	1,200,919	1,166,499
Environmental levy		3,904,229	4,288,265
Gain on disposal of property, plant and equipment	10	-	12,375
Government of Saint Lucia		4,000,000	5,000,000
Interest income		199,801	198,281
Other income		478,110	521,998
Release of fixed assets fund		283,832	283,833
<b>TOTAL INCOME</b>		<b>10,066,891</b>	<b>11,471,251</b>
<b>EXPENDITURE</b>			
Advertising and public relations		133,979	151,183
Audit fees		12,600	12,500
Bank charges		3,569	2,868
Board expenses		15,200	22,600
Depreciation	10	445,433	466,999
Environmental levy deductions		501,433	567,137
Landfill operating costs:			
- Amortisation	9	1,166,502	1,166,499
- Operating costs		2,098,429	2,450,810
- Professional services		1,461	72,377
Loss on disposal of property, plant and equipment	10	6,012	-
Miscellaneous		8,848	4,215
Motor vehicle expenses		-	5,504
Office expenses		49,099	57,567
Office rental		36,000	36,000
Professional fees		10,819	22,450
Safety equipment expenses		1,858	1,082
Salaries and staff benefits	17	1,083,151	949,729
Service contracts/maintenance		8,834	9,069
Subscriptions		1,560	2,421
Training/overseas travel/consultations		30,882	34,110
Travel and entertainment		31,017	30,467
Utilities		33,931	32,596
Waste collection		5,475,934	5,156,104
<b>TOTAL EXPENDITURE</b>		<b>11,156,551</b>	<b>11,254,287</b>
<b>EXCESS OF (EXPENDITURE OVER INCOME)/INCOME OVER EXPENDITURE FOR THE YEAR</b>		<b>(1,089,660)</b>	<b>216,964</b>

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, 2011

(Expressed in Eastern Caribbean Dollars)

	2011 \$	2010 \$
<b>Cash Flows from Operating Activities</b>		
Excess of (expenditure over income)/income over expenditure for the year	(1,089,660)	216,964
<b>Adjustments for:</b>		
Amortisation of deferred funding assistance	(1,200,919)	(1,166,499)
Release of fixed assets fund	(283,832)	(283,833)
Loss/(gain) on disposal of property, plant and equipment	6,012	(12,375)
Interest income	(199,801)	(198,281)
Amortisation of deferred expenditure	1,166,502	1,166,499
Depreciation	445,433	466,999
<b>Operating (loss)/income before working capital changes</b>	(1,156,265)	189,474
Decrease in trade and other accounts receivable	111,865	564,487
Decrease in inventory	17,335	88,933
Increase/(decrease) in trade and other accounts payable	5,980	(88,802)
<b>Net cash (used in)/generated from operating activities</b>	(1,021,085)	754,092
<b>Cash Flows from Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	-	12,375
Purchase of property, plant and equipment	(184,535)	(47,914)
Purchase of financial investment	(103,670)	(122,575)
Interest received	199,560	215,574
<b>Net cash (used in)/generated from investing activities</b>	(88,645)	57,460
<b>(Decrease)/Increase in Cash and Cash Equivalents</b>	(1,109,730)	811,552
<b>Cash and Cash Equivalents - Beginning of Year</b>	4,035,960	3,224,408
<b>Cash and Cash Equivalents - End of Year</b>	2,926,230	4,035,960

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



# St. Lucia Solid Waste Management Authority

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## 1. Introduction

The St. Lucia Solid Waste Management Authority was formed under the Saint Lucia Solid Waste Management Authority Act No. 20 of 1996. This Act was later repealed and replaced by the Waste Management Act No. 8 of 2004.

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. Going Concern

The Authority was in a net deficit position at the end of the current financial year and is forecast to remain in a net deficit position in the subsequent year. In addition, payment of \$5,100,000 and the further contingent liability of \$3,240,000 (see note 16) may jeopardise the going concern of the Authority, due to lack of cashflows, without the additional support from Government.

## 3. Date of Authorisation of Issue

These financial statements were authorised for issue by the Board of Directors on August 11, 2011.

## 4. 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 4 (e).

#### 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.

## 4. 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; and
- 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.

#### 4. Significant Accounting Policies (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:-

<b>Assets</b>	<b>Estimated Useful Lives</b>
Land improvements	5 and 6 2/3 years
Office equipment	3 and 5 years
Furniture and fittings	5 years
Motor vehicles	5 years
Sanitary equipment	3 and 5 years
Buildings	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:-

<b>Projects</b>	<b>Estimated Useful Lives</b>
Deglos landfill	15 years
Upgrade of Vieux Fort landfill	10 years

**4. 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.

## 5. 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 \$621,451 (2010 : \$702,825) 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

	2011 \$	2010 \$
<b>Carrying values:</b>		
Existing customers (some past defaults, fully recovered)	521,691	542,199

#### (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.

	2011 \$	2010 \$
<b>Carrying values:</b>		
With amounts past due under 30 days	38,198	50,496
With amounts past due 31 to 60 days	153,776	156,875
With amounts past due 61 to 90 days	2,449	20,749
With amounts past due over 90 days	6,752	61,649
	<u>201,175</u>	<u>289,769</u>

The Authority has no impaired trade accounts receivable.

## 5. Financial Risk Management (Cont'd)

### (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 \$707,363 (2010 : \$701,383). Trade accounts payable totalling \$472,247 (2010 : \$489,999) are contractually repayable within 30 days. Other trade accounts payable have no contractual terms of repayment.

### (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 \$
<b>As at March 31, 2011</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	2,093,554	-	-	832,676	2,926,230
Financial investment	2,226,245	-	-	823	2,227,068
Trade and other accounts receivable	-	-	-	722,866	722,866
	<u>4,319,799</u>	<u>-</u>	<u>-</u>	<u>1,556,365</u>	<u>5,876,164</u>
<b>Financial Liability</b>					
Trade and other accounts payable	-	-	-	707,363	707,363
<b>Total Interest Sensitivity Gap</b>	<u>4,319,799</u>	<u>-</u>	<u>-</u>	<u>849,002</u>	<u>5,168,801</u>
<b>As at March 31, 2010</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	2,547,694	-	-	1,488,266	4,035,960
Financial investment	2,122,575	-	-	582	2,123,157
Trade and other accounts receivable	-	-	-	840,343	840,343
	<u>4,670,269</u>	<u>-</u>	<u>-</u>	<u>2,329,191</u>	<u>6,999,460</u>
<b>Financial Liability</b>					
Trade and other accounts payable	-	-	-	701,383	701,383
<b>Total Interest Sensitivity Gap</b>	<u>4,670,269</u>	<u>-</u>	<u>-</u>	<u>1,627,808</u>	<u>6,298,077</u>

## 5. Financial Risk Management (Cont'd)

### (c) Interest Rate Risk (Cont'd)

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

	Interest Rates	
	2011	2010
<b>Financial Assets</b>		
Cash and cash equivalents	3.5%	3.5%
Financial investment	4.5%	5%

### (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.

## 6. Cash and Cash Equivalents

	2011	2010
	\$	\$
Operating account	831,876	1,487,466
Gratuity account	2,093,554	2,547,694
Petty cash	800	800
	2,926,230	4,035,960

The accrued gratuities balance at year end, as indicated in note 11 is \$178,187 (2010 : \$171,131). The balance in this account represents short-term surplus funds which are deposited here in order to obtain interest income.

## 7. Financial Investment

	2011	2010
	\$	\$
Investment available-for-sale	2,226,245	2,122,575
Interest receivable	823	582
	2,227,068	2,123,157

This investment is held with First Citizens Investment Services Limited and matures on April 27, 2011 (2010 : April 28, 2010).



Notes to the Financial Statements  
 For the Year Ended March 31, 2011  
 (Expressed in Eastern Caribbean Dollars)

#### 8. Trade and Other Accounts Receivable

	2011	2010
	\$	\$
Saint Lucia Air and Sea Ports Authority	621,451	702,825
Other trade receivables	101,415	129,143
	<u>722,866</u>	<u>831,968</u>
Prepaid expenses	43,460	37,848
Staff receivable	-	8,375
	<u><u>766,326</u></u>	<u><u>878,191</u></u>

#### 9. Deferred Expenditure

	Deglos Landfill	Vieux Fort Landfill	Total
	\$	\$	\$
<b>Balance - March 31, 2009</b>	5,369,196	965,388	6,334,584
Amortisation for the year	(913,565)	(252,934)	(1,166,499)
<b>Balance - March 31, 2010</b>	4,455,631	712,454	5,168,085
Amortisation for the year	(913,566)	(252,936)	(1,166,502)
<b>Balance - March 31, 2011</b>	<u><u>3,542,065</u></u>	<u><u>459,518</u></u>	<u><u>4,001,583</u></u>

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

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Notes to the Financial Statements

For the Year Ended March 31, 2011

(Expressed in Eastern Caribbean Dollars)

## 10. Property, Plant and Equipment

	Land Improvements \$	Office Equipment \$	Furniture and Fittings \$	Motor Vehicles \$	Sanitary Equipment \$	Buildings \$	Total \$
<b>At March 31, 2009</b>							
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)
<b>Net book value</b>	<b>223,810</b>	<b>63,476</b>	<b>11,095</b>	<b>475,273</b>	<b>596,263</b>	<b>654,290</b>	<b>2,024,207</b>
<b>Year ended March 31, 2010</b>							
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
<b>At March 31, 2010</b>							
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)
<b>Net book value</b>	<b>209,336</b>	<b>63,434</b>	<b>15,623</b>	<b>310,071</b>	<b>398,371</b>	<b>608,287</b>	<b>1,605,122</b>
<b>Year ended March 31, 2011</b>							
Opening net book value	209,336	63,434	15,623	310,071	398,371	608,287	1,605,122
Additions	122,653	9,465	3,010	-	49,407	-	184,535
Disposals	-	-	-	-	(6,012)	-	(6,012)
Depreciation charge	(14,474)	(30,693)	(6,032)	(165,200)	(183,031)	(46,003)	(445,433)
Closing net book value	317,515	42,206	12,601	144,871	258,735	562,284	1,338,212
<b>At March 31, 2011</b>							
Cost	371,710	236,257	101,601	3,242,452	3,298,716	920,063	8,170,799
Accumulated depreciation	(54,195)	(194,051)	(89,000)	(3,097,581)	(3,039,981)	(357,779)	(6,832,587)
<b>Net book value</b>	<b>317,515</b>	<b>42,206</b>	<b>12,601</b>	<b>144,871</b>	<b>258,735</b>	<b>562,284</b>	<b>1,338,212</b>

Notes to the Financial Statements  
For the Year Ended March 31, 2011  
(Expressed in Eastern Caribbean Dollars)

**10. Property, Plant and Equipment (Cont'd)****(Loss)/Gain on Disposal**

	Cost \$	Accumulated Depreciation \$	Net Book Value \$	Proceeds \$	(Loss)/ Gain \$
<b>March 31, 2011</b>					
Office equipment	12,628	(12,628)	-	-	-
Sanitary equipment	48,045	(42,033)	6,012	-	(6,012)
	<u>60,673</u>	<u>(54,661)</u>	<u>6,012</u>	<u>-</u>	<u>(6,012)</u>
<b>March 31, 2010</b>					
Office equipment	28,769	(28,769)	-	-	-
Furniture and fitting	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>-</u>	<u>12,375</u>	<u>12,375</u>

**11. Trade and Other Accounts Payable**

	2011 \$	2010 \$
Accounts payable	472,247	489,999
Accrued gratuities	178,187	171,131
Audit fees payable	12,500	12,500
Other accrued liabilities	7,999	-
Withholding tax payable	36,430	27,753
	<u>707,363</u>	<u>701,383</u>

**12. Deferred Income**

This relates to funds received from Canadian Commercial Corporation (CCC) 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 to settle separate claims filed by the CCC against the Authority (see note 16).

**13. 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.

**14. Deferred Funding Assistance**

	School Project British High Commission \$	Deglos Landfill CDB \$	Vieux Fort Landfill IBRD / IDA \$	Total \$
<b>Balance - March 31, 2009</b>	34,417	5,038,027	874,984	5,947,428
Released to revenue	-	(913,565)	(252,934)	(1,166,499)
<b>Balance - March 31, 2010</b>	34,417	4,124,462	622,050	4,780,929
Released to revenue	(34,417)	(913,566)	(252,936)	(1,200,919)
<b>Balance - March 31, 2011</b>	-	3,210,896	369,114	3,580,010

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 9). The deferred funding assistance for consulting fees is released to income over the useful life of the equipment purchased (see Note 9).

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.

**15. Reserve Fund**

As per Schedule 3, Section 17 (1) and (2) of the Waste Management Act No. 8 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.

**16. Contingent Liability**

Due to various decisions of the Dispute Adjudication Board (DAB), Canadian Commercial Corporation (CCC), which was the main contractor for the Deglos Landfill Project, was awarded to date approximately \$8,340,000 inclusive of interest. This was as a result of claims made by CCC against St. Lucia Solid Waste Management Authority for breach of contract in respect of the Deglos Landfill Project. The award was subsequently negotiated between CCC and the Authority, and a settlement was agreed to in principle in the amount \$5,100,000.

However, an injunction was granted by the High Court in Claim No: SLUHCV 2008/1015 on October 16, 2008 by virtue of which the court restrained CCC from receiving any further payments from the Authority in respect of settlement of the DAB claims. This claim is pending before the High Court in which National Contractors Ltd. (NCL), one of the joint venture partners, seeks among other things to cancel the Settlement Agreement between CCC and the Authority under which the Authority was paid \$5,100,000. There are no claims subsisting against the Authority in the St. Lucia Courts at this time in reference to this project.

In order to minimize further interest costs, the Authority will pay into the courts in St. Lucia the negotiated settlement of \$5,100,000, which is already recorded in the accounts as deferred income (see note 12). There is a contingent liability of a further \$3,240,000, being the difference between DAB awards and the negotiated settlement, pending the injunction coming to a close and the end of all litigation and arbitration.

**17. Employee and Management Costs**

Included in expenditure are the following:-

	2011 \$	2010 \$
<b>Administrative Staff</b>		
Salaries	905,708	761,860
National Insurance contributions	31,836	31,622
Gratuity	112,760	125,515
Other staff costs	32,847	30,732
	1,083,151	949,729
<b>Landfill Staff</b>		
Salaries and wages	439,144	442,211
National Insurance contributions	15,328	16,566
Gratuity	8,075	10,900
Other staff costs	10,312	12,306
	472,859	481,983
	1,556,010	1,431,712

Employee costs for the landfill staff are included in landfill operating costs.

The average number of employees for the year ended March 31, 2011 was 31 (2010 : 31).

**18. Prior Year Comparatives**

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