THE NEW NORMAL

ACHIEVING

ADAPTING

ACCELERATING

ANNUAL REPORT 2020/21

National Solid Waste Management Authority

MISSION

WE CONTRIBUTE TO A CLEAN, HEALTHY AND BEAUTIFUL JAMAICA THROUGH EFFECTIVE AND EFFICIENT STANDARDIZATION, ENFORCEMENT, PUBLIC EDUCATION, COLLECTION AND FINAL DISPOSAL OF SOLID WASTE.

SUCCESS

VISION

NSWMA, A PURPOSE DRIVEN, RESULT-ORIENTED AND TECHNOLOGICALLY FOCUSED PLACE OF CHOICE TO WORK HAS ENABLED ALL CITIZENS TO PRACTICE 'REDUCE, REUSE AND RECYCLE' RESULTING IN A CLEAN, HEALTHY AND BEAUTIFUL JAMAICA.

VALUES

ACCOUNTABILITY
TEAM-WORK
TRANSPARENCY
INTEGRITY
RESPECT
EXCELLENCE

List of Acronyms

BSc	Bachelor of Science
COVID-19	Corona Virus Disease 2019
FY	Financial Year
ICDP	Integrated Community Development Project
JSIF	Jamaica Social Investment Fund
JICA	Japan International Cooperation Agency
MD&A	Management Discussion & Analysis
MPM	MPM Waste Management Limited
NSWM Act	National Solid Waste Management Act
NSWMA	National Solid Waste Management Authority
NEPM	NEPM Waste Management Limited
NWA	National Works Agency
PET	Polyethylene Terephthalate
RPJ	Recycling Partners of Jamaica
RADA	Rural Agricultural Development Authority
SPM	SPM Waste Management Limited
SOLID	Stamp Out Littering and Illegal Dumping
UNEP	United Nations Environment Programme
UCC	University of the Commonwealth Caribbean
WPM	WPM Waste Management Limited
ZOSO	Zones of Special Operations

THEME:

THE NEW NORMAL:

ACHIEVING ADAPTING ACCELERATING

At the National Solid Waste Management Authority (NSWMA) we pride ourselves in our values of Accountability, Teamwork, Transparency, Integrity, Respect and Excellence. Through these values we made a commitment to ourselves, our customers, our colleagues, our partners, our stakeholders and to Jamaica, to manage waste in an efficient manner.

During the 2020/2021 Financial Year we had to live our values in our daily undertakings, as the COVID-19 pandemic came with its many challenges within which we had to operate. Irrespective of gender, age or post, our staff turned up for work and responded in a manner that is beyond exemplary; to sweep our streets, collect our waste and beautify our roadways. Our teamwork and love for our jobs allowed us to operate beyond the call of duty while ensuring that during this new normal we achieved, adapted and accelerated our goals. This was all being done while we adjust and relinquish our minds of the fears of the pandemic and implement proactive measures.

It is for these reasons that the theme “The New Normal: Achieving, Adapting, Accelerating was adopted for this year's report. After all, we are a piece of charcoal that handles stress well and when we do so, opportunities arise.

WHAT'S INSIDE

National Solid Waste Management Authority

MINISTER'S MESSAGE

I am very pleased with the work of the National Solid Waste Management Authority, as it continues its impressive trajectory of performance in the field, and effective observance of its corporate governance and reporting functions. The tabling of this Annual Report for 2020/2021 is a glowing testament to this reality that the NSWMA has aggressively carved out for itself. The hard work, dedication and ingenuity of the people who serve Jamaica through the NSWMA have caused it to be the turnaround story of the public sector.

The onset of COVID-19 has only increased the resolve of the Agency to find new and better ways to serve the public. This is already being borne out in its execution of its core business, public cleansing, where the NSWMA collected one million and 14-thousand tonnes of waste in the last financial year. In an innovation to further promote clean public spaces, a mobile app was developed to report littering in public spaces and illegal dumping. As a result, the Agency was able to conclude 49% of its investigations into illegal dumpsites identified across the island.

I am very heartened by the positive public response to the app, with 110 notifications and images submitted regarding illegal dumpsites. The mobile app has also allowed the NSWMA to respond swiftly - between 24 and 48 hours - to notifications it receives about delayed garbage collection and littering. As a result of ongoing sensitization about proper containment of waste, commercial compliance is at 86% and residential compliance is at a high of 94%. At the same time, the Agency continues to develop local and international partnerships to tackle the pervasive problem of plastic waste in the environment, while expanding its monitoring capacity. Through the Rae Town Plastic Minimization Project, funded by the Japanese Government under the United Nations Environment Programme, nearly 17-thousand pounds of plastic were collected. Sixteen environmental wardens were also trained in plastic separation, plastic recycling and community sensitization about solid waste disposal. Another plastic waste collection project, the St. Andrew Northern & Eastern Belt Initiative, yielded over 82-thousand pounds of plastic. In addition to executing its responsibilities, the Agency has continued the sound management of its commercial affairs, by earning Own Source Revenues amounting to nearly $439 million over the last fiscal year. congratulate the NSWMA, and I urge the public to do its part to reduce littering, prevent and report illegal dumping, to make our communities and public spaces consistently clean.

Desmond McKenzie CD, MP, JP
Minister
Local Government & Rural Development

CHAIRMAN'S MESSAGE

Amid the profound upheaval of 2020/21, NSWMA's fundamental purpose never wavered. We began our financial year as a company with utmost confidence in our business strategy.
We ended the year more certain than ever of the essential and life-changing role that our sanitation workers play in keeping our country clean and protecting health and environment.

Along with our entire board, I have always valued how the Authority's employees rise to meet every challenge and opportunity. We thank them for taking that dedication to new heights this past year as they adapted to the challenges of a global pandemic and delivered outstanding service for NSWMA's customers when they needed us the most.

As a most critical essential service, our team - on the road, in the office, or the board – never had the luxury of staying at home and had to carry on business as usual. For that I commend their dedication.

Throughout 2020/2021, our board responded to the economic impacts and operational setbacks from COVID-19 with strong governance and oversight. The board also approved an Enterprise Risk Management Framework, which along with identifying and monitoring risks, will assess how the consequences from COVID-19 have influenced our overall risk profile and how we will move forward.

The foundational values of accountability, transparency, and integrity drive long-term success for the Authority, as well as for the citizens we serve. We reinforced our commitment to doing business in the right way during 2020/21 through our governance structure. This won us two awards at the Corporate Governance Awards. I am very proud of these awards - The award for Corporate Governance Policies, Procedures and Practices (1 st place) and 1st runner up for Most Improved Public Body.

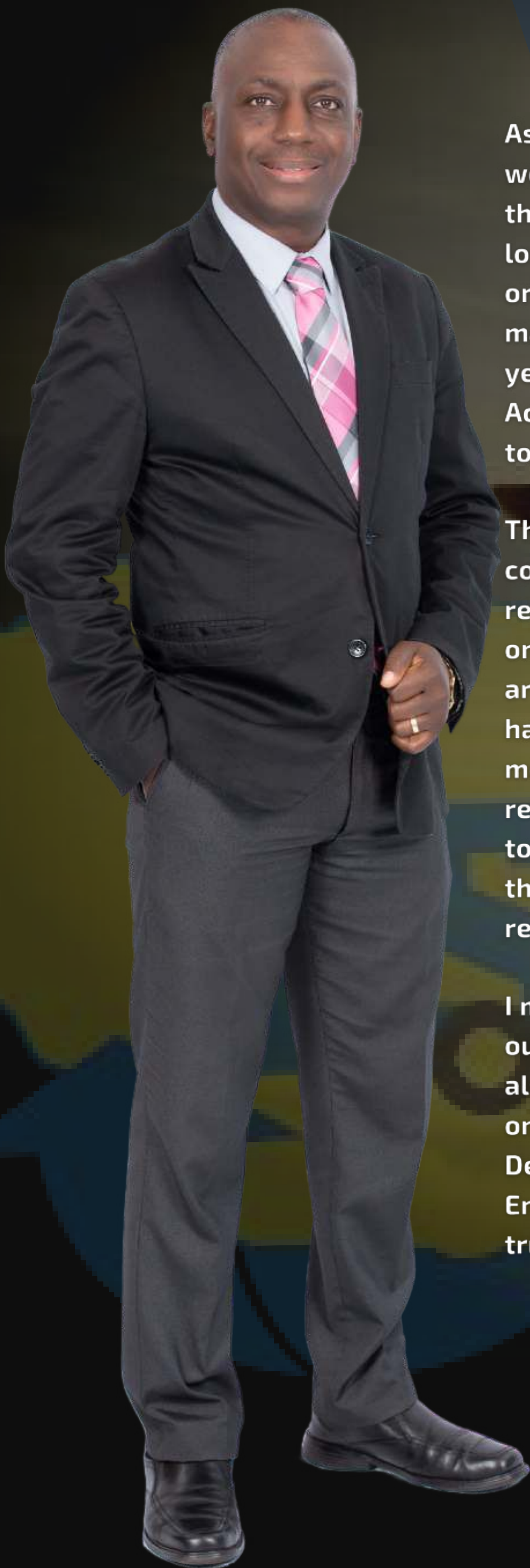
These and many other accomplishments in 2020/21 connect directly to the passionate and talented employees who embody our corporate culture. We recognize the importance of ensuring that the NSWMA is a place where all our employees feel safe, protected, supported and rewarded.

I want to thank my fellow board members for contributing their expertise and industry, knowledge, and the commitment over the years, especially Camille Facey, who has been with me on this journey since 2015. We also welcome Messrs. Fabian Brown, Wade Brown, Ms. Jodiel Ebanks and Ms. Jodian Myrie who joined the Board in January 2021 and already we are feeling the enthusiasm if their contribution.

Also, I commend our management team, led by Audley Gordon, for so capably executing the NSWMA's business strategy in a turbulent year. Although some uncertainty remains in our industry, I feel confident that the Authority is on a strong footing. It is my privilege to share
this 2020/21 Annual Report which celebrates the impact of our ceaseless dedication to connecting with purpose in all that we do.

Dennis Chung
Chairman of the NSWMA Board of Directors

EXECUTIVE DIRECTOR'S MESSAGE



As I reflect on a uniquely challenging year, one thing is clear — we have all been impacted by COVID-19. My heart goes out to those who are grieving the passing of loved ones, to those who lost their jobs, and to the business owners who have struggled or were forced to shut down. While it has been a tough year for many, I am optimistic that better days are ahead. The title of this year's report "The New Normal: Achieving, Adapting, Accelerating" highlights both the reality of today and hope for tomorrow as we move forward together.

The services we provide are essential and our operations have continued uninterrupted. Much of the work we do cannot be done remotely or via telecommuting. Our men and women are as much on the frontline as any other essential service provider and they are vigilant, persistent, responsible and professional, working harder and longer hours than usual on behalf of taxpayers. With more of our customers staying home, the volume of garbage, recycling, and bulky materials collected increased by 144,716 tonnes over the last fiscal period. We could not have managed this increased tonnage without trucks - without this valuable resource, our operation would be ineffective.

I must say thanks to the Government of Jamaica which increased our fleet with the allocation of 20 new Shacman units. Thanks also to the Jamaica Social Investment Fund (JSIF) which donated one compactor truck through the Integrated Community Development Project (ICDP) and to the United Nations Environment Programme and Japan which donated one tipper truck through the Rae Town Plastic Waste Minimization Project.

We are always on the lookout for ways we can be more responsive, adapt and evolve to meet the needs of the people we serve and the conditions in which we operate. Despite numerous challenges, we were able to continue the professional development of our staff virtually. One hundred and ninety-one members were trained, exceeding the target of 120 by 71.

Of this number, eight staff members were able to participate in a training opportunity offered by the Japan International Cooperation Agency (JICA). The online course, “Technology for Solid Waste Management with Recycling Promotion for Sound Material Cycle Society” was channelled through YouTube lecture videos. This training was a good opportunity as the Authority and its regional companies have placed increased emphasis on the country’s need to practice the three R’s – Reduce, Reuse, Recycle.

Community and public education activities continued despite of the changes within schools. The team went virtual with their presentations, and we were able to sensitize 64.8% of the island's population on the importance of proper solid waste management. - 9.2% more than was achieved in 2019/20.

We continue to seek the best method to help communities that have expressed specific needs, by maximizing internal or external resources. By using a regional approach, we seek to tackle issues most efficiently and effectively with a quest for maximizing positive impacts.

I am happy to report that the Authority copped two awards at the fourth staging of the Ministry of Finance and Public Service/Private Sector Organization of Jamaica's Public Bodies Corporate Governance Awards held in March 2021: 1st place for Corporate Governance Policies, Procedures and Practices and 2nd place for Most Improved Public Body.

This makes me immensely proud of our employees, but it is a stark reminder that the work is just beginning. Our transformation in part is due to the mutually respectful relationships we have forged with our colleagues in government and communities. As we look ahead to 2022 and beyond, the NSWMA will continue to build on past successes while always looking ahead for new opportunities and meeting the upcoming challenges.

A heartfelt thank you to our board members who offer significant strategic direction and oversight for the entire organization. A special thanks to the various committee members who diligently pore over a mass of documentation and contribute to the cohesion of our regional entities. I want to thank the department heads and support staff for their continued engagement. When you hire the right people, you get the right results. I am truly optimistic as we have proven that there is nothing we cannot handle.

In closing, I want to thank and acknowledge the people we serve and our stellar employees for their patience, kindness and support during this pandemic. The unwavering dedication of everyone at the NSWMA to ensure we fulfill our mandate has given me unending amounts of hope and gratitude. On behalf of the entire leadership team, THANK YOU! You are true champions.

Audley Gordon
Executive Director, NSWMA

corporate PROFILE

WHO ARE WE

DISPOSAL MANAGEMENT

The National Solid Waste Management Authority (NSWMA) was established under the National Solid Waste Management Act 2001, as a statutory body, to manage the collection, treatment and disposal of solid waste in Jamaica. Since its inception, the NSWMA has been serving the entire island of Jamaica and its populace; providing timely, efficient solid waste management services in order to safeguard public health while helping to create an environment befitting for all to enjoy and preserve. Prior to the establishment of the NSWMA, waste management services were carried out by MPM Waste Management Limited, WPM Waste Management Limited, NEPM Waste Management Limited and SPM Waste Management Limited founded in 1984, 1987, 1988 and 1988 respectively. On establishment, the NSWMA assumed management and direct oversight responsibilities of the regional companies similar to that of managing a group of companies. This relationship has continued to date.

The aforementioned waste management companies have specific jurisdictions which are separated by parish boundaries. The image above outlines the waste management companies, the parishes served and disposal sites managed.

WHAT WE DO

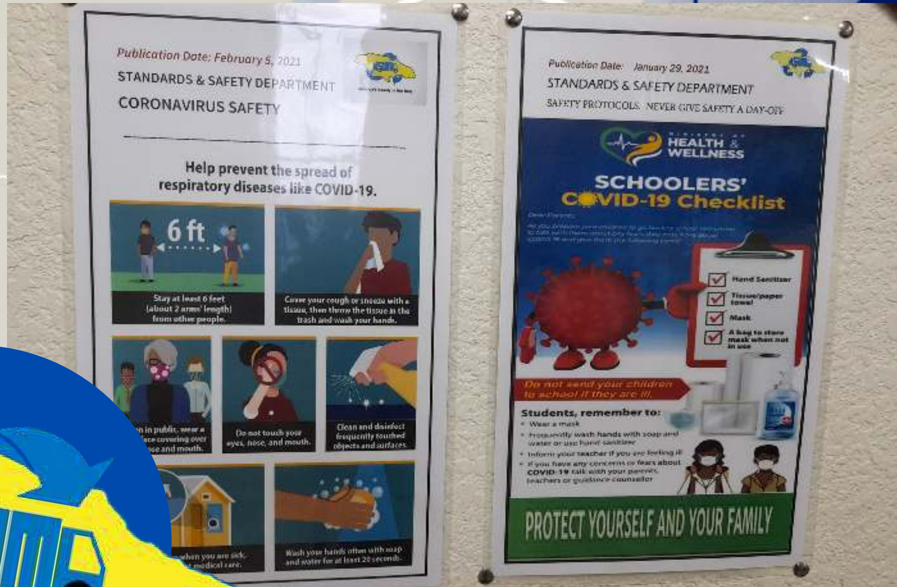
1. The effective management of solid waste in Jamaica to safeguard public health.

2. To ensure that solid waste is collected, stored, transported, recycled, reused or disposed of, in an environmentally sound manner.

3. To promote public awareness of efficient solid waste management and foster understanding of its importance to the conservation, protection, and proper use of the environment

4. To introduce cost recovery measures for services provided by or on behalf of the Authority

Business Highlights


Publication Date: February 5, 2021
STANDARDS & SAFETY DEPARTMENT
CORONAVIRUS SAFETY
Help prevent the spread of respiratory diseases like COVID-19.
6 ft
Stay at least 6 feet (about 2 arms' length) from other people.
Cover your cough or sneeze with a tissue, then throw the tissue in the trash and wash your hands.
Do not touch your eyes, nose, and mouth.
Clean and disinfect frequently touched objects and surfaces.
Wash your hands often with soap and water for at least 20 seconds.
Publication Date: January 29, 2021
STANDARDS & SAFETY DEPARTMENT
SAFETY PROTOCOLS. NEVER GIVE SAFETY A DAY-OFF
HEALTH & WELLNESS
SCHOOLERS' COVID-19 Checklist
Hand Sanitizer
Mask
Students, remember to:
PROTECT YOURSELF AND YOUR FAMILY


SINOTRUK

National Solid Waste Management Authority

major performance HIGHLIGHTS

Target	Status
To provide a cleaner environment for Jamaica's populace	
Acquire 20 additional compactor trucks	Achieved: Purchased 20 Shacman compactor trucks; in addition acquired one compactor truck from the Jamaica Social Investment Fund (JSIF) and one tipper truck from the United Nations Environment Programme (UNEP) and Japan
Collect 942,452 tonnes of solid waste	Achievement exceeded: 1,014,137 tonnes of solid waste collected
Repair/maintain 32 collection units	Achievement exceeded: 82 repairs/maintenance jobs carried out on fleet
90% adherence to collection schedule by 8:00 a.m.	Partial achievement: 82% adherence to the collection schedule by 8:00 a.m.
To provide a cleaner environment for Jamaica's populace	
90% pushing, spreading and compacting of solid waste on disposal sites	Achieved: 92% solid waste on disposal sites spread, pushed and compacted
Increase covering of active cells on disposal sites	Partial achievement : 59% covering of active cells on disposal sites
Develop a closure plan for Church Corner disposal site	Achieved: Closure plan developed for Church Corner disposal site
Install a gas venting system at Haddon disposal site	Achieved: Gas venting system installed at Haddon disposal site

Ensure that the minimum quantity of cover material of 1,240 loads are stockpiled on disposal sites

Achievement exceeded: 2,365 loads cover material stockpiled on disposal sites

Replace bridge at Riverton disposal site

Old Bailey bridge at Riverton disposal site replaced with a compact 200 modular Bailey bridge

To grow revenue through the provision of commercial and beautification services

Earn $407,110,000 from commercial services revenue

Achievement exceeded: $438,844,683 was earned through landscaping and commercial haulage services

To increase the public's compliance with the NSWM Act through public sensitization and enforcement activities

Execute 528 surveillance operations

Achievement exceeded: 700 surveillance operations conducted

Serve 4,800 removal notices

Achievement exceeded: 7,380 removal notices served

Issue 1,600 anti-litter tickets

Achievement exceeded: 1,719 anti-litter tickets issued

Sensitize 1,200 residents on proper containerization and disposal of solid waste

Achievement exceeded: 1,488 residents sensitized on proper containerization and disposal of solid waste

Achieved: Gas venting system installed at Haddon disposal site

Sensitize 1,800 business proprietors on proper containerization and disposal of solid waste

Achievement exceeded: 6,174 business proprietors were sensitized on proper containerization and disposal of solid waste

Conclude 50% investigation of reported illegal dumps

Not achieved: 49% investigation of reported illegal dumps complete

Sensitize 26% of Jamaica's population on illegal dumping and composting

Achievement exceeded: 64.8% of population sensitized on waste management

Conduct one islandwide public education campaign/initiative

Achieved: One public education campaign staged – 'Solid – Stamp Out Littering and Illegal Dumping

One publication on NSWMA and regions

Achievement exceeded: Published one edition of Compactor Newsletter: January – March 2021; developed one brochure on Managing Waste

Collect 25,000 lbs. of plastic through the Plastic Separation Initiative

Achievement exceeded: Over 85,817 lbs. of plastic waste collected through the Plastic Separation Initiative

To strengthen institutional governance, human capital development and enhancement of productivity of staff and customer experience through information technology

Train 120 members of staff

Achievement exceeded: 191 members of staff trained in areas of public procurement, industrial relations and customer service

Complete procurement of uniforms for enforcement officers and sanitation workers

Achieved: Completed procurement of uniforms for enforcement officers and sanitation workers

Sensitize 1,200 residents on proper containerization and disposal of solid waste

Achievement exceeded: 1,488 residents sensitized on proper containerization and disposal of solid waste

Full adherence to board calendar and charter

Achieved: Full adherence to board calendar and charter

Develop Enterprise Risk Management Framework

Achieved: An Enterprise Risk Management Framework was developed

Full compliance with Corporate Governance Framework Policy

Partial achievement: 95% Compliance with Corporate Governance Framework Policy

The NSWMA Copped two awards at the fourth staging of the Ministry of Finance and Public Service/ Private Sector Organization of Jamaica's Public Bodies Corporate Governance Awards held in March 2021: First place for Corporate Governance Policies, Procedures and Practices and Second place for Most Improved Public Body.

One of the Corporate Governance Awards received by
Camille Facey, member of the board of directors, NSWMA

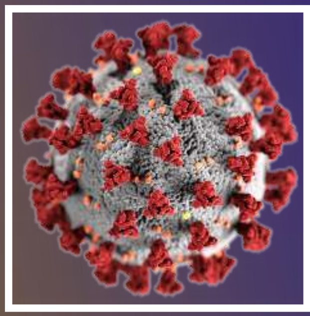
COVID 19

& OUR ACTIONS

Our company has been proactive in implementing preventive measures to protect the lives of our employees while ensuring operational resilience.
Measures implemented as a result of the COVID-19 pandemic include:

- **Installation of hand sanitizer dispensers in all five main offices and all eight sub-offices**
- **Issuance of hand sanitizers to all crew member on collection trucks**
- **Distribution of gloves and masks on a more frequent basis to sanitation crew**
- **Distribution of company labelled masks to staff**
- **Issuance of gallon water buckets and hand soap to the crew assigned to each truck**
- **Sanitization of all collection trucks on entering and leaving disposal sites**
- **Sanitization of all collection trucks prior to being dispatched**
- **Installation of COVID-19 procedure signs**
- **Sensitization sessions on COVID-19 conducted with all staff**
- **Sensitization sessions conducted by the Ministry of Health and Wellness with our public cleansing crew regarding collection and disposal procedures for COVID-19 waste**
- **Issuance of hazmat suits to sanitation crews working in communities under quarantine**
- **Sanitization of frequently touched surfaces five times per day**
- **Temperature checks conducted on persons entering all premises (staff & visitors)**
- **Mandatory hand sanitization of all persons who visit the compound**
- **Implementation of Flexible Work Arrangement Policy**
- **Development and implementation of the COVID-19 Policy**
- **COVID-19 Preparation and Response Plan developed**

COVID-19



Impact on Operational Activities

The COVID-19 pandemic impacted how business operations were conducted at the NSWMA; however the core business activities were never reduced. The pandemic impacted social and business activities in the following manner:

1. Physical interaction with residents declined significantly during the reporting period;
2. Increase of virtual interaction with residents through video conferencing and social media platforms;
3. Contingency plans developed for critical posts;
4. Activate remote work to minimize the number of staff within the office;
5. Increase in training and sensitization sessions via video conferencing;
6. Drop off and pick up implemented for sanitation crews who are required to work during the curfew hours;
7. Decrease in commercial revenue as businesses were closed and did not require frequent waste collection service;
8. Reduction in surveillance as interactions with customers decreased;
9. Reduction in the number of staff on each operation.

THE NEW NORMAL

ACHIEVING

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Globally, the world is facing unprecedented challenges and many persons are bearing the brunt of the economic and social fallout of COVID-19. There have been fatalities and loss of livelihood associated with the pandemic. In light of this, WPM Waste Management Limited has devised numerous strategies in achieving, adapting and accelerating in the new normal.

Every Monday morning, the Regional Operations Manager joins the staff in devotion; ensuring that the COVID-19 protocols are maintained. This is done to motivate and encourage them given that many have felt the effects of COVID-19 having lost family members or have themselves contracted the virus. Daily, Mr. Edmondson shares motivational quotes to the WhatsApp group to encourage the team.

Community Relations

One of the main objectives of the Community Relations Department is to sensitize residents on proper solid waste disposal practices via community and town hall meetings, door-to-door sensitization and school visits. Despite COVID-19 and the increase in solid waste generation given that many persons are now at home for longer periods due to lockdowns and working from home, the agency saw it prudent to increase its sanitization initiatives while observing all protocols. This was done consistently by employing the services of a town crier to broadcast messages and provide householders with tips on how to properly store their solid waste until their scheduled collection day. Additionally, the agency has increased its presence on social media, providing daily collection schedules as early as 7:00 a.m. daily as well as tips on solid waste best practices. Our monthly social media posts are reaching over 10,000 persons and the messages being broadcast via town crier in all four parishes have reached more than 800,000 persons monthly, given the size of the selected housing developments.

For the Love of the Environment

The WPM WM Ltd. launched its plastic bottle separation pilot programme on February 12, 2021, in Meadows f Irwin, St. James. The programme was gradually extended to other communities which included The Estuary, Montego West Village and Mango Walk Country Club, St. James and Tamarind Hill, Hanover.

Several garages and apartment complexes have come on board and the agency has partnered with Recycling Partners of Jamaica (RPJ) to place cages within central areas in Trelawny and St James for residents and passersby to deposit their plastic bottles. Now, every month over 6,000 pounds of plastic bottles are collected and donated to RPJ. The team at WPM also spearheads beach and community clean-up initiatives, separating plastic bottles on location.
Community and town hall meetings, as well as school presentations, are ongoing though 70% of these sensitization activities are held virtually, the other 30% when executed physically are done in line with the observation of all COVID-19 protocols.

Administration

Upon entering each WPM facility, every staff member's temperature is checked, given branded masks and sanitizers. The offices are also deep cleaned and disinfected throughout the day to provide added protection to the staff. The Administration Department also provides increased support to the staff enabling parents to log their children into online classes whenever the need arises and these children are also accommodated at the office in the afternoons after school.

Commercial Department

Cash is notoriously covered in germs and can further transmit the coronavirus. With this in mind, the Commercial Department has been adapting, achieving and accelerating by distributing invoices and collecting payments electronically. During the pandemic, the team was able to achieve approximately 90% of its target despite the closure of numerous commercial establishments in western Jamaica.

Garage/Operations

All trucks are washed weekly, sanitized and disinfected daily. The sanitation officers are equipped with masks, water, hand soap and sanitizers to further protect themselves as they work to keep western Jamaica clean, giving all communities within the waste -shed their scheduled weekly collection. During the pandemic WPM achieved approximately 95% scheduled compliance.

Sanitation worker sanitizing compactor truck

Landfill

Ninety-five percent of the Retirement disposal site remains covered throughout the pandemic and the team remains vigilant in monitoring the facility. They ensure that every truck having tipped off the solid waste is disinfected before exiting the facility.

NICHOLAS WILSON

ACHIEVING, ADAPTING, ACCELERATING

Nicholas Wilson, Purchasing Officer of WPM

Nicholas Wilson joined the WPM family as an intern in 2017 where he was assigned to the Accounting Department. There he mainly assisted with filing and minuting correspondence. In 2018 he was reassigned to the Administrative Department in the capacity of Customer Services Assistant. He was later promoted to Purchasing Officer in March 2019; having demonstrated strong leadership qualities, a zeal for learning and an enthusiasm towards growth. He is seen as dedicated, hardworking, reliable, personable, kind, and extremely helpful.

Mr. Wilson is an astute purchasing officer and plays a critical role in the execution of WPM's procurement or acquisition of goods or services and provides administrative support to the regional administrator's office. When the COVID-19 pandemic hit, Wilson thought it prudent to pursue a Bachelor of Science (BSc) degree in Production and Operations Management at the University of the Commonwealth Caribbean (UCC). This he does part time.

A graduate of the Herbert Morrison Technical High School, he majored in the culinary arts and has represented the school on several platforms including the Jamaica Cultural Development Commission (JCDC) dance and the Jamaica 4-H culinary competitions. To this end, he has won several awards for cooking and baking. He was popularly known in school for his "Guttus Sweet Treats" which comprised delectable pastries and sweet treats.

Wilson is however no stranger to struggles. He had to relocate from the rural community of Lethe in Hanover to St. James having experienced significant transportation challenges. The poor road conditions saw him travelling to and from work on a golf cart and when that option was unavailable he had to walk for some ten miles. He has also had issues with sporadic disruptions in electricity and water supply affecting his ability to attend work. Wilson however maintained an indomitable and cheerful spirit, singing and even dancing as he executes his daily duties.

SPM WASTE MANAGEMENT LIMITED (SPM)

THE NEW NORMAL

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As the pandemic became a routine part of our lives, a new normal for waste management became increasingly evident with more persons operating from the spaces of their own homes. It was time to seize the moment and create change!

In the south-central region, educational programmes had to be implemented to create awareness within homes. This was necessary especially for periods during the lockdown.

In November 2020 'Drum A Di Gate' was launched on Bethel Street in Greenvale, Manchester, a highly populated district which, at that time, struggled with packaging garbage.

Eighty drums and rolls of garbage bags were distributed to households that were previously sensitized on their role in waste management. This move has led to greater improvement in our turnaround time when collecting garbage in the community. Sanitation officers assigned to Bethel Street normally take two hours to clear the community, now they complete it in 30 minutes. Wow!

We've also encouraged group composting and have formed a partnership with the Rural Agricultural Development Authority (RADA) to help farmers in Manchester and Clarendon to create fertilizer from organic waste.

Partnerships such as this have allowed us to utilize the resources and knowledge of experts and organizations who can carry the message into their various industries.

The most recent partnership with the Clarendon Municipal Corporation, the Taxi Association of Clarendon and the Vending Association of May Pen is an example of this.

In January 2021, SPM Waste Management carried out research in the parish of Clarendon on how to alleviate the problem of littering in the town. It is well known in the parish that litter contributes to the flooding crisis each year. Findings from that research found that vending and unsupervised passengers in taxis were the top contributors to litter in the township.

The 'BAG IT' Initiative was formed around this general concept and will be helping taxi operators and vendors to protect their personal spaces.

We believe that these types of initiatives pave a critical path toward not only driving innovation towards a cleaner, greener town but also finding effective solutions that can be developed on a larger and longer-term scale.

It is high time for Jamaicans to shoulder the collective responsibility of solid waste management lest we find ourselves buried under our own garbage. And that will certainly not be the best present to our future generations.

L-R Candice Hayles, customer relations officer and Opal May Samuels, public cleansing inspector showcasing a 'Bag it' bib worn by a vendor

NEPM WASTE MANAGEMENT LIMITED (NEPM)

THE NEW NORMAL

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The COVID-19 pandemic has brought many life-altering changes; best described as New Normals. It is no longer business as usual for our entire public cleansing operation. The pandemic has brought along trauma that still lingers among our team members and will continue to do so for some time.

Daily life on the job of managing solid waste has exposed us to personal challenges; learning to adapt to the daily wearing of face masks, the feeling of not having adequate ventilation and at times, some level of discomfort around the ear and over the nose.

It was a mammoth task at inception to get staff members to comply with the set protocols but as the cases of COVID-19 increased at an alarming rate, and got closer to our doorsteps, the team became more aware of the deadly virus. It was at that time persons became more receptive to safety/precautionary measures being enforced for their protection.

The administrative office environment adjusted as well, finding new norms in ensuring that social distance was maintained. No longer were team members able to embrace each other as they were accustomed. It is the new order to constantly be reminded to sanitize/wash hands, keep masks on, keep touchpoints clean, install traffic control measures, just to list a few, to ensure the safety of family and self. We were forced to be aware that our safety, that of our colleagues and that of our family, all depends on our ability to conform to the new normal.

Daily entry point screening includes temperature checks, sanitizing and reinforcement of the wearing of masks. This was mandatory to enter our workspace and a constant reminder of the part we MUST play to keep the working environment safe. In instances where staff members were found in breach, disciplinary actions were applied accordingly, usually soft at first as we long realized that education forms a key role in our success to keep safe.

Numerous training seminars were conducted with sanitation crews, drivers, landfill staff, general workers, specialized workers and administrative staff to educate them on the precautions to be taken

NEPM Sanitation crew being trained by Karen Brown of the Ministry of Health and Wellness

before, during and after the execution of their duties, even whilst just going about normal business.

Keeping our hands clean is one of the most effective solutions to prevent infection with the Coronavirus. With this in mind, Public Cleansing Manager Patrick Marshall ensures that all units are equipped with water, soap, disinfectant and in some instances hand sanitizers. Crew members monitor their supplies on their respective units and replenish when needed.

Annotto Bay, St. Mary was classified as high risk because of the new COVID-19 Community Spread classification; it was frightening as people were afraid to venture anywhere near and in some instances segregated themselves from residents living in the community or in nearby communities. On May 8, 2020 Karen Brown of the Ministry of Health and Wellness visited the company to conduct a training session on COVID-19 protocols and guidelines. During her presentation, she took our crew on a practical journey where Donasha Biggs, Customer Relations Officer demonstrated to the group how to put on and remove the Personal Protective Equipment (PPE) to include hazmat suits, gloves, and face shields. Team members were encouraged to educate waste producers to double bag waste coming from infected communities/districts.

The Customer Relations Department has been significantly impacted by the new norms of the COVID-19 as per recount of Customer Relations Officer, Donasha Biggs. As the Authority with responsibility for public education on waste management, involvement/participation in face-to-face interventions has scaled down, particularly in schools as mandated virtual learning/meeting solutions formed the new norm for group communication, notwithstanding, audience via this medium sufficed to keep the presence and educational opportunities active.

Ms Biggs is very pleased to report success at sustaining the region's Plastic Separation programme in Drax Hall Manor, Drax Hall. St. Ann. The programme commenced in February 2020 before the COVID-19 outbreak in March of the said year and is still going strong to date.

BOARD OF DIRECTORS


National Solid Waste Management Authority

Board Member Name: Mr. Dennis Chung
Position held on the Board: Chairman
Committee Membership: Finance
Place of Employment/ Business/ other affiliation: CEO at Supreme Ventures Services Limited
Board Tenure: Six years
Employment history/industry expertise/specific skill set/other directorships:
Mr. Chung holds a master's degree in accounting from the University of the West Indies and completed the Certified Public Accountant exams in the State of California. He is a Fellow of the Institute of Chartered Accountants of Jamaica, where he is a past president, and has sat on numerous public and private sector boards. He currently sits on Petrojam and other private sector boards and is a director of the Jamaica Football Federation. He also is known for economic and financial commentary in the media.
Expertise: Solid Waste Management, Risk Management, Corporate Governance, Human Resource Management, Finance.

Board Member Name: Mr Linley Reynolds
Position held on the Board: Deputy Chairman
Committee Membership: Finance Committee
Place of Employment/ Business/ other affiliation: Consultant
Board Tenure: Five years
Employment history/industry expertise/specific skill set/other directorships:
Mr. Reynolds undertook various banking exams while studying at Emile Woolf College of Banking and Accountancy, in the UK during 1990 - 1992. He rejoined the Bank of Nova Scotia in 1992 where he initially spent ten years and there he continued to develop and hone his banking skills. During 2007 he attained his MBA from the University of Manchester - UK. As a former Scotia banker for an aggregate of 37 years he progressively moved through the ranks and rose to the level of assistant general manager. He led various teams in the Corporate, Commercial and Retail Banking Units. Throughout his tenure he developed expertise in credit analysis and financial management, sales management, change management and people management.
Today he continues in banking as a consultant. He also lends support to Micro, Small and Medium Sized Enterprises (MSME's) towards greater governance and structural reforms toward efficiency and better financial planning/management and reporting. He currently is an elder of Grace Missionary Church and a director of the Missionary Church Association of Jamaica where he is the chairman of the Finance Committee.
Expertise: Banking, Finance, Business Management, Risk Management, Human Resource Management, Corporate Governance, Solid Waste Management

Board Member Name: Mr. Norman Brown
Position held on the Board: Director
Committee Membership: Chairperson of the Audit Committee
Place of Employment/ Business/ other affiliation: Managing Director, Pembrooke Trucking
Board Tenure: Total of nine (9) years
Employment history/industry expertise/specific skill set/other directorships:
Mr. Norman Brown holds an MBA from the Mona School of Business and Management. He is an astute businessman with over 19 years in the logistics industry.
Mr. Brown is currently Chairman of the Board of Directors at the Housing Agency of Jamaica (HAJ), Chairman of the Board of Governors for Glendevon Primary and Junior High School and is a member of the St. James Lay Magistrates Association. Mr. Norman Brown also serves on the Special Projects Committee for the Urban Development Corporation (UDC).
Expertise: Logistics, distribution and management.

Board Member Name: Mrs. Camille Facey
Position held on the Board: Director
Committee Membership: Chairperson of the Corporate Governance Committee; Member Technical & Operations Committee
Place of Employment/ Business/ other affiliation: Partner at FaceyLaw; Deputy Chair- Spectrum Management Authority; Chair- PSOJ Corporate Governance Committee; Director- Jamaica Chamber of Commerce
Board Tenure: Six years
Employment history/industry expertise/specific skill set/other directorships:
Mrs. Facey is an attorney-at-law with over 30 years of experience. Her practice is focused in the areas of company and commercial law, corporate governance, telecommunications, real estate, banking, trusts and estates. Formerly Regional Vice President, General Counsel and Corporate Secretary at FLOW/Cable & Wireless, she holds a Bachelor of Laws (LL.B) degree from the University of the West Indies, a Certificate of Legal Education from the Norman Manley Law School and a post graduate diploma in Corporate Governance from the Jamaica Stock Exchange E-campus. Prior to joining Cable & Wireless, Mrs. Facey spent 18 years in the financial sector where she held various senior management roles and gained significant experience in management and business operations.

Board Member Name: Dr. Charlene Sharpe
Position held on the Board: Chair, Risk Management Committee
Committee Membership: Risk Management, Technical and Operational, Corporate Governance Committee
Place of Employment/ Business/ other affiliation: Northern Caribbean University
Board Tenure: 3 years
Employment history/industry expertise/specific skill set/other directorships:
Dr. Sharpe is a St. Hugh's old girl, a Fulbright Scholar with a PhD in Geography from the State University of New Jersey – Rutgers. She holds a distinction in Urban and Rural Resource Management (MSc.) and another in Government from the University of the West Indies. She serves as the Associate Vice President for Academics at the Northern Caribbean University. She serves on several private entity boards and holds membership in a few environmental NGOs.
Expertise: Environmental Management, Solid Waste Management, Corporate Governance, Risk Management, Disaster Management, Public Education

Board Member Name: Mr. Fabian G. Brown, JP
Position held on the Board: Director
Committee Membership: Chairman of the Human Resource Committee, Member of the Audit Committee, Member of the Corporate Governance Committee, Member of the Finance Committee
Place of Employment/ Business/ other affiliation: Value Added Services Limited
Board Tenure: Under one year
Employment history/industry expertise/specific skill set/other directorships:
Mr. Brown is the founder of and CEO of Value Added Services Limited. He is an experienced business professional, communicator and creative visionary with a wealth of experience within the business, private and public sectors, and social services sectors. Mr. Brown also serves on the Board of the Golden Age Home, Young Entrepreneurs Association, Social Development Commission, Factories Corporation of Jamaica, Hamwalk Primary and Infant School, Cardiff Management Advisory Committee and the Jamaica Hotel and Tourist Association.
Expertise: Human Capital Development, Labour Relations, Strategic and Project Management, Communication and Business Process Re-engineering, Events, State and Official Protocol Management

Board Member Name: Ms. Jodiel Ebanks
Position held on the Board: Director
Committee Membership: Human Resource Committee; Risk Committee; Technical and Operations Committee; Audit Committee
Place of Employment/ Business/ other affiliation: National Environment and Planning Agency
Board Tenure: Three years
Employment history/industry expertise/specific skill set/other directorships:
Ms Ebanks holds a Bachelor of Science (BSc) degree in Zoology with a minor in Botany from the University of the West Indies, Mona, Certificates in Supervisory Management and Public Relations from the University of the West Indies Open Campus and a Diploma in Spanish as a Foreign Language from the Venezuelan Institute for Culture and Cooperation. Ms Ebanks also serves on the Board of the Office of Disaster Preparedness and Emergency Management.
Expertise: Environmental Management, Communication

Board Member Name: Ms. Jodian Myrie
Position held on the Board: Director
Committee Membership Corporate: Governance Committee; Risk Management Committee
Place of Employment/ Business/ other affiliation: Green Paper Packaging Distribution Ltd.
Jam One Auto Sales Company Ltd.
Board Tenure: Six months
Employment history/industry expertise/specific skill set/other directorships:
Ms. Myrie holds a Bachelor of Business Administration (BBA) degree from University of Technology Jamaica. Also, she serves on the Board of the Urban Development Corporation and Aeronautical Telecommunications Ltd. Ms. Myrie is the current caretaker for St. Andrew East Central.
Expertise: Marketing; Sales; Operation/Logistics.

Board Member Name: Mr. Lenworth Kelly
Position held on the Board: Director
Committee Membership: Chairperson of the Technical & Operations Committee, Member Risk Committee
Place of Employment/ Business/ other affiliation: Civil Engineer at Nubian-1 Construction Limited
Board Tenure: Three years
Employment history/industry expertise/specific skill set/other directorships:
Mr. Kelly holds a Bachelor of Science (BSc) degree in Civil Engineering from the University of the West Indies, St Augustine and has 30 years experience in Civil Engineering Design and Construction.
Mr. Kelly also serves as President of the Incorporated Masterbuilders Association of Jamaica and the Oversight Team at Swallowfield Chapel.
Expertise: Civil Engineering

Board Member Name: Mr Wade Brown
Position held on the Board: Director
Committee Membership: HR, Audit, CGC
Place of Employment/ Business/ other affiliation: Director, Global Business Vault & Communication Specialist, IWEco Project
Board Tenure: Four months
Employment history/industry expertise/specific skill set/other directorships:
Mr. Brown holds a Bachelor of Arts in Integrated Marketing Communications (I.M.C.) degree from University of the West Indies, Mona and a Professional Certificate in Strategic Management from the Wharton Business School. Mr. Brown also serves on the Board of the Global Business Vault Ltd, the Board of Visitors for the Horizon Adult Remand Centre, the Tivoli Gardens Football Club, Denham Town Primary, and Islaamiyah Basic School.
Expertise: Communications, Environmental Management, Solid Waste Management.

Board Member Name: Ms Gabrielle Wilks
Position held on the Board: MLGRD Representative
Committee Membership: Director
Place of Employment/ Business/ other affiliation: Ministry of Local Government and Rural Development
Board Tenure: Five years
Employment history/industry expertise/specific skill set/other directorships:
Gabrielle Wilks has been a practicing attorney-at-law for over 11 years. She is currently employed to the Ministry of Local Government and Community Development Legal Services Division, where her primary focus is to provide general legal advice to the Ministry, the 14 Local Authorities and 5 agencies.
Ms. Wilks also assists with the organization and coordination of the review, amendment and proclamation of legislation for which the Ministry has responsibility.
Expertise: Law

Daphne Hurge - Board Member
(Completed board tenure)

Delroy Williams - Board Member
(Completed board tenure)

Donovan Samuels - Board Member
(Completed board tenure)

Dwight Ricketts - Board Member
(Completed board tenure)

Willard Hylton - Board Member
(Completed board tenure)

Coopted Members of the Board Committees

Board Member Name: Mrs. Carla-Anne Harris-Roper
Position held on the Board: Coopted Member
Committee Membership: Human Resource Committee
Place of Employment/ Business/ other affiliation: Principal Consultant Attorney-at-Law Employment Matters Caribbean
Board Tenure: Three years
Employment history/industry expertise/specific skill set/other directorships:
Mrs. Harris-Roper holds a Bachelor of Laws (LL.B) degree from University of the West Indies, a Certificate of Legal Education from the Norman Manley Law School and a Master of Laws (LL.M) from the University of East Anglia. Mrs. Harris-Roper also serves on the Board of Northern Caribbean University.
Expertise: Labour Law, Civil Law, Human Resources

Board Member Name: Mrs. Georgia McCalla Russell
Position held on the Board: Coopted Member
Committee Membership: Member of the Finance Committee
Place of Employment/ Business/ other affiliation: Ministry of Local Government & Rural Development
Board Tenure: Two years
Employment history/industry expertise/specific skill set/other directorships:
Mrs. McCalla Russell holds a Bachelor Business Administration (BBA) degree from the University of Technology Jamaica and a Certified Accounting Technician CAT certification from the ACCA. Mrs. McCalla Russell also serves on the Executive of the Jose Marti Past Student Association as Treasurer.

Board Member Name: Mr Patrick Anglin
Position held on the Board: Non-Board Position – Member, Finance Committee
Committee Membership: Finance Committee
Place of Employment/ Business/ other affiliation: The University of the West Indies, Regional Headquarters
Board Tenure: Committee Tenure – Three years
Employment history/industry expertise/specific skill set/other directorships:
Dr. Anglin holds a Doctor of Business Administration degree from the Manchester Business School, University of Manchester. Dr. Anglin has worked in several information technology areas since 1996 and is currently employed at the University of the West Indies, Office of the University CIO as Social Informatician, IT Strategist. Notably, Dr. Anglin is the former Executive Manager of Information and Communication Technologies at Blue Cross of Jamaica Limited.
Expertise: Information and Communication Technologies (ICT), Business Ethics, Data Protection, Business Process Analysis, ICT Governance, Quality Assurance Mechanisms , Policy Formulation , Operations Management, Project Management, Training Plan Design and Training, Project/Programme Monitoring and Evaluation , Coaching Project Proposal Formulation , Enterprise Architecture (TOGAF Framework)

Board Member Name: Mrs. Peta-Gaye Bartley
Position held on the Board: Coopted Member
Committee Membership: Member of the Audit Committee
Place of Employment/ Business/ other affiliation: Group Chief Internal Auditor at Jamaica Money Market Brokers Limited
Board Tenure: Three years
Employment history/industry expertise/specific skill set/other directorships:
Mrs. Bartley Paul holds a bachelor's degree in Accounting and Management Studies as well as certification in Internal Auditing and Fraud Examination. She is a Fellow of the Institute of Chartered Accountants of Jamaica and a Fellow of the Association of Chartered Certified Accountants (U.K.)
She currently chairs the Audit Committee for the Ministry of Education, Youth and Information and is member of the Audit Committee for the Auditor General's Department.
Expertise: Business Management, Internal Audit, Risk Management

Board Member Name: Byron Buckley
Position held on the Board: Coopted Member
Committee Membership: Member Risk Management Committee
Place of Employment/ Business/ other affiliation: Director Corporate Communication, Marketing and Public Relations, Northern Caribbean University
Board Tenure:
Employment history/industry expertise/specific skill set/other directorships:
Thirty plus years of experience in media and communication in the private and public sectors. Qualified as a corporate trainer specializing in crisis communication.
Expertise: Corporate Communication

Board Member Name: Mr. Dwayne Dillon
Position held on the Board: Committee Member
Committee Membership: Human Resource Committee
Place of Employment/ Business/ other affiliation: Organizational Development Consultant
Board Tenure: Four months
Employment history/industry expertise/specific skill set/other directorships:
Mr. Dillon holds an MBA from the University of the West Indies, Mona, is a certified PMP professional, certified in Change Management and has over 10 years' experience leading organizational change in government institutions.
Expertise: Human Resource Management, Organizational Development, Business Analysis, Change Management

Board Member Name: Mr. John Williams
Position held on the Board: Coopted Director
Committee Membership: Operations Committee
Place of Employment/ Business/ other affiliation: Operations Manager at Crown Packaging Jamaica Limited
Board Tenure: Three months
Employment history/industry expertise/specific skill set/other directorships:
Mr. Williams holds an MBA in Banking and Finance (Hons) from the University of the West Indies, Mona, a Bachelor of Science Degree in Electrical Engineering from the University of the West Indies, St Augustine. He is also a Certified Energy Manager and a registered professional electrical engineer.
Expertise: Engineering, Energy Management and Finance

Board Member Name: Ms Kerry-Ann Thompson
Position held on the Board: Coopted Member
Committee Membership: Board Risk Management Committee
Place of Employment/ Business/ other affiliation: Self-employed. Principal, Research Science Development
Board Tenure: Two months
Employment history/industry expertise/specific skill set/other directorships:
Geographer by training, holds a doctorate in geoinformatics and is a licensed Project Management Professional. Ten years of experience in leading and advising on projects for adaptation to climate change, reduction of disaster risks, education sector resilience, and application of GIS solutions, carried out in 13 overseas countries and territories of the Caribbean. She pursues her research and professional projects by seeking to perfect the application of geostatistical methods to support decision making in the fields of human vulnerability to disaster risk, crime reduction, and the development of sustainable enterprises.
Expertise: Disaster Risk Reduction, Disaster Risk Assessment, Mixed-Methods Research, Project Management, Gender Analysis, Geographic Information Systems (GIS), Disaster Diplomacy.

Board Member Name: Ms Tashi Williamson, FCA, FCCA
Position held on the Board: Coopted Member
Committee Membership: Audit
Place of Employment/ Business/ other affiliation: Crichton Mullings & Associates
Board Tenure:
Employment history/industry expertise/specific skill set/other directorships:
Tashi Williamson is a graduate of the University of London, where she received a master's degree in Professional Accountancy. A chartered accountant, she is a member of both the Association of Chartered Certified Accountants (ACCA) and the Institute of Chartered Accountants of Jamaica (ICAJ).
Expertise: Accounting, Auditing and Taxation

EXECUTIVE BODY

Audley Gordon
Executive Director

Mauricia Lawrence
Company Secretary

Kadian Diedrick
Director Public Procurement

Michelle Sheriff
Finance Director

Aretha McFarlane
Director of Operations

Dave Powell
National Coordinator

Sheenique Johnson
Corperate Services Director

Gail Mitchel
Legal Officer

Dominique McKnight
Enforcement Director

REGIONAL OPERATIONS MANAGERS

Tracey Fakhourie
Regional Operations Manager
(NEPM)

Edward Muir
Regional Operations Manager
(SPM)

Garnet Edmondson
Regional Operations Manager
(WPM)

REGIONAL ADMINISTRATORS (RA)

Tina Kerr
RA - NEPM

Narieka Logan
RA - SPM

Karen Clayton
RA- WPM

Yvette Pinnock
RA - MPM

BOARD COMPETENCY MATRIX

LEGEND

DC- Dennis Chung
CF - Camille Facey
NB - Norman Brown
FB – Fabian Brown
WB- Wade Brown
LK- Lenworth Kelly
LR - Linley Reynolds
JE- Jodiel Ebanks
JM-Jodian Myrie
CS - Charlene Sharpe
GW- Gabrielle Wilks
PA- Patrick Anglin
GR- Georgia Russell
DD- Dwayne Dillon
CR- Carla Ann Harris Roper
BB- Byron Buckley
JW- John Williams
CH – Carlton Hay
PB- Peta-Gaye Bartley
TW- Tashi Williamson
KT – Kerry Thompson

BOARD OF DIRECTORS COMPETENCY MATRIX

BOARD MEMBERS

SPECIFIC COMPETENCY KNOWLEDGE & EXPERTISE/ ATTRIBUTE	DC	LR	CF	NB	JE	WB	LK	GW	FB	CS	JM	PA	GR	DD	CR	BB	JW	CH	PB	TW	KT
Board Experience	X	X	X	X	X			X		X		X						X	X		
Environmental Management						X				X											
Solid Waste Management	X	X	X	X				X		X											
Business Management	X	X	X	X					X		X	X		X				X	X		X
Risk Management	X	X								X	X					X		X	X	X	
Corporate Governance	X	X	X					X	X	X	X	X			X			X	X	X	
Human Resource Management	X	X	X			X			X		X			X	X	X		X	X		
Finance	X	X		X									X	X			X		X	X	
Legal			X					X							X						X
Institutional Memory	X	X	X	X				X						X	X						
Logistics & Fleet Management				X							X										X
Disaster Management					X	X			X	X						X		X			X
Public Education					X	X			X	X	X					X		X			X
Women			X		X			X		X	X			X							X
Youth					X					X	X										
Ja Institution of Engineers							X										X	X			
Environmental NGO										X											X
MLGRD Representative								X					X								

ATTENDANCE RECORD

NOTES

*Daphne Hurge resigned from the Board in July 2020.

*Willard Hylton, Donovan Samuels, Dwight Ricketts and Delroy Williams
(End of tenure
- January 20, 2021)

*Fabian Brown, Jodian Myrie, Jodiel Ebanks, Lenworth Kelly and Wade Brown were appointed to the Board on January 29, 2021.

*Bryon Buckley, Dwayne Dillon and Carle Anne Harris-Roper, John Williams, Carlton Haye and Kerry-Ann Thompson were approved to serve as co-opted Committee members in March 2021.

*The Board Risk Committee was established in February 2021.

BOARD AND COOPTED MEMBERS ATTENDANCE RECORD FOR THE FINANCIAL YEAR APRIL 1, 2020 - MARCH 31, 2021

Board Members	Board Meetings (10)	% Attendance	Technical and Operations (5)	% Attendance	Corporate Governance (5)	% Attendance	Human Resource Committee (3)	% Attendance	Finance Committee (7)	% Attendance	Audit Committee (2)	% Attendance	Risk Committee (2)	% Attendance
Dennis Chung	10	100							1	14				
Linley Reynolds	9	90							7	100				
Camille Facey	10	100	5	100	5	100								
Charlene Sharpe	10	100	5	100	5	100							2	100
Norman Brown	9	90									2	100		
Gabrielle Wilks	4	40												
Daphne Hurge														
Willard Hylton	4	57					1	100						
Donovan Samuels	4	57	4	80	2	67	1	100			1	50		
Dwight Ricketts	7	100	4	80					6	100				
Delroy Williams	1	14												
Fabian Brown	3	100			2	100	2	100	1	100				
Jodian Myrie	3	100			2	100								
Lenworth Kelly	3	100	1	100									2	100
Jodiel Ebanks	3	100	1	100			2	100					2	100
Wade Brown	3	100	1	100	2	100	2	100					2	100
	Co-opted Members													
Jonah Chisholm							1	100						
Errol Holmes							1	100						
Patrick Anglin									6	86				
Peta-Gaye Bartley											2	100		
Tashi Willaimson											1	50		
Georgia McCalla Russell									6	86				
Byron Buckley													2	100
Dwayne Dillon							1	100						
Carla Anne Harris-Roper							1	100						
Kerry Ann Thompson														
John Williams														
Carlton Hay														

REPORT OF THE BOARD COMMITTEE

TECHNICAL AND OPERATIONS COMMITTEE REPORT

National Solid Waste Management Authority

Established in 2016, the Technical and Operations Committee is responsible for providing oversight of operations, logistics and security of the Authority. At the Committee meeting, reports are presented by the Operations, Landfill, Enforcement and Community Relations Departments.

Waste management is critical to human development and health outcomes, especially during a pandemic. The Committee focused on strategies aimed at ensuring continuity of the operations while protecting our most vulnerable staff, who were on the frontline providing the invaluable service of keeping Jamaica clean.

The Committee is grateful for the guidance and support of its former chairman Mr. Donavon Samuels and member Mr. Dwight Rickets who served until January 2021.

In February 2021, Mr. Lenworth Kelly was appointed chairman of the Committee. Board members Mr.Wade Brown and Ms. Jodiel Ebanks were also appointed, joining Mrs. Camille Facey and Dr. Charlene Sharpe, who were reappointed. To bolster the technical competence, engineers, Dr. Carlton Hay and Mr. John Williams, were appointed to serve as coopted members of the Committee.

The Technical and Operations Committee met five times during the reporting year.

The following were the priorities for the 2020/2021 financial year:

1. Proposed Transfer Station - Hyde Hall, Trelawny

The transfer station is currently in the design phase which is being undertaken by N.O. Whyte & Associates. The requisite project documents have been submitted to the Public Investment Management Secretariat (PIMSEC) and a geotechnical survey which involves the drilling and sampling of soil was completed in October 2020.

The design team has commenced the relevant work and given the timelines established, the Committee will be presented with the final drawings to review and approve early in the new financial year.

While we expect delays due to budgetary constraints, the Committee is focused on ensuring that management completes all the deliverables within its control.

2. Bailey Bridge – Riverton Disposal Site

The Riverton Landfill is the largest of eight disposal sites operated by the National Solid Waste Management Authority and accounts for approximately 51% of all garbage collected and deposited islandwide.

The Board was concerned about the condition of the main bridge which was out of use and the Bailey bridge which was in a state of disrepair. The Committee was excited to learn that the Bailey bridge arrived on the island in September 2020. After inspection, the bridge was assembled in sections and transported to the site for installation.

The bridge was installed in December 2020 and the approach roads were completed in January 2021. An inspection was conducted on March 5, 2021 to allow for usage and testing. Subsequently, the bridge became fully operational in April 2021.

3. Plastic Waste Minimization Project: Rae Town

The Committee received monthly reports of this project which is a collaboration with the National Environment & Planning Agency (NEPA) and the United Nations Environment Programme (UNEP). This project seeks to reduce the quantity of plastic in the waste stream and plastic entering the Kingston Harbour. The project also provides income-generating opportunities around plastic recycling for community members.

Seven environmental wardens were trained under this project to provide the requisite monitoring and to work with the citizens of Rae Town to reduce plastic and other waste from entering the waterways. The Authority purchased one tipper unit at a cost of Six Million Five Hundred Thousand Dollars ($6,500,000.00) for the collection and transportation of plastic to recycling outlets.

Under the project, waste collection was done once per week. To date, a total of 33,300 pounds of plastic have been collected under the project.

4. Proposed Purchase of 100 Trucks'

The inadequate collection of municipal waste has led to an increase in illegal dumping across the country coupled with improper disposal practices in waterways such as drains, rivers, and the sea. To provide greater efficiency to our citizens, it was proposed that approximately 100 trucks be procured to improve operations and increase collections. The Board is confident that these new trucks will ensure once weekly collection on average, which will result in the reduction of the current high levels of backlog, especially in the MPM region.

The Authority was advised that the project would be put on hold due the economic fallout. Nonetheless, the Committee recommended that management completes the PIMSEC requirements.

5. Relocation of MPM and WPM Garages

In anticipation of the acquisition of the proposed 100 new trucks, the establishment of an improved garage/depot facility is critical to the process. The Committee required that management prepares a plan detailing the activities which must be undertaken for successful implementation. The acquisition plan for the new trucks will require NSWMA to establish a facility to store and service units.

In respect to the WPM garage, the Housing Agency of Jamaica is reviewing the land surveys and has indicated that leasing documents will be prepared upon conclusion.

The management team has requested assistance from the Urban Development Corporation to identify suitable lands in the MPM region.

6. Landfill Covering

In keeping with the Authority's mandate to implement measures to safeguard public health and to mitigate against and reduce outbreak of fires at the disposal site.

The following landfills were covered for the reporting period:

1. Doctors Wood Disposal Site – April 2020
2. Myersville Disposal Site – September 2020
3. Riverton Disposal Site – Bi-weekly Covering
4. Retirement Disposal Site – December 2020
5. Church Corner Disposal Site – April 2020 & January 2021

Disposal site covering is scheduled to be executed four times yearly at Riverton and Retirement disposal site and three times yearly at the smaller landfills such as Martins' Hill, Myersville, Haddon, Tobalski, Doctors Wood, and Church Corner. Due to the budgetary constraints faced by the Authority as a result of the pandemic, bi-weekly covering is executed at the larger disposal sites and annual covering at the smaller disposal sites.

Fire Suppression Systems

Monthly reports on the fire suppression system on the disposal sites were presented to the Committee. During the reporting period management the following were undertaken:

- landfill gas venting (Haddon)
- stockpiling of cover material
- onsite water storage facility
- implementation of small tipping face
- use of fire wardens

Landfill COVID-19 Precautionary Measures

In keeping with the Authority's mandate of safeguarding public health, several COVID-19 burial activities were undertaken across the regional entities. This programme included burial of municipal waste from quarantined government facilities, quarantined communities, hospitals and health centres.

7. E-Waste Project

The Committee recommended that management prioritizes the implementation of the E-waste project having recognized that with the COVID-19 pandemic there was an inevitable increase in E-waste, specifically phones, laptops and other personal computer devices. The following were deliverables for the reporting period:

a. acquiring E-waste permits
b. temporary storage at our disposal sites
c. the proposed development of an E-waste storage facility at Hill Run (St. Catherine)
d. revision of the E-waste project proposal
e. exploration of potential buyers for final disposal

Based on the timelines established, it is expected that the project will be launched in the upcoming financial year.

8. Northern Belt Project-Plastic Separation Initiative

The Committee recommended and the Board approved this separation initiative developed to target 12 communities in the northern and eastern belts of St. Andrew to reduce the quantity of solid waste being disposed of at our facilities through the promotion of recycling – specifically through the collection of plastic.

The project was re-scoped to target a total of 16 communities including Long Mountain, Norbrook, Dillsbury, lower Shortwood and Beverly Hills.

The Committee reviewed the monthly reports and provided well needed feedback aimed at improving the project.

The project was implemented in two phases over one year.

Phase 1 - community sensitization and public education by the Community Relations Department & Enforcement in collaboration with MPM Waste Management Limited.

Phase 2 (current phase) - waste separation and collection initiative in 16 residential communities with the assistance of Recycling Partners of Jamaica (RPJ). Residents are given biodegradable bags and collection is done twice monthly per community.

There are approximately 47 households participating and to date, approximately 83,022 pounds of plastic bottles have been collected.
While the Committee is aware of the budgetary constraints, management was tasked to increase the number of communities in the next phase.

9. Enforcement and Compliance

The role of the Enforcement Department is to ensure adherence to the NSWM Act and enforce compliance with the relevant regulations. To better execute its roles and to measure its performance, management guided by the Board set objectives for the financial year.
The table overleaf outlines the objectives, corresponding strategies and year to date results:

OBJECTIVES	STRATEGIES	ACHIEVEMENT Y-T-D
To enforce the provisions of the NSWM Act.	Conduct static & mobile surveillance to apprehend offenders	Six hundred and thirty-two operations were conducted in town centres across the island.
To reduce the occurrences of illegal dumping.	Create and install island wide database for illegal dumps	There were 253 reports of illegal dumpsites across the island.
To enforce the provisions of the NSWM Act.	Rationalize the Enforcement Unit	Four regional enforcement units are now operational with investigators & enforcement officers.
To enforce the provisions of the NSWM Act.	Educate business & domestic owners on the proper treatment of waste	Two thousand eight hundred and twenty-nine residents sensitized with respect to the NSWM Act.
To improve the commercial compliance of waste disposal	Train authorized officers on the NSWM Act & Regulations	Six training sessions were held during the reporting period.
To safeguard assets of NSWMA facilities	Develop & implement security & safety plan for NSWMA and its regional companies	Security & safety plan for NSWMA and its regional companies submitted
To establish a sense of safety among staff within NSWMA & Regional Offices	Provide internal & external investigation to NSWMA & its regional bodies	One hundred and fifty-four illegal dump sites have been investigated. Eighteen of the investigations remain incomplete.
To increase the compliance level of residential & Commercial waste generators with Public Cleanliness Regulations of 2003	Inspection of commercial residential waste containerization practices and disposal of construction debris & derelict vehicles	Five thousand two hundred and eighty-four visits were made to date and 4,452 entities were found to be in compliance. Eighty-nine thousand two hundred and thirty-four visits were conducted and 84,168 entities were found to be in compliance.
To increase the compliance level of residential & Commercial waste generators with Public Cleanliness Regulations of 2003	Enforcement of the Public Cleansing Regulations 2003	One thousand five hundred and sixty-six litter tickets have been issued to date. The total value of tickets paid is $1,957,000.00 A total of six thousand nine hundred and sixteen Removal Notices have been issued to date.

10. Haulage App Fleet Management

Given the importance of adhering to collection schedules and the need for better fleet management in general, the Committee asked that management devise strategies to improve efficiency and vehicle utilization thereby maximizing the productivity of drivers and by extension the entire team involved in the collection process. To achieve this, management conceptualized the Haulage App which is a tracking and monitoring system to optimize fleet delivery routes and schedules.

The Haulage App is a complete fleet management platform that will act as a solution where employees directly involved in the collection of solid waste will be able to register and receive push notifications through a mobile app. The app will utilize several technologies including data storage and mapping through Google maps. Each driver will be given a configured route which will include information on a preset journey, updates and cancellations. Other features include the current, past and upcoming schedule of trips, sending texts, voice messages, real-time alerts and photo sharing options.

It is expected that this app will be recommended to the Board for approval by May 2021.

11.0 Safety of Workers During the COVID-19 Pandemic

The safety and health of employees have been placed into sharper focus due to the COVID-19 pandemic. The NSWMA is serious about its responsibility of providing a safe and healthy workplace for its employees, especially our sanitation workers who are on the frontline and are at a higher risk for exposure. The Committee reviewed monthly reports on various protocols such as the wearing of personal protective equipment and the provision of masks, sanitizers and other supplies.

12.0 Community Relations

Monthly updates by the Community Relations Department provided information on complaints and calls received from citizens. In addition, the Committee was advised of the Authority's efforts to continue community engagement sessions despite the challenges of the pandemic. At the end of the reporting period, the Department had interacted with over 1,500,000 persons. This speaks to the Authority's commitment and interest in forging relationships with our largest stakeholders, the citizens of Jamaica.

13.0 NSWMA Mobile App

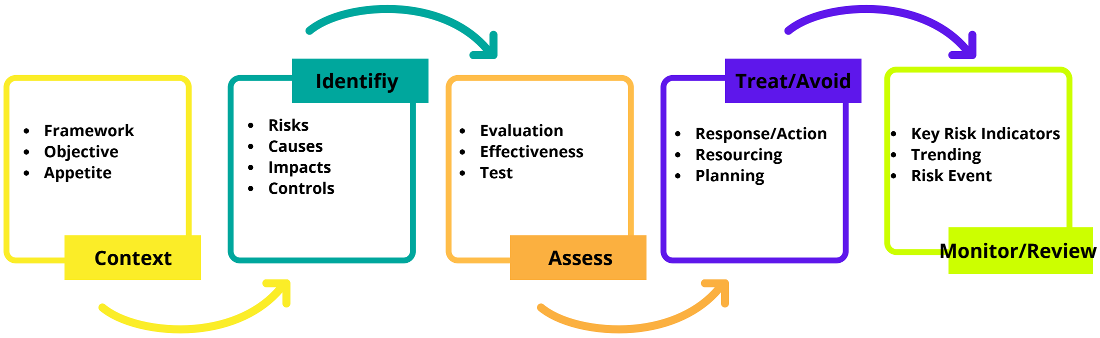
The Board approved the NSWMA Mobile App which was launched on June 5, 2020 to report littering in public spaces and illegal dumping. Subsequent to filing reports, customers receive a tracking number and are updated about the status of their report by the Community Relations Department. The app also offers recycling tips for home, work and school. It is available to Android and Apple users and may be downloaded by visiting the Google Play Store or the iOS App Store.

To date, there have been over 1,000 downloads of the app and sensitization is ongoing.

The Way Forward

The operations of the NSWMA have been greatly impacted by the COVID-19 pandemic. Nonetheless, the Committee remains resolute in its oversight role and will continue to make recommendations which will ensure business continuity.

Risk Management Committee Report



The Board acknowledges that with the pervasiveness of risks in the operations of the NSWMA, it must factor risk as an integral element of its strategic role which must be prioritized as failure to identify and appropriately treat risks may have grave impact.

The Board Risk Committee comprises four Board members and two coopted members. On the recommendation of the Chairman of the Committee, the Regional Administrator of the four regions and the Community Relations Manager have been approved as permanent invitees to the meeting.

The Committee is appreciative of the role of its former Chairman Mr. Dwight Ricketts, who was key in its establishment. In February 2021, Dr. Charlene Sharpe was appointed Chairman of the Committee. She is supported by Board members Ms. Jodian Myrie, Mr. Lenworth Kelly and Ms. Jodiel Ebanks and coopted members Dr. KerryAnn Thompson and Mr. Byron Buckley.

Two meetings were held in the financial year.

While the Committee was established in 2019, a decision was made to commence meetings after the approval of the Enterprise Risk Management Policy and Framework (ERM).

This Committee will ensure that risks are reviewed at least on a quarterly basis and will bring the compelling ones to the Board for decision making

<u>The Responsibilities of the Committee include but are not limited to:</u>

1. Ensuring that appropriate resources are in place (including risk templates, tools and people) for the effective execution of the management of risks across NSWMA;

2. Ensuring that the risk management framework is implemented by the executive director, the risk manager and the entire senior management team and that risk management gets embedded in the strategic planning process and daily operations;

3. Ensuring that the established requirements in the ERM Policy and Framework are being met;

5. Obtaining reports on the status of the high and very high risks through the risk manager and the Management Risk Committee and reports the status of these risks to the Board on at least a quarterly or bi-annual basis.

Enterprise Risk Management Framework

The Enterprise Risk Management (ERM) Policy and framework was implemented to ensure the effective management of risks identified and the implementation of risk reduction strategies. The implementation of the ERM policy demonstrates the commitment of the NSWMA to the adoption, introduction and implementation of an effective risk management system throughout the organization.

The Committee will ensure that the performance of the risk framework is reviewed and evaluated to ensure it continually aligns with overall business strategy while taking into account changes in context.

After extensive review, the framework was approved in March 2021.

Management Risk Committee

To support its risk oversight role a Management Risk Committee comprising the senior management team and chaired by the executive director, was established to assist the Board Risk Committee with the implementation of the risk management policies, ensuring that the procedures function as they are intended to support and to encourage risk awareness among staff.

Risk Assessment

The Board also has the responsibility to communicate its views on risk management as well as to work with management to determine the overall risk appetite for the NSWMA. This will determine the amount of risk the Authority is willing to accept.

The Committee in an effort to review the 168 potential risks identified by management, will commence the process to examine, prioritize and eventually monitor those risks which will be communicated to the Management Risk Committee for action. This process is ongoing.

Key Roles

Risk Champions

The Committee recognizes that the risk champion is the catalyst for risk management activities and is a critical role in implementing the effective management of risks.

One important directive by the Committee to management was the selection of risk champions. Risk champions are a key part of the Authority's risk management process. The primary purpose of this role is to ensure that there is appropriate scrutiny of risks that have been identified by management and recommended for elevation to the corporate risk register. This group will also support the Authority in applying risk management processes and techniques with the aim of increasing awareness, ownership and management of risks leading to improved business performance.

Risk Manager

The Committee has listed the appointment of a risk manager as a high priority. This individual will coordinate the activities of both the Board and Management Risk Committees.

This individual will be responsible for the review and assessment of the risk management policies and protocols; and will make recommendations and implement modifications and improvements. Another core function of the risk manager is that he or she will work closely with the risk champions in each department to ensure proper and consistent management of the Authority's risks and will communicate recommendations to the Committee

.Training

The Committee is focused on embedding a culture of risk management and recognizes that training is key to the process. The Committee has mandated that risk management workshops and/or seminars should be conducted to ensure that the officers who are key to the implementation of the Enterprise Risk Management Policy and Framework appreciate the fundamentals of risk management, their roles and responsibilities and understand how to use risk analysis tools to determine and prioritize the Authority's risks.

The Way Forward

The COVID-19 pandemic has exposed the vulnerabilities in risk approaches, as such, the Committee understands the need for the implementation of strong and responsive risk policies. Beyond 2020/2021, the Committee will continue to encourage a proactive and adaptive risk management policy and will ensure that management provides timely, accurate and comprehensive reports for effective decision making at the Board level.

CORPORATE GOVERNANCE COMMITTEE REPORT

National Solid Waste Management Authority

Governance at the NSWMA remained steadfast even as the Authority traversed the unchartered territories of the COVID-19 pandemic. The Corporate Governance Committee was intentional about its role in assisting the Board in fulfilling its strategic and oversight responsibilities and ensuring that the NSWMA had an effective corporate governance regime. The Board is committed to healthy corporate governance practices which strengthen and maintain confidence in the NSWMA.

The Board is proud of the Authority's progression since 2016 and continues to embed transparency, accountability, responsiveness and stability. The second term of the Board of Directors ended in January 2021, and a new Board was appointed on January 29, 2021. In keeping with the Government of Jamaica Policy Guidelines for the Nomination, Selection and Appointment of the Boards of Public Bodies, which provides that at least one-third of the Board should be retained, six Board members were reappointed and five new directors were appointed. In assessing its collective and individual competencies, we believe the gender balance, the addition of a member under the age of 30 as well as geographic and professional diversity, help to ensure that the Authority's decision making at the highest level is informed by a sufficiently wide cross section of views. Moreover, the members possess the relevant skills and required competencies which enable them to discharge their duties successfully

A new Board Competency and Attributes Profile was developed and has been placed on the Authority's website together with the profiles of all directors. .

Membership of the Corporate Governance Committee as at March 31, 2021

Name	Role
Mrs. Camille Facey	Chairman
Dr. Charlene Sharpe	Committee Member
Ms. Jodian Myrie	Committee Member
Mr. Wade Brown	Committee Member
Mr. Fabian Brown	Committee Member

As is customary with the change of an administration, former Board members offered their resignations to allow the Minister of the parent ministry to appoint new directors. Prior to January 29, 2021, Messrs. Donavon Samuels and Dwight Ricketts were members of the Committee. They were faithful members of the Committee and their contributions were invaluable.

In February 2021, Mr. Fabian Brown, Mr. Wade Brown and Ms. Jodian Myrie were appointed to serve as members of the Committee. They have brought new energy and enquiring minds to the Committee and we welcome them.

Meetings

The Committee held five meetings in the reporting year. The Committee met every other month and provided reports on its activities to the Board. In the latter part of the financial year, emphasis was placed on the full implementation of existing policies, examination of existing policies due for review and the development of policies and procedures aimed at reducing the number of personal injury incidents.

Priorities for the Financial Year 2020/2021

- Reinforcing the culture of the establishment of strategic objectives and constant monitoring to ensure the meeting of the objectives.
- Compliance with laws
- Monitoring the implementation and promulgation of key corporate governance practices
- Evaluation of the Board and Committees
- Examination of existing policies due for revision

Policy Focus

New Policies

Enterprise Risk Management (ERM) Policy and Framework

The NSWMA is excited to announce that the Enterprise Risk Management Framework was approved by the Board in the reporting year. This framework elevated the existing risk management practices to a standardized process where risks are identified, assessed, mitigated and monitored.
The framework also outlines the roles and responsibilities of stakeholders in the risk management process and defines essential enterprise risk management components, discusses key ERM principles and concepts, and provides clear direction and guidance for enterprise risk management.

Revision of Existing Policies

The Corporate Governance Committee understands the importance of ensuring that all governance policies are up-to-date. This process assesses whether the policies are understood and are achieving their intended purpose and ensures that the written document reflects the current practice. The policies are also amended to reflect any changes to related regulations, legislation or other documents. The following were reviewed:

- Committee Terms of References
- Board Charter

Pending Policies

- Data Protection

The Corporate Governance Committee understands the importance of safeguarding personal information. The Coronavirus pandemic has put more focus on data protection, as Board meetings are held via online meeting platforms and employees are now working remotely with access to company data.

The Corporate Governance Committee strongly believes that the protection of fundamental freedoms includes protecting personal data, as breaches may cause significant financial and reputational damage to the Authority. In light of this, the Committee asked for a review of the Data Protection Act and the establishment of a formalized process through the development of a data protection policy.

- Gender Based Violence

Gender based violence continues to be one of the most prevalent human rights violations in Jamaica. The Corporate Governance Committee understands that the problem undermines health, dignity, work output and mental capacity and knows no social or economic boundaries. Establishing such a policy at the Authority would provide support systems such as counselling and information about accessing external resources. The development and establishment of the appropriate support systems to assist staff in recognizing and dealing with gender based violence whether in their own lives or the lives of others is an initiative which is currently ongoing at the Authority.

Monitoring of the Sexual Harassment and Whistleblowing Policies

Given the importance of the policy, the Committee sought periodic updates on the implementation and promulgation of the Sexual Harassment Policy. The Committee understands that this policy addresses a sensitive issue and must be implemented as intended.

The Whistleblowing Policy outlines the process by which employees can report serious wrongdoings in the workplace including but not limited to fraud, theft, mismanagement and bribery. The Corporate Governance Committee sought updates on the implementation of this important policy and stressed that management should assure employees that they will be protected from any detrimental treatment, such as victimization and/or harassment.

Board Induction

Induction of the newly appointed Board directors and appropriate training and development was high on the Committee's agenda. While some activities were stymied due to the COVID-19 pandemic, the Committee ensured that the new members were welcomed, supported and properly informed of the Authority's business. Members were provided with the NSWM Act, Board Charter, Terms of References, and other key governance policies outlined in the Board Induction Policy.

Following a brief introduction, the new members attended a session via an online meeting platform where department portfolios were outlined, providing an opportunity to address any queries or concerns about the Authority and its regional entities.

The Company Secretary has been tasked with coordinating the requisite corporate governance training and visits to disposal facilities. In addition to being appointed to various committees, each new Board member has been assigned a mentor and they been invited to sit in on the meetings of other committees so as to broaden their knowledge of the operations of the Authority.

Legal Liabilities

Given the nature of the operations at the entity, the Committee is cognisant of the potential exposures. To reduce the number of legal liabilities, focus was placed on:

- The enforcement of the Protective Equipment Policy to minimize harm to waste collectors
- The amendment of the Accident Policy
- Defensive driving training

As a result of these initiatives there has been a 36% reduction in accidents.

In addition to internal policies, management was asked to prioritize insurance payments to ensure that there is some insurance coverage for eventualities.

Despite the lack of funding for legal liabilities, during the period under review a total of $10,441,549.00 was paid out for judgment debts and settlements. The Board and management continue to make representation for funds to be earmarked annually for legal liabilities even while taking all possible steps to avoid the situations which give rise to the claims.

Regulations

The following regulations are now at an advanced stage and are being reviewed by the Attorney General's Chambers:

- NSWM (Hazardous Waste)

(Electronic and Electrical) Declarations Order, 2018

- NSWM (Public Cleansing Regulations) 2019
- NSWM (Disposal of Solid Waste Facilities) 2019

Strategic Planning

The restrictions due to the COVID-19 pandemic delayed the formal strategic planning process whereby Board members and management would meet at a full day session to discuss the Authority's strategic direction and financial position. Nonetheless, at monthly meetings the strategic focus was carefully deliberated and re-evaluated. Board members and the executive director assessed the strategic goals, targets and initiatives and the impact of COVID-19 and focused on the processes and strategies to successfully maneuver through the pandemic and the post-pandemic realities.

The executive director reported on each strategic goal at monthly Board meetings.

Conflicts of Interest

The Board requires that members disclose interests held in all organizations. All directors submitted declarations and no conflicts of interest were recorded.
Members were also reminded of their duty to advise the Board of any external interests, which may be prejudicial during their tenure.

Board Evaluation

The evaluation of Board members is a key component of effective governance. The Committee strongly believes that appraising the Board helps to clarify individual roles and collective responsibilities. The evaluation of the Board of Directors, Coopted members of Committees, the executive director and the company secretary was conducted by an external consultant during the reporting year utilizing the survey instrument provided by the Ministry of Finance and the Public Service. The outcome of the board evaluation was presented to the Committee and thereafter to the Board.

Key findings of the survey was as follows:

- Board Roles and Responsibilities:

One hundred percent of Board members understand their statutory and other roles and responsibilities

One hundred percent of Board members agreed that the Board Charter and governance policies provide useful guidance to Board members.

- Board Composition

Eighty six percent of Board members believe that the skill mix of members is appropriate to enable the public body to achieve its purpose.

- Ethics and Culture

One hundred percent of Board members agree that members demonstrate knowledge of and compliance with the spirit and letter of the public body's code of conduct and code of ethics.
One hundred percent of Board members agree that the members adhere to the established procedures/guidelines with respect to conflict of interest.

- Strategy and Performance

One hundred percent of Board members are of the view that the Board and management work together to develop the public body's operational plan and corporate plan.
One hundred percent of directors believe that Board members are committed to the public body's vision, mission and purpose.

- Audit and Internal controls

One hundred percent of Board members believe that the Board has ensured that management has established a control framework for the public body.

Corporate Governance Awards

The NSWMA continues to make strides in corporate governance. At the fourth staging of the Corporate Governance Awards for Public Bodies awards ceremony organized by the Ministry of Finance and the Public Service/Private Sector Organisation of Jamaica, held virtually on Friday, March 26, 2021, the NSWMA received two awards.

The Public Bodies Corporate Governance Awards are issued in four categories:

1. Board Composition, Function & Structure;
2. Corporate Governance Policies, Procedures and Practices;
3. Compliance & Disclosure of Information; and
4. Risk Measurement, Management & Internal Controls.

The Authority won the award for Corporate Governance Policies, Procedures and Practices and was also awarded 1st runner up for Most Improved Public Body.

These achievements are a testament to the Authority's commitment to embedding corporate governance best practices at every level in the organization, have boosted staff morale, and will certainly enhance the Authority's reputation.

Beyond 2020/2021

As the Authority navigates through the "new normal" with a decimating economy where the level of uncertainty is unprecedented, the Corporate Governance Committee will continue to ensure that the Board does not lose sight of its oversight and strategic role.

The Committee is acutely aware that new times call for new measures and the Board is proactively scheduling time at each board meeting to look beyond the horizon for the opportunities and challenges which are likely to present to ensure that the Board fulfills its mandate of foresighting and providing strategic direction.

HUMAN RESOURCE COMMITTEE REPORT

National Solid Waste Management Authority

The Human Resource Committee of the Board is responsible for strategic oversight of the human resource functions of the Authority and its regional companies. The committee was chaired by Senator Cllr. Mayor Delroy Williams up to the last Board's tenure. The additional members of the committee up until the Board was dissolved were: Cllr. Donovan Samuels, Mr. Willard Hylton, Mr. Jonah Chisholm- Co-opted member and Mr. Errol Holmes- Coopted member.

In February 2021, the HR Committee attained all new members: Mr. Fabian Brown- Chairman, Ms. Jodiel Ebanks, Mr. Wade Brown, Mrs. Carla-Anne Harris-Roper- Co-opted member and Mr. Dwayne Dillon- Co-opted member.

The COVID-19 Pandemic had a tumultuous impact on the world of work and how work is conducted. To ensure that the NSWMA and its companies were able to adequately adapt to the new norm, a series of policies became increasingly important to develop and operationalize. The committee reviewed the following policies and submitted same for the approval of the Board. These included the Grievance Policy and Procedure, the Succession Plan and the Flexible Work Arrangement Policy.

Grievance Policy and Procedure- The Grievance Policy and Procedure identified steps that employees are required to take in order to solve any form of complaint or unfair treatment that an employee believes was imposed or him/her or colleagues. It identifies clear chain of command and the type of incidents to be dealt with based on different levels within the organization. This policy was approved by the Board of Directors and operationalized.

Succession Plan- this plan became extremely important as the likelihood of a person occupying a critical post being absent as a result of the COVID-19 virus etc. became a reality. The policy was developed to ensure business continuity by identifying succession for critical posts. This was approved by the Board of Directors.

Flexible Work Arrangement- In adopting to the new norm the Authority saw an extreme urgency to implement a Flexible Work Arrangement Policy, as it was believed that the instructions from the MOF&P were insufficient to deal with our dynamic staff composition and approval levels. As such, a detailed policy and accompanying forms were created and implemented to regulate the dynamic world of work.

Training and Development- For the most part training in Jamaica is conducted on a face-to-face basis. In the initial first two quarters of the year training was almost non-existent. However, as we adjusted and adapted to the new norm training was reignited. The use of technologies accelerated the modus operandi in which training was delivered and we took advantage of the online training sessions that were available. This allowed for greater efficiency as staff members were able to conduct training programmes without leaving their work-station. The Authority also realized savings as training costs were reduced as the Authority was no longer required to pay for meals and travelling for employees to participate in these sessions.

The year was one of learning for the Authority however, we were able to develop methods to achieve our goals.

AUDIT COMMITTEE REPORT

National Solid Waste Management Authority

Introduction

The National Solid Waste Management Authority (NSWMA) Board of Directors (Board) has the ultimate authority for effective corporate governance, including the role of oversight of the management of the Authority and its regional entities (MPM, WPM, SPM, NEPM).

The Audit Committee (AC) is established by the Board to assist it with its oversight responsibility, in order to ensure accountability, and transparency, in the operation of the NSWMA.

Audit Committee Responsibilities

The Audit Committee is delegated by the Board of Directors with the responsibility to provide independent oversight of NSWMA'S financial reporting, internal control systems, internal audit function, and the independence of the external auditors. The main responsibilities of the AC as outlined in the Terms of Reference are:

- Review and advise the Board on the financial statements that are to be included in the annual report of the NSWMA.
- Oversight of the external audit process
- Discuss with management and the external auditors, the annual audited financial statements.
- Oversight of the internal control structure and system.
- Oversee any internal audit of the NSWMA.
- Investigate any matter pertaining to integrity of management, including conflict of interest or adherence to standards of business conduct as required in the policies of the Authority.

Audit Committee Members and Meetings

The membership of the Audit Committee comprises six independent members - four Board directors, which includes the Chairman and two coopted members.

Audit Committee meetings are scheduled to be held on the second Monday of every other month, with six meetings scheduled for the Financial Year 2020/2021.

The Audit Committee had two meetings for the financial year ended March 2021:

- May 2020, and
- July 2020

Due to measures implemented by the Government during the COVID-19 pandemic, coupled with the announcement of the general election in August 2020 and the subsequent dissolution of the Board, no other committee meetings were held.

Joint Committee Meeting (Audit & Finance)

A joint meeting of the Audit and the Finance Committees was held in July 2020, to examine the consolidated audited financial statements along with the financial statements for NSWMA and the regional entities (MPM, WPM. NEPM and SPM) presented by independent external auditor C.R. Hylton and Company for financial year 2019/2020.

Based on this review and discussion with management, the Audit Committee was satisfied that the financial statements for the entities (MPM, WPM, NEPM, SPM) and the NSWMA consolidated financial statements were prepared in accordance with applicable accounting standards and presented the NSWMA's financial position for the year ended 31st March 2020. The AC recommended to the Board of Directors the 2019/2020 financial statements for approval, and reports that the NSWMA is currently up to date with its financial statements.

Internal Audit Department

In May 2020, the Audit Committee meeting bid farewell to the former Internal Audit Manager, Mrs. Vashti Wilson, who served the Authority commendably for 13 years as she proceeded on retirement effective June 1, 2020. Mrs. Karen Watson, Internal Auditor was later endorsed to act in the position of Internal Audit Manager effective June 1, 2020.

TeamMate Audit Software

The TeamMate Audit Software approved by the Committee was procured and training conducted in May 2020. The software is intended to:

- Automate the audit process to improve efficiency in planning and scheduling of audits.
- Reduce time taken to prepare working papers and audit reports.
- Provide audit trail for completed audits.
- Overall reduction in turnaround time for audit completion
- Ensure timely follow up with audit for management responses and implementation status of audit recommendations.

Audit Reports

The Committee in May 2020 reviewed with management the following audits:

1. Commercial Income Operations at MPM Waste Management Limited
   Reviewed the effectiveness of the Authority's internal control as it relates to
   commercial income operations at MPM WM Limited.
   2. Fuel Usage Special Audit
   Continuous monitoring of fuel consumption for the four regional entities, saw fuel usage in relation to the number of functional units in operation, remaining relatively unchanged as minimal increase was observed during the year. This area continues to yield cost savings to the Authority.

Follow up Audit Reports

The Committee reviewed three follow up audit reports as follows:

1. MPM Garage Operations
2. SPM and WPM Monthly Payroll Audit
3. NEPM Monthly Payroll Audit

Going Forward

For the next financial year, the Committee expects to see continued improvement in
accountability and transparency in the operation of the Authority and its four regional entities. The Committee will ensure:

1. At least five committee meetings are held.
2. Implementation of the Standard Accounting Policy and Procedures manual being prepared to be utilized by NSWMA and the regional entities.
3. Implementation of an effective accounting software in NSWMA and the regional entities
4. Full implementation of Records Management Policy and Procedures, being prepared to improve the standard of documentation in all regional entities.
5. Timely preparation of financial statements in compliance with PBMA Act.
6. One Hundred percent compliance with all Government Procurement Regulations, and Guidelines.
7. Improvement in internal control systems to mitigate against risks associated with the various business operations:
   - One hundred percent implementation of all audit recommendations by management
   - One hundred percent compliance in receipt of management responses.
8. Inclusion of NSWMA's Enterprise Risk Management Policy and Framework in future Annual Audit Plans.

The Committee along with the management of the Authority will ensure that the Audit Department is fully staffed and is equipped to execute its Annual Audit Plan with a view to reducing the internal control weaknesses in NSWMA and the four regional entities.

Management Discussion & Analysis (MD&A)

The coronavirus pandemic (COVID-19) has had a devastating impact on the Jamaican economy. The control of public expenditure was a major part of the government's fiscal adjustment strategy. Most categories of government expenditure were below budget, and overall government expenditure was 1.8% below target. In addition, capital expenditure was up by 6.2%. Some 36.8 billion Jamaican dollars (J$) is reported to have been used to finance COVID-19 related expenses. Combined with increased interest costs in the Second Supplementary Estimates relative to the 2020/21 budget, the total impact of COVID-19 expenditure on the Government of Jamaica to date is approximately J$43.8 billion.

By extension, the National Solid Waste Management Authority felt the brunt of the virus as a result of insufficient revenue from property taxes. The NSWMA receives budgetary support from the Parochial Revenue Fund which is funded from the payment of property taxes. Despite the limited funding, the NSWMA strategically implemented measures to ensure that it continued to deliver the critical service of garbage collection and disposal while ensuring the safety and well-being of its customers and its team members.

The MD&A examined the NSWMA's strategic objectives, targets, and its overall achievements for 2020/2021 with its projections for Fiscal Year 2021/2022.
Our strategic objectives for the FY are:

1. To provide a cleaner environment for Jamaica's populace;

2. To strengthen institutional governance, human capital development and enhancement of productivity of staff and customer experience through information technology;

3. To improve disposal site compliance with the requisite regulations, standards and guidelines in order to safeguard public health and secure a sustainable environment;

4. To grow revenue through the provision of commercial and beautification services;

5. To increase the public's compliance with the NSWM Act through public sensitization and enforcement activities.

National Solid Waste Management Authority

Achieving in the new Norm

1.1 Acquisition of Trucks

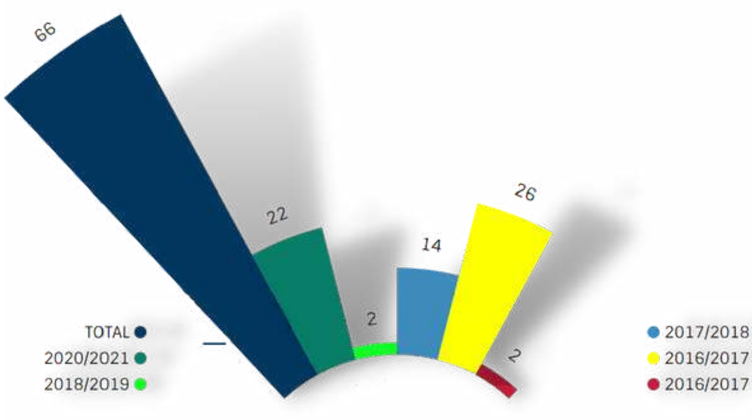


Figure 1: New units acquired since 2016/2017

In the 2020/2021 Fiscal Year the Authority acquired through procurement, a total of 20 compactor trucks and received two trucks through donation. Between 2016/17 and 2020/21, 66 new trucks were acquired through procurement as well as in the form of gifts/donations through public/private partnership initiatives. The acquisition of these trucks placed the NSWMA in a more advantageous position to aid in its relentless efforts to improve service delivery to its stakeholders. Six of the units were distributed to the WPM Waste Management Ltd.

The SPM Waste Management Ltd. and the NEPM Waste Management Limited were tasked with the management of the remaining eight units which were equally apportioned. Seven of the 22 units were assigned to the MPM Waste Management Limited. Incidentally, during the reporting period there was an elevated demand for domestic waste collection as students were taught virtually while at home and public and private sector workers worked from home. The NSWMA responded to the increased demand by resorting to night collection of the waste in locations where it was deemed critical.

Minister of Local Government & Rural Development, Desmond McKenzie and Omar Sweeny, Managing Director of JSIF in one of the newly acquired compactor trucks

66 *New Units Acquired Since 2016/17*

1.2 Tonnes of Solid Waste Collected

Figure 2: Tonnage of solid waste collected in the regions

The NSWMA collected approximately 1,014,137 tonnes of solid waste for this reporting period. The target set for the tonnage of waste to be collected was 942,452 tonnes which was exceeded by 71,685 tonnes. The quantity of waste collected in 2020/21 exceeded the previous FY by 144,716. The 14.3% increase in waste collected can be attributed to the acquisition of 22 new compactor units which enables more frequent collection. The increased quantity of waste collected by region is a representation of population density and frequency of house-to-house collections in these areas. Worthy of note is the consistent improvement in NEPM's collection service since 2018/19. It increased its collection from 155,537 in 2019/20 to 191,741 in 2020/21 which represents an increase of 19%.

1.3 Adherence to Collection Schedule

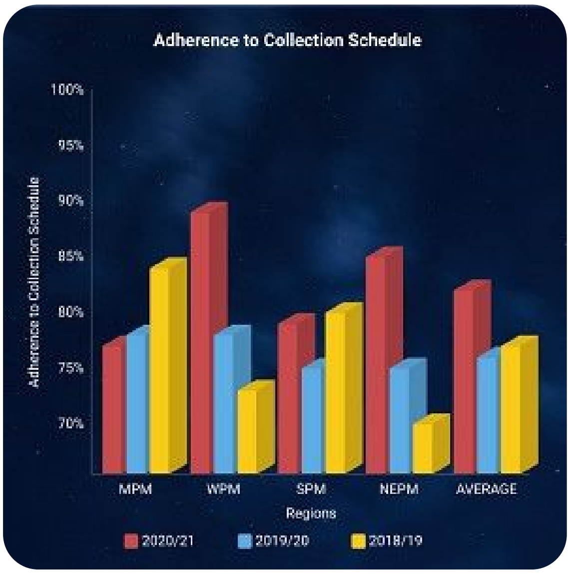


Figure 3: Adherence to collection schedule in the regions

Each region creates collection schedules for districts, communities and town centers within their respective regions/wastesheds. The once weekly target set for adherence to the collection schedule was 90%; of which the Authority was able to achieve an overall average of 82%, an uptick of 6% over the period last fiscal year. The consistent maintenance of the trucks was apparent, and collectively the regions carried out 82 repair/maintenance jobs on its fleet. On average 66% of trucks were functional throughout the reporting period.

1.4 Sweeping Services

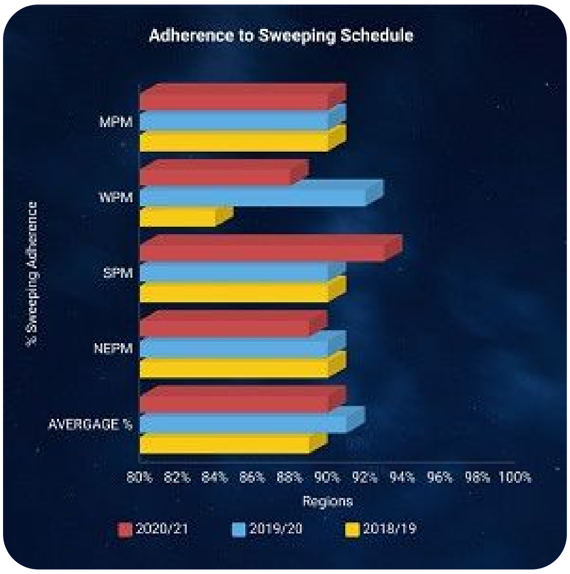


Figure 4: Sweeping Services by regions

The NSWMA is responsible for the scheduled sweeping of town centres and major roadways which should be completed by 8:00 a.m. daily. The NSWMA achieved its set target of 90% adherence to its sweeping schedule in the reporting period. There was a slight decrease of 1% compared to the out-turn in 2019/20.

2.1 Disposal Site Management

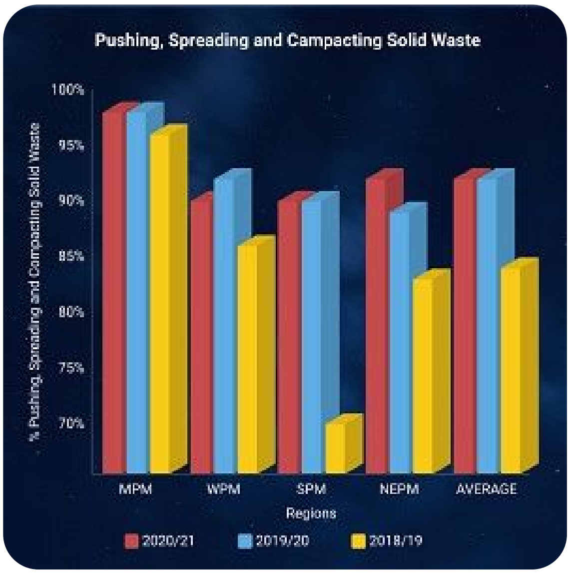


Figure 5: Pushing, spreading & compacting solid waste on disposal sites

In 2020/21 the Authority maintained its spreading, pushing and compacting of the waste at 92%, the same was achieved in 2019/20 period. The achievement is 2% in excess of the target set. This activity is necessary to spread the waste evenly in layers over the landfill, and to compact waste to reduce its volume and help stabilize the landfill.

As far as the budget would allow, the maintenance of access roads and drainage on the disposal sites were recorded at an average of 64%, a shortfall of 26% of the target set for the reporting period.

Aerial view of Riverton disposal site

2.2 Covering of Disposal Sites

Figure 6: Covering of disposal sites in the regions

The NSWMA recorded an overall decrease in covering activity on most disposal sites, with the Retirement disposal site being the exception. Extensive covering was conducted at this site because of a major fire which occurred in the final quarter, and this accounted for, to some extent, the level of covering presented in the chart. The NSWMA recorded an average 18% decline in covering against the previous financial year. Particularly, the disposal sites in the SPM and NEPM waste-sheds recorded a reduction of 45% and 24% in covering activities, respectively. While at the same time, the NSWMA recorded an increase in requests for burial and coverage of waste, particularly special COVID-19 waste.

2.3 Relocation of Church Corner Disposal Site

A closure plan was developed for the Church Corner disposal site in St. Thomas with a view to closing the site due to potential environmental and health hazards as it has exhausted its lifespan. To facilitate its continuous use, 400 loads of solid waste were transported to the Riverton disposal site. To ensure its relocation, two parcels of land were purchased, namely Pleasantville and Petersfield, both in St. Thomas. The Legal Department was instrumental in acquiring the alternative land as it ensured the timeframe within which the requisite documents and deposit of funds for purchase is conformed with. The Planning and Research and Landfill Department ensured that due diligence was observed and the property was visited and scrutinized by pertinent stakeholders, such as the National Works Agency, National Water Resources Authority, Mines and Geology Division, Ministry of Agriculture &; Fisheries and the National Environment and Planning Agency.

2.4 Disposal Site-Fire Mitigation Measures

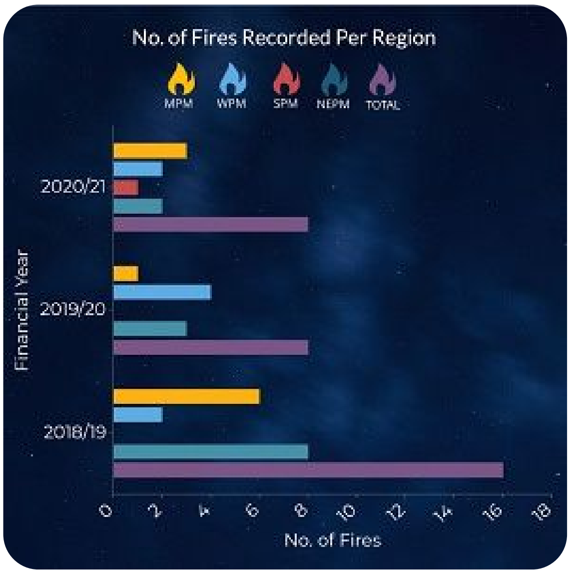


Figure 7: Landfill fires in the regions

Eight disposal site fires occurred during the reporting period. The incidence of landfill fires did not increase in 2020/21 but remained the same as the previous year.

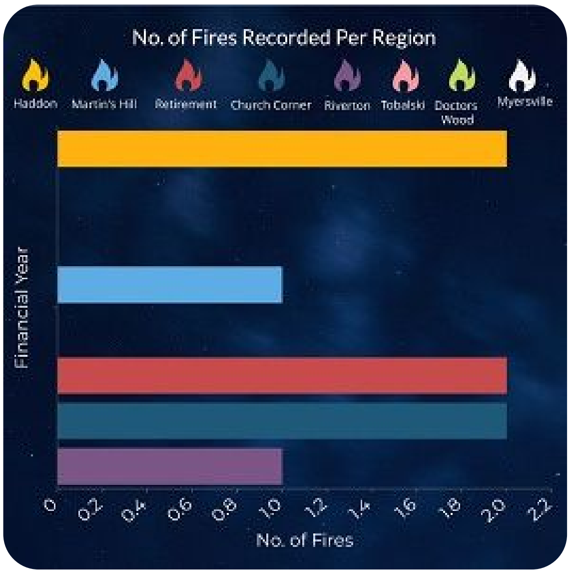


Figure 8: Fires at disposal sites

The table above shows the number of fires that occurred at each disposal site during the reporting period. The disposal sites with the most frequent fires were: Haddon, Retirement and Church Corner, each reporting two fires for the period.

Environmentally Sound Disposal Practices

The island's disposal sites are vulnerable to spontaneous combustion and subsurface spontaneous fires. Subsurface combustion is considered the most dangerous and difficult to detect and extinguish. Methane gas has often been suspected of initiating spontaneous subsurface fires on the disposal sites. One of the measures the NSWMA employed to respond to fires was to ensure that each disposal site stockpiled cover material reserved for emergencies caused by fire. The cover materials enabled the quick containment and timely extinguishing of flames and smoke caused by fires. Below is a table displaying the loads of stockpiled cover material required to be maintained in the regions' disposal sites.

MPM	320 LOADS
WPM	200 LOADS
SPM	280 LOADS
NEPM	440 LOADS
TOTAL	1,240 LOADS

Table 1: Stockpile of cover material to be maintained in the regions

In addition to the stockpiling of cover material, a gas venting system was installed at the Haddon disposal site to mitigate against a buildup of methane gas which may cause spontaneous combustion. The installation resulted in one less fire over the previous reporting period.

Adapting to the new Norm

Training and Development

The onset of the COVID-19 virus had stymied the trajectory and momentum of training and development at the NSWMA. However, thoughtful strategies were implemented to continue the professional development of its staff, albeit at a reduced level.

The Authority adapted to the challenge by the incorporation of technology into our daily
activities. The Information Technology Department played a critical role through its expertise in harnessing the correct technology to access virtual training. Our staff adapted well to the platform which allowed for numerous sensitization sessions and some training to be held.

Figure 9: Training and sensitization activities in 2020/2021

As the world adapts to the pandemic there is a growth in online training. This allowed for the first time, eight staff members to participate in a training opportunity offered by the Japan International Cooperation Agency in one sitting. The online course, Technology for Solid Waste Management with Recycling Promotion for Sound Material Cycle Society was channeled through YouTube lecture videos and other virtual assessment. The lectures began January 12, 2021 and ended March 12, 2021.

Alternative methods to face-to-face communication were intensified to sensitize staff on the changing requirements for the new norm. Staff were sensitized via email, WhatsApp messenger, strategic postings in high traffic areas and the intercom to mitigate contact and spread of the deadly virus. Overall, the NSWMA defied the odds and was able to train 191 members of its staff while simultaneously reducing the cost of training expenses. It exceeded the target set at 120 by 71.

Staff Welfare Activities Adapting in the New Norm

The COVID-19 pandemic heralded an unsettling atmosphere, but the Authority was determined to persist to lift the spirits of staff and one way was to continue in its tradition of executing its annual staff welfare activities. During the Easter holiday staff members were treated to the traditional fare of bun and cheese; over 2,000 packages of bun and cheese were distributed to all members of staff. For Christmas 2020, staff at the head office were served the traditional Yuletide lunch and the regional staff were similarly fêted. The sanitation crew were pleasantly surprised with grocery bags which contained wine, cake and assorted meat items. The staff expressed their appreciation for the kind gestures.

Garnet Edmondson, WPM ROM, handing a bag of goodies to a sanitation worker

The enforcement and compliance of the NSWM Act remain a critical role with which the Authority is charged, and several activities are executed toward this end, one of which was to conduct surveillance operations. The surveillance target of 500 was surpassed through the execution of 700 surveillance activities for the reporting period. This means an increase of 176 surveillance activities over the previous FY and an increase of 498 against that recorded in 2018/19. However due to the pandemic this department had to strategically mitigate the impact of the COVID-19 pandemic by conducting surveillance in smaller groups and targeting business operators during opening hours.

Enforcement & Compliance

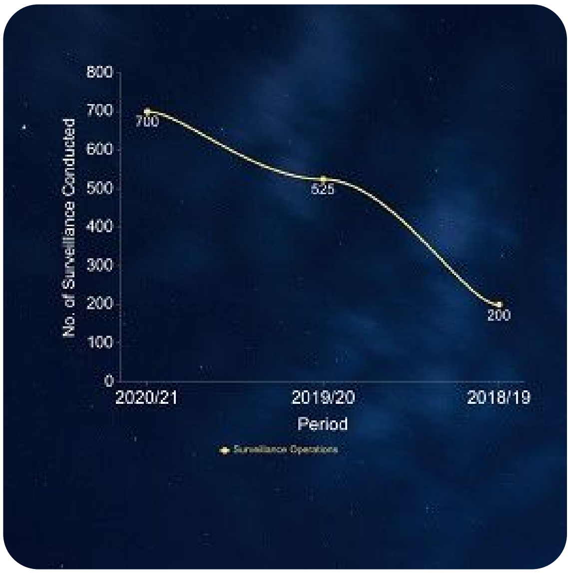


Figure 10: Surveillance operations conducted

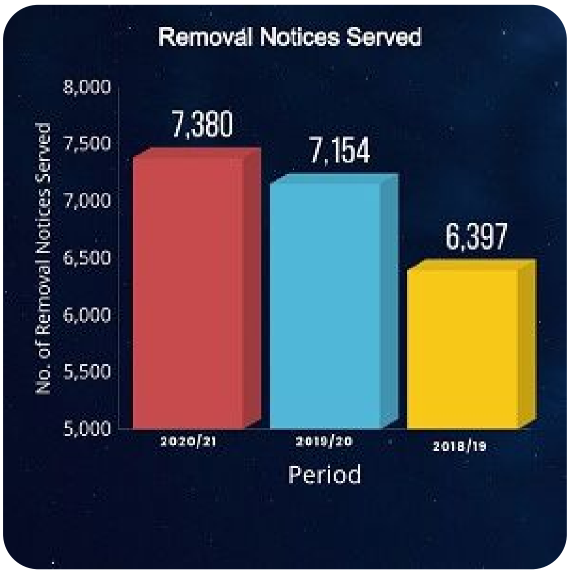


Figure 11: Removal notices served

The Authority has steadily increased its issuance of removal notices over the years and recorded 7,380 removal notices issued in 2020/21, which surpassed its target of 4,800 by 2,580 and presented a 3.1% increase over the number issued in 2019/20. Removal notices/enforcement notices are served to anyone who conducts an activity which poses a serious threat to the natural resources or to public health; this includes but is not limited to debris on roadways, improperly containerized waste and improper disposal of waste.

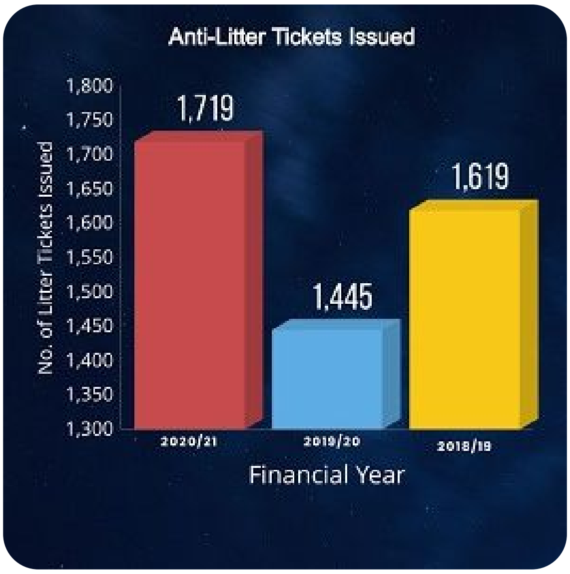


Figure 12: Anti-Litter tickets issued

Based on the chart presented above litter tickets issued in the current reporting period increased by 16% over the previous reporting FY. The set target of issuing 1,600 anti-litter tickets was exceeded by 119. This was achieved as the Authority strategically adapted to COVID-19 requirements and alleviated its staff of the fear of the pandemic by sensitization sessions and the issuance of personal protective equipment.

Yoland Reid, enforcement officer, issues an anti-litter notice to an offender

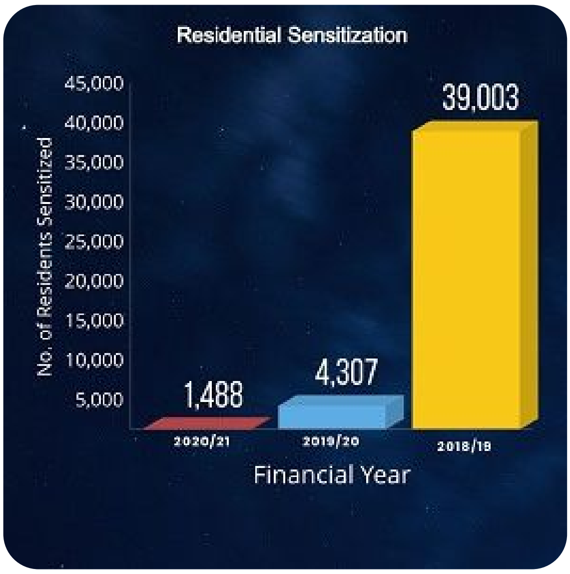


Figure 13: Residential sensitization

The sensitization sessions are normally conducted for both residents and commercial proprietors. This was impacted because of the need to comply with social distancing and reduced physical contact. As a result, to facilitate the sensitization of residents, the enforcement teams deposited copies of the NSWMA **Managing Waste** brochures in residential mailboxes as an alternative to direct contact with residents. Physical sensitization was however done while ensuring adherence to the social distance requirement. Despite the restriction occasioned by the virus the target set at 1,200 was exceeded by 1,488, an excess of 288. The sensitization of commercial proprietors increased by 1,667 (27.1%) from 2019/20 to 2020/21 owing to increased enforcement manpower, with five new officers employed.

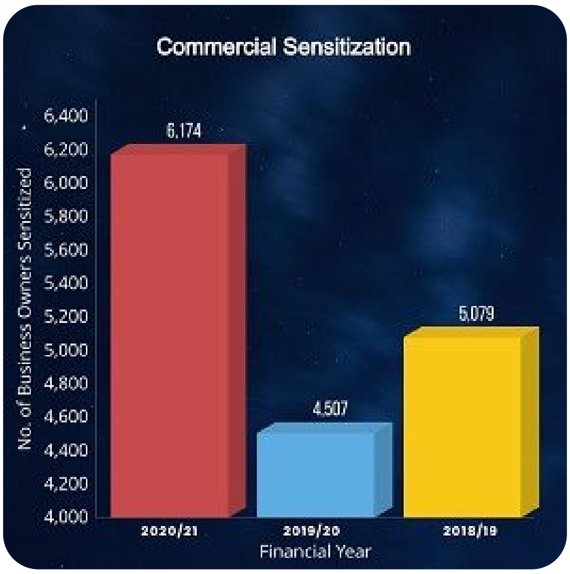


Figure 14: Commercial sensitization

The Authority is aware that the improper containerization and disposal of waste, particularly generated by commercial enterprises, can cause serious environmental hazards such as invasion of rodents, flooding and an aesthetically unpleasant environment. As a result of this, the drive to sensitize business owners was intensified in 2020/21. The sensitization of 6,174 business owners is testimony to the NSWMA's commitment despite the constant and ever-present threat of the COVID-19 virus. The target of sensitizing 1,800 commercial proprietors was exceeded by 4,374. Some of the areas visited were Old Harbour, Yallahs, Port Antonio, Christiana, Mandeville, Montego Bay Commercial District, Falmouth and Negril.

Figure 15: Residential compliance

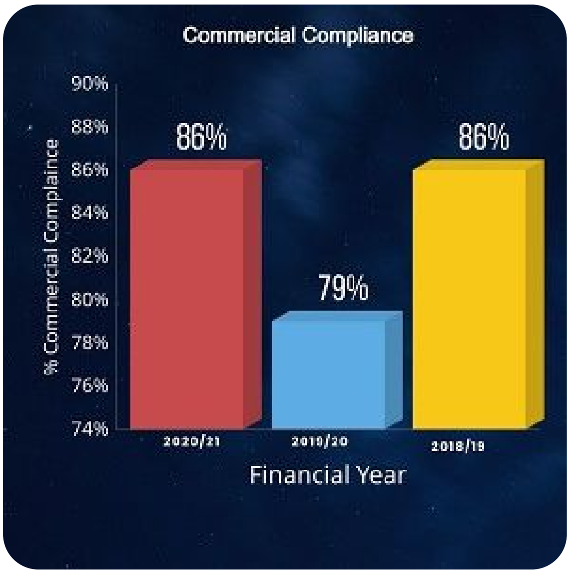


Figure 16: Commercial compliance

The sensitization efforts bore fruit and the compliance rate for both residents and commercial business owners increased by 13% and 7% respectively in 2020/21.

The fight against illegal dumping gained traction over the reporting period thanks to the ongoing SOLID (Stamp Out Littering and Illegal Dumping) campaign and the introduction of the NSWMA mobile app. Of the 285 illegal dumps reported, 140 (49%) investigations of the illegal dumps were completed.

Community Relations

Figure 17: Population sensitized on waste management

Community public sensitization on waste management consisted of promoting awareness in composting, reduce, reuse, recycle, littering and illegal dumping as well as proper disposal and containerization of solid waste. The NSWMA sensitized 64.8% of the island's population on waste management, 9.2% more than that which was achieved in 2019/20. The target set for 2020/21 was 26% which was exceeded by 38.8%.

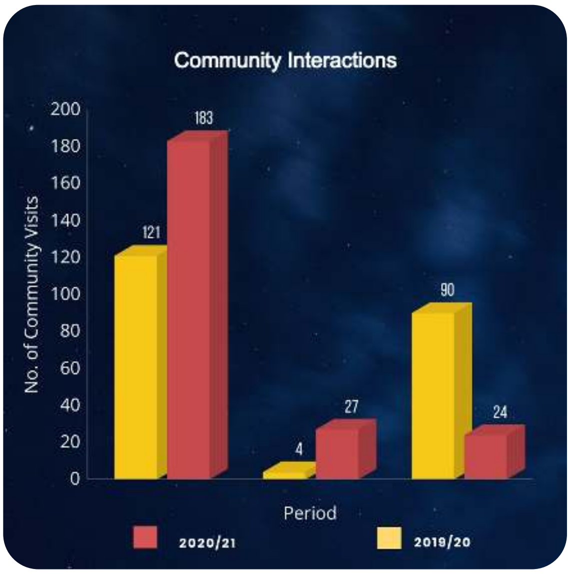


Figure 18: Community engagement

By and large, virtual meetings were conducted to facilitate public reach as the presence of the COVID-19 virus precluded most physical contact with the public. Community meetings attended were reduced from 183 in 2019/20 to 121 in 2020/21. Of course, the number of school visits dipped significantly because for the most part learning institutions were shuttered which resulted in only four schools being visited in 2020/21 compared to 27 visited in 2019/20.

Social Media Interactions

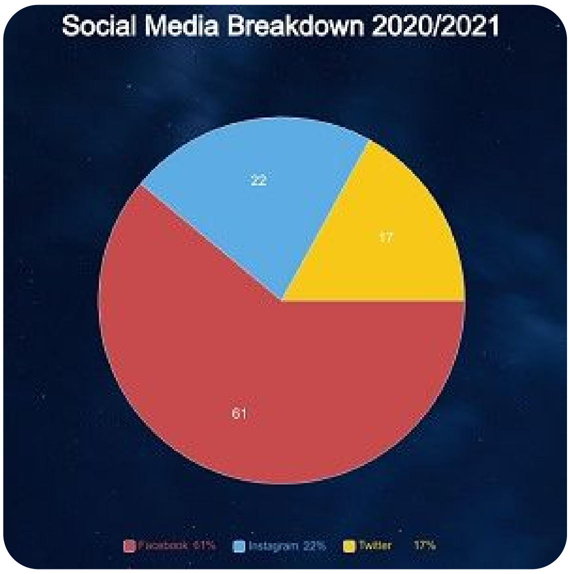


Figure 19: Social media composition for 2020/2021

Based on the restrictions caused by the pandemic, the NSWMA sought to place greater reliance on social media visibility and engagement to sustain the momentum of good relations achieved thus far with the public. However, there were insufficient funds available in the latter part of the financial year to adequately boost the content to a wider audience. Notwithstanding, the above chart shows the percentage engagement of the three social media platforms with Facebook commanding the largest portion.

As a result, the audience captured was through organic reach which required no funds to publish posts. The entity recorded a total of 288,683 social visibility and engagement hits at the close of the financial year.

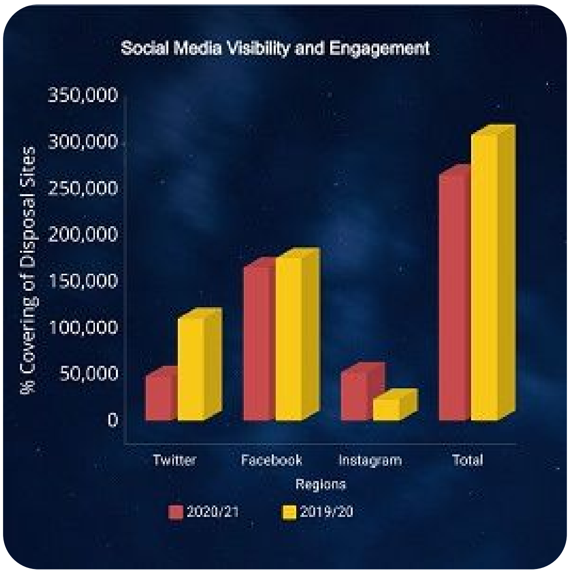


Figure 20: Social media visibility and engagement

Environmental Week

'SOLID – Stamp Out Littering and Illegal Dumping', was the theme ascribed to the annually staged public education campaign which began on June 6, 2020, National Solid Waste Day. The NSWMA was not daunted by the pandemic and displayed a show of force by once again staging its yearly public education campaign. The activities associated with the campaign were limited to electronic communication and engagement with the public but were by no means less effective in reaffirming its message on the importance of good solid waste management. A live broadcast was hosted by the NSWMA and the portfolio Minister Desmond McKenzie, the Authority's Board of Directors and the regional operations managers discussed the costly and environmental implications of illegal dumping and how all Jamaicans can mitigate against such. The discourse was broadcast on Nationwide 90FM and on the NSWMA and the regions social media pages.

Audley Gordon, executive director, sensitizing residents on the dangers of illegal dumping

One edition of the **Compactor Newsletter**, January – April 2021 and a brochure, **Managing Waste** were created and disseminated to the public, both by electronic and traditional means.

Accelerating in the new Norm

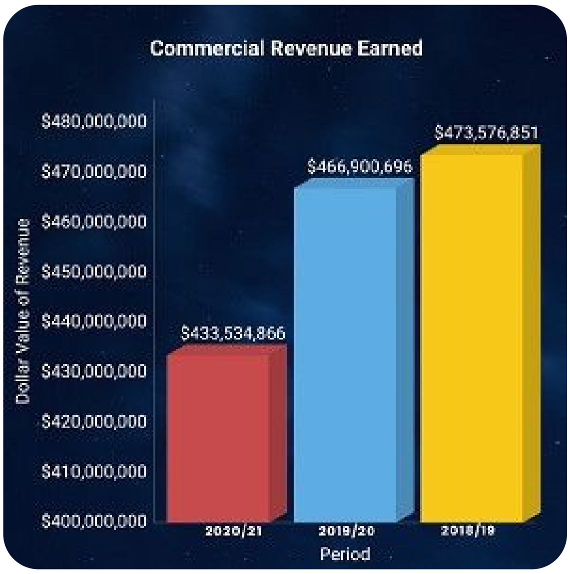


Figure 21: Commercial revenue earned

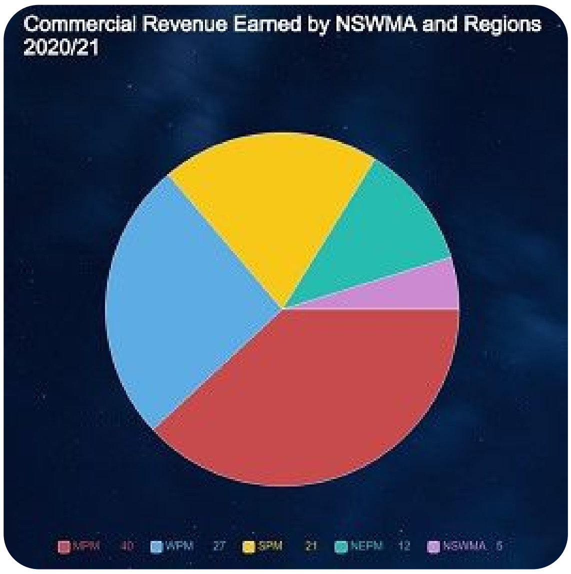


Figure 22: Commercial revenue earned by NSWMA and regions

Despite the curfews implemented as per the Disaster Risk Management Act, the NSWMA did not only achieve its target of earning $407,110,000 in revenue through waste haulage and disposal services but exceeded that amount by $26,424,866 in 2020/21. Revenue was also generated from landfill tickets and anti-litter tickets. As was anticipated, the COVID-19 virus economic impact on commercial activities was far reaching and as such there was a 7.2% decline in commercial revenue earned in 2020/2021 against the previous period, 2019/2020. The contracted figure was occasioned by temporary business closures, restricted opening hours and permanent closure of businesses in some cases.

The MPM Waste Management Ltd. earned most of the waste haulage and disposal service revenue at 33% with WPM Waste Management Ltd. garnering 27% during the reporting period.

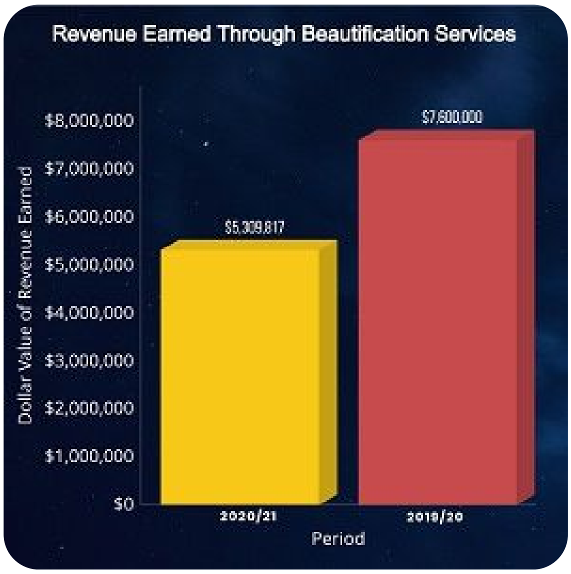


Figure 23: Revenue earned through beautification services

The NSWMA's Parks and Gardens Division was not spared the economic repercussions caused by the pandemic and as such the earnings from beautification services suffered a downturn of 30.2% against the amount earned in 2019/20. This was as a result of a decline in outdoor activities and events which limited funds normally earned from the rental of park spaces and plants.

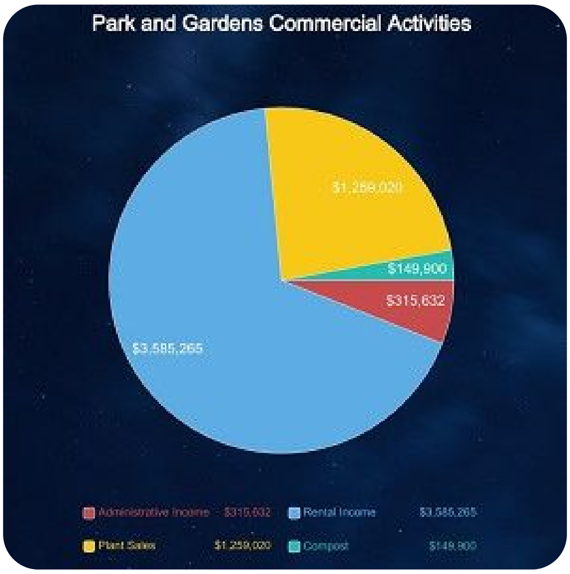


Figure 24: Commercial revenue earned

For the 2020/21 period the revenue, in part, was earned by way of sale of mulch and compost material, administrative income, plant sales and plant rentals for offices, special events and homes. Plant rental activity accounted for 67% of the revenue earned from beautification services.

A section of National Heroes Park, which is managed by the Parks & Gardens Division

PROJECTS AND INITIATIVES

National Solid Waste Management Authority

Plastic Waste Minimization Project

The Rae Town Plastic Recycling Pilot was an initiative spearheaded by the Government of Jamaica with funding from the Japanese government through the United Nations Environment Programme (UNEP) International Environmental Technology Centre and is Component 4 of the wider Plastic Waste Minimization Project undertaken by the National Environment and Planning Agency.

Six trained environmental wardens pictured with Phillip Morgan, Senior Investigator, NSWMA

Trained environmental wardens interacting with Rae Town residents

Through the project, NSWMA implemented a community-based recycling pilot initiative in the community of Rae Town with the aim of changing the socio-environmental behaviour of the residents to sound and sustainable waste management practices. The benefit to be derived is a reduction in the quantity of marine litter from land-based sources of pollutants, more specifically those in our waterways leading to the ocean. The implemented project would seek to reduce the impact of human activities on the marine and coastal environment.

The NSWMA's achievements under the project component are listed below.

1. Sensitization of community members in safe waste management practices.
2. Training and employment of six residents as environmental wardens
3. A separation at source pilot initiative for PET bottles (33,000 PET bottles collected through this project)
4. A one-off clean up of the Rae Town fishing beach under an adopt the beach initiative
5. Provision of garbage receptacles
6. Installation of a garbage rack
7. An alternative livelihood component that seeks to garner the knowledge needed for the development of a circular economy from plastics and
8. The provision of a tipper truck

The project was successful, as it fostered a cultural shift with approximately 60% of the community actively separating PET bottles from their regular garbage which resulted in a significant shift in the composition of the community's waste stream. Based on evidence garnered from a waste characterization study conducted, there was a decrease in the waste fraction of PET from 3% to 2% and an overall reduction of plastics by 3% resulting in an overall figure of 9%. A total of 33,580 lbs of PET bottles were collected during the project.

Picture of tipper truck donated by Japan and UNEP

Cleaning of a section of the shoreline in Rae Town

Jamaica Social Investment Fund - Integrated Community Development Project (Phase 1)

Phase 1 of the Integrated Community Development Project (ICDP), implemented by JSIF and funded by the World Bank, began in May 2014 and ended in May 2020. The NSWMA was assigned a component of the project which facilitated solid waste management activities, namely, clean up and beautification, provision of equipment, infrastructure and training of environmental wardens.

A total of 18 communities participated in the project and 165 environmental wardens were trained and certified. More than 90 clean up and beautification activities were conducted in the designated communities. Sixty-six bins were placed in each community of which 22 were provided for organic waste material, another 22 bins were reserved for plastic and the remaining 22 were allocated for non-composting waste. As a result of its fulfillment of the terms and conditions under the ICDP, the Authority received the following incentives:

- Two Woodchippers
- Two Plastic Bottle Balers
- Fifty Five Skips
- Three Compactor units

Jamaica Social Investment Fund - Integrated Community Development Project (Phase 2)

The Integrated Community Development Project - Phase 2 (ICDP 2) funded by the Government of Jamaica for 1.9 Billion Jamaican Dollars was implemented on April 1, 2020 and is scheduled to culminate on March 31, 2023. The project, which is directed by the Jamaica Social Investment Fund (JSIF), aims to enhance access to basic urban infrastructure and social services and contribute toward increased community safety in select economically vulnerable and socially volatile communities in Jamaica. Seven communities were slated to participate in this phase but only six have been identified so far. The selected communities are presented with the corresponding parish capitals in the table below. The NSWMA will be undertaking a similar role as it had done in Phase 1 of the project. All communities selected are linked with the Zones of Special Operations (ZOSO).

Parish	Communities
Clarendon	Treadlight
St. James	Anchovy
	Salt Spring
St. Andrew	August Town
	Greenwich Town
	Denham Town

Table 2: Communities and corresponding parishes participating in phase 2 of ICDP

PLASTIC SEPARATION INITIATIVE

The plastic separation initiative, involving 16 communities within Kingston and St. Andrew, yielded over 85,817 lbs. of plastic waste in the FY 2020/21. The initiative is to end in August 2021 but with the expectation that it will be formally recognized as an ongoing programme of the NSWMA. The initiative's success inspired offshoots of similar projects such as one in the NEPM region which is centered on the Drax Hall community in St. Ann. Another spinoff is the ongoing separation of plastic waste in the communities of Meadows, Irwin and Norwood located in the WPM region.

Separation of plastic waste practiced in the WPM region

Ricardo Blake, customer service assistant speaks with a resident about the Plastic Separation Project

DRUM A DI GATE INITIATIVE

The NSWMA has long contended with residents who are negligent in properly containerizing their waste and to this end the SPM Waste Management Limited launched a community project, called 'Drum A Di Gate' which sought to decrease incidents of poor containerization of waste by residents. The Bethel Street community of Mandeville, Manchester was selected for this venture. In the initial stage of the project residents of the community were provided with 80 drums, donated by Grace Kennedy and Edge Chem, for each household. The residents were sensitized on their personal responsibility for proper waste containerization.

'Drum A Di Gate' initiative being carried out in the SPM region

To further assist in this regard, the Authority signed an agreement with Hardware and Lumber (H&L) to the tune of 1.5 Million Dollars from which the NSWMA was to receive 200 drums each month for 12 months. The extension of the project to other communities will not only enhance the aesthetics of the communities but will allow our sanitation workers to improve on turnaround time by not having to stop to shovel and rake unbagged garbage. Additionally, the distribution of drums is also expected to lead to a reduction in mosquito breeding sites and contamination by rodents, thereby decreasing the spread of diseases and create an atmosphere of respect for the service offered by the NSWMA and its workers.

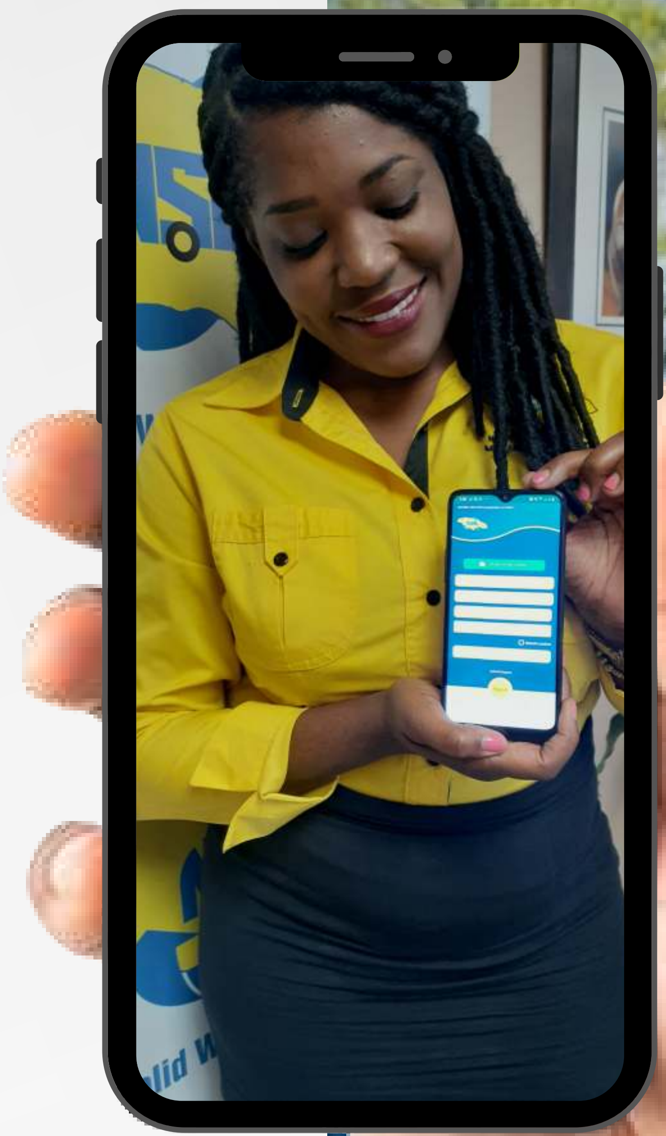
BAILEY BRIDGE REPLACEMENT PROJECT

Steps were taken in 2020/21 to replace the deteriorated Bailey bridge at the Riverton disposal site with a compact 200 modular Bailey bridge. The project was a success, due in part to the guidance provided by the Legal, Landfill and Engineering Departments which ensured that all due diligence was observed. The departments effectively monitored the project from the initiating contract with Alcar Construction Limited and the National Works Agency to the construction and installation of the bridge. A joint visit with NSWMA and the NWA project teams was convened at the site in March 2021 to conduct all necessary checks regarding the progress of the project. The bridge was officially opened on May 1, 2021.

A section of the recently installed Bailey bridge at the Riverton disposal site

Since the decision to establish a transfer station in Trelawny, the NSWMA completed a significant portion of the project's design phase. A major delay occurred as a result of the need to conduct a geotechnical survey. The process to conduct same was lengthy as a result of the limited equipment available to conduct the survey. So far, a geotechnical survey was conducted and submitted to the design team, N.O. Whyte & Associates. The NSWMA continued to finalize the design and drawings for the transfer station.

ALWAYS INNOVATING...



Mobile APP

Since the launch of the NSWMA mobile app over 1,000 downloads were logged and an ambitious 24 – 48 hours turnaround time was established for response and resolution to delayed garbage collection and littering. Approximately 110 notifications and images were sent by the public on illegal dumpsites. The app allows customers to take pictures of garbage, upload the images along with their contact information. The customers then receive a tracking or reference number through which they receive updates on their reports from the Community Relations Department. The feedback from the public was encouraging. The app is available to Android and Apple users and may be downloaded by visiting the Google Play Store.

FINANCIAL REVIEW

REVENUE

The NSWMA and its four regional companies received subvention of $6.17 Billion for the current Financial Year (FY). This represents a decrease of $693 Million or 10% over the previous year which received subvention revenue of $6.86 Billion. Own source revenue for the Financial Year (FY) 2020/21 equated to $556.3 Million. This reflects a decrease of $140 Million or 20% below the previous financial year.
Total revenue for the reporting period was $7.03 Billion compared to $7.74 Billion in the prior year. This was a decrease of $715.1 Million or 9%.

MAIN REVENUE SOURCES

- Regular subvention of $3.49 Billion (95% of total budget)
- Special and Seasonal Projects $2.53 Billion (69% of total budget)
- Own source revenue of $556.3 Million (15% of total budget).
- Statutory liabilities paid of $110.1 Million (3% of total budget).
- Other income of $300.2 Million (8% of total budget).

REVENUE ANALYSIS

The $715 Million or 9% decrease in total revenue was due to:

1. A decrease in number of projects under-taken by the Parks and Garden division in collaboration with Tourism Product Development Company Limited (TPDCO) and the Tourism Enhancement Fund (TEF) to conduct island wide beautification work, coupled with the decrease in own source revenue due to the negative effects of the COVID-19 Pandemic.

2. Special funds were received for the following projects:

   a) To pay increases in salary of 5% for regular workers, Drivers, General workers and gratuity paid in the year.

   b) Special covering and stock piling of cover material reduce the likelihood of fires on our Landfills.

3. Supplementary funding of $993.4 Million was received during the period to clear urgent public cleansing bills, satisfy legal obligations due to budget shortfall.

EXPENSES

The total expenses of $7.88 Billion, inclusive of depreciation charges of $298.95 Million reflects an increase of $343 Billion in staff costs, and $48 Million in property, plant, and equipment namely for trucks purchased for the regions and depreciation of the right of use asset. This reflects an increase of 41% of the overall operating expenditure 2.68% over what was recorded for the previous 2019/20 F Y. The main expense items are listed below:

Expenses	2021	2020	Var	Per
	$M	$M	$M	%
Staff costs	3,235	2,892	-343	41.01%
Public Cleansing	2,079	1,852	-227	26.36%
Beautification & special projects	1,260	1,441	181	15.97%
Motor vehicle expense	481	452	4-29	6.10%
Interest & penalties - payroll taxes	40	56	16	0.51%
GCT irrecoverable	103	98	-5	1.31%
Other administration expense	392	504	112	4.97%
Total Operating Expense	7,590	7,295	-295	96.22%
Depreciation	298	250	-48	3.78%
TOTAL EXPENSES	7,888	7,545	-343	100%

EXPENSES ANALYSIS

The $343 Million or 41% increase in total expenditure were also attributed to the following:

- Supplementary Fleet increased by $209.7 Million or 21% because of down time of own fleet, increased rates per trip and increased collection activities.
- Motor vehicle expenses were increased marginally by $28.2M or 6% to effect fleet repairs for the year.
- Public cleansing increased by $73.5 Million or 97% over the prior year of $75.5 Million due to efforts associated with the COVID-19 pandemic.
- Beautification & special projects operating costs decreased by $181.2 Million or 13 %. This was because of decreased number of projects due to budgetary constraints as a result of the Covid 19 Pandemic.

STATEMENT OF FINANCIAL POSITION

The net asset base of the NSWMA and the four regional companies, as at 31 March 2021, was $170.8 Million which represents a decrease of $869.2 Million 84% over the 2020/2021 reporting period. Asset base is broken down as such:

Property, Plant and Equipment

The property, plant and equipment were valued at $1.34 Billion for the reporting period. There was a minimal increase over the prior year.

Cash and Cash Equivalents

In the 2020/21 FY cash and cash equivalents amounted to $306.6 Million which is a decrease of $410.8 Million over the previous FY. This is mainly due to subvention received for dedicated projects that were not completed at the end of 2019/2020 FY, general subvention received close to the yearend not spent.

Accounts Receivable and Prepaid Expenses

Accounts receivable and prepaid expenses totaled $522.5 Million reflecting a decrease $123.2 Million or 19% over the previous year 2019/2020; mainly as a result of the net results of the following:

- $141.7 Million deposit on compactors has now being settled
- $75 Million deposit on Riverton Bridge now being settled
- $2.5 Million deposit on land in St Thomas to relocate Landfill of $2.5 Million now settled.
- Increase in trade receivables by $116.9 Million or 13% as a result of the negative impact on collections due to COVID-19.

Accounts Payable and Provisions

Accounts payable and provision was valued at $2.05 Billion, an increase of $537.6 Million or 35% over prior year, the Authority received $993 Million in support from Supplementary Appropriation this was mainly used to clear Supplementary and Landfill Contractors debt.

DIRECTORS' COMPENSATION

NOTES

*Daphne Hurge resigned from the board of directors in July 2020.

*Willard Hylton, *Donovan Samuels, *Dwight Ricketts and *Delroy Williams ended tenure on January 20, 2021.

*Fabian Brown, *Jodian Myrie, *Jodiel Ebanks, *Lenworth Kelly and *Wade Brown were appointed to the board on January 29, 2021.

*Bryon Buckley, *Dwayne Dillon, *Carla Anne Harris-Roper, *John Williams, *Carlton Haye and *Kerry-Ann Thompson were approved to serve on the board as co-opted committee members in March 2021.

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY
DIRECTORS' COMPENSATION
APRIL 2020 – MARCH 2021

POSITION OF DIRECTOR	FEES ($)	MOTOR VEHICLE UPKEEP/ TRAVELLING OR VALUE OF ASSIGNMENT OF MOTOR VEHICLE ($)	HONORARIA ($)	ALL OTHER COMPENSATION INCLUDING NON-CASH BENEFITS AS APPLICABLE ($)	TOTAL ($)
Dennis Chung	$167,900.00				$167,900.00
Linley Reynolds	$150,900.00				$150,900.00
Camille Facey	$148,600.00				$148,600.00
Charlene Sharpe	$139,400.00				$139,400.00
Norman Brown	$121,000.00				$121,000.00
Gabrielle Wilks	$28,000.00				$28,000.00
Daphne Hurge					
Willard Hylton	$62,900.00				$62,900.00
Donovan Samuels	$129,600.00				$129,600.00
Dwight Ricketts	$160,100.00				$160,100.00
Delroy Williams	$14,000.00				$14,000.00
Fabian Brown					
Jodian Myrie					
Lenworth Kelly					
Jodiel Ebanks					
Wade Brown					
Jonah Chisholm	$6,900.00				$6,900.00
Errol Holmes	$11,500.00				$11,500.00
Patrick Anglin	$32,775.00				$32,775.00
Peta-Gaye Bartley	$13,800.00				$13,800.00
Tashi Williamson	$6,900.00				$6,900.00
Georgia McCalla Russell	$27,600.00				$27,600.00
Byron Buckley					
Dwayne Dillon					
Carla Anne Harris-Roper					
Kerry Ann Thompson					
John Williams					
Carlton Hay					
TOTAL					

SENIOR EXECUTIVE COMPENSATION

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY
SENIOR EXECUTIVE COMPENSATION
APRIL 2020 – MARCH 2021

Position of Senior Executive	Year	Salary ($)	Gratuity or Performance Incentive ($)	Travelling Allowance or Value of Assignment of Motor Vehicle ($)	Pension or Other Retirement Benefits ($)	Other Allowances ($)	Non-Cash Benefits ($)	Total ($)
Executive Director	2020/2021	6,510,172.67				300,000.00		6,810,172.67
Corporate Services Director	2020/2021	5,222,344.85		1,697,148.00				6,919,492.85
Landfill Director	2020/2021	4,973,660.79	970,467.84	3,138,532.00				9,082,660.63
Company Secretary	2020/2021	4,976,324.15	2,737,596.76	1,918,251.31				9,632,172.22
Finance Director (Outgoing)	2020/2021	4,409,646.51	1,059,340.15	1,375,294.81				6,844,281.47
Finance Director (2)	2020/2021	690,950.64		328,144.84				1,019,095.48
Operations Director	2020/2021	4,973,660.79	1,643,714.73	1,697,148.00				8,314,523.52
Enforcement & Compliance Director	2020/2021	6,238,808.94	1,112,349.98	2,169,723.00				9,520,881.92
Procurement & Administration Director	2020/2021	4,764,116.99	782,565.55	1,697,148.00				7,243,830.54
Legal Director	2020/2021	5,022,982.33	1,003,340.34	1,631,147.80				7,657,470.47

CORPORATE INFORMATION

Mr. Audley Gordon
Executive Director
National Solid Waste Management
61 Half Way Tree Road, Kingston 10
Tel: (876) 926-5170 / (876) 960-4511/ (876) 926-8559
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Email: nswma@nswma.gov.jm
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REGIONAL COMPANIES

Mrs. Tracy Fakhourie
Regional Operations Manager
NEPM Waste Management Limited
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Email: nepmrom@nswma.gov.jm

Mr. Edward Muir
Regional Operations Manager
SPM Waste Management Limited
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Mr. Garnet Edmondson
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National Solid Waste Management Authority

FINANCIAL STATEMENTS

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2021

SFAI JAMAICA

C.R. Hylton & Co.

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

31 MARCH 2021

CONTENTS

Charlton Hylton F.C.C.A., F.C.A., Hayseworth Hylton F.C.C.A., F.C.A., MBA,
Dwayne Lindsay F.C.C.A.,, MBA, Paula Thorpe F.C.C.A., C.A., MBA.

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SFAI JAMAICA

INDEPENDENT AUDITORS' REPORT

To the Members of

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

Report on the Financial Statements

Opinion
We have audited the consolidated and separate financial statements of the National Solid Waste Management Authority ("the Authority"), which comprise the consolidated statement of financial position of the Authority and its sub-entities (together 'the Group') and the stand-alone statement of financial position of the Authority as at March 31, 2021, the consolidated and stand-alone statement of comprehensive income, the consolidated and stand-alone statement of changes in equity and consolidated and stand-alone statement of cash flows for the year then ended, and notes comprising significant accounting policies and other explanatory information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated financial position of the Group and the Authority as at March 31, 2021, and of their consolidated and stand-alone financial performance, and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and the Board of Directors for the consolidated and separate financial statements
Management is responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal controls as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Group and Authority's financial reporting process.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

Auditors ' Responsibility for the Audit of the Financial Statements
As part of an audit in accordance with IASs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group or Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

July 1, 2021
Chartered Accountants
Kingston, Jamaica

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2021 $'000	2020 $'000
INCOME			
Government subvention	5,17	6,175,699	6,869,031
Commercial income	6	556,320	696,361
Other income	7	297,882	178,519
Interest income	8	2,320	3,414
		7,032,221	7,747,325
EXPENSES			
Direct, administrative and general expenses	9,14	(7,888,455)	(7,545,348)
Finance cost	11	(5,283)	(3,040)
		(7,893,738)	(7,548,388)
(Deficit) surplus for the year		(861,517)	198,937
Other comprehensive income			
Item that will not be reclassified to income in subsequent periods:			
Retirement benefit adjustment		(7,710)	(9,209)
		(7,710)	(9,209)
Total comprehensive (loss) income		(869,227)	189,728

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

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021
(Expressed in Jamaican dollars unless otherwise indicated)

		2021 $'000	2020 $'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	1,349,787	1,086,237
Right-of-use asset	27	26,571	33,818
Retirement benefit asset	14	20,741	30,909
Total non-current assets		1,397,099	1,150,964
CURRENT ASSETS			
Inventories	15	28,729	77,527
Trade and other receivables	16	522,505	645,753
Cash and cash equivalents	18	306,645	717,472
Total current assets		857,879	1,440,752
CURRENT LIABILITIES			
Trade and other payables	19	2,053,475	1,515,830
Lease liability	27	5,387	4,317
Current portion of long-term loan	20	-	839
Total current liabilities		2,058,862	1,520,986
Net current liabilities		(1,200,983)	(80,234)
NON-CURRENT LIABILITY			
Lease Liability	27	(25,237)	(30,624)
Long-term loan	20	-	-
		(25,237)	(30,624)
NET ASSETS		170,879	1,040,106
EQUITY AND RESERVES			
Share capital	21	1	1
Revaluation reserves	22	190,247	190,247
Accumulated (deficit) surplus		(19,369)	849,858
Total equity and reserves		170,879	1,040,106

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

The financial statements were approved for issue by the Board of Directors on July 1, 2021 and signed on its behalf by:

Chairman — Dennis Chung

Executive Director — Audley Gordon

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Share Capital (*) $'000	Revaluation Reserve $'000	Accumulated Surplus $'000	Total $'000
Balance at 1 April 2019	1	190,247	660,130	850,378
Surplus for the year	-	-	198,937	198,937
Other comprehensive loss			(9,209)	(9,209)
Total comprehensive income	-	-	189,728	342,911
Share capital adjustment	1	-	-	1
Balance at 31 March 2020	1	190,247	849,858	1,040,106
Deficit for the year	-	-	(861,517)	(861,517)
Other comprehensive loss	-	-	(7,710)	(7,710)
Total comprehensive loss	-	-	(869,227)	(869,227)
Balance at 31 March 2021	1	190,247	(19,369)	(170,879)

(*) - denotes $402.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
(Deficit) surplus for the year		(861,517)	198,937
Adjustments for:			
Depreciation of property, plant and equipment	13	298,952	250,523
Depreciation right-of-use asset	27	2,884	2,416
Increase in allowance for impaired trade receivables		46,969	84,149
Adjustment for retirement benefits		2,695	(3,493)
Interest income		(2,260)	(3,414)
Finance cost - right-of-use asset	11	5,218	3,040
Operating cash flows before movements in working capital:		(507,059)	532,158
Increase in trade and other receivables		79,747	(363,952)
Increase in inventories		48,796	(21,747)
Increase in trade and other payables		538,325	66,347
Cash generated from operations		159,809	212,806
Interest received		2,238	3,414
Interest paid		(5,218)	(3,040)
Net cash flows from operating activities		156,829	213,180
Cash flows from investing activities			
Acquisition of property, plant and equipment	13	(562,501)	(133,962)
Net cash used in investing activities		(562,501)	(133,962)
Cash flows from financing activities			
Repayment of lease liability		(4,317)	(1,293)
Repayment of long-term loan		(838)	(9,344)
Net cash used in financing activities		(5,155)	(10,637)
Net (decrease) increase in cash and cash equivalents		(410,827)	68,581
Cash and cash equivalents at the beginning of year		717,472	648,891
Cash and cash equivalents at the end of year	18	306,645	717,472

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

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
INCOME			
Government subvention	5,17	1,136,870	1,839,579
Commercial income	6	21,190	25,968
Other income and gains	7	296,515	192,251
Interest income	8	2,217	3,241
		1,456,792	2,061,039
EXPENSES			
Direct, administrative and general expenses	9, 14	(1,365,595)	(1,791,216)
Finance cost	11	-	(1,133)
		(1,365,595)	(1,792,349)
Surplus for the year		91,197	268,690
Other comprehensive income			
Item that will not be reclassified to income in subsequent periods:			
Retirement benefit adjustment	14	(7,710)	(9,209)
Total comprehensive income		83,487	259,481

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

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020
(Expressed in Jamaican dollars unless otherwise indicated)

		2020 $'000	2019 $'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	990,167	1,153,629
Retirement benefit asset	14	30,909	36,625
Total non-current assets		1,021,076	1,190,254
CURRENT ASSETS			
Inventories	15	1,924	-
Trade and other receivables	16	348,849	156,549
Due from related parties	17	447,114	225,534
Cash and cash equivalents	18	441,859	571,578
Total current assets		1,239,746	953,661
CURRENT LIABILITIES			
Trade and other payables	19	386,836	444,697
Due to related parties	17	68,384	143,751
Current portion of long-term loan	20	839	9,346
Total current liabilities		456,059	597,794
Net current assets		783,687	355,867
NON-CURRENT LIABILITY			
Long-term loan	20	-	(839)
NET ASSETS		1,804,763	1,545,282
EQUITY AND RESERVES			
Revaluation reserve	22	190,247	190,247
Accumulated surplus		1,614,516	1,355,035
Total equity and reserves		1,804,763	1,545,282

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

The financial statements were approved for issue by the Board of Directors on July 1, 2021 and signed on its behalf by:

Chairman — **Dennis Chung**

Executive Director — **Audley Gordon**

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Revaluation Reserve $'000	Accumulated Surplus $'000	Total $'000
Balance at 1 April 2019	**190,247**	**1,355,035**	**1,545,282**
Surplus for the year, as previously reported	-	268,690	268,690
Prior year adjustment (Note 14)	-	(9,209)	(9,209)
Surplus for the year, as restated	-	259,481	259,481
Balance at 31 March 2020	**190,247**	**1,614,516**	**1,804,763**
Surplus for the year	-	91,197	91,197
Other comprehensive loss	-	(7,710)	(7,710)
Total comprehensive income	-	83,487	93,895
Balance at 31 March 2021	**190,247**	**1,698,003**	**1,898,658**

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

STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Surplus for the year		91,197	268,690
Adjustments for:			
Depreciation of property, plant and equipment	13	282,261	227,799
Decrease in allowance for impaired trade receivables		-	-
Adjustment for retirement benefits		2,695	(3,493)
Interest income		(2,217)	(3,241)
Finance cost		-	1,133
Operating cash flows before movements in working capital:		373,936	490,888
Increase in inventories		290	(1,924)
(Increase) decrease in trade and other receivables		238,136	(192,300)
(Increase) decrease in due from related parties, net		(96,272)	296,947
(Decrease) increase in trade and other payables		(177,143)	(57,861)
Cash (used in) generated from operations		338,947	(58,144)
Interest received		2,217	3,241
Interest paid		-	(1,133)
Net cash flows from operating activities		341,164	(56,036)
Cash flows from investing activities			
Acquisition of property, plant and equipment	13	(548,658)	(64,337)
Net cash used in investing activities		(548,658)	(64,337)
Cash flows from financing activities			
Repayment of long-term loan		(839)	(9,346)
Net cash used in financing activities		(839)	(9,346)
Net (decrease) increase in cash and cash equivalents		(208,333)	(129,719)
Cash and cash equivalents at beginning of year		441,859	571,578
Cash and cash equivalents at end of year	18	233,526	441,859

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

1. THE AUTHORITY AND THE GROUP

National Solid Waste Management Authority ("the Authority") was established as a statutory body by the National Solid Waste Management Act, 2001 ("the Act") and commenced operations on April 1, 2002. The registered office of the Authority is located at 61 Half Way Tree Road, Kingston 10.

The principal objectives of the Authority are:

a) To effectively manage and regulate the collections and disposals of solid waste in Jamaica, and
b) To safeguard public health and the environment by ensuring that domestic waste is collected, stored, recycled, reused or disposed of in an environmentally sound manner.

The Authority controls management and regulatory responsibilities of the following parks and markets companies and their successors:

- MPM Waste Management Limited;
- SPM Waste Management Limited;
- NEPM Waste Management Limited; and
- WPM Waste Management Limited.

In addition, The Parks and Garden, a division of the NSWMA, has a significant impact on the numbers, including the final surplus/deficit position.

The Authority and these entities are collectively referred to as "The Group."

The Group is economically dependent on the government of Jamaica and receives funding through the Ministry of Local Government and Community Development.

The Group has a total of 3,666 (2020: 4,120) staff members as at and for the year. The Authority has a total of 801 (2020: 817).

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

2.1 *New and* amended IFRS that are mandatorily effective for the current year

In the current year, the Group has applied for the first time IFRS 16 *Leases* issued by the International Accounting Standards Board (IASB), effective for annual periods beginning on or after January 1, 2019.The application of this new standard has had a significant impact on the amounts reported and the presentation and disclosures in these financial statements for the current year.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

- **Amendments to IFRS 3: Definition of a Business**
  The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company and the Group, but may impact future periods should the Company enter into any business combinations.

- **Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform**
  The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company and the Group as it does not have any interest rate hedge relationships.

- **Amendments to IAS 1 and IAS 8 Definition of Material**
  The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company and the Group.

- **Conceptual Framework for Financial Reporting**
  The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company and the Group.

2. **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)**

2.2 ***Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Company***

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

- ***Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

  The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Company and Group will apply these amendments when they become effective but they are not expected to have an impact on the Company's financial statements.

- **Amendments to IFRS 16 Covid-19 Related Rent Concessions**

  On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted. This amendment is not expected to impact on the financial statements of the Company and Group.

- **Amendments to IAS 1: *Classification of Liabilities as Current or Non-current***

  In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.
  The amendments clarify:
  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right, that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after

2. **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)**

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

- **Amendments to IAS 1:** ***Classification of Liabilities as Current or Non-current (Cont'd)***
  January 1, 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- **Reference to the Conceptual Framework – Amendments to IFRS 3**
  In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

  The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

  At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

- **Reference to the Conceptual Framework – Amendments to IFRS 3**
  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively. The Company has not yet assessed the impact of these amendments on the Company's financial statements.

- **Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16**
  In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.
  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

  The amendments are not expected to have a material impact on the Company.

- **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**
  In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and

2. **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)**

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

- **Annual Improvements 2018-2020 Cycle (issued May 2020) (Cont'd)**
  administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- **Annual Improvements 2018-2020 Cycle (issued May 2020)**
  As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to:

  - IFRS 1 *First-time Adoption of International Financial Reporting Standards.*

  The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not applicable to the financial statements of the Company.

  - IFRS *9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities*

  The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements, herein after referred to as the financial statements, are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations of IFRS Interpretations Committee (IFRIC IC).

3.2 Basis of preparation

The consolidated financial statements have been prepared under the historical cost basis as modified by the revaluation of certain items of property, plant and equipment. Historical cost is generally based on the fair value of consideration given in exchange for assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. Although these estimates are based on managements' best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

3.3 Basis of consolidation

Sub-entities are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Sub-entities are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Authority reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a sub-entity begins when the Authority obtains control over the sub-entity and ceases when the Authority loses control of the sub-entity. Specifically, the results of sub-entities acquired or disposed of during the year are included in profit or loss from the date the Authority gains control until the date when the Authority ceases to control the sub-entity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inter-group transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated. Accounting policies of sub-entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.4 Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Recognition
Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

3.4.1 Financial Assets

Classification
The Group classifies financial assets at initial recognition based on the financial asset's contractual cash flow characteristic and the Group's business model for managing the instruments. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

3.4.1 Financial assets (continued)

Measurement category
At initial recognition, the Group measures a financial asset at its fair value plus, in `the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables that do not contain a significant financing component are measured on initial recognition at their transaction price.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in the following categories as is applicable:
• Financial assets at amortised cost (debt instruments)
• Financial assets at fair value through other comprehensive income (FVOCI)
• Financial assets at fair value through profit or loss (FVTPL)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Amortised cost:

These assets arise principally from the provision of goods and services to customers as well as other types of financial assets held within a business model where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest (SPPI) on the principal amount outstanding. The SPPI test is performed at an instrument level. After initial recognition, they are subsequently carried at amortised cost using the effective interest method, less any impairment.

The Group's financial assets at amortised cost comprise trade and other receivables including any contract assets, and cash and bank balances.

- FVTPL and FVOCI

Equity instruments are measured at FVTPL, unless the asset is not held for trading purposes and the Group makes an irrevocable election on an instrument-by-instrument basis to designate the asset as FVOCI. As a result of the election, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss.

Where the asset is held within a business model where the objective is both to collect contractual cash flows and selling the financial assets and the SPPI test is met, the assets are measured subsequently at FVOCI with gains and losses recycled to profit or loss on derecognition.

Derecognition

A financial asset or group of similar financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Group has (i) transferred its rights to receive the cash flows from the asset or (ii) has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either the Group

(a) has transferred substantially all the risk and rewards of ownership of the asset, or
(b) has neither transferred substantially all the risk and rewards of ownership of the asset, but has transferred control of the asset.

Where the transfer does not qualify for derecognition as above, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment

The Group recognises a loss allowance for expected credit losses on trade receivables and other financial assets that are measured at amortised cost applying the expected

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4.1 Financial assets (continued)

Credit loss model. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

The lifetime ECLs are determined by taking into consideration historical collection trends, type of customer, the age of the outstanding receivables as well as the estimated impact of forward looking information.

3.4.1 Financial assets (continued)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. Significant increase is assessed as the change in the risk of a default over the expected life of the financial asset as at the reporting date with the risk of default on the instrument occurring at the date of initial recognition, considering reasonable and supportable information that is available without undue cost or effort. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The credit risk on a financial instrument is assumed not to have increased significantly if it is determined to have a low credit risk at the reporting date taking into consideration all the terms and conditions of the instrument from the perspective of market participants or by use of other methodologies that are consistent with assessing low credit risk for the particular instrument.

12-month ECL are applicable to the Group’s bank and deposit balances for which credit risk has not increased significantly since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4.1 Financial assets (continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due and a financial asset to be in default when the financial asset is more than 90 days past due and/or internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows in its entirety or a portion thereof. For trade receivables, the Group has a policy of writing off the gross carrying amount when the financial asset is 270 days past due based on historical experience of recoveries of similar assets. Nevertheless the Group makes individual assessments regarding the timing and amount of write-off based on whether there is reasonable expectation of recovery. Write off takes place when the Group’s internal collection efforts have been unsuccessful in collecting the amount due. No significant recovery is expected from amounts written off.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets

3.4.2 Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, and except for financial liabilities not at fair value through profit or loss (FVTPL), net of directly attributable transaction costs of issue. Financial liabilities are subsequently measured at amortised cost, except for any financial liabilities at fair value through profit or loss which are subsequently measured at fair value.

Measurement category

- FVTPL

A financial liability is classified as at FVTPL if it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

The Group currently has no financial liabilities at FVTPL

- Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Interest expense and foreign exchange gains and losses are recognized in surplus or deficit. Any gain or loss on derecognition is also recognized in surplus or deficit.

The Group’s financial liabilities measured at amortised cost comprise long-term loans and trade and other payable.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4.2 Financial Liabilities

Derecognition

A financial liability is derecognised when the obligation under the instrument is extinguished by being discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of a financial liability derecognized and the consideration paid and payable is recognised in surplus or deficit.

3.5 Foreign currency transactions

Transactions in currencies other than the Group’s functional currency (foreign currencies) are recognised at the rate of exchange prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated at exchange rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses resulting from the settlement of foreign currency transactions and from the retranslation at period-end exchange rates are recognised in surplus or deficit in the period in which they arise.

3.6 Related party transactions and balances

A related party transaction is a transfer of resources, services or obligation between related parties, regardless of whether a price is charged. The Group has a related party relationship with the Government of Jamaica primarily through its key supporting line ministry and also with key management personnel, representing directors and certain senior officers of the Group.

The Authority has a related party relationship with its directors, four sub-entities with common directors, and key management personnel.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions and balances are recognised and disclosed for the following:

i. Entities and individuals having directly or indirectly an interest in the voting power of the Group that gives them significant influence over the Group's affairs and close members of the families of these individuals.

ii. Key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including directors

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Related party transactions and balances

and certain members of the Group's executive management and close members of the families of those individuals.

iii. Post-employment benefit plans for the benefit of employees of the Group.

iv. An entity or any member of a group to which it is a part, providing key management personnel services to the Group.

3.7 Property, plant and equipment

Land and buildings held for use in supply of goods or services, or for administrative purposes, are recognised in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the property revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to surplus or deficit to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in surplus or deficit. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to retained earnings.

Freehold land is not depreciated.

Other property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on property, plant and equipment is recognised so as to allocate the cost or valuation of assets less their residual values over their estimated useful lives or, in the case of leasehold improvements the shorter lease term, using the straight-line method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Property, plant and equipment (continued)

The following useful lives are used in the calculation of depreciation:

Building	40 years
Leasehold improvements	10 years
Computer equipment	5 years
Furniture, fixtures and fittings	10 years
Machinery and equipment	5 &10 years
Motor vehicles	5 years
Software	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Repairs and maintenance are charged to income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits are in excess of the originally assessed standard of performance of the existing asset that will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.8 Impairment of tangible assets

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised in profit or loss for the amount by which the carrying amount of an asset exceeds its estimated recoverable amount, which is the higher of the asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

3.9 Cash and cash equivalents

Further purposes of presentation of the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts. Bank overdrafts are shown within current liabilities on the statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Government subvention

Government subvention is received principally as an allocation from the National Solid Waste Management Authority and is recognised at fair value where there is reasonable assurance that the subvention will be received and the Group will comply with all attached conditions.

3.11 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group's solid waste collection business involves the collection, transfer and disposal of waste from residential and commercial customers for transport to landfills. Residential customers are not charged for the service. Commercial services include both recurring and temporary customer relationships. Commercial revenues from collection operations are influenced by factors such as collection frequency, type and volume or weight of the waste collected and distance to the disposal facility. Revenue is also obtained from landfill operations by charging tipping fees, which are generally based on the type and weight or volume of waste being disposed of at the disposal facilities. Commercial services are performed under service agreements, with customers or specified contractors. The standard customer service agreements generally range from one year with some up to five years. Typically, the contractual arrangement provides for commercial customers to be billed on a monthly basis in arrears but for the solid waste removal to be provided bi-weekly or weekly. Revenue recognized under these agreements is earned over time during the contract cycle and is recognised as they are billed monthly.

Revenue from sources other than customer contracts primarily relates to imposed fines and employee services. Revenue from these sources were not material and represented less than 1% of total revenue for the current and previous financial year.

Deferred Revenues
Deferred revenues is recognised when cash payments are received or due in advance of performance obligations and is classified as current since they are earned within a year and there are no significant financing components. Substantially all deferred revenues during the reported periods are realized as revenues within one to three months, when the related services are performed.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Revenue recognition (Continued)

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of the income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.12 Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, if it is probable that outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

3.13 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in a market accessible to or by the Group, either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Fair value measurement (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3.14 Employee benefits

Pension obligations
The Authority participates in a defined benefit plan. The scheme is generally funded through payments to a trustee-administered fund as determined by periodic actuarial calculations. A defined benefit plan is a pension plan that defines an amount of pension benefits to be provided, usually as a function of one or more factors such as age, years of services or compensation.

The asset or liability recognised in the statement of financial position in respect of the defined benefit pension plan represents the fair value of plan assets less the present value of the defined benefit obligations at the reporting date. Assets are only recognized to the extent that the present value of the economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan exceeds the fair value of the plan assets less the present value of the defined benefit obligations.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Employee benefits (continued)

Defined benefits obligations for the scheme are calculated annually by independent actuaries. The cost of providing benefits is determined using the Projected Unit Credit Method.

The Group recognizes actuarial gains and losses, arising from experience adjustments and changes in actuarial assumptions, in the period which they occur, in other comprehensive income.

Current service costs and any past service cost, together with the unwinding of interest on the plan assets and liabilities at the discount rate are included within operating costs through surplus or deficit for the year.

3.15 Leases

Policies applicable from 1 April 2019

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Leases - *Policies applicable from 1 April 2019* (continued)

(i) Fixed lease payments, less any lease incentives receivable;

(ii) Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

(ii) The amount expected to be payable by the lessee under residual value guarantees;

(iv)The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

(v) Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

Right-of-use asset

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Leases - *Policies applicable from 1 April 2019* (continued)

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss.

3.16 Leases - *Policies applicable prior to 1 April 2019*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group *as a lessee*

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management believes that there were no critical judgements made, apart from those involving estimation (see below) that would cause a significant impact on the amounts recognised in the financial statements.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future or other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Property, plant and equipment

Management exercises judgement in determining whether the costs incurred can accrue significant future economic benefits to the Group to enable the value to be treated as a capital expense. Further, judgement is applied in the annual review of the useful lives of all categories of property, plant and equipment and the resulting depreciation thereon. Details of the estimated useful lives are disclosed in Note 3.8. See also Note 12.

Impairment of trade receivables

The Group periodically assesses the collectability of its trade receivables. Allowance for expected credit losses are established or increased as described in Note 3.4.1. An assessment of impairment is made at each reporting date using a provision matrix to measure expected credit losses as described in Note 25. There is, however, no certainty that the Group will collect the total remaining unimpaired balance, as some balances that are estimated to be collectible as at the end of the reporting period may subsequently become doubtful. Trade receivables amounted to $522.863 million at the end of the reporting period for the Group and $110.713 million for the Authority (2020: $645.753 million for Group and $348.849 million for the Authority) after impairment adjustments of $579.882 million for the Group and $62.9 million for the Authority (2020: $530.8 million for the Group and $62.9 million for the Authority). See Note16.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

4.2 Key sources of estimation uncertainty (continued)

Fair value of land and building

Included in property, plant and equipment (Note13) is land and building at a market value of $381.3 million with a carrying amount at the end of the reporting period of $259.91 million. In assessing the fair value of land and building management use values determined by an external valuator using a mix of assumptions including current rental values of similar properties, capitalization rate, discount rates and comparable sale prices. A slight increase or decrease in the rates utilized or other assumptions could result in a material adjustment in the value of the property. Management believes that the carrying amount of the property at year end is not significantly different from the value derived from the previous valuation carried out in July 2018.

Retirement benefit asset

As disclosed in Note 14, the Group operates a defined benefit plan. The plan net asset disclosed in the amount of $20.741 million (2020: $30.909 million) is subject to estimates in respect of periodic costs dependent on returns on assets, future discount rates, rates of salary increases and inflation rate.

The Group on the advice of actuaries estimates the appropriate discount rate annually which is used to determine the present value of estimated cash outflows expected to be required to settle the pension obligation. To determine the appropriate discount rate in the absence of high quality corporate bonds, the interest rates on government bonds that have maturities approximating the related pension liabilities were considered.

Note 14 highlights the remeasurement gains and losses arising on the plan assets and liabilities in the estimation process as well as sensitivity analyses to changes in key assumptions.

5. GOVERNMENT SUBVENTION

Government subvention include recurrent amounts received from the Ministry of Local Government and Community Development. There are no unfulfilled conditions or other contingencies attaching to subvention received. (See Note 17)

	Group		Authority	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Subvention - primary allocation	3,489,697	4,904,479	1,107,838	1,798,681
Subvention – emergency & special projects	2,530,991	1,903,016	-	-
Subvention - earmarked income	45,203	-	-	-
Constituency Development Fund	-	5,000	-	-
Subvention – statutory liabilities paid	110,108	56,536	29,032	40,898
	6,175,999	6,869,031	1,136,870	1,839,579

6. COMMERCIAL INCOME

This comprise revenue from contracts with customers which is substantially fees received from the collection of commercial solid waste throughout Jamaica and from landfill waste disposal.

	Group		Authority	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Landfill	40,211	41,106	19,781	23,567
One-off	788	801	-	-
Ship waste	7,889	16,745	-	-
Compost	74	41	150	40
Plant sales	1,1154	1,264	1,259	1,264
E-waste	3,100	1,097	-	1,097
Residence, business etc.	503,104	635,307	-	-
	556,320	696,361	21,190	25,968

7. OTHER INCOME AND GAINS

	Group		Authority	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Rental income	3,480	6,374	3,480	6,374
Fees and fines	1,190	3,875	786	3,186
Insurance settlement	-	12	-	12
E – Waste income	1	1,156	-	-
Processing fee and other	41,402	42,067	41,404	42,011
Governmant grant	251,808	125,035	250,845	-
Write-off of SPM payable	-	-	-	140,668
	297,882	178,519	296,515	192,251

8. INTEREST INCOME

Interest income primarily represents interest earned on bank deposits.

9. EXPENSE BY NATURE

Total direct, administration and other expenses:

	Group		Authority	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Landfill operations *	714,900	770,292	-	-
Supplementary fleet – Landfill contractors**	1,215,997	1,006,269	-	-
Public cleansing	149,052	75,503	47,618	2,211
Beautification and special projects ***	1,260,118	1,441,408	309,292	668,349
Staff cost (Note 10)	3,235,960	2,892,818	540,412	635,733
Retirement benefit adjustment	2,695	(3,493)	2,695	(3,493)
Directors' fees	1,222	3,661	1,222	3,661
Motor vehicle expense	480,980	452,742	53,909	58,050
Repairs and maintenance-property & equipment (NSWMA trucks)	85,054	91,274	8,971	10,912
Depreciation - Property, plant and equipment (Note 13)	298,952	250,523	282,261	227,799
Depreciation – Right-of-use asset	7,247	2,416	-	-
Security services	65,150	41,833	10,690	10,466
Rental, leasing and hireage (Note 24)	15,739	23,312	58	551
Utilities	63,639	47,535	25,625	21,586
Industrial & other claims	2,478	47,928	2,478	47,928
Legal and professional fees	21,613	19,627	20,639	27,546
Auditor's remuneration	7,940	7,900	7,900	3,930
Advertising, promotion and training	4,754	21,656	1,595	10,306
Stationery and office supplies	22,307	23,126	8,130	7,798
Bank charges	6,490	3,601	1,678	1,840
Allowance for credit losses (Note 25)	46,968	84,149	-	-
Interest and penalties — payroll taxes	40,327	55,885	-	2,178
General Consumption Tax ****	102,907	97,626	21,945	32,298
3% Withholding tax	607	603	607	603
Food, drink meetings and function	6,181	18,304	2,664	5,646
Uniform	13	37,232	-	-
Community outreach program	-	868	-	-
Transportation of staff	332	281	-	-
Sanitising, staff welfare & other expenses	28,833	30,469	15,513	14,318
	7,888,455	7,545,348	1,365,595	1,791,216

* During 2020 significant stockpiling took place and this was far less during the current year, less remedial work was also required during the current year.

** Supplementary fleet increased due to down time of own fleet, increased rates per trip and increased collection activities.

*** Special projects decreased due to budgetary constraints placing a number of activities on hold.

**** The amount increased as overall expenditure increased during the year as they are corelated.

10. STAFF COSTS

	Group		Authority	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Salaries and wages	2,684,696	2,365,837	421,893	504,604
Motor vehicle allowances	251,078	244,043	73,325	80,933
Payroll taxes – employer's portion (NIS, NHT)	151,140	96,430	21,700	25,441
Staff allowances and benefits	38,808	-	-	-
Staff welfare - health, life and pension	110,238	186,508	23,494	24,755
	3,235,960	2,892,818	540,412	635,733

The Group has a total of 3,666 (2020: 4,120) staff members as at year end. The Authority has a total of 801 (2020: 817).
The Group paid a 5% salary increase to all categories of staff.

11. FINANCE COST

Finance cost comprise interest expense on borrowings nil (2020: 1.133 million) and finance lease right-of-use asset $1.907 million (2020: $1.907).

12. TAXATION

The Authority is a statutory body that is exempt from income tax, stamp duty, transfer tax and customs duty under Section 16 of the National Solid Waste Management Act, 2001.

13. PROPERTY, PLANT AND EQUIPMENT

	Group				
	Land and Building (V) $'000	Furniture, Fixtures And Equipment $'000	Leasehold Improvements $'000	Motor Vehicles $'000	Total $'000
At Cost or Valuation (V)					
1 April 2019	243,300	354,888	35,422	1,295,757	1,929,367
Additions *	-	24,756	19,059	90,147	133,962
31 March 2020	243,300	379,644	54,481	1,385,904	2,063,329
Additions *	138,088	24,355	5,880	394,180	562,502
31 March 2021	381,388	403,999	60,361	1,780,083	2,625,831
Accumulated depreciation					
1 April 2019	6,511	273,220	26,394	420,444	726,569
Charge for the year	6,472	28,384	2,101	213,566	250,523
31 March 2020	12,983	301,604	28,495	634,010	977,092
Charge for the year	6,227	22,425	1,638	268,662	298,952
31 March 2021	19,210	324,029	30,133	902,672	1,276,044
Carrying amount					
2021	362,178	79,970	30,228	877,411	1,349,787
2020	230,317	78,040	25,986	751,894	1,086,237

*The motor vehicle additions represent trucks purchased for the regions.

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

	Authority				
	Land and Building (V) $'000	Furniture, Fixtures and Equipment $'000	Leasehold Improvements $'000	Motor Vehicles $'000	Total $'000
At Cost or valuation (V)					
1 April 2019	240,000	179,448	14,474	1,278,770	1,712,692
Additions	-	11,195	-	53,142	64,337
31 March 2020	240,000	190,643	14,474	1,331,912	1,777,029
Additions	138,088	16,393	-	394,177	548,658
31 March 2021	378,088	207,036	14,474	1,726,089	2,325,687
Accumulated depreciation					
1 April 2019	6,000	135,135	14,474	403,454	559,063
Charge for the year	6,000	10,764	-	211,035	227,799
31 March 2020	12,000	145,899	14,474	614,489	786,862
Charge for the year	6,181	11,595	-	264,485	282,261
31 March 2021	18,181	157,494	14,474	874,974	1,069,122
Carrying amount					
2021	259,907	49,542	-	456,938	1,256,565
2020	228,000	44,744	-	717,423	990,167

Property (land and building) owned by the Authority at 61 Half Way Tree Road, Kingston 10, St. Andrew is used as security for a mortgage loan on that property. See Note 20.

The property owned at the start of the year was revalued by Allison Pitter & Co., Chartered Valuation Surveyors on July 3, 2018. The market value of the property, $240 million, was arrived at by reconciling reference to market evidence of transaction prices for market comparable properties, appropriately adjusted and by application of a 7% to 8% income capitalization rate and 8% discount rate using the investment approach.

The carrying amount that would have been recognised had land and building been carried under the cost model is $131,695,250 (2020: $135,072,051).

14. RETIREMENT BENEFIT ASSET

The Group operates a defined benefit plan for permanent staff of MPM waste Management Limited and the Authority and is closed to new members. The assets of the scheme are held separately from those of the Group in funds under the control of trustees and administered by an insurance company. The plan is funded by contributions made by the employees and the Group. The Group contributes the balance of the cost determined periodically by actuaries subject to a minimum of 5% of pensionable salaries. Employees contribute 5% of the pensionable salaries as a basic contribution with an option to contribute an additional 15% of pensionable earnings subject to a maximum such that the employee and employer contribution does not exceed 20% of taxable remuneration. The pension benefits are determined on a prescribed benefit basis and are payable at a rate of 2% of annualised salary three years prior to retirement date, times the pensionable period of service (completed months of service with the employer). Pensionable salary include basic salary/wage and commission but exclude overtime pay, shift premium, allowances, reimbursable expenses and other ad hoc payments.

The most recent actuarial valuation was carried out at 31 March 2021 by Eckler Jamaica Limited, consulting actuaries. The present value of the defined benefit obligation and the related current service costs and past service costs have been measured using the projected unit credit method.

14.1 The principal assumptions used for the purpose of the actuarial valuation were as follows:

	2021	2020
	%	%
Gross discount rate	8.5	6.5
Expected rate of salary increases	5.5	5.0
Post retirement pension increases	Nil	Nil

Demographic assumptions include assumed retirement age of 60 for females and 65 for males for all employees which is the normal retirement age. Assumptions regarding future mortality are based on RP-2014 Employee and Healthy Annuitant Mortality Rates projected to the measurement date using the Society of Actuaries' Scale MP-2014 (2020: the Society of Actuaries' Scale MP-2014).

The weighted average duration of the defined benefit obligation as at 31 March 2021 is 14.76 years (2020: 15.47 years) for active members totalling 35 (2020: 43) and 2.92 years (2020: 10.56 years) for deferred pensioners totalling 7 (2020: 8). The average duration for all participants is 13.90 years (2020: 15.15 years)

The Authority expects to make a contribution of $1.77 million (2020: $1.97 million) to the defined benefit plan during the next financial year.

14. RETIREMENT BENEFIT ASSET (CONTINUED)

14.2 The amount included in the statement of financial position arising from the Group's obligation in respect of its defined benefit plan is as follows:

	2021 $'000	2020 $'000
Present value of funded obligations	(192,880)	(248,023)
Fair value of plan assets	473,588	469,766
Surplus	280,708	221,743
Unrecognised asset due to asset ceiling	(259,967)	(190,834)
Net asset recognized in the statement of financial position	20,741	30,909

14.3 Amounts recognised in income in respect of the plan are as follows:

	2021 $'000	2020 $'000
Employer's current service cost	5,611	5,983
Administrative expenses (2019 restated)	766	573
Net interest cost:		
Interest cost on defined benefit obligation	14,122	13,987
Interest income on plan assets	(28,642)	(34,587)
Interest effect of the asset ceiling	12,404	18,012
Net cost recognized in income statement	4,261	3,968

14.4 Amounts recognised in other comprehensive income in respect of the plan are as follows:

	2021 $'000	2020 $'000
Remeasurement (gains) losses:		
Remeasurement loss on the defined benefit liability (Note 14.5)	(31,205)	12,845
Remeasurement loss on the plan assets (Note 14.5)	(17,810)	80,862
Change in effect of the asset ceiling (Note 14.6)	56,725	(84,498)
Net cost recognized in other comprehensive income	7,710	9,209

14. RETIREMENT BENEFIT ASSET (CONTINUED)

14.5 The remeasurement gains (losses) in other comprehensive income are further analysed as follows:

2021	Demographic Assumptions	Financial Assumptions	Experience Adjustments	Net
	$'000	$'000	$'000	$'000
Defined benefit obligation (Note 14.8)	-	(43,330)	(12,125)	(55,455)
Fair value plan assets (Note 14.9)	-	-	17,810	17,810
Recognised in OCI (Note 14.4)	-	(43,330)	5,685	37,645

2020	Demographic Assumptions	Financial Assumptions	Experience Adjustments	Net
	$'000	$'000	$'000	$'000 Restated
Defined benefit obligation (Note 14.8)	(1,411)	(9,974)	(1,460)	(12,845)
Fair value plan assets	-	-	(80,862)	(80,862)
Recognised in OCI (Note 14.4)	(1,411)	(9,974)	(82,322)	(93,707)

This remeasurement is on the return on plan assets and excludes any amounts included in net interest expense.

14. RETIREMENT BENEFIT ASSET (CONTINUED)

14.6 Movement effect of asset ceiling

	2021 $'000	2020 $'000
Opening effect of asset ceiling	190,834	257,320
Interest effect of asset ceiling	12,404	18,012
Remeasurement recognized in OCI: Change in effect of asset ceiling (Note 14.4)	56,728	(84,498)
Closing effect of asset ceiling	259,966	190,834

14.7 Movements in the net asset in the current period is as follows:

	2021 $'000	2020 $'000
Opening net asset	30,909	36,625
Amount charged as expense	(4,261)	(3,968)
Employer's contributions	1,807	7,461
Remeasurements recognized in OCI	(7,713)	(9,209)
Closing net asset	20,742	30,909

14.8 Changes in the present value of the defined benefit obligation are as follows:

	2021 $'000	2020 $'000
Opening defined benefit obligation	248,023	221,483
Employer's current service cost	5,611	5,983
Interest cost on defined benefit obligation	14,122	13,987
Employees' contributions	2,314	3,385
Benefits paid	(45,984)	(9,660)
Remeasurement – due to changes in financial assumptions (Note 14.5)	(43,330)	9,974
Remeasurement (gain)/loss on obligation for OCI due to experience (Note 14.5)	12,125	1,460
Remeasurement – due to changes in demographic assumptions (Note 14.5)	-	1,411
Closing defined benefit obligation	192,881	248,023

14. RETIREMENT BENEFIT ASSET (CONTINUED)

14.9 Changes in fair value of plan assets are as follows:

	2021 $'000	2020 $'000
Opening fair value of plan assets	469,766	515,428
Employees' contributions	2,314	3,385
Employer's contributions	1,807	7,461
Interest income on plan assets	28,642	34,587
Benefits paid	(45,984)	(9,660)
Administrative expenses	(767)	(573)
Remeasurement (loss)/gain on plan assets for OCI (Note 14.5)	17,810	(80,862)
Closing fair value of plan assets	473,588	469,766

14.10 The fair value of the plan assets is analysed as follows:

	2021 $'000	2020 $'000
Equity fund	118,547	153,989
Fixed income fund	104,255	66,472
Foreign exchange fund	74,211	68,820
Mortgage and real estate fund	71,320	69,244
Money market fund	16,441	17,616
Others	88,814	93,625
Fair value of plan assets	473,588	469,766

The plans assets are invested in the Sagicor Life Jamaica Diversified Investment Fund.

The plan assets do not include any of the Group's own financial instruments, nor any property occupied by or other assets used by the Group.

14.11 Sensitivity analysis

The impact on the fund's retirement benefit obligation was determined for three scenarios. The present value of the defined benefit obligation was analysed based on a 1% increase or decrease in the discount rate applied, 1% increase or decrease in future salary escalation rate and a one year increase in life expectancy of participants. The same sensitivities were applied for 2021. The table below summarises the result of the analyses:

14. RETIREMENT BENEFIT ASSET (CONTINUED)

	2021			
	Discount rate		Future salary	
	1% Increase $'000	1% Decrease $'000	1% Increase $'000	1% Decrease $'000
Increase (decrease) in the present value of defined benefit obligation	(19,064)	23,862	(7,393)	6,798

	2020			
	Discount rate		Future salary	
	1% Increase $'000	1% Decrease $'000	1% Increase $'000	1% Decrease $'000
Increase (decrease) in the present value of defined benefit obligation	(27,706)	34,310	(10,406)	9,522

	1 year increase in life expectancy 31/3/2021	1 year increase in life expectancy 31/3/2020
	Increase $'000	Increase $'000
Increase in the present value of defined benefit obligation	2,180	3,820

15. INVENTORIES

Inventories comprise:

	Group		Authority	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Consumables	13,171	9,565	1,633	1,924
Spare parts	13,994	52,912	-	-
Skip	1,500	-	-	-
Lubricants and oil	64	15,050	-	-
	28,729	77,527	1,633	1,924

16. TRADE AND OTHER RECEIVABLES

Trade and other receivables comprise:

	Group		Authority	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade receivables	1,018,917	901,920	142,030	140,582
Less loss allowance	(579,882)	(532,913)	(62,939)	(62,939)
	439,035	369,007	79,091	77,643
Staff loans and advances	2,837	2,821	2,682	2,797
Prepayments	69,075	33,949	17,916	31,363
Deposit on land	-	2,490	-	2,490
Deposit on compactors	-	141,795	-	141,795
Deposit on Riverton bridge	-	75,000	-	75,000
Withholding tax on interest	7,961	8,127	7,951	7,765
Statutory withheld	-	6,827	-	6,730
Deposit on network switches	3,000	2,974	3,000	2,974
Other receivables	597	2,763	73	292
	522,505	645,753	110,713	348,849

17. RELATED PARTY TRANSACTIONS AND BALANCES

During the year, the Authority and Group had the following transactions with related entities:

Subvention Received

	Group		Authority	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Ministry of Local Government & Comm Dev.:				
Recurrent grant	6,175,899	6,869,031	1,136,870	1,839,579

Subvention received is broken down as follows:

	Group	
	2021	2020
	$'000	$'000
Subvention - primary allocation	3,489,697	4,904,479
Subvention – emergency & special projects	2,530,991	1,903,016
Subvention - earmarked income	45,203	-
Constituency Development Fund	-	5,000
Subvention – statutory liabilities paid	110,108	56,536
	6,175,999	6,869,031

17. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

Subvention disbursed to related entities:

	2021 $'000	2020 $'000
MPM Waste Management Limited	2,554,567	2,572,775
WPM Waste Management Limited	979,852	917,462
SPM Waste Management Limited	775,259	800,073
NEPM Waste Management Limited	729,351	739,142
	5,039,029	5,029,452
Subvention retained in the Authority	1,136,870	1,839,579

Due from related parties:

	Authority	
	2021 $'000	2020 $'000
MPM Waste Management Limited	310,816	260,746
WPM Waste Management Limited	13,528	8,644
NEPM Waste Management Limited	88,322	76,341
SPM Waste Management Limited	136,428	101,383
	549,094	447,114

Due to related parties:

	Authority	
	2021 $'000	2020 $'000
MPM Waste Management Limited	48,287	48,096
WPM Waste Management Limited	26,042	20,288
	74,329	68,384

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent:

	Group		Authority	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Bank balances				
National Commercial Bank Ja. Ltd.	77,522	130,762	5,981	7,271
Bank of Nova Scotia Ja. Ltd.	227,573	585,087	226,017	433,089
	305,095	715,849	231,998	440,360
Cash in hand	60	134	25	9
	305,155	715,983	232,023	440,369
Short-term deposits:				
National Commercial Bank Ja. Ltd.	1,490	1,489	1,490	1,490
	306,645	717,472	233,526	441,859

These balances are as a result of the entities receiving their outstanding subvention on the last day of the year. Special Purpose funds from Tourism Product Development Company Limited held on behalf of Parks and Gardens are included.

19. TRADE AND OTHER PAYABLES

Trade and other payables represent:

	Group		Authority	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade payables	644,460	427,936	76,742	102,894
Statutory liabilities	900,395	624,976	82,876	84,702
Project expenses payable	118,034	148,810	16,857	148,810
G.C.T & 3% Withheld payable	204,093	187,109	13,037	14,587
Balance on Quickpay	48,989	14,931	24,924	14,931
Accrued vacation	79,884	70,077	18,473	18,499
Other payables	23,098	24,524	2,087	1,921
Accruals *	34,522	17,467	8,411	492
	2,053,475	1,515,830	209,693	386,836

* Balance includes audit fees etc.

20. LOANS

	Group		Authority	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
NCB Insurance Company Limited	-	839	-	839
Less current portion	-	(839)	-	(839)
Long-term portion	-	-	-	-

The loan was received from WITCO to purchase the Authority's head office building. The loan was subsequently taken over by NCB Insurance Company Limited and is repayable over fifteen (15) years, ended in April 2020. Interest is accrued at an effective rate of 14.93% per annum and is repayable in monthly installments of $848,945. The loan is secured by a first mortgage over the said property located at 61 Half Way Tree Road, Kingston.

21. SHARE CAPITAL

	2021	2020
	$	$
Authorised		
600 ordinary shares at no par value	600	600
Issued and fully paid		
402 ordinary shares at no par value	402	402

22. REVALUATION RESERVE

Capital reserve materially represents unrealized gains on the revaluation of land and building. During the 2018 financial year unrealized gains of $135.038 million was recognized in the financial statements.

23. LEASES AND COMMITMENTS

As at March 31, the Group as had lease commitments under finance lease expiring up to 2025. Finance leases relate to rental of premises for carrying out its operation and are negotiated for an average of five years.

Details of the Group's leasing transactions are detailed in note 28 in accordance with IFRS16.

	Group		Authority	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Lease and rental expenses recognised in the year	15,739	23,312	334	334

At the end of the reporting period the Group had outstanding commitments under operating leases which fall due as follows:

	Group		Authority	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Within 1 year	19,892	19,892	551	551
Longer than 1 year and not longer than 5 years	43,201	63,093	-	551
	63,093	64,090	551	1,004

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risk from its use of financial instruments: credit risk (including currency risk and cash flow interest rate risk), market risk and liquidity risk.

The Board of Directors, together with senior management has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyze the risks faced by the Group in order to set appropriate risks limits and controls, and to monitor risks. These are reviewed regularly to reflect changes in market conditions and the Group's activities.

25.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk is the most important risk for the Group's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the Group's receivables and banking activities.

The maximum exposure to credit risk at the reporting date was:

	Group		Authority	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Cash and cash equivalents	306,645	645,753	233,526	441,859
Trade and other receivables (excluding prepayments)	453,430	392,515	92,797	302,991
Due from related parties	-	-	549,094	447,114
	760,075	1,038,268	875,417	930,909

Credit review process

Cash and cash equivalents are placed with reputable financial institutions that are believed to have minimal risk of default. The credit risk is considered to be low.

Credit is only extended to customers after a credit application is assessed and approved by management or to customers with a good credit history. Management considers that credit risk associated with related party receivables is low

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Ageing analysis of trade receivables that are past due but not impaired

The normal credit period given for trade receivables is 30 days. Trade receivables that are 270 days in arrears are considered in default and are fully impaired. Those less than 270 days in arrears are subject to an assessment of expected credit losses using a provision matrix. As of 31 March 2021, trade receivables of $94.366 million (2020 - $98.322 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

Set out below is information about the credit risk exposure on the Group's and Authority's trade receivables using a provision matrix:

	Group			Group		
	2021			1 April 2020		
	$'000	%	$'000	$'000	$'000	
Days past due	*Estimated gross carrying amount at default*	*Expected Credit loss rate*	*Allowance for expected credit losses*	*Estimated gross carrying amount at default*	*Expected Credit loss rate*	*Allowance for expected credit losses*
	$'000	%	$'000	$'000	%	$'000
30 days	10,667	-	-	7,611	-	-
31 – 180 days (6 months)	312,211	25	78,053	319,788	25	79,947
181 – 270 days (9 months)	388,420	50	194,210	243,110	50	121,555
Over 270 days	307,619	100	307,619	331,411	100	331,411
	1,018,917		579,882	901,920		532,913

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

	Authority			Authority		
	2021			1 April 2020		
	$'000	%	$'000	$'000	$'000	
Days past due	*Estimated gross carrying amount at default*	*Expected Credit loss rate*	*Allowance for expected credit losses*	*Estimated gross carrying amount at default*	*Expected Credit loss rate*	*Allowance for expected credit losses*
	$'000	%	$'000	$'000	%	$'000
30 days	15,536	-	-	38,948	-	-
31 – 180 days (6 months)	24,860	0	-	38,695	0	-
181 – 270 days (9 months)	38,695	50	-	-	50	-
Over 270 days	62,939	100	62,939	62,939	100	62,939
	142,030		62,939	140,582		62,939

Ageing analysis of trade receivables that are past due and impaired

As of 31 March 2021, trade receivables of $579.9 million (2020: $532.9 million) for the Group and $62.9 million (2020: $62.9 million) for the Authority were impaired based on the analysis above. The individually impaired receivables mainly relate to customers who are in an unexpected difficult economic situation. It was assessed that a portion of the receivables is expected to be recovered.

Movement analysis of allowance for expected credit losses on trade receivables

The movement on the allowance for expected credit losses for trade receivables is as follows:

	Group		Authority	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
At 1 April	532,913	448,765	62,939	63,452
Loss allowance recognised in year	46,969	84,148	-	(513)
At 31 March	579,882	532,913	62,939	62,939

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

The creation and release of allowance for expected credit losses have been included in expenses in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

24.2 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed facilities. The management of the Group maintains an adequate amount of financial assets in liquid form to meet contractual obligations and other recurring payments. Further the Group has available access to funding through government subvention and other earmarked sources

Liquidity risk management process

The Group's liquidity management process, as carried out within the Group and monitored by the Board of Directors includes monitoring future cash flows and liquidity on a regular basis. This incorporates an assessment of expected cash flows:

The tables below summarise the maturity profile of the Group's and the Authority's financial liabilities at 31 March based on contractual undiscounted payments.

	Group		Authority	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Financial liabilities				
Long-term loan	-	839	-	839
Trade and other payables (Non-interest bearing)	2,053,475	616,201	209,693	386,836
Due to related parties (net)	-	-	74,329	68,384
Total less than 1 year	2,053,475	617,040	284,022	456,059
1-2 years				
Long-term loan	-	-	-	-
	2,053,475	617,040	284,022	456,059

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

24.3 Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks will arise from changes in foreign currency exchange rates, interest rates and commodity prices (price risk).

24.3.1 *Currency risk*

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

At 31 March 2021 and 31 March 2020, the Group and the Authority had no significant exposure to currency risk as there were no balances denominated in foreign currency.

24.3.2 *Interest rate risk.*

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As at 31 March 2021 and 31 March 2020, the Group and the Authority had no significant exposure to interest rate risk on its financial assets as there was no significant interest bearing assets. The Group and the Authority service an interest bearing loan which is at a fixed rate of interest and therefore has no exposure to cash flow interest rate risk.

24.3.3 *Price risk*

Price risk is the risk that the value of a financial instrument or physical commodity will fluctuate as a result of changes in market prices. Fluctuation in the price of a financial instrument may be caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

At 31 March 2021 and 31 March 2020 there was no significant exposure to price risk as there were no price sensitive investments held by the Group.

24.4 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while maintaining an optimal capital structure in order to carry out its mandate. Management closely monitors the Group's cash flows through continuous planning and reporting.

The capital structure of the Group consists of equity attributable to owners of the Group, comprising reserves and accumulated surplus.

The Group is not subject to externally imposed capital requirements, and there were no changes to the Group’s objectives or approach to capital management during the year.

25. FAIR VALUE MEASUREMENT

25.1 Financial Instruments

There were no financial instruments that were measured at fair value after initial recognition classified at Level 1 to Level 3 at the end of the reporting period.

The following methods and assumptions have been used in assessing the fair value of the Group's financial instruments:

The carrying values of cash and bank balances, trade receivables, trade payables, due from/to related parties and other assets and liabilities maturing within twelve months are assumed to approximate their fair values because of the short-term maturities of these instruments.

The fair value of the long-term loan approximates its carrying amount as the current interest rate on the loan reflects rates prevailing in the marketplace for similar loans.

25.2 Non-financial assets

The Group carries its land and building at fair value, with changes in the fair value recognised in other comprehensive income. The Group engaged a professional valuator to assess the fair value in July 2018 utilising the property in its highest and best use. The valuation is regarded at Level 3 of the fair value hierarchy of IFRS 13. The methodology applied by the valuator involved a reconciliation of the income approach and sales comparable approach (open market value approach) in arriving at the estimated fair value.

In the comparable approach actual sales are examined for sales of similar properties in the area or similar areas to where the subject property is located. Where necessary, adjustments are made to compensate for differences in the properties.

The income approach calculates the estimated or actual future cash benefits or income streams in perpetuity and discount to present worth or value. The method applies the use of valuation tables that were formulated for professional valuation purposes. This approach is considered the most reliable for income generating properties as it reflects the outlook of investors and takes into consideration factors such as market conditions, rates of return and cash flows.

The significant unobservable inputs in determining the fair value were:

- Sale prices – insufficient recent comparable market transactions
- Income approach – annual net rentals of $1,100- $1,200 per square foot per annum, capitalization rate 7% - 8% and discount rate 8%

25. FAIR VALUE MEASUREMENT (CONTINUED)

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the property. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate.

26. CONTINGENT LIABILITIES

(i) The Authority is liable for interest and penalties on long outstanding statutory liabilities `payable to the Government of Jamaica. Based on Jamaica's Tax law, the amount included at note 19 in the financial statements could be accruing interest and penalties that are not included in the financial statements.

(ii) As at March 31, 2021, there were legal claims for damages against the Authority in respect to industrial disputes of $277.021 million (2020: $259.527 million). No provision has been made in these financial statements as Management is unable to assess the likely outcome of these cases.

27. LEASES

Right-of use asset

	The Group 2020 $'000 Building	The Group 2019 $'000
Cost		
At April 1	36,234	-
Addition	-	36,234
At March 31	36,234	36,234
Accumulated depreciation		
At April 1	2,416	-
Charge for the year	7,247	2,416
At March 21	9,663	2,416
Carrying amount	26,571	33,818

During the prior year the Group entered into a new lease for premises used for carrying out its operations. The lease term is for five (5) years with an extension for another 5 years with the option to be exercised near the end of the lease term.

27. LEASES (CONTINUED)

Lease Liability

Maturity analysis

	2021 $'000	2020 $'000
Year 1	9,920	9,600
Year 2	10,912	9,920
Year 3	12,003	10,912
Year 4	8,519	12,003
Year 5	-	8,518
	41,354	50,953
Less unearned interest	(10,730)	(16,012)
	30,624	34,941
Analysed as:		
Non–current	25,237	30,624
Current	5,387	4,317
	30,624	34,941

The Group does not face a significant liquidity risk with regard the lease liability. The liability is monitored by management through cash flow planning.

The fair value of the lease liability on entering into the new lease was $36.233 million which was recognised as the value of the right-of-use asset.

The weighted average lessee incremental borrowing rate applied to the lease liability recognised in the statement of financial position is 16%.

Amounts recognised in surplus/deficit

	The Group 2021 $'000	The Group 2020 $'000
Depreciation expense on right-of-use asset	7,247	2,416
Interest expense on lease liability	5,283	1,907
Expense relating to short term leases	4,872	23,312

At 31 March 2021 the Group is committed to $73,921,000 (2020: $89,660,000) for short term leases.

Operating leases include the rental of premises and short term lease/rental of equipment for carrying out its operations.

NEPM WASTE MANAGEMENT LIMITED

FINANCIAL STATEMENTS
31 MARCH 2021

SFAI JAMAICA

C.R. Hylton & Co.

NEPM WASTE MANAGEMENT LIMITED

I N D E X
31 MARCH 2021

INDEPENDENT AUDITORS' REPORT

To the Members of NEPM Waste Management Limited

Report on the Financial Statements

Opinion
We have audited the financial statements of NEPM Waste Management Limited (the Company) which comprise the statement of financial position as at 31 March 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

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

INDEPENDENT AUDITORS' REPORT (Continued)

To the Members of NEPM Waste Management Limited

Report on the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

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

Report on additional requirements of the Jamaican Companies Act
We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept and the financial statements are in agreement therewith, and give the information required by the Jamaican Companies Act, in the manner so required.

Chartered Accountants
July 1, 2021

NEPM WASTE MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2021
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Income			
Government Subvention	6	729,351	739,142
Commercial Income	7	67,618	71,411
Other Income	8	266	240
Interest Income		19	13
		797,254	810,806
Expenses			
Direct, administrative and general expenses	9	(888,769)	(781,444)
(Deficit)/surplus, being total comprehensive (loss) /income for the year		(91,515)	29,362

The accompanying notes form an integral part of the financial statements

NEPM WASTE MANAGEMENT LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Non-current assets			
Property, plant and equipment	12	10,771	11,649
Current assets			
Inventories	13	7,332	7,217
Trade and other receivables	14	16,315	10,835
Cash and cash equivalents	15	5,472	45,650
Total current assets		29,119	63,702
Current liabilities			
Trade and other payables	16	185,535	141,462
Due to related party	17(b)	88,322	76,341
Total current liabilities		273,857	217,803
Net current liabilities		(244,738)	(154,101)
Net Liabilities		(233,967)	(142,452)
Deficiency in assets			
Share capital	18	-	-
Revaluation reserve	19	760	760
Accumulated deficit		(234,727)	(143,212)
Total deficiency in assets		(233,967)	(142,452)

The accompanying notes form an integral part of the financial statements

Approved for issue on behalf of the Board of Directors on July 1, 2021 and signed on its behalf by:

Deputy Chairman　　Executive Director

Linley Reynolds　　Audley Gordon

NEPM WASTE MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2021
(expressed in Jamaican dollars unless otherwise indicated)

	Share Capital (*) $'000	Revaluation Reserve $'000	Accumulated Deficit $'000	Total $'000
Balance at 1 April 2019	-	760	(172,574)	(171,814)
Surplus, being total comprehensive income	-	-	29,362	29,362
Balance at 31 March 2020	-	760	(143,212)	(142,452)
Deficit, being total comprehensive loss	-	-	(91,515)	(91,515)
Balance at 31 March 2021	-	760	(234,727)	(233,967)

(*) - denotes $2.

The accompanying notes form an integral part of the financial statements

NEPM WASTE MANAGEMENT LIMITED

STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2021
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Cash flows from operating activities:			
Surplus/(deficit) for the year		(91,515)	30,412
Adjustments for:			
Depreciation of property, plant and equipment	12	2,313	1,842
Interest income		(19)	(13)
Impairment trade receivables		5,000	1,050
		(84,221)	32,241
Operating cash flows before movements in working capital:			
Decrease/(increase) in inventories		(115)	1,592
Decrease/(increase) in trade and other receivables		(10,479)	2,302
Increase/(Decrease) in due to related party		11,981	18,798
(Decrease)/Increase in trade and other payables		44,073	(6,882)
Net cash generated by (used in) operations		(38,761)	48,051
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(1,436)	(7,984)
Interest received		19	13
Cash used in investment activities		(1,417)	(7,971)
Net (decrease) Increase in cash and cash equivalents		(40,178)	40,080
Cash and cash equivalents at beginning of year		45,650	5,570
Cash and cash equivalents at end of year	15	5,472	45,650

The accompanying notes form an integral part of the financial statements

1. IDENTIFICATION AND PRINCIPAL ACTIVITY

NEPM Waste Management Limited (the Company), is incorporated and domiciled in Jamaica and is controlled by the Government of Jamaica (the Government). The registered office of the Company is located at Main Street, Ocho Rios, Saint Ann. The Company is managed by National Solid Waste Management Authority, which, by its mandate and an act of parliament (namely the National Solid Waste Management Act) has the ultimate responsibly of solid waste collection and disposal nationally. This is done through its regional offices island wide, NEPM Waste Management Limited being one of them. NEPM Waste Management Limited's directors are similar to those of the National Solid Waste Management Authority.

The Company is responsible for the collection, treatment and disposal of solid waste for the parishes of Saint Ann, Portland and Saint Mary. The Company is economically dependent on the Government of Jamaica and receives funding through the National Solid Waste Management Authority (NSWMA). The Company also earns income from third parties for the collection and disposal of commercial garbage.

Management considers it appropriate to adopt the going concern basis in the preparation of these financial statements on the premise that the Company will be able to secure adequate financial support from these sources until it attains future sustained profitable operations.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

2.1 *Standards, interpretations and amendments to existing standards effective during the year*

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2020. These new standards and amendments applied for the first time in 2020. The nature and the impact of each new standard or amendment is described below.

- **Amendments to IFRS 3: Definition of a Business**
  The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

- **Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform**
  The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of

2. **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)**

2.1 ***Standards, interpretations and amendments to existing standards effective during the year* (Cont'd)**

- **Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform (Cont'd)**
  benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

- **Amendments to IAS 1 and IAS 8 Definition of Material**
  The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

- **Conceptual Framework for Financial Reporting**
  The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company.

2.2 ***Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Company***

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

- ***Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***
  The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Company will apply these amendments when they become effective but they are not expected to have an impact on the Company's financial statements.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

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

- **Amendments to IFRS 16 Covid-19 Related Rent Concessions**
  On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted. This amendment is not expected to impact on the financial statements of the Company.

- **Amendments to IAS 1: *Classification of Liabilities as Current or Non-current***
  In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- **Reference to the Conceptual Framework – Amendments to IFRS 3**
  In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

  The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

  At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.
  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively. The Company has not yet assessed the impact of these amendments on the Company's financial statements.

2. **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)**

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

- **Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16**
  In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.
  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

  The amendments are not expected to have a material impact on the Company.

- **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**
  In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- **Annual Improvements 2018-2020 Cycle (issued May 2020)**
  As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to:

  - IFRS 1 *First-time Adoption of International Financial Reporting Standards.*
    The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

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

- **Annual Improvements 2018-2020 Cycle (issued May 2020) (Cont'd)**
  D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not applicable to the financial statements of the Company.

  - *IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities*
    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

3.2 Basis of preparation

These financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of consideration given in exchange for assets. The principal accounting policies are set out below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Although these estimates are based on managements' best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

Reclassification

Certain prior year amounts have been reclassified in order to conform to the current year presentation.

3.3 Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Recognition

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized on the Company’s statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

3.3.1 Financial Assets

Classification

The Company classifies financial assets at initial recognition based on the financial asset’s contractual cash flow characteristic and the Company’s business model for managing the instruments. The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

3.3.1 Financial assets (continued)

Measurement category
At initial recognition, the Company measures a financial asset at its fair value plus, in `the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables that do not contain a significant financing component are measured on initial recognition at their transaction price.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at fair value through profit or loss (FVTPL)

- Amortised cost:
  These assets arise principally from the provision of goods and services to customers as well as other types of financial assets held within a business model where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest (SPPI) on the principal amount outstanding. The SPPI test is performed at an instrument level. After initial recognition, they are subsequently carried at amortised cost using the effective interest method, less any impairment.

  The Company’s financial assets at amortised cost comprise trade and other receivables including contract assets, due from related parties and cash and bank balances.

- FVTPL and FVOCI
  Equity instruments are measured at FVTPL, unless the asset is not held for trading purposes and the Company makes an irrevocable election on an instrument-by-instrument basis to designate the asset as FVOCI. As a result of the election, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses and their reversal are not reported separately from other changes in fair value. Dividends representing a return on such investments are recognised in profit or loss as other income when the Company’s right to receive payments is established. Where the asset is held within a business model where the objective is both to collect contractual cash flows and selling the financial assets and the SPPI test is met, the assets are measured subsequently at FVOCI with gains and losses recycled to profit or loss on derecognition.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

3.3.1 Financial assets (continued)

Derecognition

A financial asset or group of similar financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Company has (i) transferred its rights to receive the cash flows from the asset or (ii) has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement and either the Company

  (a) has transferred substantially all the risk and rewards of ownership of the asset, or
  (b) has neither transferred substantially all the risk and rewards of ownership of the asset, but has transferred control of the asset

Where the transfer does not qualify for derecognition as above, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment

The Company recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The Company recognises a loss allowance for expected credit losses on trade receivables and other financial assets that are measured at amortised cost applying the expected credit loss model. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

3.3.1 Financial assets (continued)

Trade receivables and contract assets

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivable are recorded when billed or accrued and represent claims against third parties that will be settled in cash. They are generally due for settlement within 30 days and therefore are all classified as current. The Company recognises lifetime ECL at each reporting date for trade receivables and contract assets applying a simplified approach. The expected credit losses on these financial assets are estimated based on the Company's historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions adjusted for factors that are specific to the debtors as well as the expected changes in factors or conditions affecting the debt at the reporting date, including time value of money where appropriate. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. Significant increase is assessed as the change in the risk of a default over the expected life of the financial asset as at the reporting date with the risk of default on the instrument occurring at the date of initial recognition, considering reasonable and supportable information that is available without undue cost or effort. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The credit risk on a financial instrument is assumed not to have increased significantly if it is determined to have a low credit risk at the reporting date taking into consideration all the terms and conditions of the instrument from the perspective of market participants or by use of other methodologies that are consistent with assessing low credit risk for the particular instrument. 12-month ECL are applied to the Company's debt securities determined to have low credit risk and other debt securities and bank balances for which credit risk has not increased significantly since initial recognition,

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

3.3.1 Financial assets (continued)

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due and a financial asset to be in default when the financial asset is more than 90 days past due and/or internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. The maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows in its entirety or a portion thereof. For trade receivables, the Company has a policy of writing off the gross carrying amount when the financial asset is 270 days past due based on historical experience of recoveries of similar assets. Nevertheless, the Company makes individual assessments regarding the timing and amount of write-off based on whether there is reasonable expectation of recovery. Write off takes place when the Company's internal collection efforts have been unsuccessful in collecting the amount due. No significant recovery is expected from amounts written off.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets

3.3.2 Financial Liabilities

Initial recognition and measurement:
All financial liabilities are recognised initially at fair value, and except for financial liabilities not at fair value through profit or loss (FVTPL), net of directly attributable transaction costs of issue. Financial liabilities are subsequently measured at amortised cost, except for any financial liabilities at fair value through profit or loss which are subsequently measured at fair value.

Measurement category

- FVTPL
  A financial liability is classified as at FVTPL if it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The Company has no financial liabilities at FVTPL

Other financial liabilities
Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

3.3.2 Financial liabilities (continued)

The Company's financial liabilities measured at amortised cost comprise trade and other payable and due to related party.

Derecognition
A financial liability is derecognised when the obligation under the instrument is extinguished by being discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of a financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

3.4 Foreign currency transactions

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rate of exchange prevailing at the dates of the transactions. At each reporting date monetary assets and liabilities denominated in foreign currencies are retranslated at exchange rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses resulting from the settlement of foreign currency transactions and from the retranslation at period-end exchange rates are recognised in profit or loss in the period in which they arise.

3.5 Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions and balances are recognised and disclosed for the following:

i. Enterprises and individuals owning directly or indirectly an interest in the voting power of the Company that gives them significant influence over the Company's affairs and close members of the families of these individuals.

ii. Key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including those directors and officers and close members of the families of those individuals.

iii. Post-employment benefit plans for the benefit of employees of the Company

iv. An entity or any member of a group to which it is a part providing key management personnel services to the Company

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.6 **Property, plant and equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on property, plant and equipment is recognised so as to allocate the cost or valuation of assets less their residual values over their estimated useful lives or, in the case of leasehold improvements the shorter lease term, using the straight-line method. The following useful lives are used in the calculation of depreciation:

Building – portable	40 years
Motor vehicles	8 years
Furniture, fixtures and equipment	5-10 years
Leasehold improvements	40 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Repairs and maintenance are charged to income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits are in excess of the originally assessed standard of performance of the existing asset that will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.7 **Impairment of tangible assets**

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised in profit or loss for the amount by which the carrying amount of an asset exceeds its estimated recoverable amount, which is the higher of the asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.8 **Cash and cash equivalents**

Further purposes of presentation of the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts. Bank overdrafts are shown within current liabilities on the statement of financial position.

3.9 **Government subvention**

Government subvention is received principally as an allocation from the National Solid Waste Management Authority and is recognised at fair value where there is reasonable assurance that the subvention will be received and the Company will comply with all attached conditions.

3.10 **Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company's solid waste collection business involves the collection, transfer and disposal of waste from residential, commercial and industrial customers for transport directly to landfills. Solid waste collection services include both recurring and temporary customer relationships. Revenues from collection operations are influenced by factors such as collection frequency, type and volume or weight of the waste collected and distance to the disposal facility. Revenues from landfill operations consist of tipping fees, which are generally based on the type and weight or volume of waste being disposed of at the disposal facilities. Commercial services are performed under service agreements, with customers. The agreements give the Company the exclusive right to provide specified waste services in the specified territory during the contract term. The standard customer service agreements generally range for one year with a few up to five years. Typically, the contractual arrangement provides for commercial customers to be billed on a monthly basis in arrears but for the solid waste removal to be provided bi-monthly or monthly. Revenue recognized under these agreements is earned over time over the contract cycle

Revenue from sources other than customer contracts primarily relates to imposed fines and employee services. Revenue from these sources were not material and represented less than 1% of total revenue for the current and previous financial year.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Revenue recognition (continued)

Deferred Revenues
Deferred revenues is recognised when cash payments are received or due in advance of performance obligations and is classified as current since they are earned within a year and there are no significant financing components. Substantially all deferred revenues during the reported periods are realized as revenues within one to three months, when the related services are performed.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of the income can be reliably measured.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.11 Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, if it is probable that outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

3.12 Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or option are shown in equity as a deduction, net of tax from the proceeds.

3.13 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in a market accessible to or by the Company, either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Fair value measurement (continued)

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

3.15 Leases

Policies applicable from 1 April 2019

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Leases - *Policies applicable from 1 April 2019* (continued)

(i) Fixed lease payments, less any lease incentives receivable;

(ii) Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

(iii) The amount expected to be payable by the lessee under residual value guarantees;

(iv) The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

(v) Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Leases - *Policies applicable from 1 April 2019* (continued)

Right-of-use asset

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property, Plant and Equipment’ policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in ‘Other expenses’ in profit or loss.

3.16 Leases - *Policies applicable prior to 1 April 2019*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as a lessee

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The company has exposure to the following risk from its use of financial instruments: credit risk (including currency risk and cash flow interest rate risk), market risk and liquidity risk.

The Board of Directors, together with senior management has overall responsibility for the establishment and oversight of the company's risk management framework.

The company's risk management policies are established to identify and analyze the risks faced by the company in order to set appropriate risks limits and controls, and to monitor risks. These are reviewed regularly to reflect changes in market conditions and the company's activities.

4.1 Credit risk

The Company takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the Company by failing to discharge their contractual obligations. Credit risk is the most important risk for the Company's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the Company's receivables from customers and treasury activities. The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and industry segments.

The maximum exposure to credit risk at the reporting date was $26.787 million (2020: $56.485 million) relating to the Company’s trade and other receivables and cash and bank balances.

Cash and bank balances
Cash transactions are limited to high credit quality financial institutions. The Company has policies that limit the amount of credit exposure to any financial institution.

Trade receivables
The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Board has established a credit policy under which each customer is analysed individually for creditworthiness prior to the Company offering them a credit facility. Credit limits are assigned to each customer, which represents the maximum credit allowable without approval from the Board. The Company has procedures in place to restrict customer orders if the order will exceed credit limits. Customers that fail to meet the Company’s benchmark of creditworthiness may transact with the Company on a prepayment basis.

Customer credit risk is monitored according to their credit characteristics such as whether it is an individual or company, industry, aging profile, and previous financial difficulties. Trade receivables relate mainly to the Company’s commercial customers.

The Company establishes an impairment loss allowance that represents its estimate of expected losses in respect of trade receivables. The Company addresses impairment assessment by the Expected Credit Loss (ECL) model utilizing a simplified approach and individually assessed allowances.

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Credit risk (Continued)

The Company's average credit period on the delivery of services is 30 days. A loss allowance is recognised on trade receivables that are past due more than 30 days. The loss allowance is based on an estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries at default.

Ageing analysis of trade receivables that are past due but not impaired

Trade receivables that are 30 days or less past due are not considered impaired. The ageing analysis of trade receivables that are past due but not considered impaired is as follows:

	2021 $'000	2020 $'000
31 – 60 days	1,660	2,894
61 – 90 days	918	1,408
>90 days	3,944	1,885
	6,522	6,187

Ageing analysis of trade receivables that are past due and impaired

As at the end of the reporting period trade receivables of $34.702 million (2020 $29.702 million) were past due over 90 days. The expected credit loss model (ECL) was applied and the ECL assessed at $34.702 million (2020: $29.702 million). Impaired receivables mainly relate to parish councils and other commercial customers that have not fulfilled their obligations.

Movement analysis for loss allowance on trade receivables

The movement in the allowance for expected credit losses on trade receivables is as follows:

	2021 $'000	2020 $'000
At start of year	29,702	28,652
Allowance recognised in year	5,000	1,050
At end of year	34,702	29,702

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Credit risk (Continued)

The creation and release of loss allowances for trade receivables have been included in expenses in statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

There are no financial assets other than trade receivables for which expected credit losses were assessed.

Trade receivables by customer sector

The following table summarises the credit exposure for trade receivables at their carrying amounts, as categorised by the customer sector:

	2021 $'000	2020 $'000
Parish councils and private enterprises	44,921	40,244
Less: Provisions for impairment	(34,702)	(29,702)
	10,219	10,542

The Company's trade receivables are receivable from customers in North Eastern Jamaica.

4.2 Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed facilities.

The management of the Company maintains an adequate amount of financial assets in liquid form to meet contractual obligations and other recurring payments. Further the company has available access to funding through government subvention.

Liquidity risk management process

The Company's liquidity management process, as carried out within the Company and monitored by the Board of Directors includes monitoring future cash flows and liquidity on a regular basis. This incorporates an assessment of expected cash flows:

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

4.2 Liquidity risk (Continued)

Undiscounted contractual cash flows of financial liabilities

The tables below summarise the maturity profile of the Company' financial liabilities at March 31 based on contractual undiscounted payments.

	Within 1 Month $'000	Total $'000
	2021	
Trade payables	117,986	117,986
Other	67,549	67,549
	185,535	185,535

	Within 1 Month $'000	Total $'000
	2020	
Trade payables	91,393	91,393
Other	19,110	19,110
	110,503	110,503

Liabilities are usually covered by cash generated from operations in the normal course of business. Assets available to meet all liabilities include cash and cash equivalents.

4.3 Market risk

The Company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by management which carries out research and monitors the price movement of financial assets on the local market. Market risk exposures are measured using sensitivity analysis.

There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 Market risk (Continued)

4.3.1 ***Currency risk***

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign exchange risk, primarily with respect to the US dollar. Foreign exchange risk arises from commercial transactions denominated in foreign currency and recognised foreign currency assets and liabilities.

At the end of the reporting period, the Company had no significant exposure to currency risk as there were no balances denominated in foreign currency.

4.3.2 ***Interest rate risk***

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

At the end of the reporting period, the Company had no significant exposure to interest rate risk as there was no significant interest bearing assets or liabilities

(d) Capital management

The Company's objectives when managing capital, which is its accumulated funds are to safeguard the Company's ability to continue as a going concern and to maintain a stable capital base in order to carry out its mandate. Management closely monitors the Company's cash flows through continuous planning and reporting.

The overall strategy remains unchanged from prior year.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Critical judgements in applying the Company’s accounting policies

In the process of applying the Company’s accounting policies, management believes that there were no critical judgements made, apart from those involving estimation (see below) that would cause a significant impact on the amounts recognised in the financial statements.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

5.2 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Property, plant and equipment
Management exercises judgement in determining whether the costs incurred can accrue significant future economic benefits to the Company to enable the value to be treated as a capital expense. Further, judgement is applied in the annual review of the useful lives of all categories of property, plant and equipment and the resulting depreciation thereon. Details of the estimated useful lives are disclosed in Note 3.7 (See Note 12).

Impairment of trade receivables
The Company periodically assesses the collectability of its trade receivables. Allowance for expected credit losses are established or increased as described in Note 3.3.1. There is, however, no certainty that the Company will collect the total remaining unimpaired balance, as some balances that are estimated to be collectible as at the end of the reporting period may subsequently be at default. Trade receivables amounted to $51.017 million at the end of the reporting period (2020: $40.537 million) against which a loss allowance of $34.702 million (2020: 29.702 million) has been made. See Notes 4.1 and 14.

Impairment of assets
The Company reviews tangible assets with definite useful lives for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or cash generating unit is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates. Should these assumptions and estimates change, or not be met, the value-in-use calculations will be affected.

Fair value estimation
Financial instruments are grouped into levels I to 3 based on the degree to which the fair value is observable as described in Note 3.15. The Company had no financial instruments that were measured at fair value after initial recognition classified at Level 1 to Level 3 at the end of the reporting period.

In assessing the fair values of financial instruments, the Company uses a variety of methods and makes assumptions that are based on market conditions existing at the balance sheet date. The values derived using these techniques are significantly affected by underlying assumptions concerning both the amounts and timing of future cash flows and the discount rates used. The methods and assumptions used are described in Note 21.

6. GOVERNMENT SUBVENTION

Government subvention includes recurrent amounts received through the National Solid Waste Management Authority (NSWMA). There are no unfulfilled conditions or other contingencies attaching to subvention received.

	2021 $'000	2020 $'000
Subvention - primary allocation	292,294	459,046
Subvention - emergency and special projects	419,070	280,096
Subvention – statutory liabilities paid	17,987	-
	729,351	739,142

7. COMMERCIAL INCOME

These comprise revenue from contracts with customers which is substantially fees received from the collection of commercial solid waste in the parishes of Saint Ann, Portland and Saint Mary.

8. OTHER INCOME

	2021 $'000	2020 $'000
Anti-litter fine	232	188
Card Replacement Fees	34	52
	266	240

9. EXPENSE BY NATURE

Total direct, administration and other expenses:

	2021 $'000	2020 $'000
Landfill Operations	126,744	131,236
Supplementary fleet –Contractor's Expense	113,429	104,354
Public cleansing	9,818	8,354
Beautification and special projects*	167,441	89,737
Staff costs (**Note 10**) **	348,418	322,279
Motor vehicle expense	70,898	67,826
Repairs and maintenance property and equipment	18,885	30,677
Depreciation–property, plant & equip. (**Note 12**)	2,313	1,842
Security services	4,104	3,757
Rental, leases and hireage **(Note 20)**	1,545	1,812
Utilities	5,705	3,786
Auditors' remuneration – current year	980	(4,020)
prior year reversal	(980)	-
Interest and penalty payroll taxes (**Retroactive**)	344	-
Stationery and office expense	4,266	4,647
Bank charges	104	97
Allowance for expected credit losses (**Note 4**)	5,000	1,050
Uniform expenses	-	4,165
General Consumption Tax (GCT)	9,675	8,035
Training, advertising & promotions	80	1,810
	888,769	781,444

* - Beautification project in St. Mary and Portland, removal of Bulky Waste from landfills.
** - General salary increase of 5% was awarded to all staff during the year.
A number of managers received their gratuity payments as a result of contract maturity.

10. STAFF COSTS

	2021 $'000	2020 $'000 (Restated)
Wages and salaries	282,514	255,249
Travel cost incl. motor vehicle upkeep and mileage allowances	37,305	40,371
Payroll taxes – employer's portion (NIS, NHT)	16,005	13,917
Staff allowances and benefits	4,258	4,002
Staff welfare incl. health and life insurance	8,336	8,740
	348,418	322,279

The number of employees at year end was 282 (2020: 314).

11. TAXATION

No provision for taxation has been made in these financial statements. The Company is exempt from income tax under the provisions of Section 12(h) of the Income Tax Act.
Deferred taxation is not recognised in these financial statements as a result of the Company's exemption from taxation.

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings Portable $'000	Motor Vehicles $'000	Furniture, Fixtures and Equipment $'000	Leasehold Improvements $'000	Total $'000
Cost or valuation					
1 April 2019	3,300	10,967	12,284	3,077	29,628
Additions	-	3,777	4,207	-	7,984
31 March 2020	3,300	14,744	16,491	3,077	37,612
Additions	-	-	1,435	-	1,435
31 March 2021	3,300	14,744	17,926	3,077	39,047
Accumulated depreciation					
1 April 2019	900	10,967	9,607	2,647	24,121
Charge for the year	83	-	1,608	151	1,842
31 March 2020	983	10,967	11,215	2,798	25,963
Charge for the year	46	472	1,746	49	2,313
31 March 2021	1,029	11,439	12,961	2,847	28,276
Carrying amount					
31 March 2021	2,271	3,305	4,965	230	10,771
31 March 2020	2,317	3,777	5,276	279	11,649

13. INVENTORIES

Inventories comprise the following:

	2021 $'000	2020 $'000
Consumables	4,727	2,290
Spare parts	1,868	4,363
Oils and lubricants	737	564
	7,332	7,217

Inventories recognised as an expense during the year amounted to $12.026 million (2020: $12.701 million).

14. TRADE AND OTHER RECEIVABLES

	2021 $'000	2020 $'000
Trade receivables	44,921	40,245
Allowance for impairment	(34,702)	(29,702)
	10,219	10,543
Advances	155	155
Prepayments	5,820	118
Other	121	19
	16,315	10,835

15. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statements, cash and cash equivalents comprise:

	2021 $'000	2020 $'000
NCB Current account	4,481	43,558
BNS Current account	956	2,057
Petty cash	35	35
	5,472	45,650

16. TRADE AND OTHER PAYABLES

	2021 $'000	2020 $'000
Trade payables	117,986	86,708
Statutory deductions	48,481	30,958
Vacation leave	7,767	9,080
Legal, audit and other professional fees	2,297	5,745
Landfill contractors	-	1,709
St. Ann Parish Council	8,494	6,958
Accruals	510	304
	185,535	141,462

17. RELATED PARTY TRANSACTIONS AND BALANCES

The following transactions were carried out with related parties:

(a) **Subventions received**

	2021 $'000	2020 $'000
Government subventions (Note 6)	729,351	739,142

(b) Due to Related party

	2021 $'000	2020 $'000
National Solid Waste Management Authority	88,322	76,341

(c) Senior Management Compensation

	2021 $'000	2020 $'000
Salaries and related expenses	21,792	28,025

18. SHARE CAPITAL

	2021 $	2020 $
Authorised 200 ordinary shares at no par value at April 1 and March 31	200	200
Issued and fully paid 2 ordinary shares at no par value at April 1 and March 31	2	2

19. REVALUATION RESERVE

This represents the previous Jamaican GAAP revalued amount which has been used as the deemed cost of the assets under the provision of IFRS 1.

20. LEASES COMMITMENTS

As at March 31 the company had an ongoing monthly arrangement relating to rental of premises for carrying out its operations. A lease contract has not yet been negotiated and finalised between the parties.

	2021 $'000	2020 $'000
Operating lease recognised as an expense in the year	1,545	1,812

At the end of the reporting period the Company had no outstanding commitments under operating leases.

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

There were no financial instruments of the Company that were measured at fair value after initial recognition classified at Level 1 to Level 3 at the end of the reporting period.

The following methods and assumptions have been used in assessing the fair value of the company's financial instruments:

The carrying values of cash and bank balances, trade receivables, trade payables and other assets and liabilities maturing within twelve months are assumed to approximate their fair values because of the short-term maturities of these instruments.

MPM WASTE MANAGEMENT LIMITED
FINANCIAL STATEMENTS

31 MARCH 2021

SFAI JAMAICA

C.R. Hylton & Co.

MPM WASTE MANAGEMENT LIMITED

31 MARCH 2021

CONTENTS

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SFAI JAMAICA

INDEPENDENT AUDITORS' REPORT

To the Members of MPM Waste Management Limited

Report on the Financial Statements

Opinion
We have audited the accompanying financial statements of MPM Waste Management Limited (the company) which comprise the statement of financial position as at March 31, 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at March 31, 2021 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors ' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Financial Statements
Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the Jamaican Companies Act, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the company's financial reporting process.

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

INDEPENDENT AUDITORS' REPORT (Continued)

To the Members of MPM Waste Management Limited

Report on the Financial Statements
Auditors ' Responsibility for the Audit of the Financial Statements (Cont'd)

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

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

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

Report on additional requirements of the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner so required.

Chartered Accountants
July 1, 2021

MPM WASTE MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
INCOME			
Government subvention	6	2,554,567	2,572,775
Commercial income	7	216,307	259,355
Other income	8a	-	20
Interest income	8b	24	92
		2,770,898	2,832,242
EXPENSES			
Direct, administrative and general expenses	9	(3,296,715)	(2,910,089)
Interest expense	19	(5,283)	(1,907)
Deficit being total comprehensive loss for the year		(531,100)	(79,754)

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

MPM WASTE MANAGEMENT LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Non-current assets			
Property, plant and equipment	12	49,191	47,480
Right-of-use asset	19	26,571	33,818
		75,762	81,298
Current assets			
Inventories	13	9,398	9,885
Trade and other receivables	14	216,847	112,980
Cash and cash equivalents	15	35,385	137,938
Total current assets		261,630	260,803
Current liabilities			
Trade and other payables	16	1,062,473	582,000
Lease liability	19	5,387	4,317
Due to related parties	17	262,931	212,696
Total current liabilities		1,330,791	799,013
Net current liabilities		(1,069,161)	(456,912)
Non-current liability			
Lease liability	19	(25,237)	(30,624)
Net Liabilities		(1,018,636)	(487,536)
Deficiency in assets			
Share capital	18	-	-
Accumulated deficit		(1,018,636)	(487,536)
Total deficiency in assets		(1,018,636)	(487,536)

The financial statements were approved for issue by the Board of Directors on July 1, 2021 and signed on its behalf by:

Deputy Chairman
Linley Reynolds

Executive Director
Audley Gordon

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

MPM WASTE MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Share Capital (*) $'000	Accumulated deficit $'000	Total $'000
Balance at 1 April 2019	-	(407,782)	(407,782)
Deficit being total comprehensive loss for the year	-	(79,754)	(79,754)
Balance at 31 March 2020	-	(487,536)	(487,536)
Deficit being total comprehensive loss for the year	-	(531,100)	(531,100)
Balance at 31 March 2021	-	(1,018,636)	(1,018,636)

(*) - denotes $200.

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

MPM WASTE MANAGEMENT LIMITED

STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $000	2020 $000
Cash flows from operating activities			
Deficit for the year		(531,100)	(79,754)
Adjustments for:			
Depreciation of property, plant and equipment	12	6,157	13,388
Depreciation of right-of-use asset		7,247	2,416
Increase in allowance for impaired trade receivables		5,820	47,659
Interest expense - right-of-use asset		5,283	1,907
Interest income		(24)	(92)
Operating cash flows before movements in working capital:		(506,617)	(14,476)
Increase in trade and other receivables		(105,324)	(122,916)
(Increase)Decrease in inventories		487	(2,542)
Increase/(Decrease) in due to related parties		50,235	101,184
Increase/(Decrease) in trade and other payables		480,473	178,644
Net cash (used in) generated by operations		(80,746)	139,894
Cash flow from investing activities			
Purchase of property, plant and equipment	12	(7,868)	(33,042)
Interest received		24	92
Net cash used in investing activities		(7,844)	(32,950)
Cash flow from financing activities			
Interest paid		(5,283)	(1,907)
Repayment of lease liability		(8,680)	(1,293)
Net cash used in financing activities		(13,963)	(3,200)
Net (decrease) increase in cash and cash equivalents		(102,553)	103,744
Cash and cash equivalents at beginning of year		137,938	34,194
Cash and cash equivalents at end of the year	15	35,385	137,938

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

1. THE COMPANY

MPM Waste Management Limited (the company) was incorporated in Jamaica and controlled by the Government of Jamaica (the government). The registered office of the company is located at 61 Half-Way Tree Road, Kingston 5. The company is economically dependent on the government and receives funding through the National Solid Waste Management Authority (NSWMA).

The company is responsible for the collection, treatment and disposal of solid waste for the parishes of Kingston, Saint Andrew, Saint Catherine and Saint Thomas and is primarily financed by government subventions. The company also earns income from third parties for the collection of commercial garbage.

The shares of the company are held by the Accountant General, Karl Binger and Martin Burke, a corporation sole pursuant to the powers invested by the Crown Property (Vesting) Act 1960.

Management considers it appropriate to adopt the going concern basis in the preparation of these financial statements on the premise that the Company will be able to secure adequate financial support from these sources until it attains future sustained profitable operations.

The company has a total of 1,674 (2020: 1,636) staff members as at March 31, 2021.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

22.1 *Standards, interpretations and amendments to existing standards effective during the year*

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2020. These new standards and amendments applied for the first time in 2020. The nature and the impact of each new standard or amendment is described below.

- **Amendments to IFRS 3: Definition of a Business**
  The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

- **Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform**
  The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

2.1 *Standards, interpretations and amendments to existing standards effective during the year* (Cont'd)

- **Amendments to IAS 1 and IAS 8 Definition of Material**
  The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

- **Conceptual Framework for Financial Reporting**
  The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company.

2.2 *Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Company*

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

- ***Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***
  The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Company will apply these amendments when they become effective but they are not expected to have an impact on the Company's financial statements.

2. **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)**

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

- **Amendments to IFRS 16 Covid-19 Related Rent Concessions**
  On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted. This amendment is not expected to impact on the financial statements of the Company.

- **Amendments to IAS 1: *Classification of Liabilities as Current or Non-current***
  In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- **Reference to the Conceptual Framework – Amendments to IFRS 3**
  In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

  The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

2. **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)**

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

- **Reference to the Conceptual Framework – Amendments to IFRS 3 (Cont'd)**
  At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.
  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively. The Company has not yet assessed the impact of these amendments on the Company's financial statements.

- **Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16**
  In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.
- **Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16 (Cont'd)**
  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

  The amendments are not expected to have a material impact on the Company.

- **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**
  In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

2. **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)**

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

- **Annual Improvements 2018-2020 Cycle (issued May 2020)**
  As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to:

  - IFRS 1 *First-time Adoption of International Financial Reporting Standards.*
    The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not applicable to the financial statements of the Company.
  - *IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities*
    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

3.2 Basis of preparation

These financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of consideration given in exchange for assets. The principal accounting policies are set out below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Although these estimates are based on managements' best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

Where necessary, comparative figures have been reclassified to conform to changes in the presentation in the current year.

Going concern
In considering the appropriate basis on which to prepare the financial statements, management is required to assess whether the company can continue in operational existence for the foreseeable future. Management has prepared financial statements on the going concern assumption despite the company recording three consecutive years of operating and net deficit, a deficiency in assets at 31 March and net current liabilities over current assets.

Management is confident that the Government of Jamaica views the company as part of the core public waste disposal service delivery strategy infrastructure of Jamaica, as an allied regional office of the NSWMA, and will provide the necessary funding for it to remain in operation.

3.3 Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Recognition
Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized on the company’s statement of financial position when the company becomes a party to the contractual provisions of the instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

3.3.1 Financial Assets

Classification
The company classifies financial assets at initial recognition based on the financial asset's contractual cash flow characteristic and the company's business model for managing the instruments. The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Measurement category
At initial recognition, the company measures a financial asset at its fair value plus, in `the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables that do not contain a significant financing component are measured on initial recognition at their transaction price.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at fair value through profit or loss (FVTPL)

- Amortised cost:
  These assets arise principally from the provision of goods and services to customers as well as other types of financial assets held within a business model where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest (SPPI) on the principal amount outstanding. The SPPI test is performed at an instrument level. After initial recognition, they are subsequently carried at amortised cost using the effective interest method, less any impairment.

  The company's financial assets at amortised cost comprise trade and other receivables including contract assets, due from related parties and cash and bank balances.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

3.3.1 Financial Assets

- FVTPL and FVOCI
  Equity instruments are measured at FVTPL, unless the asset is not held for trading purposes and the company makes an irrevocable election on an instrument-by-instrument basis to designate the asset as FVOCI. As a result of the election, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses and their reversal are not reported separately from other changes in fair value. Dividends representing a return on such investments are recognised in profit or loss as other income when the company's right to receive payments is established. Where the asset is held within a business model where the objective is both to collect contractual cash flows and selling the financial assets and the SPPI test is met, the assets are measured subsequently at FVOCI with gains and losses recycled to profit or loss on derecognition.

Derecognition
A financial asset or group of similar financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or
- The company has (i) transferred its rights to receive the cash flows from the asset or (ii) has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either the company

  (a) has transferred substantially all the risk and rewards of ownership of the asset, or
  (b) has neither transferred substantially all the risk and rewards of ownership of the asset, but has transferred control of the asset

Where the transfer does not qualify for derecognition as above, the company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

3.3.1 Financial Assets (continued)

Impairment
The company recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate.

The company recognises a loss allowance for expected credit losses on trade receivables and other financial assets that are measured at amortised cost applying the expected credit loss model. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Trade receivables and contract assets
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. They are generally due for settlement within 30 days and therefore are all classified as current. The company recognises lifetime ECL at each reporting date for trade receivables and contract assets applying a simplified approach. The expected credit losses on these financial assets are estimated based on the company's historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions adjusted for factors that are specific to the debtors as well as the expected changes in factors or conditions affecting the debt at the reporting date, including time value of money where appropriate. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly.

For all other financial instruments, the company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. Significant increase is assessed as the change in the risk of a default over the expected life of the financial asset as at the reporting date with the risk of default on the instrument occurring at the date of initial recognition, considering reasonable and supportable information that is available without undue cost or effort. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The credit risk on a financial instrument is assumed not to have increased significantly if it is determined to have a low credit risk at the reporting date taking into consideration all the terms and conditions of the instrument from the perspective of market participants or by use of other methodologies that are consistent with assessing low credit risk for the particular instrument. 12-month ECL are applied to the company's debt securities determined to have low credit risk and other debt securities and bank balances for which credit risk has not increased significantly since initial recognition.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.3 **Financial instruments (continued)**

3.3.1 **Financial assets (continued)**

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due and a financial asset to be in default when the financial asset is more than 90 days past due and/or internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. The maximum period considered when estimating ECL is the maximum contractual period over which the company is exposed to credit risk.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows in its entirety or a portion thereof. For trade receivables, the company has a policy of writing off the gross carrying amount when the financial asset is 270 days past due based on historical experience of recoveries of similar assets. Nevertheless, the company makes individual assessments regarding the timing and amount of write-off based on whether there is reasonable expectation of recovery. Write off takes place when the company's internal collection efforts have been unsuccessful in collecting the amount due. No significant recovery is expected from amounts written off.
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

3.3.2 **Financial liabilities**

Initial recognition and measurement:
All financial liabilities are recognised initially at fair value, and except for financial liabilities not at fair value through profit or loss (FVTPL), net of directly attributable transaction costs of issue. Financial liabilities are subsequently measured at amortised cost, except for any financial liabilities at fair value through profit or loss which are subsequently measured at fair value.

Measurement category
- FVTPL
  A financial liability is classified as FVTPL if it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The company has no financial liabilities at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

3.3.2 Financial liabilities (continued)

- Other financial liabilities
  Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

  The company's financial liabilities measured at amortised cost comprise trade and other payable and due to related party.

  Derecognition
  A financial liability is derecognised when the obligation under the instrument is extinguished by being discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

  The difference between the carrying amount of a financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

3.4 Foreign currency transactions

Transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rate of exchange prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated at exchange rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses resulting from the settlement of foreign currency transactions and from the retranslation at period-end exchange rates are recognised in profit or loss in the period in which they arise.

3.5 Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions and balances are recognised and disclosed for the following:

i. Enterprises and individuals owning directly or indirectly an interest in the voting power of the company that gives them significant influence over the company's affairs and close members of the families of these individuals.

ii. Key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the company, including those directors and officers and close members of the families of those individuals.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.5 Related party transactions and balances (continued)

iii. Post-employment benefit plans for the benefit of employees of the company.
iv. An entity or any member of a group to which it is a part providing key management personnel services to the company.

A related party transaction is a transfer of resources, services or obligation between related parties, regardless of whether a price is charged. The company has a related party relationship with its parent, fellow subsidiaries and key management personnel, representing directors and certain senior officers of the company.

NSWMA is the parent company of MPM Waste Management Limited and the following companies are also considered related entities:

SPM Waste Management Limited;
WPM Waste Management Limited; and
NEPM Waste Management Limited.

3.6 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on property, plant and equipment is recognised so as to allocate the cost or valuation of assets less their residual values over their estimated useful lives or, in the case of leasehold improvements the shorter lease term, using the straight-line method. The following useful lives are used in the calculation of depreciation:

Computer equipment	5 years
Furniture, fixtures and office equipment	10 years
Leasehold improvements	40 years
Motor Vehicle/Trucks	12 1/2 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Repairs and maintenance are charged to income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits are in excess of the originally assessed standard of performance of the existing asset that will flow to the company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment of tangible assets

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised in profit or loss for the amount by which the carrying amount of an asset exceeds its estimated recoverable amount, which is the higher of the asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

3.8 Cash and cash equivalents

Further purposes of presentation of the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts. Bank overdrafts are shown within current liabilities on the statement of financial position.

3.9 Government subvention

Government subvention is received principally as an allocation from the National Solid Waste Management Authority and is recognised at fair value where there is reasonable assurance that the subvention will be received and the company will comply with all attached conditions.

3.10 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

The company’s solid waste collection business involves the collection, transfer and disposal of waste from residential, commercial and industrial customers for transport directly to landfills. Solid waste collection services include both recurring and temporary customer relationships. Revenues from collection operations are influenced by factors such as collection frequency, type and volume or weight of the waste collected and distance to the disposal facility. Revenues from landfill operations consist of tipping fees, which are generally based on the type and weight or volume of waste being disposed of at the disposal facilities. Commercial services are performed under service agreements, with customers. The agreements give the company the exclusive right to provide specified waste services in the specified territory during the contract term. The standard customer service agreements generally range for one year with a few up to five years. Typically, the contractual arrangement provides for commercial customers to be billed on a monthly basis in arrears but for the solid waste removal to be provided bi-monthly or monthly. Revenue recognized under these agreements is earned over time over the contract cycle.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Revenue recognition (continued)

Revenue from sources other than customer contracts primarily relates to imposed fines and employee services. Revenue from these sources were not material and represented less than 1% of total revenue for the current and previous financial year.

Deferred Revenues
Deferred revenues is recognised when cash payments are received or due in advance of performance obligations and is classified as current since they are earned within a year and there are no significant financing components. Substantially all deferred revenues during the reported periods are realized as revenues within one to three months, when the related services are performed.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of the income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.11 Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, if it is probable that outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

3.12 Capital reserve

Grant funds received specifically for the acquisition of capital assets are credited directly to capital reserves and written off to revenue over the useful lives of the relevant assets.

3.13 Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or option are shown in equity as a deduction, net of tax from the proceeds.

3.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in a market accessible to or by the company, either:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Fair value measurement (continued)

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

3.15 Leases

Policies applicable from 1 April 2019

The company as a lessee

The company assesses whether a contract is or contains a lease, at inception of the contract. The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.15 **Leases - *Policies applicable from 1 April 2019* (continued)**

(i) Fixed lease payments, less any lease incentives receivable;

(ii) Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

(ii) The amount expected to be payable by the lessee under residual value guarantees;

(iv)The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

(v) Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The company did not make any such adjustments during the periods presented.

Right-of-use asset

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.15 **Leases - *Policies applicable from 1 April 2019* (continued)**

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property, Plant and Equipment’ policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in ‘Other expenses’ in profit or loss.

3.16 **Leases - *Policies applicable prior to 1 April 2019***

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The company as a lessee

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The company has exposure to the following risk from its use of financial instruments: credit risk (including currency risk and cash flow interest rate risk), market risk and liquidity risk.

The Board of Directors, together with senior management has overall responsibility for the establishment and oversight of the company's risk management framework.

The company's risk management policies are established to identify and analyze the risks faced by the company in order to set appropriate risks limits and controls, and to monitor risks. These are reviewed regularly to reflect changes in market conditions and the company's activities.

4.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk is the most important risk for the company's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the company's receivables and banking activities.

The maximum exposure to credit risk at the reporting date was:

	2021 $'000	2020 $'000
Cash and cash equivalents	35,385	137,938
Trade and other receivables (not including prepayment)	173,108	110,508
	208,493	248,446

Credit review process

Cash and cash equivalents are placed with reputable financial institutions that are believed to have minimal risk of default.

Credit is only extended to customers after a credit application is assessed and approved by management or to customers with a good credit history. Management considers that there is no significant credit risk associated with related party receivables

The company establishes an impairment loss allowance that represents its estimate of expected losses in respect of trade receivables. The company addresses impairment assessment by the Expected Credit Loss (ECL) model utilizing a simplified approach and individually assessed allowances.

A loss allowance is recognised on trade receivables that are past due more than six months. The loss allowance is based on an estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries at default.

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Credit risk (Continued)

Ageing analysis of trade receivables that are past due but not impaired

Trade receivables that are less than six months past due are not considered impaired. As of 31 March 2021, trade receivables of $39.311 million (2020 - $70.552 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing analysis of these trade receivables is as follows:

	2021 $'000	2020 $'000
1 month	16,378	38,561
2 - 6 months	22,933	31,991
	39,311	70,552

Ageing analysis of trade receivables that are past due and impaired

As of 31 March 2021, trade receivables of $266,142 million (2020: $260.322 million) were past due over six months. The expected credit loss model (ECL) was applied and additional ECL assessed at $5.820 million. The total loss allowance including individually assessed customer totaled to $266.142 million (2020: 260.322 million). The individually impaired receivables mainly relate to customers who are in an unexpected difficult economic situation. It was assessed that a portion of the receivables is expected to be recovered.

The aging of these receivables is as follows:

	2021 $'000	2020 $'000
2- 6 months	5,820	24,318
Over 6 months	260,322	236,004
	266,142	260,322

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Credit risk (Continued)

Movement analysis of allowance for expected credit losses on trade receivables

The movement on the allowance for expected credit losses (2021: Allowance for doubtful debt) for trade receivables is as follows:

	2021 $'000	2020 $'000
At 1 April	260,322	212,663
Allowance for expected credit losses recognised in year	5,820	47,659
At 31 March	266,142	260,322

The creation and release of allowance for expected credit losses have been included in expenses in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

4.2 Liquidity risk

Liquidity risk is the risk that the company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed facilities. The management of the company maintains an adequate amount of financial assets in liquid form to meet contractual obligations and other recurring payments. Further the company has available access to funding through government subvention.

Liquidity risk management process

The company's liquidity management process, as carried out within the company and monitored by the Board of Directors includes monitoring future cash flows and liquidity on a regular basis. This incorporates an assessment of expected cash flows:

The tables below summarise the maturity profile of the company's financial liabilities at 31 March based on contractual undiscounted payments.

	2021 Less than 1 Year $'000	2020 Less than 1 Year $'000
Financial liabilities		
Trade payables (Non-interest bearing)	304,405	130,107
Other payables	11,505	9,250
Due to related parties (net)	262,931	212,696
	578,841	352,053

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 Market risk

The company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks will arise from changes in foreign currency exchange rates, interest rates and commodity prices (price risk).

4.3.1 *Currency risk*

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

At 31 March 2021 and 31 March 2020, the company had no measurable exposure to currency risk as there were no balances denominated in foreign currency.

4.3.2 *Interest rate risk.*

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As at 31 March 2021 and 31 March 2020, the company had no significant exposure to interest rate risk as there was no significant interest bearing assets or liabilities

4.3.3 *Price risk*

Price risk is the risk that the value of a financial instrument or physical commodity will fluctuate as a result of changes in market prices. Fluctuation in the price of a financial instrument may be caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

At 31 March 2021 and 31 March 2020 there was no measurable exposure to price risk as there were no price sensitive instruments held.

4.4 Capital management

The company's objectives when managing capital, which is its accumulated funds are to safeguard the company's ability to continue as a going concern and to maintain a stable capital base in order to carry out its mandate. Management closely monitors the company's cash flows through continuous planning and reporting.

The company is not subject to externally imposed capital requirements, and there were no changes to the company’s objectives or approach to capital management during the year. The overall strategy remains unchanged from prior year.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Critical judgements in applying the company's accounting policies

In the process of applying the company's accounting policies, management believes that there were no critical judgements made, apart from those involving estimation (see below) that would cause a significant impact on the amounts recognised in the financial statements.

5.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future or other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Property, plant and equipment

Management exercises judgement in determining whether the costs incurred can accrue significant future economic benefits to the company to enable the value to be treated as a capital expense. Further, judgement is applied in the annual review of the useful lives of all categories of property, plant and equipment and the resulting depreciation thereon. Details of the estimated useful lives are disclosed in Note 3.6. See also Note 12.

Impairment of trade receivables

The company periodically assesses the collectability of its trade receivables. Allowance for expected credit losses are established or increased as described in Note 3.3.1. There is, however, no certainty that the company will collect the total remaining unimpaired balance, as some balances that are estimated to be creditworthy as at the end of the reporting period may subsequently become impaired. Trade receivables amounted to $186.163 million at the end of the reporting period (2020: $108.908 million) after impairment adjustments of $266.142 million (2019: $260.322 million). See Notes 4.1 and 14.

6. GOVERNMENT SUBVENTION

Government subvention include recurrent amounts received through the National Solid Waste Management Authority (NSWMA). There are no unfulfilled conditions or other contingencies attaching to subvention received.

	2021 $'000	2020 $'000
Subvention - primary allocation	1,246,256	1,509,804
Subvention - emergency and special projects	1,295,574	1,006,435
Subvention – statutory liabilities paid	12,737	56,536
	2,554,567	2,572,775

7. COMMERCIAL INCOME

This comprise revenue from contracts with customers which is substantially fees received from the collection of commercial solid waste in the parishes of Kingston & St. Andrew, Saint Catherine and Saint Thomas.

8. OTHER INCOME

(a) Other income comprises the following:

	2021 $'000	2020 $'000
Discounts received	-	20
	-	20

(b) Interest income primarily represents interest earned on bank balances.

9. EXPENSE BY NATURE

Total direct, administration and other expenses:

	2021 $'000	2020 $'000
Landfill operations*	334,236	348,477
Supplementary fleet – Landfill contractors **	811,546	684,331
Public cleansing	42,569	50,760
Beautification and special projects***	442,682	391,942
Staff costs (**Note 10**)	1,345,020	1,098,318
Motor vehicle expenses****	131,451	105,219
Repairs and maintenance –property and equipment ******	4,068	4,968
Depreciation – property, plant and equipment (**Note 12**)	6,157	13,388
Depreciation right-of-use asset	7,247	2,416
Security services	30,259	14,355
Rental, leasing and hire	5,044	11,934
Utilities	20,337	13,101
Legal and professional fees	-	742
Auditor's remuneration – prior year reversal as borne by NSWMA	(1,000)	980
Training, advertising and promotion	544	3,909
Stationery and office supplies	2,728	3,462
Bank charges	1,300	1,425
Allowance for expected credit losses (**Note 4.1**)	5,820	47,659
Interest and penalties – (payroll taxes)	39,983	47,199
General Consumption Tax (GCT) *******	45,089	34,513
3%Withholding Tax *******	15,207	-
Food and drink	1,129	3,124
Uniform expenses ****	-	25,040
Sanitising, staff welfare and other expenses	5,299	2,827
	3,296,715	2,910,089

* Landfill operations costs include stockpiling of cover material, tractor rates.

**Supplementary fleet increased due to increased fleet for night collections and market waste, increased rates per trip for hill & distance premium & costs associated with backlog garbage collections.

***Special projects increased expenditure due to desilting activities, dengue eradication and clearing backlog of garbage.

****Motor vehicle expense increased due to significant increase in commercial activities, 6 new & recommissioning of trucks.

***** A uniform policy was developed during 2017, since then no further expenditure until 2020.

******Repairs and maintenance of property incurred due to relocation of offices.

*******GCT withheld & 3% withholding tax are based on the overall increased expenditure over the previous year.

10. STAFF COSTS

	2021 $'000	2020 $'000
Salaries, wages and allowances	1,159,106	934,423
Travel cost incl. motor upkeep and mileage claims	58,734	52,835
Payroll taxes – employer's portion (NIS, NHT)	67,730	51,047
Staff allowances and benefits	20,793	20,952
Staff welfare incl. health, life and pension	38,657	39,061
	1,345,020	1,098,318

The number of persons employed by the company at the year-end is 1,674 (2020: 1,636).

In the 2021 financial year the company paid a 5% salary increase during the year.

11. TAXATION

As stipulated under Section 12 of the Income Tax Act, the company is exempt from income tax.

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements $'000	Furniture and Fixtures $'000	Computer / equipment $'000	Motor Vehicle/Trucks Tippers $000	Total $'000
At Cost					
1 April 2019	10,509	118,302	3,817	-	132,628
Additions	13,547	4,985	99	14,411	33,042
31 March 2020	24,056	123,287	3,916	14,411	165,670
Additions	5,880	63	1,925	-	7,868
Adjustment	-	99	(99)	-	-
31 March 2021	29,936	123,449	5,742	14,411	173,538
Accumulated depreciation					
1 April 2019	4,828	97,131	2,843	-	104,802
Charge for the year	264	11,149	845	1,130	13,388
31 March 2020	5,092	108,280	3,688	1,130	118,190
Charge for the year	421	3,659	276	1,801	6,157
31 March 2021	5,513	111,939	3,964	2,931	124,347
Carrying amount					
2021	24,423	11,510	1,778	11,480	49,191
2020	18,964	15,007	228	13,281	47,480

13. INVENTORIES

Inventories comprise the following:

	2021 $'000	2020 $'000
Consumables	411	475
Spare parts	8,923	9,401
Oils and lubricants	64	9
	9,398	9,885

14. TRADE AND OTHER RECEIVABLES

	2021 $'000	2020 $'000
Trade receivables	437,640	369,230
Less allowance for expected credit losses	(266,142)	(260,322)
	171,498	108,908
Refundable deposit - lease	1,600	1,600
Prepaid lease	1,200	-
Prepayments	42,539	2,468
Withholding tax	10	4
	216,847	112,980

15. CASH AND CASH EQUIVALENTS

	2021 $'000	2020 $'000
Cash at bank and in hand	35,385	137,938

16. TRADE AND OTHER PAYABLES

	2021 $'000	2020 $'000
Trade payables	304,405	130,107
Statutory liabilities	482,372	301,989
GCT and 3% withholding tax payable	113,257	112,981
Accrued vacation	25,692	25,693
Other payables	11,505	9,250
Staff remittance	24,065	-
Accruals (Audit fee, etc.)	101,177	1,980
	1,062,473	582,000

17. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Balances with related parties

	2021 $'000	2020 $'000
Due to related party - NSWMA	311,216	260,745
Due from related party -NSWMA	(48,285)	(48,049)
Due from related party -WPM	-	-
	262,931	212,696

This represents advances to/(by) the National Solid Waste Management Authority (NSWMA). No interest is charged on outstanding balances and there are no agreed terms of settlement. The advances are unsecured, interest free and are expected to be settled within twelve (12) months.

(b) Transactions with related parties during the year were as follows:

	2021 $'000	2020 $,000
Subvention received (Note 6)	2,554,567	2,572,775

Key management compensation

	2021 $'000	2020 $'000
Salaries and other short-term benefits	24,885	23,941
Payroll taxes – employer's portion	721	693
	25,606	24,634

18. SHARE CAPITAL

	2021 $	2020 $
Authorised 200 ordinary shares at no par value at 1 April and 31 March	200	200
Issued and fully paid 200 ordinary shares at no par value 1 April and 31 March	200	200

19. **LEASES**

Right-of use asset

	2021 $'000 Building	2020 $'000 Building
Cost		
At April 1	36,234	-
Addition	-	36,234
At March 31	36,234	36,234
Accumulated depreciation		
At April 1	2,416	-
Charge for the year	7,247	2,416
At March 21	9,663	2,416
Carrying amount	26,571	33,818

During the prior year the company entered into a new lease for premises used for carrying out its operations. The lease term is for five (5) years with an extension for another 5 years with the option to be exercised near the end of the lease term.

Lease Liability

Maturity analysis

	2021 $'000	2020 $'000
Year 1	9,920	**9**,600
Year 2	10,912	9,920
Year 3	12,003	10,912
Year 4	8,519	12,003
Year 5	-	8,518
	41,354	50,953
Less unearned interest	(10,730)	(16,012)
	30,624	34,941
Analysed as:		
Non–current	25,237	30,624
Current	5,387	4,317
	30,624	34,941

The company does not face a significant liquidity risk with regard the lease liability. The liability is monitored by management through cash flow planning.

The fair value of the lease liability on entering into the new lease was $36.233 million which was recognised as the value of the right-of-use asset.

The weighted average lessee incremental borrowing rate applied to the lease liability recognised in the statement of financial position on is 16%. The leased premises is 67 Hagley Park Road.

19. LEASES (CONTINUED)

Amounts recognised in surplus/(deficit)

	2021 $'000	2020 $'000
Depreciation expense on right-of-use asset	7,247	2,416
Interest expense on lease liability	5,283	1,907
Expense relating to short term leases	4,872	11,112

At 31 March 2021 the company is committed to $40.554 million (2020: $50.953 million) for long term leases.

Finance leases relate to rental of premises for carrying out its operation and are negotiated for an average of five years.

	2021 $'000	2020 $'000
Operating lease expenses recognised in the year	4,872	4,724

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

There were no financial instruments that were measured at fair value after initial recognition classified at Level 1 to Level 3 at the end of the reporting period.

The following methods and assumptions have been used in assessing the fair value of the company's financial instruments:

The carrying values of cash and bank balances, trade receivables, trade payables, due from/to related parties and other assets and liabilities maturing within twelve months are assumed to approximate their fair values because of the short-term maturities of these instruments.

SPM Waste Management Limited
Financial Statements

31 March 2021

SFAI JAMAICA

C.R. Hylton & Co.

SPM WASTE MANAGEMENT LIMITED

I N D E X
31 MARCH 2021

Charlton Hylton F.C.C.A., F.C.A., Hayseworth Hylton F.C.C.A., F.C.A., MBA,
Dwayne Lindsay F.C.C.A.,, MBA, Paula Thorpe F.C.C.A., C.A., MBA.

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SFAI JAMAICA

INDEPENDENT AUDITORS' REPORT

To the Members of SPM Waste Management Limited

Report on the Financial Statements

Opinion
We have audited the financial statements of SPM Waste Management Limited (the company) which comprise the statement of financial position as at 31 March 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 March 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the company’s financial reporting process.

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

INDEPENDENT AUDITORS' REPORT (Continued)

To the Members of SPM Waste Management Limited

Report on the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

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

Report on additional requirements of the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept and the financial statements are in agreement therewith, and give the information required by the Jamaican Companies Act, in the manner so required.

Chartered Accountants
July 1, 2021

SPM WASTE MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
INCOME			
Government subvention	6	775,059	800,073
Commercial income	7	110,728	162,708
Other income	8	721	955
Interest income		23	23
		886,531	963,759
EXPENSES			
Direct, administrative and general expenses	9	(1,021,709)	(1,088,120)
Deficit being total comprehensive loss for the year		(135,178)	(124,361)

The accompanying notes form an integral part of the financial statements

SPM WASTE MANAGEMENT LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 $'000	2020 $'000
Assets			
Non-current assets			
Property, plant and equipment	12	6,063	8,299
Current assets			
Inventories	13	6,386	4,858
Trade and other receivables	14	109,873	93,310
Withholding tax recoverable		358	358
Due from related party	15	3,840	-
Cash and cash equivalents	16	9,165	56,126
Total current assets		129,622	154,652
Current liabilities			
Trade and other payables	17	175,947	103,058
Due to related party	15	136,428	101,383
Total current liabilities		312,375	204,463
Net current liabilities		(182,753)	(49,811)
Net liabilities		(176,690)	(41,512)
Deficiency in assets			
Share capital	18	1	1
Accumulated deficit		(176,691)	(41,513)
Total deficiency in assets		(176,690)	(41,512)

The accompanying notes form an integral part of the financial statements

Approved for issue on behalf of the Board of Directors on July 1, 2021 and signed on its behalf by:

Deputy Chairman — Linley Reynolds

Executive Director — Audley Gordon

SPM WASTE MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Share Capital $'000	Accumulated Deficit $'000	Total $'000
Balance at 1 April 2019	1	82,848	82,849
Deficit, being total comprehensive loss for the year	-	(124,361)	(124,361)
Balance at 31 March 2020	1	(41,513)	(41,512)
Deficit, being total comprehensive loss for the year	-	(135,178)	(135,178)
Balance at 31 March 2021	1	(176,691)	(176,690)

The accompanying notes form an integral part of the financial statements

SPM WASTE MANAGEMENT LIMITED

STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Deficit for the year		(135,178)	(124,361)
Adjustment for:			
Depreciation of property, plant and equipment	12	3,721	3,300
Increase in loss allowance		5,000	1,050
Write-off related party receivable		-	139,722
Interest income		(28)	(23)
Operating cash flows before movements in working capital:		(126,485)	19,688
Increase in trade and other receivables		(21,567)	(21,387)
(Increase) decrease in inventory		(1,528)	1,570
Increase in trade and other payables		72,889	2,833
Increase in due to related parties, net		31,205	47,530
Net cash (used in) generated by operations		(45,482)	50,234
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(1,485)	(5,025)
Interest received		6	23
Net cash used in investing activities		(1,479)	(5,002)
Net (decrease) increase in cash and cash equivalents		(46,961)	45,232
Cash and cash equivalents at beginning of year		56,126	10,894
Cash and cash equivalents at end of year	15	9,165	56,126

The accompanying notes form an integral part of the financial statements

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

SPM Waste Management Limited is a company incorporated and domiciled in Jamaica. The shares of the company are held by the Accountant General of Jamaica, a corporation sale pursuant to the powers invested in him by the Crown Property (Vesting) Act, 1960. The registered office of the company is 4a Mandeville Plaza, Mandeville, Jamaica.

The principal objectives of the company are:

(a) to effectively manage and regulate the collection and disposal of solid wastes for the parishes of Clarendon, Manchester and Saint Elizabeth on behalf of the Ministry of Local Government and Community Development in Jamaica, and

(b) to safeguard public health and the environment by ensuring that domestic waste is collected, stored, recycled, reused or disposed of in an environmentally sound manner for the parishes of Clarendon, Manchester and Saint Elizabeth on behalf of the Ministry of Local Government and Community Development.

The National Solid Waste Management Authority, a statutory body established by the National Solid Waste Management Act - 2001, took over management and regulatory responsibilities of SPM Waste Management Limited. Both companies share similar board members.

The company is economically dependent on the Government of Jamaica and receives funding from the Ministry of Local Government and Community Development through the National Solid Waste Management Authority.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1 *Standards, interpretations and amendments to existing standards effective during the year*

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2020. These new standards and amendments applied for the first time in 2020. The nature and the impact of each new standard or amendment is described below.

- **Amendments to IFRS 3: Definition of a Business**
  The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

- **Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform**
  The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

2.1 *Standards, interpretations and amendments to existing standards effective during the year* (Cont'd)

- **Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform (Cont'd)**
  benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

- **Amendments to IAS 1 and IAS 8 Definition of Material**
  The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

- **Conceptual Framework for Financial Reporting**
  The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company.

2.2 *Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Company*

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

- ***Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***
  The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Company will apply these amendments when they become effective but they are not expected to have an impact on the Company's financial statements.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

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

- **Amendments to IFRS 16 Covid-19 Related Rent Concessions**
  On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted. This amendment is not expected to impact on the financial statements of the Company.

- **Amendments to IAS 1: *Classification of Liabilities as Current or Non-current***
  In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- **Reference to the Conceptual Framework – Amendments to IFRS 3**
  In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

  The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

  At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.
  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively. The Company has not yet assessed the impact of these amendments on the Company's financial statements.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

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

- **Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16**
  In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- **Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16 (Cont'd)**
  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

  The amendments are not expected to have a material impact on the Company.

- **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**
  In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- **Annual Improvements 2018-2020 Cycle (issued May 2020)**
  As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to:

  - IFRS 1 *First-time Adoption of International Financial Reporting Standards.*

2. **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)**

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

- **Annual Improvements 2018-2020 Cycle (issued May 2020) (Cont'd)**
  - The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not applicable to the financial statements of the Company.

- *IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

3.2 Basis of preparation

These financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of consideration given in exchange for assets. The principal accounting policies are set out below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Although these estimates are based on managements' best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

Reclassification

Certain prior year amounts have been reclassified in order to conform to the current year presentation.

3.3 Financial instruments (Policy applicable from 1 April 2018)

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Recognition

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized on the company’s statement of financial position when the company becomes a party to the contractual provisions of the instrument.

3.3.1 Financial Assets

Classification

The company classifies financial assets at initial recognition based on the financial asset’s contractual cash flow characteristic and the company’s business model for managing the instruments. The company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.3.1 **Financial assets (continued)**

Measurement category

At initial recognition, the company measures a financial asset at its fair value plus, in `the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables that do not contain a significant financing component are measured on initial recognition at their transaction price.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in the following categories:
• Financial assets at amortised cost (debt instruments)
• Financial assets at fair value through other comprehensive income (FVOCI)
• Financial assets at fair value through profit or loss (FVTPL)

- Amortised cost:
These assets arise principally from the provision of goods and services to customers as well as other types of financial assets held within a business model where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest (SPPI) on the principal amount outstanding. The SPPI test is performed at an instrument level. After initial recognition they are subsequently carried at amortised cost using the effective interest method, less any impairment.

The company's financial assets at amortised cost comprise trade and other receivables including contract assets, due from related parties and cash and bank balances.

- FVTPL and FVOCI
Equity instruments are measured at FVTPL, unless the asset is not held for trading purposes and the company makes an irrevocable election on an instrument-by-instrument basis to designate the asset as FVOCI. As a result of the election, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses and their reversal are not reported separately from other changes in fair value. Dividends representing a return on such investments are recognised in profit or loss as other income when the company's right to receive payments is established. Where the asset is held within a business model where the objective is both to collect contractual cash flows and selling the financial assets and the SPPI test is met, the assets are measured subsequently at FVOCI with gains and losses recycled to profit or loss on derecognition.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3.1 Financial assets (continued)

Derecognition

A financial asset or group of similar financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or
- The company has (i) transferred its rights to receive the cash flows from the asset or (ii) has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement
  and either the company
  (a) has transferred substantially all the risk and rewards of ownership of the asset, or
  (b) has neither transferred substantially all the risk and rewards of ownership of the asset, but has transferred control of the asset

Where the transfer does not qualify for derecognition as above, the company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Impairment

The company recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate.

The company recognises a loss allowance for expected credit losses on trade receivables and other financial assets that are measured at amortised cost applying the expected credit loss model. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3.1 **Financial assets (continued)**

Trade receivables and contract assets

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivable are recorded when billed or accrued and represent claims against third parties that will be settled in cash. They are generally due for settlement within 30 days and therefore are all classified as current. The company recognises lifetime ECL at each reporting date for trade receivables and contract assets applying a simplified approach. The expected credit losses on these financial assets are estimated based on the company's historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions adjusted for factors that are specific to the debtors as well as the expected changes in factors or conditions affecting the debt at the reporting date, including time value of money where appropriate. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly.

For all other financial instruments, the company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. Significant increase is assessed as the change in the risk of a default over the expected life of the financial asset as at the reporting date with the risk of default on the instrument occurring at the date of initial recognition, considering reasonable and supportable information that is available without undue cost or effort. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The credit risk on a financial instrument is assumed not to have increased significantly if it is determined to have a low credit risk at the reporting date taking into consideration all the terms and conditions of the instrument from the perspective of market participants or by use of other methodologies that are consistent with assessing low credit risk for the particular instrument. 12-moth ECL are applied to the company's debt securities determined to have low credit risk and other debt securities and bank balances for which credit risk has not increased significantly since initial recognition,

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.3.1 **Financial assets (continued)**

The company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due and a financial asset to be in default when the financial asset is more than 270 days past due and/or internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows in its entirety or a portion thereof. For trade receivables, the company writes off the gross carrying amount when the financial asset is 270 days past due based on historical experience of recoveries of similar assets. Nevertheless the company makes individual assessments regarding the timing and amount of write-off based on whether there is reasonable expectation of recovery. Write off takes place when the company's internal collection efforts have been unsuccessful in collecting the amount due. No significant recovery is expected from amounts written off

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets

3.3.2 **Financial Liabilities**

Initial recognition and measurement:

All financial liabilities are recognised initially at fair value, and except for financial liabilities not at fair value through profit or loss (FVTPL), net of directly attributable transaction costs of issue. Financial liabilities are subsequently measured at amortised cost, except for any financial liabilities at fair value through profit or loss which are subsequently measured at fair value.

Measurement category

- FVTPL

A financial liability is classified as at FVTPL if it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The company has no financial liabilities at FVTPL

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3.2 Financial assets (continued)

- Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

The company's financial liabilities measured at amortised cost comprise trade and other payable and due to related party.

Derecognition

A financial liability is derecognised when the obligation under the instrument is extinguished by being discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of a financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

3.4 Financial Instruments (Policy applicable before 1 April 2018)

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity enterprise. Financial instruments carried on the statement of financial position include accounts receivable, cash and bank and short term deposits and payables.

Receivables

Trade receivables are carried at original invoice amount less provisions made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Foreign currency transactions

Transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rate of exchange prevailing at the dates of the transactions. At each reporting date monetary assets and liabilities denominated in foreign currencies are retranslated at exchange rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses resulting from the settlement of foreign currency transactions and from the retranslation at period-end exchange rates are recognised in profit or loss in the period in which they arise.

3.6 Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions and balances are recognised and disclosed for the following:

i. Enterprises and individuals owning directly or indirectly an interest in the voting power of the company that gives them significant influence over the company's affairs and close members of the families of these individuals.

ii. Key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the company, including those directors and officers and close members of the families of those individuals.
iii. Post-employment benefit plans for the benefit of employees of the company
iv. An entity or any member of a group to which it is a part providing key management personnel services to the company

3.7 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on property, plant and equipment is recognised so as to allocate the cost or valuation of assets less their residual values over their estimated useful lives or, in the case of leasehold improvements the shorter lease term, using the straight-line method. The following useful lives are used in the calculation of depreciation:

Motor vehicles	5 years
Furniture and fixtures	10 years
Machinery and equipment	10 years
Leasehold improvements	Period of lease

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Repairs and maintenance are charged to income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits are in excess of the originally assessed standard of performance of the existing asset that will flow to the company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.8 Impairment of tangible assets

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised in profit or loss for the amount by which the carrying amount of an asset exceeds its estimated recoverable amount, which is the higher of the asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

3.9 Inventories

Inventories are stated at the lowest of cost and net realizable value, cost being determined on the first in first out basis. Net realizable value is the estimated selling price in the ordinary course of business, less cost to sell.

3.10 Cash and cash equivalents

Further purposes of presentation of the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts. Bank overdrafts are shown within current liabilities on the statement of financial position.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.11 **Government subvention**

Government subvention is received principally as an allocation from the National Solid Waste Management Authority and is recognised at fair value where there is reasonable assurance that the subvention will be received and the company will comply with all attached conditions.

3.12 **Revenue recognition (Policy applicable from 1 April 2018)**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

The company's solid waste collection business involves the collection, transfer and disposal of waste from residential, commercial and industrial customers for transport directly to landfills and from sales of skips to a related entity. Solid waste collection services include both recurring and temporary customer relationships. Revenues from collection operations are influenced by factors such as collection frequency, type and volume or weight of the waste collected and distance to the disposal facility. Revenues from landfill operations consist of tipping fees, which are generally based on the type and weight or volume of waste being disposed of at the disposal facilities. Commercial services are performed under service agreements, with customers. The agreements give the company the exclusive right to provide specified waste services in the specified territory during the contract term. The standard customer service agreements generally range for one year with a few up to five years. Typically, the contractual arrangement provides for commercial customers to be billed on a monthly basis in arrears but for the solid waste removal to be provided bi-monthly or monthly. Revenue recognized under these agreements is earned over time over the contract cycle

Revenue from sources other than customer contracts primarily relates to imposed fines and employee services. Revenue from these sources were not material and represented less than 1% of total revenue for the current and previous financial year.

Deferred Revenues
Deferred revenues is recognised when cash payments are received or due in advance of performance obligations and is classified as current since they are earned within a year and there are no significant financing components. Substantially all deferred revenues during the reported periods are realized as revenues within one to three months, when the related services are performed.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Revenue recognition (Continued)

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of the income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.13 Revenue recognition (Policy applicable prior to 1 April 2018)

Revenue consists mainly of subvention income received from the National Solid Waste Management Authority and is recognised when the company is relatively certain that the amount will be collected and the company has a legal claim over the amount received.

3.14 Capital reserve

Grant funds received specifically for the acquisition of capital assets are credited directly to capital reserves and written off to revenue over the useful lives of the relevant assets.

3.15 Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or option are shown in equity as a deduction, net of tax from the proceeds.

3.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in a market accessible to or by the company, either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.14 **Fair value measurement (continued)**

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

. 4. **FINANCIAL RISK MANAGEMENT**

The company's activities expose it to a variety of financial risks market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

The Board of Directors is ultimately responsible for the establishment and oversight of the company's risk management framework. The Board implements and monitors risk management policies and makes decisions on financial matters on a daily basis.

The most important types of risk are credit risk, liquidity risk and market risk. Market risk includes currency risk, interest rate and other price risk.

4.1 **Credit risk**

The company takes on exposure to credit risk, which is the risk that its counterparties will cause a financial loss for the company by failing to discharge their contractual obligations. Credit risk is the most important risk for the company's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the company's receivables and banking activities.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Credit Risk (continued)

Credit Review Process

(i) Receivables
The company's main exposure to credit risk lies in its lending activities to customers. Exposure to this credit risk is managed through close monitoring of the customer's ability to meet interest and principal repayments in accordance with the terms and conditions of the various loan agreements.

(ii) Cash and bank
Cash and bank transactions are limited to high credit quality financial institutions.

Ageing analysis of trade receivables that are past due but not impaired
Trade receivables that are less than 30 days past due are not considered impaired. As of 31 March 2021 trade receivables of $15.806 million (2020 - $21.319 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing analysis of these trade receivables is as follows:

	2021 $'000	**2020 $'000**
1 month	6,050	5,966
2 - 6 months	9,756	15,353
	15,806	21,319

Ageing analysis of trade receivables that are past due and impaired
As of 31 March 2021, trade receivables of $76.966 million (2020 - $71.966 million) for the company were impaired. The individually impaired receivables mainly relate to customers who are in an unexpected difficult economic situation. It was assessed that a portion of the receivables is expected to be recovered.

The aging of these receivables is as follows:

	2021 $'000	**2020 $'000**
Over 6 months	65,916	70,916

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Credit Risk (continued)

Movement analysis of allowance for expected credit losses
The movement on the allowance for expected credit losses on trade receivables is as follows:

	2021 $'000	2020 $'000
At 1 April	71,966	70,916
Allowance for expected credit losses recognized	5,000	1,050
At 31 March	76,966	71,966

The creation and reversal of allowance for expected credit losses have been included in expenses in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

4.2 Liquidity risk

Liquidity risk is the risk that the company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process
The company's liquidity management process, as carried out within the company and monitored by the Board of Directors includes:

(i) Monitoring future cash flows and liquidity on a regular basis. This incorporates an assessment of expected cash flows:

4. FINANCIAL RISK MANAGEMENT (Continued)

4.2 *Liquidity risk (continued)*

The tables below summarise the maturity profile of the company's financial liabilities at 31 March based on contractual undiscounted payments.

	3 to 12 Months $'000	Total $'000
As at 31 March 2021:		
Liabilities		
Trade payables	78,801	78,801
Due to related party (NSWMA)	136,428	136,428
Total financial liabilities (contractual maturity)	215,229	215,229

	3 to 12 Months $'000	Total $'000
As at 31 March 2020:		
Liabilities		
Trade payables	43,539	43,539
Due to related party (NSWMA)	101,383	101,383
Total financial liabilities (contractual maturity)	144,922	144,922

4.3 Market risk

The company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks will arise from changes in foreign currency exchange rates, interest rates and commodity prices. However, the company is mainly exposed to exchange rate. Market risk is monitored by the company's Finance Department which carries out extensive research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis.

There has been no change to the company's exposure to market risks or the manner in which it manages and measures the risk.

4. FINANCIAL RISK MANAGEMENT (Continued)

4.3 Market *risk (continued)*

4.3.1 ***Currency risk***

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, and recognised assets and liabilities.

The company manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The company further manages this risk by maximising foreign currency earnings and holding foreign currency balances.

As at 31 March 2021 and 31 March 2020, the company had no significant exposure to currency risk as there was no balance denominated in foreign currency.

4.3.2 ***Interest rate risk***

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As at 31 March 2021 and 31 March 2020, the company had no significant exposure to interest rate risk as there was no significant interest bearing assets or liabilities

4.3.3 ***Price risk***

Price risk is the risk that the value of a financial instrument or physical commodity will fluctuate as a result of changes in market prices. Fluctuation in the price of a financial instrument may be caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

At 31 March 2021 and 31 March 2020 there was no significant exposure to price risk as there were no price sensitive investments held.

4. FINANCIAL RISK MANAGEMENT (Continued)

4.3 Market *risk (continued)*

4.4 Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Critical judgements in applying the company's accounting policies

In the process of application of the company's accounting policies, management believes that there were no critical judgements made, apart from those involving estimation (see below) that would cause a significant impact on the amounts recognised in the financial statements:

5.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future or other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Property, plant and equipment

Management exercises judgement in determining whether the costs incurred can accrue significant future economic benefits to the company to enable the value to be treated as a capital expense. Further, judgement is applied in the annual review of the useful lives of all categories of property, plant and equipment and the resulting depreciation thereon. Details of the estimated useful lives are disclosed in Note 3.7. See also Note 19.

Impairment of trade receivables

The company periodically assesses the collectability of its trade receivables. Allowances for expected credit losses are established or increased as described in Note 3.3.1. There is, however, no certainty that the company will collect the total remaining unimpaired balance, as some balances that are estimated to be collectible as at the end of the reporting period may subsequently become doubtful. Trade receivables amounted to $109.878 million at the end of the reporting period (2020: $93.310 million) net of impairment of $76.966 million (2020: $71.966 million). See Notes 4.1 and 24.

6. GOVERNMENT SUBVENTION

Government subvention include recurrent amounts received through the National Solid Waste Management Authority (NSWMA). There are no unfulfilled conditions or other contingencies attaching to subvention received.

	2021 $'000	2020 $'000
Subvention - primary allocation	405,433	471,572
Subvention - emergency and special projects	340,594	328,501
Subvention – statutory liabilities paid	29,032	-
	775,059	800,073

7. COMMERCIAL INCOME

These comprise revenue from contracts with customers which is substantially fees received from the collection of commercial solid waste in the parishes of Clarendon, Manchester and St. Elizabeth.

8. OTHER INCOME

	2021 $'000	2020 $'000
Fines	60	320
Processing Fees	661	635
	721	955

9. EXPENSES

Expense by nature

	2021 $'000	2020 $'000
Landfill operations**	117,728	160,710
Supplementary Fleet-Contractors' expenses*	90,791	54,604
Public cleansing	8,128	7,948
Beautification and special projects***	177,043	162,896
Staff costs (**Note 10**)	453,657	386,501
Motor vehicle expenses (NSWMA trucks)	135,471	133,440
Repairs and maintenance - property and equip.	2,029	3,834
Depreciation (**Note 12**)	3,721	3,301
Security expenses	9,304	7,615
Rental, leasing and hire **(Note 19)**	4,134	3,346
Utilities	5,625	4,200
Professional fees	-	269
Auditor's remuneration	980	980
Advertising, promotion and training	554	1,233
Stationery and office supplies	3,699	4,279
Bank charges	77	67
Increase in loss allowance	5,000	1,050
Uniform	13	840
Food, drink meeting and function	147	697
Staff long service award function, meals & ent.	3,275	3,767
Community outreach program	-	868
Sanitising, staff welfare and other expenses	-	5,673
Staff transportation & courier service	333	281
Write –off NSWMA debt (note 15)	-	139,722
	1,021,709	1,088,120

* Supplementary fleet increased due to down time of own fleet and increased rates per trip.

** Landfill operations cost comprises of stockpiling of cover material, remedial work and coverage of landfill.

***Special projects increased expenditure due to dengue eradication, pre-hurricane clean up and desilting.

10. STAFF COSTS

	2021 $'000	2020 $'000
Wages and salaries	368,018	302,045
Motor vehicle upkeep and mileage & travel	42,768	41,411
Payroll taxes – employer's portion (NIS, NHT)	20,904	16,267
Staff allowances and benefits	7,300	13,572
Staff welfare- health and life insurance	14,667	13,206
	453,657	386,501

The number of persons employed by the company at the year-end was 347 (2020 - 353). The company paid a salary increase during the year to all workers including administrative staff.

11. TAXATION

As stipulated under Section 12 of the Income Tax Act, the company is exempt from income tax.

12. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles $'000	Furniture & Fixtures $'000	Machinery & Equipment $'000	Leasehold Improvement $'000	Total $'000
At Cost					
At 1 April 2019	760	4,324	11,078	5,625	21,787
Additions	4,400	327	298	-	5,025
At 1 April 2020	5,160	4,651	11,376	5,625	26,812
Additions	-	220	1,265	-	1,485
At 31 March 2021	5,160	4,871	12,641	5,625	28,297
Accumulated depreciation					
At 1 April 2019	760	3,111	7,343	3,999	15,213
Charge for the year	733	432	1,539	562	3,300
At 1 April 2020	1,493	3,577	8,882	4,561	18,513
Charge for the year	880	487	1,791	563	3,721
At 31 March 2021	2,373	4,064	10,673	5,124	22,234
Carrying amount					
At 31 March 2021	2,787	807	1,968	501	6,063
At 31 March 2020	3,667	1,074	2,494	1,064	8,299

13. INVENTORIES

Inventories comprise the following:

	2021 $'000	2020 $'000
Consumables	1,186	50
Spare parts	5,200	4,808
	6,386	4,858

14. TRADE AND OTHER RECEIVABLES

	2021 $'000	2020 $'000
Trade receivable	186,599	165,156
Less: Allowance for expected credit losses	(76,966)	(71,966)
	109,633	93,190
Other receivables	240	120
	109,873	93,310

15. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Balances with related party

	2021 $'000	2020 $'000
Due to related party	(136,428)	(101,383)
Due from related party	3,840	-

This represents advances to/(by) the National Solid Waste Management Authority (NSWMA) which is an agency of the Ministry of Local Government and Community Development. No interest is charged on outstanding balances and there are no agreed terms of settlement.

15. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

(b) Transactions with related parties during the year were as follows:

	2021 $'000	2020 $'000
Subvention received – NSWMA (Note 6)	775,259	800,073

Key management compensation

	2021 $'000	2020 $'000
Salaries and other short-term benefits	24,278	24,122
Payroll taxes – employer's portion	669	1,024
	24,947	25,146

16. CASH AND CASH EQUIVALENTS

	2021 $'000	2020 $'000
Cash at bank and in hand	9,165	56,126

17. TRADE AND OTHER PAYABLES

	2021 $'000	2020 $'000
Trade payable	78,801	43,539
Audit and accounting	980	980
Statutory liabilities	68,942	45,281
Vacation leave	11,513	10,607
Accruals (Rent etc.)	15,711	2,651
	175,947	103,058

18. SHARE CAPITAL

	2021 $'000	2020 $'000
Authorised, issued and fully paid 1 April and 31 March 200 ordinary shares at no par value	1	1

19. LEASES AND COMMITMENTS

As at March 31, the Company has lease commitments under operating lease expiring up to 2022. Operating leases relate to rental of premises for carrying out its operation and are negotiated for an average of five years.

	2021 $'000	2020 $'000
Minimum lease payments under operating leases recognised as an expense in the year	2,588	2,661

At the end of the reporting period the company had no outstanding commitments under operating leases.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

There were no financial instruments that were measured at fair value after initial recognition classified at Level 1 to Level 3 at the end of the reporting period.

The following methods and assumptions have been used in determining the fair values of financial assets and financial liabilities:

For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis or other appropriate valuation

methodologies or estimation techniques based on market conditions existing at the end of the reporting period.

The values derived using these techniques are significantly affected by underlying assumptions concerning both the amounts and timing of future cash flows and the discount rates used. The following methods and assumptions have been used:

(i) The carrying values of cash and bank balances, trade receivables, trade payables and other assets and liabilities maturing within twelve months are assumed to approximate their fair values because of the short-term maturities of these instruments.

WPM Waste Management Limited
Financial Statements

31 March 2021

SFAI JAMAICA

C.R. Hylton & Co.

WPM WASTE MANAGEMENT LIMITED

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31 MARCH 2021

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SFAI JAMAICA

INDEPENDENT AUDITORS' REPORT

To the Members of WPM Waste Management Limited

Report on the Financial Statements

Opinion
We have audited the financial statements of WPM Waste Management Limited (the company) which comprise the statement of financial position as at 31 March 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 March 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the company's financial reporting process.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT (Continued)

To the Members of WPM Waste Management Limited

Report on the Financial Statements

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

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

Report on additional requirements of the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept and the financial statements are in agreement therewith, and give the information required by the Jamaican Companies Act, in the manner so required.

Chartered Accountants
Kingston, Jamaica

July 1, 2021

WPM WASTE MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
INCOME			
Government subvention	6	979,852	917,462
Commercial income	7	140,477	176,918
Other income	8	380	125,721
Interest income		37	44
		1,120,746	1,220,145
EXPENSES			
Direct, administrative and general expenses	9	(1,315,665)	(1,115,160)
Surplus (deficit) being total comprehensive Income (loss) for the year		(194,919)	104,985

The accompanying notes form an integral part of the financial statements

WPM WASTE MANAGEMENT LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Non-current assets			
Property, plant and equipment	12	27,197	28,643
Current assets			
Inventories	13	3,980	53,642
Trade and other receivables	14	68,757	79,443
Due from related party	15	25,144	20,289
Cash and cash equivalents	16	23,097	35,898
Total current assets		120,978	189,272
Current liabilities			
Trade and other payables	17	423,231	302,270
Due to related parties	15	13,022	8,804
Total current liabilities		436,253	311,074
Net current liabilities		(315,275)	(121,802)
Net Liabilities		(288,078)	(93,159)
Deficiency in assets			
Accumulated deficit		(288,078)	(93,159)
Total deficiency in Assets		(288,078)	(93,159)

The financial statements were approved for issue by the Board of Directors on July 1, 2021 and signed on its behalf by:

Deputy Chairman — Linley Reynolds

Executive Director — Audley Gordon

The accompanying notes form an integral part of the financial statements

WPM WASTE MANAGEMENT LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
YEAR ENDED 31 MARCH 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Accumulated Deficit $'000	Total $'000
Balance at 1 April 2019	(198,144)	(198,144)
Surplus being total comprehensive income for the year	104,985	104,985
Balance at 31 March 2020	(93,159)	(93,159)
Deficit being total comprehensive loss for the year	(194,919)	(194,919)
Balance at 31 March 2021	(288,078)	(288,078)

The accompanying notes form an integral part of the financial statements

WPM WASTE MANAGEMENT LIMITED

STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Surplus (deficit) for the year		(194,919)	104,985
Adjustments for:			
Depreciation of property, plant and equipment	12	4,500	4,194
Adjustment to property, plant and equipment	12	-	724
Increase in credit loss allowance		31,149	34,389
Interest income		(37)	(44)
Operating cash flows before movements in working capital:		(159,307)	144,248
(Increase)/decrease in trade and other receivables		(21,021)	(31,413)
Decrease (Increase) in inventories		49,662	(20,442)
(Decrease)/increase in trade and other payables		121,519	(48,813)
Increase in due from related party		(637)	(10,084)
Net cash (used in) generated by operations		(9,784)	33,496
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(3,054)	(24,298)
Interest received		37	44
Net cash used in investing activities		(3,017)	(24,254)
Net (decrease) increase in cash and cash equivalents		(12,801)	9,242
Cash and cash equivalents at beginning of year		35,898	26,656
Cash and cash equivalents at end of year	16	23,097	35,898

The accompanying notes form an integral part of the financial statements

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

WPM Waste Management Limited (the company) was incorporated in Jamaica on February 11, 1987 and controlled by the government of Jamaica. The registered office of the company is located at Freeport, Montego Bay, Saint James. The company is economically dependent on the Government of Jamaica and receives funding through the National Solid Waste Management Authority (NSWMA).

The company is responsible for the collection, treatment and disposal of solid waste for the parishes of Westmoreland, Hanover, Saint James and Trelawny and is primarily financed by government subvention. The company also earns income from third parties for the collection of commercial garbage.

Management considers it appropriate to adopt the going concern basis in the preparation of these financial statements on the premise that the company will be able to secure adequate financial support from these sources until it attains sustained profitable operations.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

2.1 *Standards, interpretations and amendments to existing standards effective during the year*

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2020. These new standards and amendments applied for the first time in 2020. The nature and the impact of each new standard or amendment is described below.

- **Amendments to IFRS 3: Definition of a Business**
  The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

- **Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform**
  The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

- **Amendments to IAS 1 and IAS 8 Definition of Material**
  The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

2.1 *Standards, interpretations and amendments to existing standards effective during the year* (Cont'd)

- **Amendments to IAS 1 and IAS 8 Definition of Material (Cont'd)**
  amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

- **Conceptual Framework for Financial Reporting**
  The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company.

2.2 *Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Company*

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

- ***Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***
  The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Company will apply these amendments when they become effective but they are not expected to have an impact on the Company's financial statements.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

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

- **Amendments to IFRS 16 Covid-19 Related Rent Concessions**
  On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted. This amendment is not expected to impact on the financial statements of the Company.

- **Amendments to IAS 1: *Classification of Liabilities as Current or Non-current***
  In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- **Reference to the Conceptual Framework – Amendments to IFRS 3**
  In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

  The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

  At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.
  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively. The Company has not yet assessed the impact of these amendments on the Company's financial statements.

- **Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16**
  In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

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

- **Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16 (Cont'd)**
  and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

  The amendments are not expected to have a material impact on the Company.

- **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**
  In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- **Annual Improvements 2018-2020 Cycle (issued May 2020)**
  As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to:

  - IFRS 1 *First-time Adoption of International Financial Reporting Standards.*
    The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not applicable to the financial statements of the Company.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

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

- **Annual Improvements 2018-2020 Cycle (issued May 2020) (Cont'd)**

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

3.2 Basis of preparation

These financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of consideration given in exchange for assets. The principal accounting policies are set out below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Although these estimates are based on managements' best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Recognition
Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

3.3.1 Financial Assets

Classification
The company classifies financial assets at initial recognition based on the financial asset's contractual cash flow characteristic and the company's business model for managing the instruments. The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Measurement category

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables that do not contain a significant financing component are measured on initial recognition at their transaction price.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at fair value through profit or loss (FVTPL)

- Amortised cost:
  These assets arise principally from the provision of goods and services to customers as well as other types of financial assets held within a business model where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest (SPPI) on the principal amount outstanding. The

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.3 **Financial instruments (continued)**

3.3.1 **Financial assets (continued)**

- Amortised cost (continued):
  SPPI test is performed at an instrument level. After initial recognition, they are subsequently carried at amortised cost using the effective interest method, less any impairment.

  The company's financial assets at amortised cost comprise trade and other receivables including contract assets, due from related parties and cash and bank balances.

- FVTPL and FVOCI
  Equity instruments are measured at FVTPL, unless the asset is not held for trading purposes and the company makes an irrevocable election on an instrument-by-instrument basis to designate the asset as FVOCI. As a result of the election, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses and their reversal are not reported separately from other changes in fair value. Dividends representing a return on such investments are recognised in profit or loss as other income when the company's right to receive payments is established. Where the asset is held within a business model where the objective is both to collect contractual cash flows and selling the financial assets and the SPPI test is met, the assets are measured subsequently at FVOCI with gains and losses recycled to profit or loss on derecognition.

Derecognition

A financial asset or group of similar financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or
- The company has (i) transferred its rights to receive the cash flows from the asset or (ii) has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either the company

  (a) has transferred substantially all the risk and rewards of ownership of the asset, or
  (b) has neither transferred substantially all the risk and rewards of ownership of the asset, but has transferred control of the asset

Where the transfer does not qualify for derecognition as above, the company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

3.3.1 Financial assets (continued)

Impairment

The company recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate.

The company recognises a loss allowance for expected credit losses on trade receivables and other financial assets that are measured at amortised cost applying the expected credit loss model. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Trade receivables and contract assets

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivable are recorded when billed or accrued and represent claims against third parties that will be settled in cash. They are generally due for settlement within 30 days and therefore are all classified as current. The company recognises lifetime ECL at each reporting date for trade receivables and contract assets applying a simplified approach. The expected credit losses on these financial assets are estimated based on the company's historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions adjusted for factors that are specific to the debtors as well as the expected changes in factors or conditions affecting the debt at the reporting date, including time value of money where appropriate. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly.

For all other financial instruments, the company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. Significant increase is assessed as the change in the risk of a default over the expected life of the financial asset as at the reporting date with the risk of default on the instrument occurring at the date of initial recognition, considering reasonable and supportable information that is available without undue cost or effort. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

3.3.1 Financial assets (continued)

amount equal to 12-month ECL. The credit risk on a financial instrument is assumed not to have increased significantly if it is determined to have a low credit risk at the reporting date taking into consideration all the terms and conditions of the instrument from the perspective of market participants or by use of other methodologies that are consistent with assessing low credit risk for the particular instrument. 12-month ECL are applied to the company's debt securities determined to have low credit risk and other debt securities and bank balances for which credit risk has not increased significantly since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due and a financial asset to be in default when the financial asset is more than 90 days past due and/or internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. The maximum period considered when estimating ECL is the maximum contractual period over which the company is exposed to credit risk.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows in its entirety or a portion thereof. For trade receivables, the company has a policy of writing off the gross carrying amount when the financial asset is 270 days past due based on historical experience of recoveries of similar assets. Nevertheless, the company makes individual assessments regarding the timing and amount of write-off based on whether there is reasonable expectation of recovery. Write off takes place when the company's internal collection efforts have been unsuccessful in collecting the amount due. No significant recovery is expected from amounts written off.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets

3.3.2 Financial liabilities

Initial recognition and measurement:
All financial liabilities are recognised initially at fair value, and except for financial liabilities not at fair value through profit or loss (FVTPL), net of directly attributable transaction costs of issue. Financial liabilities are subsequently measured at amortised cost, except for any financial liabilities at fair value through profit or loss which are subsequently measured at fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments

3.3.2 Financial liabilities (continued)

Measurement category

- FVTPL

A financial liability is classified as at FVTPL if it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The company has no financial liabilities at FVTPL.

Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

The company’s financial liabilities measured at amortised cost comprise trade and other payable and due to related party.

Derecognition

A financial liability is derecognised when the obligation under the instrument is extinguished by being discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of a financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

3.4 Foreign currency transactions

Transactions in currencies other than the company’s functional currency (foreign currencies) are recognised at the rate of exchange prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated at exchange rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses resulting from the settlement of foreign currency transactions and from the retranslation at period-end exchange rates are recognised in profit or loss in the period in which they arise.

3.5 Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions and balances are recognised and disclosed for the following:

i. Enterprises and individuals owning directly or indirectly an interest in the voting power of the company that gives them significant influence over the company's affairs and close members of the families of these individuals.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Related party transactions and balances (continued)

ii. Key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the company, including those directors and officers and close members of the families of those individuals.

iii. Post-employment benefit plans for the benefit of employees of the company.

iv. An entity or any member of a group to which it is a part providing key management personnel services to the company

3.6 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on property, plant and equipment is recognised so as to allocate the cost or valuation of assets less their residual values over their estimated useful lives or, in the case of leasehold improvements the shorter lease term, using the straight-line method. The following useful lives are used in the calculation of depreciation:

Computer hardware	5 years
Furniture and fixtures	10 years
Machinery and equipment	10 years
Leasehold improvements	10 years
Motor vehicles	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Repairs and maintenance are charged to income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits are in excess of the originally assessed standard of performance of the existing asset that will flow to the company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.7 **Impairment of tangible assets**

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised in profit or loss for the amount by which the carrying amount of an asset exceeds its estimated recoverable amount, which is the higher of the asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

3.8 **Cash and cash equivalents**

Further purposes of presentation of the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts. Bank overdrafts are shown within current liabilities on the statement of financial position.

3.9 **Government subvention**

Government subvention is received principally as an allocation from the National Solid Waste Management Authority and is recognised at fair value where there is reasonable assurance that the subvention will be received and the company will comply with all attached conditions.

3.10 **Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

The company's solid waste collection business involves the collection, transfer and disposal of waste from residential, commercial and industrial customers for transport directly to landfills. Solid waste collection services include both recurring and temporary customer relationships. Revenues from collection operations are influenced by factors such as collection frequency, type and volume or weight of the waste collected and distance to the disposal facility. Revenues from landfill operations consist of tipping fees, which are generally based on the type and weight or volume of waste being disposed of at the disposal facilities. Commercial services are performed under service agreements, with customers. The agreements give the company the exclusive right to provide specified waste services in the specified territory during the contract term. The standard customer service agreements generally range for one year with a few up to five years. Typically, the contractual arrangement provides for commercial customers to be billed on a monthly basis in arrears but for the solid waste removal to be provided bi-monthly or monthly. Revenue recognized under these agreements is earned over time over the contract cycle.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Revenue recognition (continued)

Revenue from sources other than customer contracts primarily relates to imposed fines and employee services. Revenue from these sources were not material and represented less than 1% of total revenue for the current and previous financial year.

Deferred Revenues
Deferred revenue is recognised when cash payments are received or due in advance of performance obligations and is classified as current since they are earned within a year and there are no significant financing components. Substantially all deferred revenues during the reported periods are realized as revenues within one to three months, when the related services are performed.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of the income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.11 Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, if it is probable that outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

3.12 Deferred revenue

Grant funds received specifically for the acquisition of capital assets are credited directly to deferred revenue and amortised to profit or loss over the useful lives of the relevant assets.

3.13 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in a market accessible to or by the company, either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Fair value measurement (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

3.14 Leases

Policies applicable from 1 April 2020

The company as a lessee

The company assesses whether a contract is or contains a lease, at inception of the contract. The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

(i) Fixed lease payments, less any lease incentives receivable;

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.14 **Leases - *Policies applicable from 1 April 2020* (continued)**

(ii) Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
(iii) The amount expected to be payable by the lessee under residual value guarantees;
(iv) The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
(v) Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use asset

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Leases - *Policies applicable from 1 April 2020* (continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss.

3.15 Leases - *Policies applicable prior to 1 April 2020*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The company as a lessee

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The company has exposure to the following risk from its use of financial instruments: credit risk (including currency risk and cash flow interest rate risk), market risk and liquidity risk.

The Board of Directors, together with senior management has overall responsibility for the establishment and oversight of the company's risk management framework.

The company's risk management policies are established to identify and analyze the risks faced by the company in order to set appropriate risks limits and controls, and to monitor risks. These are reviewed regularly to reflect changes in market conditions and the company's activities.

4.1 Credit risk

The company takes on exposure to credit risk, which is the risk that its counterparties will cause a financial loss for the company by failing to discharge their contractual obligations. Credit risk is the most important risk for the company's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the company's receivables and banking activities.

The company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and industry segments.

The maximum exposure to credit risk at the reporting date was $126.83 million (2020: $110.48 million) relating to the company’s trade and other receivables (net of credit losses), related party receivable (net) and cash and bank balances.

Cash and bank balances
Cash and bank transactions are limited to high credit quality financial institutions. The company has policies that limit the amount of credit exposure to any financial institution.

Trade receivables
The company's main exposure to credit risk lies in its extending credit to customers. The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Board has established a credit policy under which each customer is analysed individually for creditworthiness prior to the company extending credit. Customers that fail to meet the company’s benchmark of creditworthiness may transact with the company on a prepayment basis.

Customer credit risk is monitored according to their credit characteristics such as whether it is an individual or company, industry, aging profile, and previous financial difficulties. Trade receivables relate mainly to the company’s commercial customers.

The company establishes an impairment loss allowance that represents its estimate of expected losses in respect of trade receivables. The company assesses credit losses by use of the Expected Credit Loss (ECL) model utilizing a simplified approach supplemented by individually assessed allowances where appropriate.

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Credit risk (continued)

Ageing analysis of trade receivables that are past due but not impaired

Trade receivables that are less than six months past due are not considered impaired. As of 31 March trade receivables of $7.721 million (2020 - $6.006 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing analysis of these trade receivables is as follows:

	2021 $'000	2020 $'000
1 month	5,892	2,251
2 - 6 months	1,829	3,755
	7,721	6,006

Ageing analysis of trade receivables that are past due and impaired

As at the end of the reporting period trade receivables of $107.984 million (2020: $73.595 million) were past due over 90 days. The expected credit loss model (ECL) was applied and additional ECL assessed at $139.133 million (2020: $107.984 million). Impaired receivables mainly relate to parish councils and other commercial customers that have not fulfilled their obligations.

The aging of these receivables is as follows:

	2021 $'000	2020 $'000
Over 3 months	65,450	34,389

Movement analysis of allowance for expected credit losses on trade receivables

The movement on the allowance for expected credit losses for trade receivables is as follows:

	2021 $'000	2020 $'000
At 1 April	107,984	73,595
Allowance for expected credit losses recognised	31,149	34,389
At 31 March	139,133	107,984

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Credit risk (continued)

The creation and release of allowance for expected credit losses have been included in expenses in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

There are no financial assets other than trade receivables for which expected credit losses were assessed.

Trade receivables by customer sector

The following table summarises the credit exposure for trade receivables at their carrying amounts, as categorised by customer sector:

	2021 $'000	2020 $'000
Parish councils and private enterprises	212,914	186,706
Less: Provisions for impairment	(139,133)	(107,984)
	73,781	78,722

The company's trade receivables are due from customers in Western Jamaica.

4.2 Liquidity risk

Liquidity risk is the risk that the company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed facilities.

Liquidity risk management process

The company's liquidity management process, as carried out within the company and monitored by the Board of Directors includes monitoring future cash flows and liquidity on a regular basis. This incorporates an assessment of expected cash flows.

The tables below summarise the maturity profile of the company's financial liabilities at 31 March based on contractual undiscounted payments.

	Within 3 Months 2021 $'000	Within 3 Months 2020 $'000
Liabilities		
Trade payables	59,881	60,002
Other payables	355,613	11,415
Total financial liabilities (contractual maturity)	451,494	71,417

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 Market risk

The company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks will arise from changes in foreign currency exchange rates, interest rates and commodity prices. However, the company is not significantly exposed to any of these price movements. Market risk is monitored by the company's Finance Department which carries out any necessary research in the price movement of financial assets on the local markets. Market risk exposures are measured using sensitivity analysis.

There has been no change to the company's exposure to market risks or the manner in which it manages and measures the risk.

4.3.1 *Currency risk*

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from commercial transactions denominated in foreign currency and recognised foreign currency assets and liabilities.

As at 31 March 2021 and 2020, the company had no significant exposure to currency risk as there were no balance denominated in foreign currency.

4.3.2 *Interest rate risk*

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As at 31 March 2021 and 2020, the company had no significant exposure to interest rate risk as there was no significant interest bearing assets or liabilities

4.3.3 *Price risk*

Price risk is the risk that the value of a financial instrument or physical commodity will fluctuate as a result of changes in market prices. Fluctuation in the price of a financial instrument may be caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

As at 31 March 2021 and 2020 there was no significant exposure to price risk as there were no price sensitive instruments held by the company.

4.4 Capital management

The company's objectives when managing capital, which is its accumulated funds are to safeguard the company's ability to continue as a going concern and to maintain a stable capital base in order to carry out its mandate. Management closely monitors the company's cash flows through continuous planning and reporting.
The overall strategy remains unchanged from prior year.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Critical judgements in applying the company's accounting policies

In the process of applying the company's accounting policies, management believes that there were no critical judgements made, apart from those involving estimation (see below) that would cause a significant impact on the amounts recognised in the financial statements.

5.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future or other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Property, plant and equipment

Management exercises judgement in determining whether the costs incurred can accrue significant future economic benefits to the company to enable the value to be treated as a capital expense. Further, judgement is applied in the annual review of the useful lives of all categories of property, plant and equipment and the resulting depreciation thereon. Details of the estimated useful lives are disclosed in Note 3.6. See Note 12.

Impairment of trade receivables

The company periodically assesses the collectability of its trade receivables. Allowance for expected credit losses are established or increased as described in Note 3.3.1. There is, however, no certainty that the company will collect the total remaining unimpaired balance, as some balances that are estimated to be collectible as at the end of the reporting period may subsequently be at default. Trade receivables amounted to $73.781 million at the end of the reporting period (2020: $78.722 million) net of credit losses of $139.133 million (2020: $107.984 million). See Notes 4.1 and 14.

6. GOVERNMENT SUBVENTION

Government subvention includes recurrent amounts received through the National Solid Waste Management Authority (NSWMA). There are no unfulfilled conditions or other contingencies attaching to subvention received.

	2021 $'000	2020 $'000
Subvention - primary allocation	437,576	626,478
Subvention - emergency and special projects	475,753	287,984
Subvention – earmarked income	45,203	-
Constituency Development Fund allocation	-	5,000
Subvention – payroll taxes paid by MLG	21,320	-
	979,852	917,462

7. COMMERCIAL INCOME

These comprise revenue from contracts with customers which is substantially fees received from the collection of commercial solid waste in the parishes of Westmoreland, Hanover, Trelawny and Saint James.

8. OTHER INCOME

	2021 $'000	2020 $'000
Fines	112	91
Processing, tender & other fees & revenue	268	594
Accrued penalty & interest on payroll & other taxes waived now written back	-	125,036
	380	125,721

9. EXPENSES

Expense by nature	2021 $'000	2020 $'000
Landfill operations **	136,192	129,868
Supplementary fleet – Landfill contractors*	200,231	162,980
Public cleansing	4,919	6,270
Beautification and special projects ***	199,660	128,484
Staff costs (**Note 10**)	548,451	449,986
Motor vehicle expenses	89,251	88,208
Repairs and maintenance – property and equip. *****	51,101	39,314
Depreciation (**Note 12**)	4,500	4,194
Security expenses	10,793	5,640
Rental leasing and hire (**Note 18**)	4,958	5,690
Utilities	6,347	4,861
Auditor's remuneration	1,030	1,030
Advertising and promotion	1,978	3,273
Stationery and office supplies	3,484	2,940
Bank charges	25	172
Allowance for expected credit losses (**See note 4.1**)	31,148	34,389
Penalty, interest and fines	3,612	6,508
General Consumption Tax (GCT)	10,995	21,780
Food, drink, meetings and functions	2,241	4,425
Training	3	1,125
Uniforms ******	-	7,188
Sanitising, staff welfare and other expenses	4,746	6,855
	1,315,665	1,115,160

* Supplementary contractors' expenses increased due to frequent breakdown of own fleet.
** Landfill operations cost increased due to increased stockpiling of cover material, remedial work and coverage of land fill.
***Special projects increased expenditure due to dengue eradication, pre-hurricane clean-up and desilting.
*****Repairs & maintenance increased due to increased down-time of fleet.
****** A uniform policy was developed during 2017, since then no further expenditure until the 2020 year.

10. STAFF COSTS

	2021 $'000	2020 $'000
Salaries and wages	453,165	373,456
Travel and subsistence cost incl. motor vehicle upkeep and mileage claims	38,944	40,695
Payroll taxes – employer's portion (NIS, NHT)	25,001	15,199
Staff allowances and benefits	6,457	5,341
Staff welfare incl. health and life insurance	24,884	15,295
	548,451	449,986

The number of persons employed by the company at the year end was 562 (2020: 568).
Staff cost increased due to the 5% across the board rate increase as well as overtime honorarium paid.

11. TAXATION

As stipulated under Section 12 of the Income Tax Act, the company is exempt from income tax.

12. PROPERTY, PLANT AND EQUIPMENT

	Garbage Skips & Litter bins	Computer Equipment	Gates & Fencing	Motor Cycle	Motor Vehicles	Furniture Fixtures & Equipment	Machinery & Equipment	Leasehold Improvement	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At Cost									
At 31 March 2019	8,654	2,388	764	86	5,174	7,314	6,904	1,737	33,021
Additions	213	1,239	1,400	395	14,411	466	170	6,004	24,298
Adjustment	(724)	-	-	-	-	-	-	-	(724)
At 31 March 2020	8,143	3,627	2,164	481	19,585	7,780	7,074	7,741	56,595
Additions	-	-	-	-	-	3,054	-	-	3,054
Adjustment	-	-	-	-	-	-	-	-	-
At 31 March 2021	8,143	3,627	2,164	481	19,585	10,834	7,074	7,741	59,649
Accumulated depreciation									
At 1 April 2019	2,698	1,678	764	86	5,174	6,689	6,224	445	23,758
Charge for the year	887	170	70	36	1,024	690	712	605	4,194
At 31 March 2020	3,585	1,848	834	122	6,198	7,379	6,936	1,050	27,952
Charge for the year	887	170	70	36	1,024	1,574	136	605	4,500
At 31 March 2021	4,472	2,018	904	158	7,222	8,953	7,072	1,655	32,452
Carrying amount:									
2021	3,671	1,609	1,260	323	12,363	1,881	2	6,086	27,197
2020	4,558	1,779	1,330	359	13,387	401	138	6,691	28,643

13. INVENTORIES

Inventories comprise the following:

	2021 $'000	2020 $'000
Consumables	2,120	4,305
Spare parts	1,097	33,602
Skips	763	1,140
Oils and lubricants	-	14,595
	3,980	53,642

Inventory recognized as an expense during the year amounted to $48 million (2020: $51 million).

14. TRADE AND OTHER RECEIVABLES

	2021 $'000	2020 $'000
Trade	207,727	186,706
Less: allowance for expected credit losses	(139,133)	(107,984)
	68,594	78,722
Other receivables	163	721
	68,757	79,443

15. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Balances with related party

	2021 $'000	2020 $'000
Due from related party	25,144	20,289
Due to related party	(13,022)	(8,804)
	12,122	11,485

This represents advances to/(by) the National Solid Waste Management Authority (NSWMA) which is an agency of the Ministry of Local Government and Community Development. No interest is charged on outstanding balances and there are no agreed terms of settlement.

15. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Transactions with related parties during the year were as follows:

	2021 $'000	2020 $'000
Subvention received (Note 6)	979,852	917,462

Key management compensation

	2021 $'000	2020 $'000
Salaries and other short-term benefits	15,155	13,686
Payroll taxes – employer's portion	722	473
	15,877	14,159

16. CASH AND CASH EQUIVALENTS

	2021 $'000	2020 $'000
Cash at bank and in hand	23,097	35,898

17. TRADE AND OTHER PAYABLES

	2021 $'000	2020 $'000
Trade payable	65,926	60,002
Accrued charges	35,837	3,068
Statutory liabilities	217,724	162,046
Accrued vacation	16,439	6,198
GCT withheld	61,607	50,943
Withholding tax payable	16,192	8,598
Staff salary deductions payable	9,506	5,274
Legal case awards	-	6,141
	423,231	302,270

18. LEASE COMMITMENTS

As at 31 March the company as had lease commitments under operating lease expiring in 2021. Operating leases relate to rental of premises for carrying out its operation and are negotiated for an average of one year.

	2021 $'000	2020 $'000
Operating lease payments expensed in the year	4,958	4,450

At the end of the reporting period the company had outstanding commitments under operating leases which fall due as follows:

	2021 $'000	2020 $'000 (Restated)
Within 1 year	-	4,000
Longer than 1 year and not longer than 5 years	-	Nil
	-	4,000

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

There were no financial instruments that were measured at fair value after initial recognition classified at Level 1 to Level 3 at the end of the reporting period.

The following methods and assumptions have been used in determining the fair values of the company's financial instruments:

The carrying values of cash and bank balances, trade receivables, trade payables and other assets and liabilities maturing within twelve months are assumed to approximate their fair values because of the short-term maturities of these instruments.