2021-2022

ANNUAL REPORT

HONOURING THE PAST, SHAPING THE FUTURE

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

OUR 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.

OUR 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.

OUR CORE VALUES

A Accountability

T Teamwork

T Transparency

I Integrity

R Respect

E Excellence

OUR MANDATE

- Achieve acceptable standards of environmental practices in public cleansing and disposal operations;
- Develop capable environmental monitoring staff through training and appropriate recruitment;
- Provide standards, regulations and expertise with regard to solid waste management;
- Prioritize financial resources for solid waste management in a severely constrained economy;
- Participate in the development of an inter-authority institutional structure for pollution and environmental control;
- Meet human resource needs through the appropriate development and implementation of human resource policies;
- Provide quality service to our contractors and the public;
- Enforce the National Solid Waste Management Act.

HONOURING THE PAST, SHAPING THE FUTURE!

LIST OF ACRONYMS

CCCL	Caribbean Cement Company Limited
COVID-19	Corona Virus Disease 2019
E-waste	Electronic Waste
EMR	Emergency Management Recovery Plan
ESG	Environmental Social Governance
FY	Financial Year
GCT	General Consumption Tax
GIS	Geographic Information System
GoJ	Government of Jamaica
HEART/NSTA	Human Employment and Resource Training/National Service Training Agency
ISOAR	Implementation Status of Audit Recommendations
JSIF	Jamaica Social Investment Fund
JICA	Japan International Cooperation Agency
JP	Justice of the Peace
MP	Member of Parliament
MoU	Memorandum of Understanding
MLGRD	Ministry of Local Government and Rural Development
MPM	MPM Waste Management Limited
NEPA	National Environment and Planning Agency
NEPM	NEPM Waste Management Limited

LIST OF ACRONYMS (CONT'D)

NSWM Act	National Solid Waste Management Act
NSWMA	National Solid Waste Management Authority
OPC	Office of the Parliamentary Council
PPE	Personal Protective Equipment
PPP	Public Private Partnerships
PwC	PricewaterhouseCoopers
SPM	SPM Waste Management Limited
3Rs	Reduce Reuse and Recycle
TOR	Terms of Reference
WPM	WPM Waste Management Limited

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NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

CORPORATE PROFILE

NSWMA - WHO WE ARE

The NSWMA was established under the National Solid Waste Management Act 2001, as a statutory body and became operational in March 2002; 20 years ago. The formation of the Authority was the first step by the Government of Jamaica to create a modern solid waste management structure. Though we are not operating in our desired role as a regulator, the Authority has spearheaded key programmes to aid in the transformation of solid waste in Jamaica; and we honour this growth and are excited about the future of solid waste in Jamaica.

Waste management services is no stranger to Jamaica, as these services were carried out by MPM Waste Management Limited, WPM Waste Management Limited, NEPM Waste Management Limited and SPM Waste Management Limited founded from as far back as 1984, 1987, 1988 and 1988 respectively. These companies still operate in their previous role with the NSWMA providing oversight responsibilities.

The waste management companies are still operational and have specific responsibilities, separated by parish boundaries.

WASTE MANAGEMENT COMPANIES	PARISHES SERVED	DISPOSAL SITES MANAGED
MPM WASTE MANAGEMENT LIMITED	ST. CATHERINE KINGSTON ST. ANDREW ST.THOMAS	RIVERTON CHURCH CORNER
WPM WASTE MANAGEMENT LIMITED	WESTMORELAND ST. JAMES HANOVER TRELAWNY	RETIREMENT
NEPM WASTE MANAGEMENT LIMITED	ST. ANN	HADDON TOBALSKI
	ST. MARY	
	PORTLAND	DOCTOR'S WOOD
SPM WASTE MANAGEMENT LIMITED	CLARENDON	
	ST. ELIZABETH	MYERSVILLE
	MANCHESTER	MARTINS HILL

The regional companies have portfolio management responsibilities for the parishes falling within their specific region under the directives of the NSWMA.

NSWMA - WHAT WE DO

The NSWMA is mandated by law to undertake and ensure that the following functions are executed:

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

BUSINESS IN BRIEF

Four business segments primarily drive the NSWMA: Public Cleansing, Commercial Services, Enforcement & Compliance and Disposal Site Management.

The NSWMA through funding from the Parochial Revenue Fund (property tax) provides the public cleansing services of sweeping and residential collection of solid waste. Residential solid waste is collected from residents mainly via house-to-house servicing and also through community bins and curbside pickups.

Public Cleansing is conducted through extensive collaboration with municipal parish councils across Jamaica. This symbiotic relationship has granted the NSWMA permanent membership on the Public Health and Disaster Preparedness Committee of each parish council.

Despite the challenge of aged receivables, Commercial Services segment is an ever-expanding portfolio. Haulage and beautification services are critical to the Authority's strategic efforts to achieve self-sufficiency.

The improper disposal of solid waste, which is strongly ingrained in Jamaica's culture, continues to be a major challenge for the Authority. The Enforcement and Compliance Department regulates this social behaviour through its powers to conduct incognito operations, arrest, as well as conduct community intervention programmes.

The NSWMA is mandated to manage all disposal sites until divestment. To date, there are eight disposal sites located in Portland, St. Ann (two), Kingston & St. Andrew, St. Thomas, St James, St. Elizabeth and Manchester.

The key foundation to any organization is its people and this is especially true for the NSWMA and its regional companies.

BUSINESS

HIGHLIGHTS

MINISTER'S MESSAGE

I am pleased with the consistency that the National Solid Waste Management Authority (NSWMA) continues to demonstrate in its determination to provide proper public cleansing services, while at the same time ensuring that its hard-fought ascent to the highest standards of corporate governance is maintained. The submission of this Annual Report for the Financial Year 2021/22 is consistent with this drive for full and timely statutory compliance, in keeping with the Public Bodies Management and Accountability Act.

In the midst of the varying challenges still being confronted because of the impact of the COVID-19 pandemic, the NSWMA has continued to fastidiously and professionally discharge its obligations to the public. The Agency continues to collect huge amounts of garbage on a weekly, monthly and annual basis. In the last financial year, 2021/22, it collected just over 903 thousand tonnes of waste. The Agency continues to train and deploy environmental wardens and last year another 34 were trained and certified. Sensitization sessions about the proper ways of storing and disposing waste continue to be held round the country with commercial and residential stakeholders. The NSWMA's mobile app that was developed in 2020 to report littering in public spaces and illegal dumping, exposed the locations of 302 illegal dumpsites across the island. An overall 2,443 anti-litter tickets and 5,441 removal notices for litter breaches, were issued over the financial year.

The theme chosen for this Annual Report: "Recognizing the Past, Shaping the Future" is particularly apt, as the role and importance of the Agency come into even greater focus in the context of its contribution to the Strategic Business Plan of the Ministry of Local Government and Rural Development, 2021-2025. The Business Plan, which is a critical directional instrument for the Ministry's activities for the first half of the decade leading to the achievement of the objectives of the National Development Plan - Vision 2030 - recognizes that the NSWMA has a vital role to play in fulfilling the Government's pledge to our citizens to among other things, enhance public health and beauty through efficient public cleansing services, and to promote and protect economic growth and social development through the elevation of Jamaica's disaster risk management profile.

The National Solid Waste Management Authority is therefore one of the vital organs of the Government's continued drive to manage Jamaica's way out of the effects of the COVID-19 pandemic, and to build back stronger. The work of the Agency over the last six years especially has earned it the credibility to execute its responsibilities in this regard. I commend the leadership and staff for their demonstrated commitment to excellence and look forward with great expectation to the achievements to come.

Desmond McKenzie CD, MP, JP
Minister of Local Government and Rural Development

CHAIRMAN'S MESSAGE

There is no denying the challenges we have faced over the past two years — as individuals and communities, as a company and workplace, and as a global society at large.

The global economy faced several challenges, during the two-year period of the pandemic, and Jamaica was not spared. The NSWMA in particular, being already underfunded, was significantly impacted as we were unable to secure the much needed 100 new trucks.
Our government and Minister, worked with us as best they could to temper the impact on the operations, but as we stated two years prior, if we were unable to get new trucks, it would impact our core garbage collection activities.

At the NSWMA, with most of our team working on the frontlines, we proved to be resilient. Our teams continued to serve our nation with excellence; we remained focused and did what was necessary to safeguard public health through solid waste management.

That said, the pandemic did accelerate some positive changes, as the challenges pushed our focus to increased governance practices, through internal audits, and rationalizing our expenses, as demonstrated by the reduction in operating expenses from the prior year.

We also deepened current relationships and laid the foundation for future growth. In many ways, we are coming out of the pandemic stronger before it started. And through it all, we have remained steadfast in our belief that organisations and countries that include everyone, everywhere, uplift everyone, everywhere.

We continue to be plagued by funding challenges, and so we are unable to improve the necessary controls, public relations, and operational requirements to enable an acceptable organisational structure.

We are however confident that this will improve when things get back to normal.

As the organization celebrates its 20th anniversary… we honour and recognize the past while shaping the future. I am confident that the future of the NSWMA is in good hands.

We have a motivated and competent set of team members, who give their all to ensure a functioning NSWMA, despite the challenges. Our team members are our greatest asset and we appreciate all of them. in particular the work done at the sub committees, have kept the necessary oversight and governance at a high level.

Our parent Ministry, led by our always supportive Minister, has provided the support we needed during the last year, and we are appreciative of the support. We look forward to an improved year, as we see the economy returning to pre- pandemic levels, and with it, greater resources to assist the NSWMA.

Dennis Chung
Chairman of NSWMA Board of Directors

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

BOARD OF DIRECTORS'

BOARD OF DIRECTORS PROFILES

DENNIS CHUNG
Chairman

Committee Membership: Finance and IT Committee
Place of Employment/Business/other affiliation: CEO at Supreme Ventures Services Limited

Mr. Chung holds a Masters 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 is well known for his economic and financial commentary in the media.

Expertise: Solid Waste Management, Risk Management, Corporate Governance, Human Resource Management.

LINLEY REYNOLDS
Deputy Chairman

Committee Membership: Chairperson of the Finance and IT Committee-
Place of Employment/Business/other affiliation: Consultant

Mr. Reynolds undertook various banking exams while studying at Emile Woolf College of Banking and Accountancy, in the UK in the early 90's. 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. In 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 towards greater governance and structural reforms towards efficiency and better financial planning/management and reporting. He 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

DR. CHARLENE SHARPE

Director

Committee Membership: Chairperson for the Board Risk Committee, Technical and Operations Committee, Corporate Governance Committee

Place of Employment/Business/other affiliation: Northern Caribbean University

Dr. Sharpe is a St. Hugh's past student and 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 and another in Government from the University of the West Indies. She is the Associate Vice President for Academics at Northern Caribbean University. She sits on several private entity boards and holds membership in a few environmental non-governmental organisations.

Expertise: Environmental Management, Solid Waste Management, Corporate Governance, Risk Management, Disaster Management, Public Education

NORMAN BROWN

Director

Committee Membership: Chairperson of the Audit Committee

Place of Employment/Business/other affiliation: Managing Director, Pembrooke Trucking

Mr. 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, 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. Brown also sits on the Special Projects Committee for the Urban Development Corporation.

Expertise: Logistics, distribution and management.

MS. GABRIELLE WILKS

Director

Committee Membership: MLGRD Representative

Place of Employment/Business/other affiliation: Ministry of Local Government and Rural Development

Gabrielle Wilks has been a practicing attorney-at-law for over 11 years. She is employed to the Ministry of Local Government and Rural Development's Legal Services Division, where her primary focus is to provide general legal advice to the Ministry, the 14 Local Authorities and five 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

MRS. CAMILLE FACEY
Director

Committee Membership: Chairperson of the Corporate Governance Committee and Member of the Technical & Operations Committee

Place of Employment/Business/other affiliation: Partner at Facey Law; Deputy Chair: Spectrum Management Authority; Chair: PSOJ Corporate Governance Committee; Director: Jamaica Chamber of Commerce; Director: Caribbean Corporate Governance Institute.

Mrs. Facey is an attorney-at-law with over 35 years of experience. Her practice focuses on 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 Law degree from the University of the West Indies and a Certificate of Legal Education at the Norman Manley Law School. Mrs. Facey also delivers legal and corporate governance training and is the lead facilitator for the Post Graduate Diploma in Corporate Governance from the Jamaica Stock Exchange e-campus. Prior to joining Cable & Wireless, she spent 18 years in the financial sector where she held various senior management roles and gained significant experience in management and business operations.

Expertise: Law, Telecommunications, Corporate Governance, Solid Waste Management, Finance

WADE BROWN
Director

Committee Membership: Technical and Operations Committee, HR and Procurement Committee, Audit Committee, Corporate Governance Committee

Place of Employment/Business/other affiliation: Director - Communications Consultant

Mr. Brown holds a Bachelor of Arts in Integrated Marketing Communications degree from the University of the West Indies and a Professional Certificate in Strategic Management from the Wharton Business School. Mr. Brown also sits on the board of the Rural Agricultural Development Authority, 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, Business Development, Environmental Management, Solid Waste Management

LENWORTH KELLY
Director

Committee Membership: Chairperson of the Technical & Operations Committee, Board Risk Committee

Place of Employment/Business/other affiliation: Civil Engineer at Nubian-1 Construction Limited

Mr. Kelly holds a Bachelor of Science 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 on the Oversight Team at Swallowfield Chapel.

Expertise: Civil Engineering

MS. JODIAN MYRIE

Director

Committee Membership: Corporate Governance Committee; Board Risk Committee

Place of Employment/Business/other affiliation: Green Paper Packaging Distribution Ltd., Jam One Auto Sales Company Ltd.

Ms. Myrie holds a Bachelor of Business Administration degree from The University of Technology. Ms. Myrie also serves on the board of the Urban Development Corporation and Aeronautical Telecommunications Ltd. She is the current Caretaker for St. Andrew East Central.

Expertise: Marketing, Sales, Operation/Logistics

MS. JODIEL EBANKS

Director

Committee Membership: Human Resource and Procurement Committee; Board Risk Committee; Technical and Operations Committee; Audit Committee

Place of Employment/Business/other affiliation: National Environment and Planning Agency

Ms. Ebanks holds a Bachelor of Science 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

FABIAN G. BROWN, JP

Director

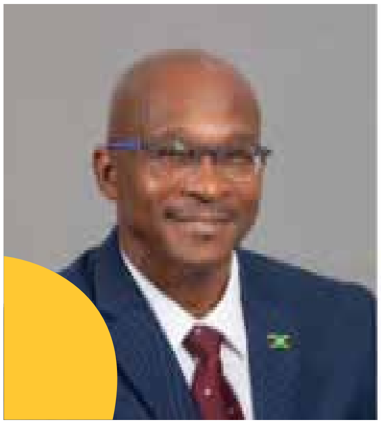
Committee Membership: Chairperson of the Human Resource and Procurement Committee, Audit Committee, Corporate Governance Committee, Finance and IT Committee

Place of Employment/Business/other affiliation: Value Added Services Limited

Mr. Brown is the founder 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 sits on the board of the Golden Age Home, Young Entrepreneurs Association, Social Development Commission, Factories Corporation of Jamaica, Ham Walk Primary and Infant School, Cardiff Management Advisory Committee and the Jamaica Hotel and Tourism Association.

Expertise: Human Capital Development, Labour Relations, Strategic and Project Management, Communication and Business Process Re-engineering, Events, State and Official Protocol Management

CO-OPTED MEMBERS OF THE BOARD COMMITTEES'



DR. PATRICK ANGLIN

Co-opted Member

Committee Membership: Finance and IT Committee

Place of Employment/Business/other affiliation: The University of the West Indies, Regional Headquarters

Dr. Anglin is employed to the University of the West Indies as the University Data Protection Officer and works from the university's regional headquarters in Jamaica. He holds a Doctor of Business Administration degree from the University of Manchester and was formerly assigned to the Office of the University CIO, as team lead for Policy and Infrastructure, and has participated in several university-wide ICT projects. He is also a former Executive Manager of Information and Communication Technologies at Blue Cross of Jamaica Limited (no longer in operation). Dr. Anglin describes himself as a Social Informatician and IT Strategist and, more recently, as a privacy professional.

Competencies: Information and Communication Technologies (ICT); Data Privacy and Protection; Business Process Analysis; ICT Governance; Quality Assurance Mechanisms; Policy Formulation; Project Proposal Formulation; Project/Programme Monitoring and Evaluation; Project Management; Training Plan Design and Training.

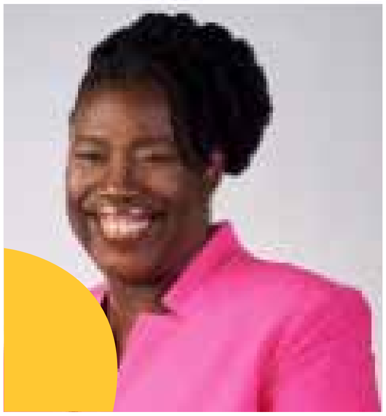
MRS. GEORGIA McCALLA-RUSSELL

Co-opted Member

Committee Membership: Finance and IT Committee

Place of Employment/Business/other affiliation: Ministry of Local Government & Rural Development

Mrs. McCalla-Russell holds a Bachelor Business Administration degree from the University of Technology Jamaica and Certified Accounting Technician certification from the ACCA. Mrs. McCalla-Russell also serves as treasurer on the executive of the Jose Marti Past Students Association.



MRS. CARLA-ANNE HARRIS-ROPER

Co-opted Member

Committee Membership: Human Resource and Procurement Committee

Place of Employment/Business/other affiliation: Principal Consultant Attorney-at-Law Employment Matters Caribbean

Mrs. Harris-Roper holds a Bachelor of Laws degree from University of the West Indies, a Certificate of Legal Education from the Norman Manley Law School and a Master of Laws 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

JOHN WILLIAMS

Co-opted Member

Committee Membership: Technical and Operations Committee

Place of Employment/Business/other affiliation: Operations Manager at Crown Packaging Jamaica Limited

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

DR. CARLTON HAY

Co-opted Member

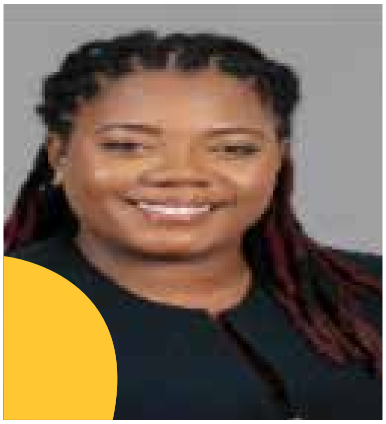
Committee Membership: Technical and Operations Committee

Place of Employment/Business/other affiliation: Managing Director at NHL, Senior Lecturer at UWI Faculty of Engineering

Dr. Hay is the Managing Director at NHL Engineering Consulting Engineers and is a registered professional engineer in Jamaica. He holds a B.Sc., Civil Engineering from the University of the West Indies, a M.Sc. in Geotechnical, Materials, from the University of Florida and a Ph.D. in Geotechnical, Materials from the University of Florida. He has had over 21 years of experience in consulting engineering in Jamaica. His experiences encompass the major areas in civil engineering with specialization in geotechnical and materials engineering, including road works, designs, quality control and maintenance.

Dr. Hay is also a member of the Jamaica Institution of Engineers, a member of the Association of Professional Engineers, Jamaica and a member of the ASCE.

Expertise: Geotechnical and Material Engineer



DR. KERRY-ANN THOMPSON

Co-opted Member

Committee Membership: Board Risk Committee

Place of Employment/Business/other affiliation: Self-employed. Principal, Research Science Development

A geographer by training, Dr. Thompson holds a doctorate in geoinformatics and is a licensed Project Management Professional. She has ten years experience leading and advising on projects for adaptation to climate change, reduction of disaster risks, education sector resilience, and application of GIS solutions, 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, Disaster Diplomacy.

BYRON BUCKLEY

Co-opted Member

Committee Membership: Board Risk Committee

Place of Employment/Business/other affiliation: Director Corporate Communication, Marketing and Public Relations, Northern Caribbean University

Mr. Buckley has 30+ years of experience in media and communication in the private and public sectors. He is a qualified corporate trainer specializing in crisis communication.

Expertise: Corporate Communication

MRS. PETA-GAYE BARTLEY

Co-opted Member

Committee Membership: Audit Committee

Place of Employment/Business/other affiliation: Group Chief Internal Auditor at JMMB Group Limited

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

MS. TASHI WILLIAMSON, FCA, FCCA

Co-opted Member

Committee Membership: Audit Committee

Place of Employment/Business/other affiliation: Crichton Mullings & Associates

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 and the Institute of Chartered Accountants of Jamaica.

Expertise: Accounting, Auditing and Taxation

DWAYNE DILLON

Co-opted Member

Committee Membership: Human Resource Committee

Place of Employment/Business/other affiliation: Organizational Development Consultant

Board Tenure: 1 year and four months

Mr. Dillon holds an MBA from the University of the West Indies, Mona and holds PMP certification, is certified in Change Management and has over ten years' experience leading organizational change in government institutions.

Expertise: Human Resource Management, Organizational Development, Business Analysis, Change Management

SENIOR EXECUTIVE MEMBERS

AUDLEY GORDON
EXECUTIVE DIRECTOR

MAURICIA LAWRENCE
COMPANY SECRETARY

GAIL MITCHELL
LEGAL OFFICER

DAVE POWELL
ENFORCEMENT DIRECTOR

CALVERT McLEOD
ACTING NATIONAL COORDINATOR

SHEENIQUE JOHNSON
CORPORATE SERVICES DIRECTOR

MICHELLE SHERIFF
FINANCE DIRECTOR

ARETHA McFARLANE
OPERATIONS DIRECTOR

KADIAN DIEDRICK
DIRECTOR OF PUBLIC PROCUREMENT

REGIONAL OPERATIONS MANAGERS (ROMs)

EDWARD MUIR
SPM WASTE MANAGEMENT LTD.
ROM

TRACY FAKHOURIE
NEPM WASTE MANAGEMENT LTD.
ROM

DANIEL HEAVEN
MPM WASTE MANAGEMENT LTD.
ROM (ACTING)

DRAMAINE JONES
WPM WASTE MANAGEMENT LTD.
ROM (ACTING)

REGIONAL ADMINISTRATORS

NARIEKA LOGAN
SPM WASTE MANAGEMENT LTD.
REGIONAL ADMINISTRATOR

TINA KERR
NEPM WASTE MANAGEMENT LTD.
REGIONAL ADMINISTRATOR

YVETTE PINNOCK
MPM WASTE MANAGEMENT LTD.
REGIONAL ADMINISTRATOR

KAREN CLAYTON
WPM WASTE MANAGEMENT LTD.
REGIONAL ADMINISTRATOR

EXECUTIVE DIRECTOR'S MESSAGE

It is my great pleasure and honour to have this opportunity to commemorate the 20th anniversary of the National Solid Waste Management Authority (NSWMA). In human life cycle, a 20-year-old is mostly energetic, visionary, and optimistic! As we celebrate this milestone, the memories of the years of growth and struggle fill us with pride and a true sense of accomplishment.

This is my sixth year as executive director, and I am proud to be a part of this excellent organization that safeguards public health and protects the environment through the collection, transportation and disposal of solid waste. I am impressed by the dedication and diligence of our staff and in particular, our sanitation workers, despite limited resources and extremely challenging working conditions. If 2020 was an eventful year for us all worldwide, the level of challenge remained unchanged in 2021. At the National Solid Waste Management Authority (NSWMA) we dealt well with the volatility of our operating environment in the face of the continuing COVID-19 pandemic, maintaining daily collection despite widespread disruptions.

We are very proud and thankful that across the country, our employees demonstrated resilience, initiative, flexibility and teamwork in dealing with this demanding environment and at the same time cared for the safety and well-being of family, colleagues, customers and partners. And this was achieved in a year that was also full of important projects and changes linked to the further shaping of the NSWMA's future.

Our teams are devoted to providing responsible and efficient solid waste management to Jamaica's more than two million residents and we try to live up to our mandate daily, from educating the public on proper solid waste management practices; recycling and composting; responsibly and safely collecting solid waste, to designing transfer stations and so much more.

The NSWMA requires a large fleet to be effective, but an acute shortage of reliable trucks continues to hamper our collection efforts and negatively impacts the organisation's capacity to be efficient in garbage collection islandwide. Nevertheless, we remain undaunted and continue to work overtime to maintain our operations. We look forward to the arrival of 50 new compactor units by year-end (2022) and an additional 50 trucks in the next financial year. We use this medium to thank the Government of Jamaica for its efforts to increase the NSWMA's fleet to an acceptable operational level.

Sensitization sessions for both commercial and residential waste generators were conducted accounting for a total of 3,747 and 1,957 respectively. By way of ongoing sensitization on proper containerization of waste, commercial compliance was recorded at 91.8 percent and residential compliance recorded a high of 92.9 percent. We were able to divert 75,120 pounds of plastic waste from the MPM waste stream through the St. Andrew Northern & Eastern Belt Initiative. The NSWMA sensitized on average, 33.2 percent of the population on solid waste management by way of media engagement, publications and community meetings. In this report, you will read more about our initiatives: 'Drum A Di Gate'; 'Bag It, Bin It', and our overall drive to continue to improve the cleanliness of town centres.

I am pleased to report that the Authority conducted a series of comprehensive training sessions and workshops throughout the financial year that benefitted 263 staff members islandwide. We also facilitated vaccination sessions for employees and their extended family members where Pfizer, AstraZeneca and Johnson & Johnson vaccines were administered.

There is so much we were able to accomplish despite a global pandemic that literally shut down our region and forced us to change the way we work, operate and even stand beside each other. Of course, none of this would have been possible without the remarkable work of our employees. I take this opportunity to thank every single employee for everything they achieved in 2021, and also thank our customers, suppliers and shareholders for their continued trust in us.

With a devoted workforce, along with the ongoing support of our Minister of Local Government and Rural Development, Honourable Desmond McKenzie and our Board of Directors, led by Mr. Dennis Chung, I know we are completely prepared to respond to whatever challenges may come. Thank you for your continuing confidence, happy 20th anniversary and cheers to 20 more!

As we recognize the past...we continue to shape the future and look forward to the next phase of our evolution with optimism and confidence, ready to address the challenges and seize the opportunities that lie ahead.

Audley Gordon
Executive Director, NSWMA

HONOURING OUR
LONG SERVICE EMPLOYEES

MICHAEL WILLIAMS
AKA 'ICY MINT'

Mr. Michael "Icy Mint" Williams is an enforcement officer assigned to the MPM Waste Management Limited, formerly Metropolitan Parks and Markets. He has been employed since January 12, 1987, making him one of the longest serving employee assigned to the National Solid Waste Management Authority (NSWMA)

Mr. Williams says his tenure in the 80's when the entity operated from Ocean Boulevard in downtown Kingston, was a period filled with adventurous experiences, challenges and growth but he has always been optimistic about the future. "Back then we were called special district constables. We were merely figuring things out then, but we were determined to get it right because we had a vision and a mission in mind for our country," Mr. Williams shared.

The primary task in those days was to remove vendors from the sidewalks of the main thoroughfares in and around Kingston. This was not readily accepted by citizens, and Mr. Williams described his daily activities as being hostile to the point he was concerned about his safety and endangering his life. He recalls they were asked to approach vendors in a courteous manner before asking them to remove their items which they called "load" from the sidewalks. "One day I met a vendor I can't forget. My line was: Good morning my pretty lady, I am Special District Constable Williams and I am here to ask you to remove your items from the sidewalk. If you do not comply with this request, I will have no other option but to seize your items. The lady responded with expletives and this was the norm. What kept me going back was the laughter I got after reflecting on daily responses."

Mr. Williams shared that while the years have been challenging, citizens are now more understanding of the role the NSWMA plays in ensuring a cleaner, better Jamaica. "I am happy to witness the growth in citizens' behaviour towards maintaining the aesthetics of the major thoroughfares. I am even happier that they are willing to work with us as enforcement officers to point and offenders for prosecution."

"Icy Mint" expressed immense gratitude for the training and resources that he has been equipped with over the years to assist with his tasks. He hopes the skills, discipline, and training that he has received from this noble agency will continue for others to benefit from.

"My salary has come a far way and I am grateful and appreciative of the fact that as the Authority grew and evolved into something bigger and better, I have been able to contribute to its momentous growth in my own way."

As we recognize the past and shape the future...Mr. Williams' wish is for citizens to become more aware of the role they have to play in preserving the environment. "We all have to be mindful, it is OUR country and we have to take care of it. Think twice before creating a mini dump in someone's community.... think twice before littering."

SERINA REID–SAMUELS

In October 1997 Serina Reid-Samuels was employed to WPM Waste Management Limited as records clerk. Twenty-five years later, she is working as customer service assistant. Presently, her core functions include answering, screening and directing calls to the appropriate persons.

Mrs. Samuels distributes job letters, contracts, and stationery to staff members as well as cheques to the retirees. She also assists the Commercial department with quality control and does the recording of governments units.

During her tenure at WPM WML, she has worked in Public Cleansing, Administration (Records & Customer Service) and the Accounting departments as well as the sub office in Trelawny. Mrs. Samuels is described by many as a talented individual who utilizes her talents in decorating the venues of many of the WPM functions. At Christmastime she is normally busy organizing and wrapping gifts for sanitation officers. She presently serves as a member of the Staff Welfare committee and the chairperson of the birthday club.

In her spare time Mrs. Samuels enjoys gardening. “I don’t have much of a spare time, per se but when I do get the chance I go out to cut, weed or repot the flowers in the garden or mulch and weed around my tomato and pepper trees in the back yard. I will also do a little sewing, whether it’s a kitchen curtain or a pillowcase.”

Regional Administrator Miss Karen Clayton, to whom Mrs. Samuels directly reports described her as “a very conscientious lady, who is willing to go above and beyond the call of duty to ensure that the company’s mandate is fulfilled whist maintaining a good relationship with her peers.”

In the next five years, with her talent, expertise and experience Mrs. Samuels hopes to continue adding value to WPM in every way she can. For new employees, Mrs. Samuels had this bit of advice. “Listen, pay attention, and take notes if you need to. Ask questions, communicate clearly, be reliable, independent and always maintain a positive work attitude and make friends, or at least acquaintances, you can never tell where this road called life will lead you.”

Mrs. Samuels is the epitome of an individual who has Recognized the Past while doing her utmost to Shape the Future.

CLIVE SCOTT

Mr. Scott, affectionately called 'Scotty' was first employed to the MPM region on January 18, 1987, as a special district constable. As a district constable, his primary responsibility, was to remove vendors from the streets who were caught vending illegally.

Clive Anthony Scott, born in St. Margaret's Bay, in the parish of Portland is the first male and second child of six children born to his parents. Clive was an adventurous child and his love for adventure continued into adulthood. "It has been quite an adventure while employed to MPM Waste Management Limited." He said.

As a result of his performance as a district constable, Mr. Scott was later promoted to public cleansing inspector in 1990. In October 2003, Mr. Scott's position was made redundant along with other positions of the Public Cleansing team.

In 2004, Mr. Scott was given a contract to provide a roving team in St. Catherine, responsible for sweeping and landscaping the parish. That stint lasted for eight years, then in 2016 he was re-employed in the capacity of zonal monitor, a position he still holds.

Mr. Scott has had a long, fruitful, and adventurous tenure with the organisation, he contends that there is nothing he would do differently, given the opportunity and he has all the newspaper articles written on him as well as the first Compactor Newsletter published in November 1999 to prove his commitment to his job.

He has made lasting relationships with many influential and some not so influential people who have made his journey in and outside the job worthwhile. Mr. Scott is the proud father of a daughter, 'his eyeball' Shakira.

Outside of work Mr. Scott enjoys a good old hits session, watching football and cricket matches.

10 YEARS & OVER

(L-R seated) Carla Banjo; Pamella Jarrett-Black; Shadecca Sterling; Karen Watson;
Karlene Scott-Smith; Kerry Ann Mason; Maxwell McDonald; Juliet Fong; Pauline Beckford

15 YEARS & OVER

(L-R) Karlene Nicholas; Clive Jones; Hyacinth Williams

15 YEARS & OVER (CONT'D)

(L-R back row) Keiffer Adlom,; Duen Brooks; Horace Alexander; Anthony Palmer; Norman Callaghan; Frank Windett;, Sheldon Graham; Courtney White; Jason Barnes; Lester Gayle; Lascelles Wright; Garfield Reid. (L-R front row) Orette Lyn; Sydney Campbell; Everton Campbell; George Webb and Omar Saunders.

(L-R Back Row) Fabian Morris; Elaine Shaw-Lowe; Llower Guthire; Garet Scott; Robert Johnson and Annette Brown. (L-R front row) Veneta Farquharson and Michael Nicholson.

15 YEARS & OVER (CONT'D)

(L-R) Wilbert Smith, James Thompson, Ruddy Crawford, Marlyn Boothe and Dennis Campbell.

(L-R) Garfield Smith; Winston Clayton; Hal Eaton and Lynval Lawson.

20 YEARS & OVER

(L-R) Georgia Morgan; Faye Collins; Douglas Brown

(L-R top of truck) Alfred White and Nicholas Soares; (L-R below) Courtney Chong; Dennie Brown; Anna Fray; Keeble Hall; Roy Farquharson; Oral Hanchard (stooping).

20 YEARS & OVER (CONT'D)

(L-R) Dionne Walker; Delmarie Russell; Donovan Hyde; Sharon Sutherland

(Seated) Fredricka Ferron and Donna Dunkley

(L-R) Sherman Barrett; Omar Montique and Richard Whyne.

30 YEARS & OVER

Jean Cushnie; Georgia Morgan; Ann Marie Moulton and Claudette Richardson

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

NSWMA DEPARTMENTS

EXECUTIVE OFFICE

(From left) Audley Gordon, executive director and Hyacinth Williams, executive assistant

ADMINISTRATION DEPARTMENT

(L-R standing) Clive Jones, driver; Althea Shaw, office attendant; Codeish Thompson, office administrator; Pauline Paisley, office attendant; Claudia Carr, office attendant; Paul Scarlett information & documentation officer. (L-R seated) Carleta Bryan, office attendant; Jameek Burrell administrative manager and Karlene Nicholas, records officer.

INTERNAL AUDIT DEPARTMENT

(L-R standing) Dionne Walker, auditor; Sokoni Forsythe, auditor, Jelicia Barrett, auditor (acting); (L-R seated) Carla Banjo, audit assistant (acting); Karen Watson, i n ternal audit manager and Deedre Seiveright, audit assistant

COMMUNITY RELATIONS DEPARTMENT

(L-R) Marcie-Ann Cooper, customer service assistant; Daminique Buchanan, customer relations officer; Kimberley Blair, community relations manager and Shawna Brown, secretary

COMPANY SECRETARY OFFICE

(From left) Ashania Graham, senior secretary and Mauricia Lawrence, company secretary

CORPORATE SERVICES DEPARTMENT

(L-R) Shanike White, s enior s ecretary, Nicole Williams, c lerical a ssistant, Sheenique Johnson, corporate services director and Pauline Beckford, technical officer

ENFORCEMENT & COMPLIANCE DEPARTMENT

(L-R back row) Patardo Douse, enforcement officer; Camille Barrett, enforcement officer; Reynauld Abrahams, enforcement officer; Fay Collins, enforcement officer; Jean Cushnie, enforcement officer; Georgia Morgan, enforcement officer; Ann Marie Moulton, enforcement officer and Michael Williams, enforcement officer. (L-R front row) Duane McKenzie, enforcement officer; Yolanda Reid, enforcement officer; Collette Fawcett-Grant, enforcement officer; Nigel Lewis, enforcement officer; Winston Frith, enforcement officer; Christine Wilson, enforcement officer; Antony Currie, enforcement officer; Claudette Richardson, enforcement supervisor; Karen Williams, enforcement officer and Joel Neil, senior supervisor.

FINANCE DEPARTMENT

(L-R standing) Samanthia Whyte-Anderson, senior accounting clerk; Pamella Jarrett-Black, senior accounting clerk; Kanille Moodie, accounting clerk; Junior Tucker, accountant; Latifiah Bowen, accounting clerk; Elrona Gooden-Hyde, senior accounting clerk and Melecia Earle, senior secretary. (L - R s e a t e d) Andrea Reid, accountant, Juliet Fong, financial accountant, Michelle Sheriff, finance director; Merine Tulloch, budget & revenue manager and Felicia DeSouza, commercial services manager.

FLEET DEPARTMENT

(L-R) Courtney Thomas, deputy fleet manager; Barrington Clifford, national fleet manager and Brian Morgan, transport officer

PARKS & GARDENS DEPARTMENT

(L-R standing) Donavan Hyde, parks supervisor; Maeve Dobney, administrative assistant; Orville Cole, driver; Odane Williamson, project coordinator; Annica Smith, assistant business development officer and Maxwell McDonald, nurseries officer & landscape supervisor. (L-R seated) Andrine Parsons, accounting clerk; Tiffini Steven-Reid, administrator; Pattrica Wright, parks manager and Ronda Baugh, senior secretary

HUMAN RESOURCES DEPARTMENT

(L-R) Nadia Wallace, employee relations officer, Delmarie Russell, human resource manager; Sashena Sherman, human resource officer and Ashanique Richards, human resource assistant

INFORMATION TECHNOLOGY DEPARTMENT

(L-R) Geonardo Hurge, assistant systems administrator; Andrew Senior, information technology systems manager and Omar Townsend, information technology projects coordinator

PLANNING & RESEARCH DEPARTMENT

(From left) Edson Carr, projects & planning manager and Jadisha Phipps, planning & research officer

PROCUREMENT DEPARTMENT

(From left) Karlene Scott-Smith, senior public procurement officer; Kadian Diedrick, director of public procurement and Shadecca Sterling, public procurement officer

STANDARD & SAFETY DEPARTMENT

(From left) Sharon Sutherland, occupational health & safety officer (acting) and Kerry-Ann Mason, national standard & safety manager

OPERATIONS DEPARTMENT

(From left) Patrick Baugh, driver; Aretha McFarlane, director of operations and Maureen Walker-Munroe, administrative assistant

NSWMA MANAGERS

(L-R standing) Andrew Senior, information technology systems manager; Courtney Thomas, deputy fleet manager; Kerry-Ann Mason, national standard & safety manager; Edson Carr, projects & planning manager, Kimberley Blair, community relations manager; Barrington Clifford, national fleet manager and Juliet Fong, financial accountant. (L-R seated) Jameek Burrell, a dministrative manager; Pattrica Wright, parks manager, Karen Watson, internal audit manager, Merine Tulloch, budget & revenue manager and Delmarie Russell, human resource manager.

Miss Pattrica Wright
Parks Manager

Miss Jameek Burrell
Administrative Manager

Miss Juliet Fong
Financial Accountant

Mrs. Merine Tulloch
Budget & Revenue Manager

Miss Kerry-Ann Mason
National Standard & Safety Manager

Mrs. Delmarie Russell
Human Resource Manager

Miss Felicia DeSouza
Commercial Services Manager

Mr. Barrington Clifford
National Fleet Manager

Mr. Courtney Thomas
Deputy Fleet Manager

Miss Kimberley Blair
Community Relations

Mr. Edson Carr
Projects & Planning Manager

Mr. Andrew Senior
IT Systems Manager

Mrs. Karen Watson
Internal Audit Manager


NEPM WASTE MANAGEM
NSWMA

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

REPORT OF THE BOARD COMMITTEE

CORPORATE GOVERNANCE COMMITTEE
ANNUAL REPORT 2021/2022

As the standard-bearers for good governance, the Corporate Governance Committee remained active and effective throughout the pandemic. The Committee monitored legal and regulatory developments and changes and kept up to date with evolving governance requirements and best practices.

The inadequacy of resources provided to the Authority posed serious challenges in terms of financial governance as this inhibited the employment of normal systems and processes. Nonetheless, the Committee monitored the governance processes within the Authority and kept the directors' fiduciary responsibilities to act in the best interest of the Authority, and by extension the citizens of Jamaica, front of mind.

1. Membership

The members of the Committee are

- Mrs. Camille Facey - Attorney-at-Law
- Dr. Charlene Sharpe - Environmentalist/ Educator
- Mr. Fabian Brown - CEO
- Mr. Wade Brown - Communications Consultant
- Ms. Jodian Myrie - Marketing & Sales Executive
- Mr. Audley Gordon - Executive Director

The permanent attendees of the Committee are Ms. Mauricia Lawrence - Company Secretary, Ms. Sheenique Johnson - Corporate Services Director, Mrs. Gail Mitchell - Legal Director and Ms. Kimberley Blair - Community Relations Manager.

The varied disciplines and skillsets of the members enhance the Committee's deliberations and its ability to adequately discharge its responsibilities.

2. Meetings

Meetings are vital to the effective functioning of the Committee and its ability to execute its role and are an essential part of the organization's corporate governance system.

During the reporting year, nine meetings were held. The attendance at meetings is set out in the Board Attendance Chart. At these meetings, policies were developed and/or reviewed. In addition, reports were received from, and oversight given to the Legal Department, the Community Relations Department, and the Corporate Secretary.

3. Review and update of Committee Terms of Reference

The rapidly changing environment requires that Committee TORs are reviewed periodically. As such, the Committee TORs due for review, Corporate Governance, Audit, Technical and Operations, Finance and Information Technology, Human Resources and Procurement, all underwent review. After deliberations, the Board approved the updated TORs, which are now available on the NSWMA's website.

4. Revision of Existing Policies

The Committee understands the importance of clearly written policies that reflect current practice and are not only relevant, but are consistent with the NSWMA's values. With this in mind, the Committee embarked on an exercise to evaluate and update the existing policies.

The following policies were reviewed during the reporting year:

- Board Operating Procedures
- Code of Business Conduct and Ethics
- Internal Audit Charter
- Sexual Harassment Prevention Policy

The Board has made clear its position that sexual harassment will not be tolerated within the organization. The requisite sexual harassment reporting systems have been implemented and we commend management on the staff training which has been conducted in relation to the Authority's Sexual Harassment Prevention Policy. We are pleased to report that the reporting systems have proven to be effective.

5. Policies to be Developed

While the Committee aims to monitor the development of key governance policies which communicate standards of behaviour, there are also policies which are developed to reflect government policy and legislation.

The following are key policies which the Committee has prioritized.

Data Protection Policy

A review of the Data Protection Act was conducted by the Company Secretary and key sections were presented to the Committee. The policy will standardize the use, monitoring and management of data. It is expected that this policy will be in place by the end of the next reporting year.

Disabilities Policy

With the passage of the Disabilities Act, which came into effect on February 14, 2022, the Committee tasked management to develop a disability policy and to ensure NSWMA's conformance with the legislation. The policy was added to the Committee's 2022 work plan.

Environment Social Governance (ESG)

The NSWMA is acutely aware of the environmental impact of waste, especially plastic waste. Despite limited resources, the Authority has been able to implement plastic separation in 46 communities and will increase this footprint once there are available trucks. It should be noted that 67 percent of garbage collected is compostable. The Authority is rolling out its composting initiative to seek to reduce the garbage which it is obliged to collect. The initiative to remove e- waste from the regular waste stream is also far advanced.

There is an existing Corporate Social Responsibility Policy which will form the baseline for the overarching ESG policy, to cover these and other initiatives. The aim is to put the Authority's ESG policy in place within the next fiscal year.

6. Corporate Governance Best Practices

Procurement Oversight

In addition to the NSWMA's existing Procurement

Committee, comprising of staff members, which operates in keeping with the Public Procurement Act, the Board strengthened its oversight of the entity's procurement activities by expanding the role of the HR Committee to include the oversight of the procurement process. This expansion includes monitoring the procurement process to ensure compliance with the provisions of the Public Procurement Act and Regulations. The Board expects, with this structured oversight, that the NSWMA will continue to execute its procurement in full compliance with the law and with the aim of improving accountability and safeguarding the public interest.

Conflicts of Interest

Directors understand that at all times they must act in the best interest of the Authority. Each year, directors note the status of their interests by submitting declarations stating all organizations to which they are affiliated or in which they hold interest. We are pleased to report that all directors have complied with this requirement.

It is also important to note that directors are expected to declare any actual or apparent conflicts of interest where appropriate during their tenure. We note that no conflicts of interest arose during the reporting period.

7. Annual Retreat

As customary, the annual strategic retreat was held during the reporting period. The theme of the retreat "Thriving in the New Normal", was most appropriate, given the far-reaching impact of the COVID-19 pandemic on the operations of the Authority.

The retreat provided an opportunity for the Board and management to review the performance of the company against strategic objectives and to determine how best to effect the implementation of the organization's overall strategy. This process is prioritized to encourage partnership between the Board and management in the establishment and achievement of the organization's strategic objectives. In addition, a presentation on major audit concerns was made by the Audit Committee. In addition, a presentation on major audit concerns was made by the Audit Committee.

8. Public Engagement

The Committee maintains oversight of the activities of the Community Relations Department. During reporting period, the Community Relations Department facilitated 146 meetings islandwide.

Since the launch of the mobile app in 2020, there have been over 2,000 downloads. Through the app, the Authority has been able to identify 302 illegal dumpsites islandwide.

Major community initiatives/public education efforts:

- Bag it...Bin it
- Drum a di gate
- Reduce, Reuse, Recycle
- Composting

9. Commercial Contracts

The Legal Department continued its initiative to ensure that valid legal contracts are concluded. The Corporate Governance Committee has maintained keen interest in ensuring that these agreements are in place and are legally binding given the potential to increase revenue and to protect the organization's interests. Forty-seven contracts were executed during the reporting period.

10. Legal Liabilities and Regulations

At the start of the 2021/2022 financial year, there were 62 claims against the Authority. Additionally, seven new claims commenced against the Authority within the same period. A total of 23 claims were resolved during the course of the year. Consequently, at the end of the 2021/2022 financial year, there were 46 claims existing against the Authority. The Public Cleansing regulations have been in process since 2014/2015. At the end of the reporting period, the Office of the Parliamentary Counsel (OPC) requested the Authority's further instructions on the following regulations:

i. National Solid Waste Management (Disposal of Hazardous Waste) (Electronic) Regulations, 2022
ii. National Solid Waste Management (Public Cleansing) Regulations, 2022
iii. National Solid Waste Management (Solid Waste Facilities) Regulations, 2022
iv. National Solid Waste Management (Fixed Penalties) Regulations, 2022

Way Forward

Despite challenges, the Committee remains committed to the task of ensuring that the Authority maintains the required standards of governance. We look forward to the next fiscal year where debilitating underlying issues such as inadequacy of funding, the lack of trucks, the non-passage of necessary regulations, the approval of the organization structure and fair compensation will be resolved to provide a platform to enable the organization to deliver in an optimal way.

Authority maintains the required standards of governance. We look forward to the next fiscal year where debilitating underlying issues such as inadequacy of funding, the lack of trucks, the non-passage of necessary regulations, the approval of the organization structure and fair compensation will be resolved to provide a platform to enable the organization to deliver in an optimal way.

POLICIES	STATUS
Board Competency Profile	Done
Board Induction Process	Done
Corporate Governance Policy	Done
Board Charter	Done
Corporate Governance Committee Terms of Reference	Done
Audit Committee Terms of Reference	Done
Finance and IT Committee Terms of Reference	Done
HR and Procurement Committee Terms of Reference	Done
Technical and Operations Committee	Done
Board Risk Committee Terms of Reference	Done
Chairman's Terms of Reference	Being Updated
Corporate Secretary Terms of Reference	Being Updated
Board Operating Procedures	Done
Delegation of Authority	Done
Declaration of Interest Forms	Done
Conflict of Interest Register	Done
Code of Ethics	Done
Media Relations and Social Media Policy and Guidelines	Being Updated
Corporate Social Responsibility Policy	Done
Whistle Blowing Policy	Done
Sexual Harassment Policy	Done
Occupational Safety and Health Policy	Being Drated
Enterprise Risk Management	Done
Corporate Risk Register	Done
Internal Audit Charter	Done
Policy for Recruitment, Remuneration and Evaluation of CEO	Drafted
CEO Succession Plan	Being Updated
Executive Management Succession Plan	Being Updated
Business Continuity and/or Emergency Management and Recovery Plan	Drafted & Being Reviewed
Data Protection Policy	Being Drafted

TECHNICAL AND OPERATIONS
ANNUAL REPORT 2021/2022

INTRODUCTION

The Technical and Operations Committee comprises seven members. To strengthen the oversight provided to the technical team, the Board approved the appointment of two co-opted members with engineering and technical backgrounds. The Committee is responsible for providing oversight and review of the objectives, policies and initiatives of the operations, enforcement, landfill and public relations departments.

MEETINGS

The Technical and Operations Committee met 12 times during the reporting year.

The following were carefully monitored during the reporting year 2021/2022:

COMPOSTING INITIATIVES

A key strategic objective of the NSWMA is to provide a cleaner environment for Jamaica's populace. Given the limited resources and other constraints, the Committee tasked management to develop initiatives which will ultimately reduce the amount of waste that is being collected and directed into the disposal sites.

The Community Relations team through community engagements and social media continued to encourage the public to compost. Citizens were educated about the items which were ideal for composting including fruit and vegetable waste, leaves and grass cuttings. To further promulgate the message, the information was also posted on the NSWMA's website.

CHAMBERS PEN, HANOVER - COMPOSTING PROJECT

In April 2022, the Chambers Pen Composting Project was launched. Chamber's Pen is a small rural community, with a history of solid waste burning and improper waste disposal. The community's location also made garbage collection difficult. Farmers in the community were actively engaged in composting and community members were encouraged to separate waste to reduce the incidence of illegal dumping and to limit the volume of non-biodegradable items at the disposal sites.

Waste containerization was also encouraged within the community and to strengthen this initiative, 50 drums were donated and monthly meetings were held to provide guidance and support as well as to discuss the status of the project.

Management has committed to exploring possible markets for the compost produced by the participants and has encouraged the residents to continue with the activities after the formal closure of the project.

TRANSFER STATION

The design development for the proposed transfer station to be constructed in Hyde Hall, Trelawny was approved by the Board. The approval will now allow for a functional design to be developed and discussions are ongoing for a workshop to be conducted to map the proposed design.

The Committee acknowledged that due to the pandemic and other limitations, funds were not provided to implement the project, however, management decided that it was important to complete this particular deliverable as resources were already expended to conclude the design phase.

BAILEY BRIDGE

With completion of the Bailey Bridge at the Riverton Disposal Site, management has entered the operating and monitoring phase. The Committee tasked management to establish a monitoring and inspection plan which will ensure that structural integrity is maintained and defects are identified and addressed promptly.

In addition to the inspection plan, the Committee requested an analysis of the load profile of the bridge to ascertain the frequency of passes over a specific period which will help to determine the lifespan.

NORTHERN BELT PLASTIC SEPARATION PROJECT

The Committee has great interest in all recycling projects and had requested that a monthly report on all such projects be submitted for review.

Plastic consumption has increased incredibly in recent decades, generating several tonnes of plastic waste, which is of great public concern. The Community Relations Department in responding, ramped up efforts to reduce the volume of waste at the disposal sites. When the Northern Belt Plastic Separation Project was first conceptualised in January 2020, 16 communities were selected to participate, but given the positive response and interest, the programme expanded to over 30 communities across the MPM WML region.

At the end of the reporting period over 177,313 pounds of plastic bottles were collected.

E-WASTE PROJECT

The Committee continued to monitor the implementation of an E-waste project during the reporting year. The project was conceptualised to respond to the significant e-waste problem which continues to have a major impact on the environment and public health. During the reporting year, management submitted the requirements to implement the project for review. The permits are now being finalised and a truck is being procured to transport the e-waste to the storage facility.

FIFTY NEW TRUCKS

The Committee was concerned about the backlog and the increasing number of unreliable units which impacted the garbage collected islandwide and had asked that management conduct an analysis of the capacity of the current fleet to determine the number of trucks required to comply with the garbage collection schedule islandwide.

Prior to the pandemic, the Government of Jamaica had projected to allocate funds for the procurement of 100 trucks to increase the garbage collection service islandwide, however, due to budgetary constraints, the procurement of the units was placed on hold. During the reporting period the Ministry of Finance and the Public Service signalled that funds would be earmarked for the purchase of 50 new trucks. The process to purchase the units has commenced and the trucks are expected to arrive during the next reporting period.

RELOCATION - MPM GARAGE

Management has undertaken activities to ensure that proper infrastructure and facilities are in place to accommodate the impending increase in the fleet, commencing with the largest region, MPM WM Ltd.

The last report from management indicated that a possible location has been identified and the technical team along with representatives of the MLGRD are scheduled to visit the facility to conduct the required assessments. It is expected that the relocation will be finalised in the next reporting period.

DRUM-AT-THE-GATE INITIATIVE

To promote proper containerization and improve the turnaround time for garbage collection, the drum-at-the-gate initiative was launched on March 31, 2021. Since the inception of the initiative, the Authority has partnered with H&L Rapid True Value to distribute a total of 968 drums islandwide. The Committee is pleased with the achievements thus far and has encouraged management to explore partnerships with other entities to expand the project's scope.

ACCIDENT REPORTING PROCEDURES

Given the operations and responsibilities of the NSWMA and the likelihood of accidents, standardisation of reporting procedures is essential. Reporting provides data that can be used to share best practices within an organisation and aids risk assessment by helping to develop solutions. Accident reporting also helps the Authority meet insurer obligations and shields it from any liability.

Management conducted a workshop themed "Procedures for Reporting an Accident" with Allied Insurance Brokers to assess the current accident reporting procedures. The workshop aided in strengthening the accident reporting procedures and it was agreed that a "Preliminary Accident Form" should be developed. The form will allow for ease of reference and tracking purposes.

LANDFILL MANAGEMENT

The below landfills were covered during the reporting period:

- Martins Hill - September 2021 & February 2022
- Myersville - May 2021, September 2021 & February 2022
- Haddon - May, July 2021 & January, March 2022
- Tabolski - June 2021 & January, February 2022
- Doctor's Wood - May 2021 & December 2021
- Retirement - April, July, December 2021 & January, March 2022
- Riverton - bi-weekly and daily covering
- Church Corner - October 2021

FIRE SUPPRESSION

A fire suppression system is an integral part of any fire protection infrastructure. The daily operations at the landfill disposal sites expose the NSWMA to the risk of fires and as such fire suppression systems are in place to protect the surrounding areas and reduce the effects from a potential fire. Throughout the reporting period, the fire suppression activities included stockpiling cover materials and gas venting.

ROAD MAINTENANCE & DRAIN CLEANING

The following road maintenance and drain cleaning activities were undertaken for the 2021/2022 period:

ROAD MAINTENANCE

- Martins Hill - April, July, October 2021 & March 2022
- Retirement - December 2021
- Doctor's Wood - December 2021

DRAIN CLEANING

- Martins Hill - February 2022
- Riverton - February 2022
- Retirement - June 2021
- Haddon - July 2021

TRAINING - FIRE WARDENS

The Authority in its quest to strengthen the emergency response capability throughout the organization hosted "Fire Safety Awareness" training, which was conducted by the Fire Prevention Division of the Jamaica Fire Brigade. Eight staff members received handouts and practical training and are now au fait with the following:

1. Managing people during an emergency/evacuation situation
2. The duties and responsibilities of a fire warden
3. Multiple approaches to decrease risks
4. Fire prevention techniques
5. Using extinguishing equipment
6. Identifying fire threats in the workplace
7. Recommend measures to avoid fire risks

Upon concluding the theoretical aspect of the "Fire Safety Awareness" training and completing a written examination, the participants were also issued certificates.

ENFORCEMENT

The Committee continued to monitor the enforcement function within the Authority. The Enforcement Department conducted static and mobile surveillance guided by the NSWM Act and the Public Cleansing Regulations to increase the compliance level of residential and commercial waste generators.

A total of 673 operations were conducted during the reporting period, this represented 89.15 percent of the set target. Enforcement officers also issued 2, 692 litter tickets, which was 149.56 percent above target.

The Enforcement Department continued to pursue activities aimed at maintaining proper waste disposal practices within residential and commercial areas. Sixty-six thousand and eight-six residential visits were conducted between April 2021-March 2022, with 61,475 (93.02 percent) found to be compliant. Three thousand, seven hundred and forty-seven commercial visits were also conducted within the reporting year. Arising from the investigation, 3,627 contracts were identified, reflecting a 91.78 percent compliance rate.

BOARD RISK COMMITTEE ANNUAL REPORT 2021/2022

The Risk Committee of the Board is responsible for monitoring the overall risk management framework guiding the NSWMA and ensuring the implementation of policies and best practices. The Committee considers the Authority's risk policy and plan, risk tolerance and ensures that risk assessments are performed regularly by monitoring the risk assessment process. This risk assessment process identifies risks and opportunities, and measures their potential impact and likelihood of occurrence.

The role of the Board Risk Committee of the NSWMA is to oversee the embedding of the enterprise risk management process across the Authority and to help drive an internal culture of better risk management. The risk oversight role also includes ensuring that the Authority is being run in alignment with its risk appetite.

The Committee relies on management who is responsible for the design, implementation and effectiveness of the risk management process.

Six members currently form the Board Risk Committee, Dr. Charlene Sharpe, Chairperson, Ms. Jodiel Ebanks, Ms. Jodian Myrie, Mr. Lenworth Kelly, Dr. Kerry-Ann Thompson and Mr. Byron Buckley; Committee members.

Meetings: The Board Risk Committee met 11 times for the period March 2021 to April 2022.

Governing Policy:

Enterprise Risk Management Framework

The Committee recommended and the Board approved the implementation of the Enterprise Risk Management Framework which covers the NSWMA's risk strategy, infrastructure, analysis, and culture. NSWMA is committed to the continuous improvement of its risk management systems and to perform regular risk assessments of its key objectives. The proposed Risk Assessment and Risk Register created with the assistance of consultants, PricewaterhouseCoopers (PwC), were also approved by the Board.

During the reporting period, risk champions were supported in updating their risk registers. A consolidated risk report was also prepared to advise on the overall status of risk responses to significant risks across the five categories of risk affecting the NSWMA at the strategic and operational levels.

To further the risk management process, select employees successfully completed Enterprise Risk Management training which was offered by the Mona School of Business. In the new reporting period, training will be provided to the Committee members and invitees.

Policies being Reviewed:

Emergency Management and Recovery Plan

The purpose of the Emergency Management Recovery (EMR) Plan is to provide guidance to the NSWMA and its regional bodies on emergency procedures and to ensure that there is a standardized process to respond to various emergencies while protecting lives and minimizing the impact on the operations.

The approval of the EMR is high on the Committee's agenda and it is expected that the plan will be approved by the first quarter of the next financial year.

Hurricane and Storm Operating Procedures

In anticipation of the hurricane season which began on June 1, 2022 and ends November 30, 2022, management submitted the Hurricane and Storm Operating Procedures for review.

The Hurricane and Storm Operating Procedures details the overall responsibilities, guidelines, and organizational priorities necessary to ensure safe, coordinated service efforts. It sets forth a detailed programme for preparation against, operations during, and recovery following a hurricane or storm. The procedures will be completed and implemented by the first quarter of the next reporting year.

Fire Safety Manual

The objective of NSWMA's fire safety plan is to provide occupant safety in the event of fire through the effective implementation and utilization of safety procedures that will minimize the possibility of fires and allow for quick action and safe evacuation. The document is now being reviewed by the Committee.

Safety Rules

The Committee is responsible for reviewing and discussing with management the Authority's safety guidelines. Safety rules are the key guidelines to promote the safety culture at the NSWMA headquarters, disposal sites and garages.

The Committee recognises that a safe work environment is essential for employees and employers and a recommendation was also made by the Committee to place "Stop & Think" signs in designated areas at the head office, regional offices and disposal sites.

Management through the influence of the Committee will continue to promote and encourage a culture of safety within the work environment.

Equipment and Maintenance Schedules

Unexpected equipment failure can interrupt schedules and lead to costly downtime which can impact the operations significantly. In reviewing the overall operational risks, the Committee underlines the importance of ensuring that the equipment and maintenance schedules are complied with. To achieve this, management was tasked to undertake a risk assessment of the equipment and maintenance schedules, to limit the possibility of hazards at the NSWMA offices, disposal sites and garages.

The Board Risk Committee asked regional administrators to review the equipment and maintenance schedules. After the assessment, it was noted that compliance rate was high among the regions.

As standard bearers for risk management, the Committee will continue to underscore the advantages of preventative management, standardized schedules, continuous improvement and the overall risk management.

Way Forward

The Board Risk Committee, in collaboration with the management team, is focused on fulfilling NSWMA's risk requirements. Going forward, the Committee will continue to provide the required oversight and will advocate to ensure that the required resources are in place.

The Committee will also continue to review and monitor the provisions under the ERM Policy and Framework to align the risk management activities with the overall strategic objectives.

The Committee acknowledges that a risk manager is critical to the effective functioning of the Committee, however, due to resource constraints the role was not fully supported during the reporting period.

HUMAN RESOURCE AND PROCUREMENT COMMITTEE **ANNUAL REPORT 2021/2022**

OVERVIEW

The Human Resource and Procurement Committee comprises five members: Mr. Fabian Brown (Chairman), Mr. Wade Brown, Ms. Jodiel Ebanks, Mrs. Carla-Anne Harris-Roper and Mr. Dwayne Dillon.

Among the areas of major focus for the reporting period are to monitor policies, programmes and practices related to human resources, including recruitment, training, development, career planning, performance management, succession planning and organisational culture.

Additionally, the Committee is responsible for overseeing the development and implementation of value-based systems to ensure that the human resource strategies are aligned with and support the execution of the Authority's strategic objectives.

In October 2021, the Committee's role expanded to include procurement oversight. The Committee has the responsibility of ensuring that goods and services required by the National Solid Waste Management are procured in accordance with the Government of Jamaica Public Procurement Act 2015 and Regulations.

MEETINGS

The Human Resource and Procurement Committee held 11 meetings for the April 2021 to March 2022 period.

POLICIES

- **Disciplinary Policy**
  - In order for the workplace to function effectively, clear standards of performance and conduct must be established. To achieve this, a Disciplinary Policy is required to regulate compliance with the contract of employment. Currently, the Policy is being updated by the Committee to ensure that there are clear standards and guidelines to govern employee conduct and to promote a progressive work environment.

- **Onboarding Policy**
  - A comprehensive Onboarding Policy is being codified by the HR team and will serve as a vehicle to assist new employees transition into the organisation and to ensure they have a clear understanding of the Authority's Mission, Vision, and values. Additionally, it offers a platform for new hires to develop their abilities and add to the effective delivery of local government services.

MPM PENSION PLAN

Management recommended and the Board approved the engagement of a consultant to oversee and manage the MPM Pension Plan wind-up process and to implement a new pension scheme.

STAFF MANUAL

The Staff Manual serves as an important tool that helps employees understand their rights, the

Authority's HR processes and provides an overview of policies. It acts as a point of reference for employees whenever they are unsure of what to do in a given situation, helping to clarify the right course of action. The Staff Manual is being reviewed by the HR team and will be promulgated after Committee review and Board approval.

STAFF WELFARE

The key staff welfare activities for the reporting period included:

- ***"Slim It To Win It"*** challenge across the regions and the head office
- Retirement Receptions
- Vaccination Events
- COVID-19 Safety and Information Ssessions
- Distribution of Uniform, Safety Shoes and Personal Protective Equipment.

The Authority also hosted its ***Annual Waste to Art Competition*** and its Christmas Social. The staff members were presented with small tokens of appreciation for the Yuletide season. Recognition was shown in honour of ***Pink Day, Women's Day, International Men's Day, Heroes Day and Emancipation Day.***

INDUSTRIAL RELATIONS

The Authority is supportive of fair and effective arrangements for dealing with disciplinary matters. Staff at various levels participated in a training session titled ***"Introduction to Chairing a Disciplinary Hearing"*** which was geared toward promoting good labour relations within the organisation using techniques to secure effective cooperation between staff and management.

TRAINING AND DEVELOPMENT

The Authority remains dedicated to promoting better functionality and career enhancement by introducing both professional and personal training and development to all staff members. The training and development options offered to the staff are likewise geared toward accomplishing the strategic objectives.

The staff at various levels participated in the following training courses:

- Industrial Relations
- Records Management
- Supervisory Management
- Smart Pay
- Strategic Planning
- Accounts Payables
- Secretarial Studies
- Public Procurement
- Human Resource Management
- Accident Reporting
- Auditing
- Leadership Development
- Disciplinary Committee Guidelines
- Fire Warden Safety
- Project Management
- Customer Service
- Safety Training/Orientation

PROCUREMENT OVERSIGHT

It is important to procure quality goods and services for the Authority and its regional bodies. All procurement matters are delegated through a Management Procurement Committee prior to final approval.

The Committee also ensures that budgeted items valued between Five Million Dollars ($5,000,000.00) and **$30,000,000.00** are submitted to the Board for noting, and projects/contracts above $30,000,000.00 and all unbudgeted items are submitted with the supporting documents to the Board for review and approval. If the Board is satisfied, a recommendation is made for the project/contract to be submitted to the National Contracts Commission.

Procurement Policies

The following policies and procedures are being developed by the Procurement Division:

- Procurement Policy
- Procedures for the Preparation of Purchase Orders
- Standard Operating Procedures – Use of Purchase Orders

STRATEGIC OBJECTIVES

The NSWMA has established Strategic Objectives to develop an integrated & effective approach to human resource management. This enables the achievement of organisational goals through a qualified, policy-driven and competent workforce, human resource development, labour relations and peaceful work environment.

The key objectives include the environment's cleanliness, ergonomics, employee productivity, institutional governance and compliance. The Authority also continues to uphold its core values:

A- Accountability, T- Teamwork, T- Transparency, I- Integrity, R- Respect and E- Excellence.

The Committee will continue to review the list of approved contracts and awards and the types of procurement methods applied. The aim is to ensure that all procurement policies and procedures are in line with the overall strategic direction of the NSWMA.

WAY FORWARD

The Board in appreciating that human capital in the NSWMA is the most valuable asset, will through the committee continue to offer strategic oversight of policies, to ensure the highest levels of motivated, inspired and empowered team members, operating within a structure that will engender skills retention and high-performing employees who are committed to upholding the Authority's mission and core values.

As the 2022/2023 fiscal year approaches, efforts will be made to improve the workforce, implement the new HR evaluation system and updating the Staff Manual. Regarding the procurement function, the Committee will continue to provide the required oversight of the relevant policies and procedures.

AUDIT COMMITTEE
ANNUAL REPORT
FOR FINANCIAL YEAR ENDED 31ST MARCH 2022

The National Solid Waste Management Authority Board of Directors 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 of Directors to assist the Board with its oversight responsibility, in order to ensure accountability, and transparency, in the operation of the NSWMA.

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee's primary responsibilities are to provide independent oversight of National Solid Waste Management Authority's financial reporting, internal control systems, internal audit function and independent external auditors.

Some of the AC's responsibilities as outlined in the Audit Committee Charter and Terms of Reference are:

- Review the financial statements that are to be included in the annual report of the NSWMA
- Oversight of the external audit process
- 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 MEMBERSHIP AND ATTENDANCE

The audit committee formally convened in May 2021 and membership comprises six independent directors - four Board directors, including the Chairman and two non-Board directors.

Audit Committee meetings are scheduled on the second Monday of every other month, with six meetings scheduled for the financial year 2021/2022.

Despite the continued onslaught of the coronavirus (COVID-19) Pandemic throughout the year, the committee continued working, and all six meetings (including joint Audit & Finance) were held using the Zoom platform.

TERMS OF REFERENCE

The Terms of Reference of the Committee were reviewed and amended in March 2022 and submitted to the Board for approval.

FINANCIAL STATEMENTS

The financial statements for NSWMA and its regional entities MPM, WPM. NEPM and SPM, along with the consolidated financial statements were presented by independent external auditors C.R. Hylton and Company for financial year 2020/2021. This was tabled at a joint meeting of the Audit & Finance Committees, held on July 1, 2021.

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 presents fairly the Authority's financial position for the year ended 31st March 2021.

The AC recommended to the Board of Directors the approval of the financial statements for the 2020/2021 financial year, and reports that the NSWMA is currently up to date with its financial statements.

OVERSIGHT OF THE EXTERNAL AUDITORS

The Committee recommended that C.R. Hylton Limited remain as the external auditors for financial year 2021/2022, based on a three-year agreement slated to expire on February 28, 2023. The committee will continue in its monitoring capacity of its performance in ensuring that the independence of the auditors is maintained, and optimal value is always obtained.

OVERSIGHT INTERNAL AUDIT

The Internal Audit Charter and the Internal Audit Plan were approved by the committee in May 2021. The Audit Committee continued to monitor the functions of the Internal Audit department and in November 2021 recommended the appointment of the acting audit manager (acting since June 2020) to the position.

The department, however, continued to be hampered by inadequate human resources, as the existing complement of five auditors, (including audit manager) was unable to effectively audit the NSWMA and the four regional entities.

The department's allocation of manpower hours was further reduced with three of the five auditors contracting the COVID-19 virus in August 2021 and January 2022.

The Audit Committee continued its quest to voice its concern for additional staffing of the department and recommended that some of the audits be outsourced to assist the department in meeting its objectives.

The Committee anticipates that with the completion of the Ministry of Finance's compensation review exercise, the department's staffing needs will be addressed.

INTERNAL CONTROLS

The Audit Committee met with the executive director, finance director and the audit manager and reviewed the effectiveness of the Authority's internal controls as they relate to audit reports presented:

1. A total of nine audit reports were presented to the Committee for review by the Internal Audit department and one from the Ministry of Local Government on MPM Waste Management Limited.

AUDITS CONDUCTED BY INTERNAL AUDIT DEPARTMENT	
1.	Bank Reconciliation Audit - SPM
2.	Bank Reconciliation Audit - NEPM
3.	Bank Reconciliation Audit - WPM
4.	Bank Reconciliation Audit - MPM
5.	NSWMA Expenditure Audit
6.	SPM Expenditure Audit
7.	MPM Expenditure Audit
8.	Landfill Operations Audit (all four regions)
9	Landfill Heavy Duty Equipment Audit (all four regions)

The audits disclosed internal control weaknesses resulting from failure to adhere to documented policies and procedures, non-compliance to Government Acts, circulars and guidelines, and in some instances absence of formally documented policies and procedures.

The AC raised concerns of the lack of proper controls at the MPM Waste Management Ltd and based on the internal audit findings, submitted the MPM Expenditure Audit report to the Major Organised Crime & Anti-Corruption Agency for further investigation.

In addition, other matters such as a lack of proper asset management, poor record keeping, and inadequate monitoring of heavy-duty equipment were some of the concerns raised by the Committee.

STATUS OF IMPLEMENTATION OF AUDIT RECOMMENDATION

The Implementation Status of Audit Recommendations (ISOAR) were reviewed, and the committee was pleased that management ensured that procedures were implemented to address weaknesses that were highlighted. Status of implementation currently stands at 85% with recommendations not implemented based mainly on budgetary constraints.

FUEL MONITORING

The committee's monitoring of fuel consumption for the four regional entities continued to be a regular and prominent feature of our committee meetings. Monitoring of fuel usage commenced in 2017 using data for the years 2015/2016. Comparison of the 2015/2016 data with actual usage in 2020 & 2021 revealed the following: (see tables below)

1. NEPM has shown a decrease of 41.09% in fuel usage since 2017 moving from 1,338,176.36 litres to 788,297.41 litres. A decrease of 549,878.95 litres despite a marginal increase in daily operational vehicles moving from 12 in 2015/2016 to 13 in 2020/2021.

2. SPM showed an increase of 22.69% moving from 1,063,972.83 litres to 1,305,345.58 litres, an increase of 241,372.75 litres. Daily operational units moved marginally from 13 in 2015/2016 to 14 units in 2020/2021.

3. MPM showed marked increase of 59.26% in fuel usage moving from 866,335.94 litres to 1,379,761.29 a difference of 513,425.35 litres. Despite additional trucks purchased MPM daily operational units remained at 14 for both 2015/2016 and 2020/2021.

4. WPM regions showed marked increase of 50.94% respectively moving from 855,807.85 to 1,291,714.13, a difference of 435,906.28 litres. Daily operational units at WPM regions moved from a daily average of 15 in 2015/2016 to 17 in 2020/2021.

Table 1

TOTAL FUEL CONSUMPTION – NSWMA AND REGIONAL ENTITIES

	2020-2021		2015-2016		Fuel	Percentage
REGION	LITRE	VALUE	LITRE	VALUE	Increase/ (decrease in litre	increase/ (decrease)
HEAD OFF	54,724.50	9,276,626.86	84,965.68	10,015,198.19	-30,241.18	-35.59
MPM	1,379,761.29	221,614,827.01	866,335.94	96,052,285.61	513,425.35	59.26
SPM	1,305,345.58	220,215,124.33	1,063,972.83	132,529,632.81	241,372.75	22.69
WPM	1,291,714.13	190,419,464.36	855,807.85	101,114,417.15	435,906.28	50.94
NEPM	788,297.41	135,132,703.18	1,338,176.36	175,855,946.36	-549,878.95	-41.09
PARKS	156,758.37	27,128,515.02	286,364.26	34,948,621.82	-129,605.89	-45.26
TOTAL	**4,976,601.28**	**803,787,260.76**	**4,495,622.92**	**550,516,101.94**	**480,978.36**	**10.70**

Table 2

NUMBER OF OPERATIONAL FLEET IN REGIONS				
	2015/2016		2020/2021	
Regions	Total Units	Daily Operational Units	Total Units	Daily Operational Units
NEPM	21	12	24	13
SPM	22	13	23	14
MPM	33	14	31	14
WPM	30	15	28	17
TOTAL FLEET	106	54	106	58

The committee was concerned with fuel usage mainly in the MPM and WPM regions and for this financial year, will focus on monitoring the adequacy of fuel management systems implemented by the management team to reduce inefficiency.

GOING FORWARD

For the next financial year, the Committee expects to see continued improvement in accountability and transparency in the operation of the Authority. We plan to achieve the following:

a) Ensure that at least six committee meetings are held for the year

b) Evaluate the performance and independence of the external auditor

c) Continued monitoring of fuel usage in all four regional entities

d) Review internal controls to ensure accountability and transparency in all operations of the NSWMA and the regional entities with focus on:

- Assets Management & Accountability
- Record keeping with focus on documentation in NSWMA and the regional entities

e) Timely preparation of financial statements in compliance with PBMA Act; to maintain the gains we have made in this regard

f) 100 % compliance with all Government Procurement Regulations, and guidelines

g) Improvement in internal control system to mitigate against risk associated with the various business operations:

- 100% implementation of all audit recommendations by management
- 100% compliance in receipt of management responses.

BOARD OF DIRECTORS

COMPETENCY MATRIX

COMPETENCY/ ATTRIBUTE/ AFFILIATION	BOARD MEMBERS										
	DC	LR	CF	NB	JE	WB	LK	GW	FB	CS	JM
Board Experience	x	x	x	x	x	x		x	x	x	x
Environmental Mgmt					x	x				x	
Solid Waste Mgmt	x	x	x	x		x		x		x	x
Business Management	x	x	x	x		x	x		x		x
Risk Management	x	x								x	x
Corporate Governance	x	x	x					x	x	x	x
Human Resource Management	x	x	x			x			x		x
Finance	x	x		x							
Legal			x					x			
Institutional Memory	x	x	x	x				x		x	
Logistics & Fleet Mgmt				x							x
Disaster Management					x	x	x		x	x	
Public Education					x	x			x	x	x
Women			x		x			x		x	x
Youth										x	x
Ja Institution of Engineers							x				
Environmental NGO										x	
MLGRD Representative								x			

LEDEND:
Board Members

DC - Dennis Chung
LR - Linely Reynolds
CF - Camille Facey
NB - Norman Brown
JE - Jodiel Ebanks
WB - Wade Brown
LK - Lenworth Kelly
GW - Gabrielle Wilks
FB - Fabian Brown
CS - Charlene Sharpe
JM - Jodian Myrie

BOARD OF DIRECTORS
COMPETENCY MATRIX

COMPETENCY/ ATTRIBUTE/ AFFILIATION	CO-OPTED MEMBERS									
	PA	GR	DD	CR	BB	JW	CH	PB	TW	KT
Board Experience	x			x			x	x		
Environmental Mgmt										
Solid Waste Mgmt										
Business Management	x		x				x	x		x
Risk Management	x		x		x		x	x	x	x
Corporate Governance	x			x			x	x	x	
Human Resource Management			x	x	x		x	x		
Finance		x	x			x		x	x	
Legal				x						x
Institutional Memory			x							
Logistics & Fleet Mgmt										x
Disaster Management					x		x			x
Public Education	x			x	x		x			x
Women				x						x
Youth										
Ja Institution of Engineers						x	x			
Environmental NGO										x
MLGRD Representative		x								

LEDEND:
Co-opted Members

PA - Patrick Anglin
GR - Georgia McCalla-Russell
DD - Dwayne Dillon
CR - Carla Anne Harris-Roper
BB- Byron Buckley
JW - John Williams
CH - Carlton Hay
PB - Peta-Gaye Bartely
TW - Tashi Williamson
KT- Kerry Thompson

BOARD OF DIRECTORS' **ATTENDANCE RECORDS**
ANNUAL REPORT 2021/2022

Board Members	Board Meetings (11)	Board Induction (1)	Technical & Operations (12)	Corporate Governance Committee (9)	Human Resource & Procurement Committee (11)	Finance & IT Committee (10)	Audit Committee (6)	Board Risk Committee (11)
Dennis Chung	11					3		
Linley Reynolds	9					10	1	
Camille Facey	11		10	9				
Charlene Sharpe	11		12	9				11
Norman Brown	10						6	
Fabian Brown	11	1		8	11	8	2	
Lenworth Kelly	11		12					6
Wade Brown	11	1	12	9	10			
Gabrielle Wilks	10							
Jodiel Ebanks	11	1	10	3	11		6	10
Jodian Myrie	8	1		7			6	9
Co-opted Members								
Patrick Anglin						8		
Georgia McCalla- Russell						5		
Carla-Anne Harris-Roper		1			6			
Dwayne Dillon		1			11			
Carlton Hay			10					
John Williams		1	10					
Kerry-Ann Thompson		1						9
Byron Buckley								7
Peta-Gaye Bartley							5	
Tashi Williamson							5	

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

MAJOR PERFORMANCE **HIGHLIGHTS**

TARGET

To provide a cleaner environment for Jamaica's populace.

GOAL	ACHIEVEMENT
1300 districts on collection schedule receive collection services every 7 days	96% — 1,253 Service delivery was achieved
1550 districts on collection schedule receive collection services every 8- 10 days	50% — 776 Service delivery was achieved
Collect 1,033,000 tonnes of solid waste	1,047,822 Tonnes of solid waste collected
50% fleet operational	58% — Fleet Operational
90% adherence to sweeping schedule	89% — Adherence to the sweeping schedule

Government of Jamaica approved the procurement of 50 garbage trucks in 2021/22 at a cost of $1.8 billion under the Acquisition of Compactor Trucks Project. Received a grant valued at US$210,936 from the Embassy of Japan for the purchase of two compactor trucks.

TARGET

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

GOAL	ACHIEVEMENT
Covering of Riverton - 24 Times	24 TIMES
Covering of Retirement – 3 times	2 TIMES
Covering of Haddden – 3 times	2 TIMES
Covering of Doctors Wood -1 time	2 TIMES
Covering of Martins Hill -1 time	2 TIMES
Covering of Myersville -1 time	2 TIMES
Covering of Church Corner – 1 time	2 TIMES
Covering of Tobalski – 1 time	2 TIMES

3,306 loads emergency stockpiles were acquired/procured for the disposal sites.
Geographic Information System (GIS) was completed for Haddon disposal

TARGET

To grow revenue through the provision of commercial and beautification services

GOAL	ACHIEVEMENT
Earn $407,110,661 from commercial services revenue	**$503,274,705** was earned through commercial services
Earn $5,000,000 from beautification services	**$8,674,945** was earned through beautification services

TARGET

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

GOAL	ACHIEVEMENT
Execute 748 Surveillance Operations	784 Surveillance Operations Conducted
Serve 6,250 Removal Notices	5,5077 Removal Notices Served
Issue 1,800 Anti-litter Tickets	2,692 Anti-litter Tickets Issued

Goal	Achievement
1,500 residents sensitized on proper containerization and disposal of solid waste	2,043 Residents sensitized on proper containerization and disposal of solid waste
6,500 business proprietors sensitized on proper containerization and disposal of solid waste	4,713 Business proprietors were sensitized on proper containerization and disposal of solid waste
Conclude 50% investigation of reported illegal dumps	65% Investigation of reported illegal dumps investigated

TARGET

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

GOAL	ACHIEVEMENT
Train 350 members of staff	288 members of staff trained in various areas to include public procurement, industrial relations and customer service
Complete procurement of uniforms for enforcement officers and sanitation workers	Completed procurement of uniforms for enforcement officers and sanitation workers
Full adherence to board calendar and charter	Full adherence to board calendar and charter
Conduct 1 board retreat	1 board retreat conducted
Develop standardization of cash procedures for the four regions	Standardization of cash procedure across the regions was fully developed

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

MANAGEMENT
DISCUSSION AND ANALYSIS (MD&A)

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

The NSWMA has weathered two years of the COVID-19 pandemic which has destabilized most economies of the world. However, by the third quarter of the 2021/22 FY Jamaica's economy started showing signs of recovery and grew by an estimated six percent which was driven by increases in the Services and Goods Producing Industries, based on reports by the Planning Institute of Jamaica. Correspondingly, though the NSWMA was adversely affected and withstood its fair share of the pandemic's impact, the agency proved itself to be resilient and started exhibiting signs of revival in the latter part of the FY 2021/22. The symbolism of the Jamaican flag: "The sun shineth, the land is green and the people are strong and creative", rings true for the toughness of spirit that the NSWMA showed in the face of tremendous difficulties. It pivoted, dodged and 'wheel and come again' to find ways to economically survive, shield its staff, and execute its mandate.

The NSWMA has earned its stripes and right to proclaim and celebrate its 20th anniversary as a stalwart among many.

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

Tonnage of Solid Waste Collected

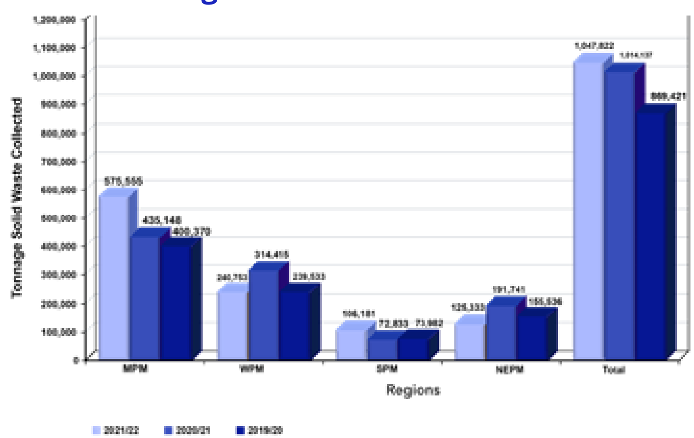


Figure 1: Tonnage of Solid Waste Collected 2019/20 – 2021/22

The NSWMA had set an ambitious target to collect approximately 1,033,000 tonnes of solid waste for the Financial Year (FY) 2021/22, an 8.8% increase over the previous FY target. The agency surpassed the target and collected approximately 1,047,822 tonnes of solid waste generated across the island. The approximate tonnage amount of 1,047,822 tonnes collected represents 14,822 (1.5%) tonnes more than the targeted tonnage and more than 33,685 (3.3%) tonnage collected in the previous FY 2020/21. The

NSWMA did not acquire new garbage trucks for this reporting period with which to bolster its fleet capacity. This further impacted its already limited capability to improve on its collection services.

The NSWMA has weathered two years of the The NSWMA had set a target to provide 1300 communities/ districts with every seven days collection of which 1,253 (96%) service delivery was achieved. The target set for the provision of collection services to communities/ districts every 8 -10 days was 1550 of which 776 (50%) was achieved for the reporting period. The two regions which increased its collection against the previous FY were SPM and MPM at 33,348 tonnes (32%) and 140,407 tonnes (24.4%) respectively.

Fleet Management

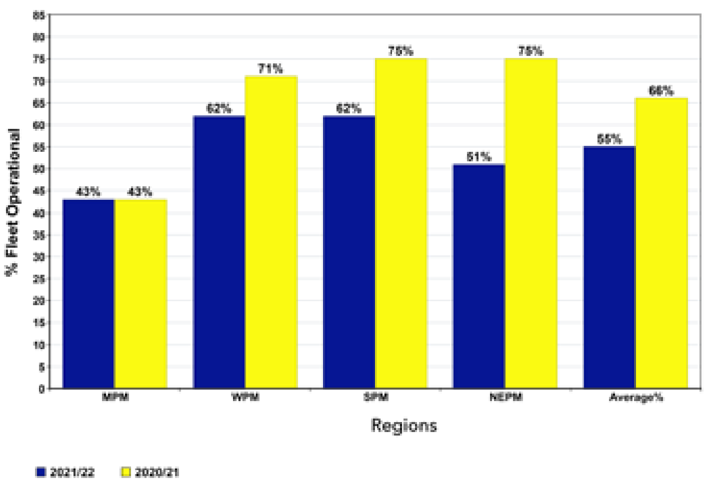


Figure 2: Fleet Operational Across the Regions

During the reporting period the NSWMA's fleet comprised 101 garbage trucks, of which, on average, approximately 59 (58%) were operational. There was an 8% decrease in the operational fleet in 2021/22 against that of FY 2020/21. The fleet operational target of 50% for the reporting period was exceeded by 8%. The acquisition of the 50 trucks will bolster the agency's fleet capacity and in turn improve overall service delivery.

Sweeping Services

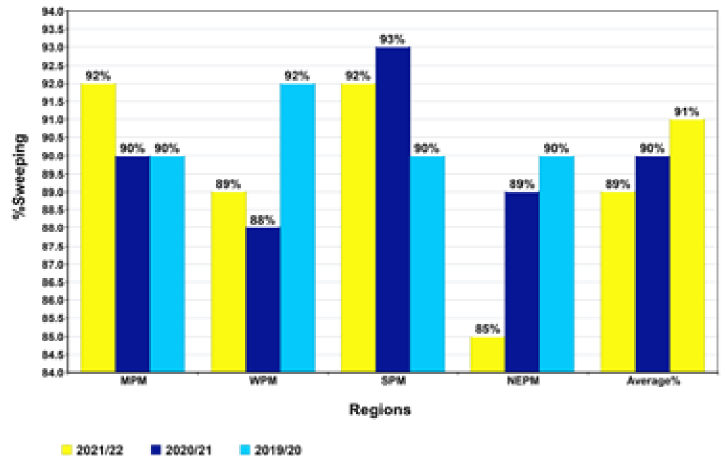


Figure 3: Sweeping Services by Regions

Sweeping services of town centres and major roadways were achieved at 89% for 2021/22, 1% less than that achieved in 2020/21. The financial fallout caused by the COVID-19 pandemic demanded cost-cutting measures by the NSWMA. One measure utilized was that the number of sweepers dispatched was reduced and designated hours for sweeping was decreased which marginally affected the output delivered.

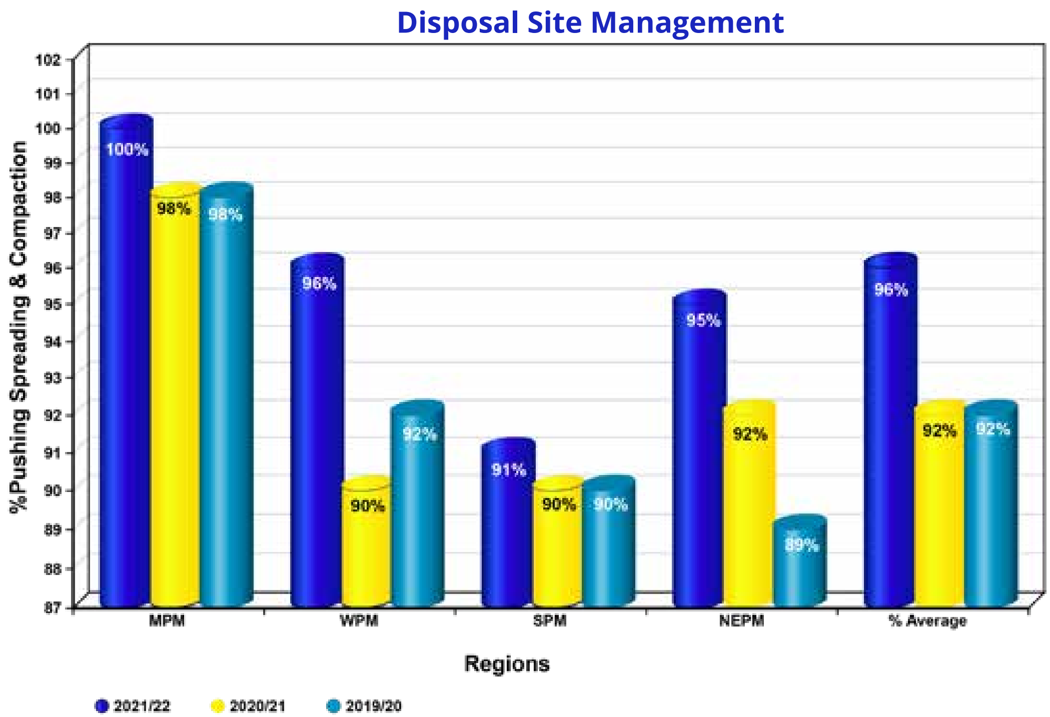


Figure 4: Pushing, Spreading & Compacting Solid Waste on Disposal Sites

The pushing, spreading and compacting of solid waste on the disposal sites increased by 4% against the 92% achieved in the previous financial year. The achievement is 6% in excess of the set target at 90%.

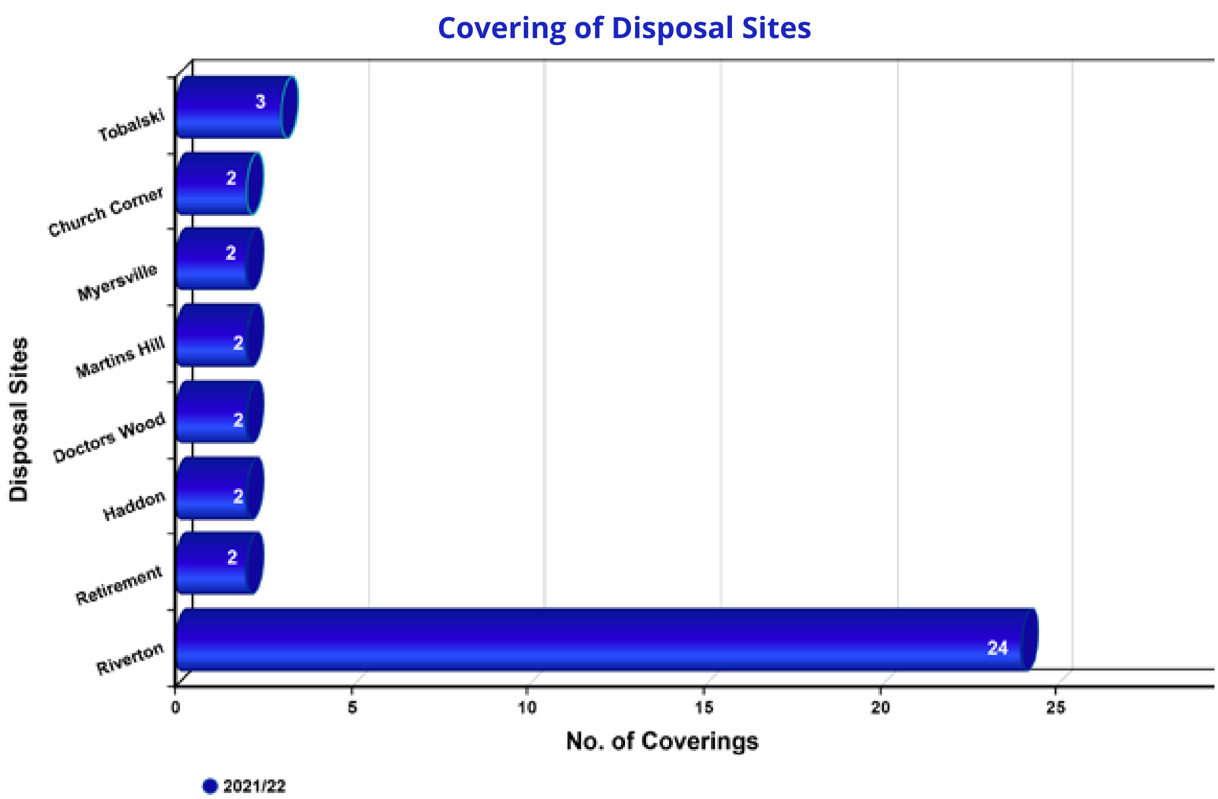


Figure 5: Covering of Disposal Sites

The NSWMA is aware of the importance of covering active cells on the disposal sites and the following was achieved.

DISPOSAL SITES	2021/22 TARGETS FOR COVERING ACTIVE CELLS	TARGETS ACHIEVED FOR COVERING ACTIVE CELLS
Riverton	Cover Every Two Weeks	24 Coverings (100%)
Retirement	Every Quarter	2 Coverings (50%)
Haddon	Every Quarter	2 Coverings (50%)
Doctor's Wood	Once per year	2 Coverings (200%)
Martins Hill	Once per year	2 Coverings (200%)
Myersville	Once per year	2 Coverings (200%)
Church Corner	Once per year	2 Coverings (200%)
Tobalski	Once per year	3 Coverings (150%)

Table 1: Covering at disposal sites

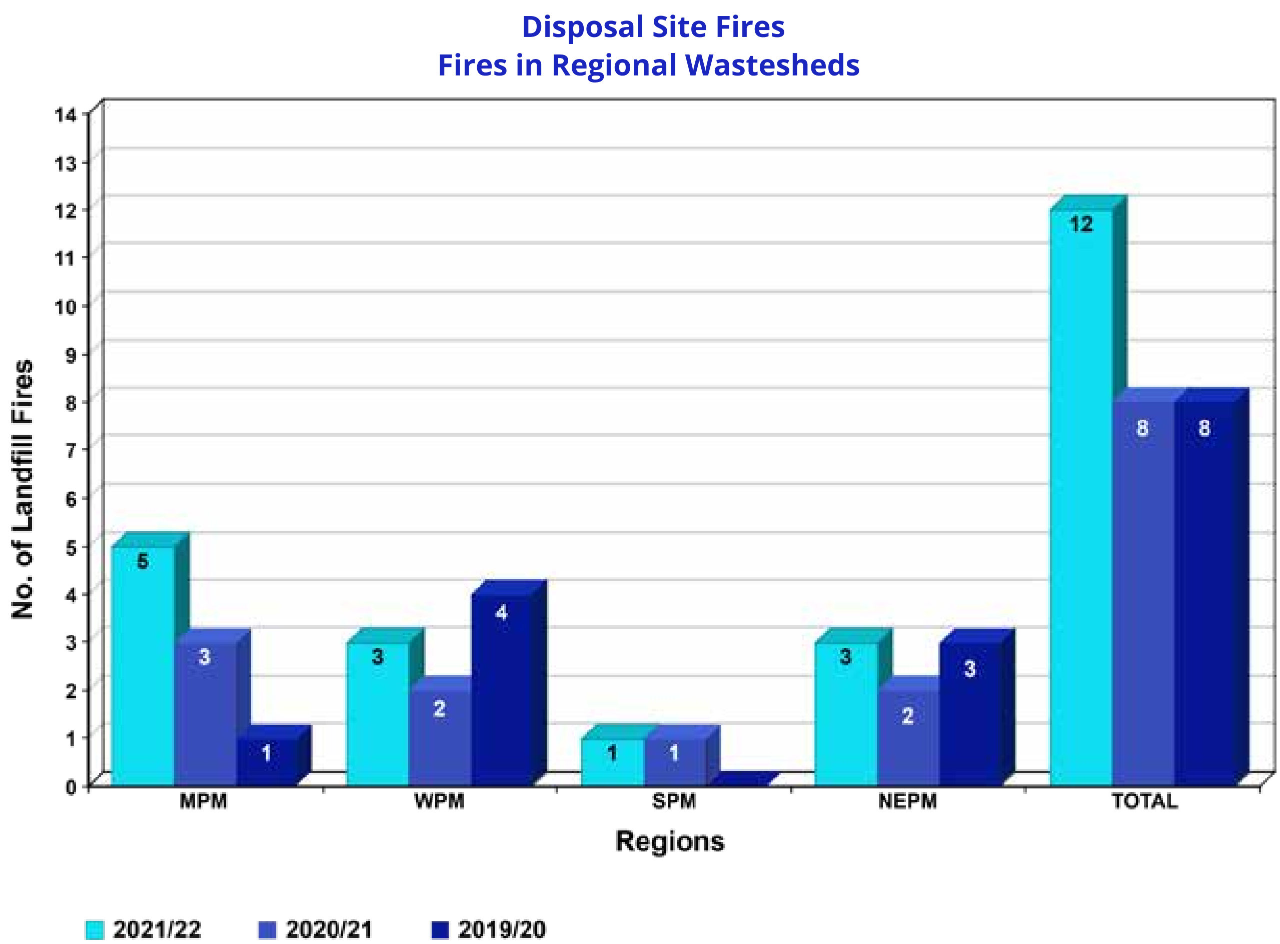


Figure 6: Landfill Fires in the Regions

There were 12 disposal site fires recorded over the reporting period. The incidents of disposal fires increased from 8 in 2020/21 to 12 in 2021/22, a 33% increase.

Landfill Fires at Disposal Sites 2021/2022

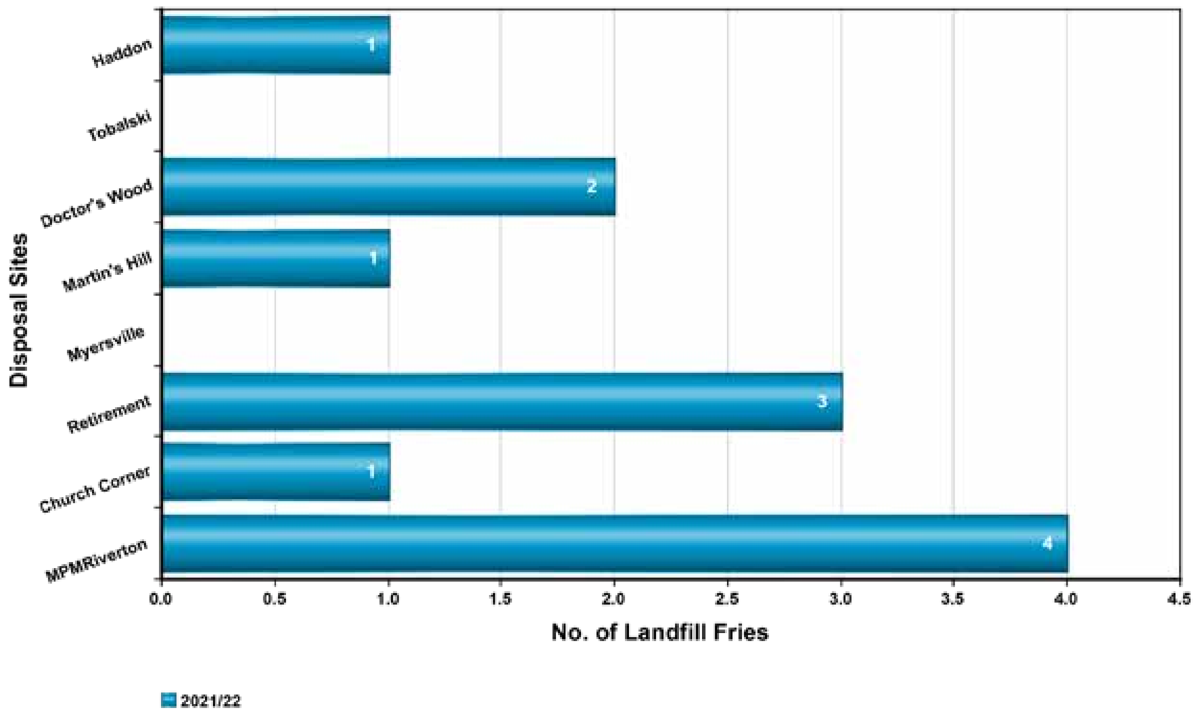


Figure 7: Fires at disposal sites

The table above displays the number of fires that occurred at each disposal site during the reporting period. The disposal sites with the most recorded fires were Riverton, Retirement and Doctor's Wood. All fire mitigation protocols and guidelines were engaged during the FY 2021/22 to ensure that conditions on the disposal sites do not give rise to fires and if they do occur, they are dealt with expeditiously with little harm to residents and the environment. Of the 12 fires which occurred on the disposal sites, the agency extinguished seven within 24 hours and the remaining five fires burnt beyond 24 hours.

Emergency Stockpiles on Disposal Sites

The placement of emergency stockpiles on disposal sites to respond to fires continued during the reporting period. The figure below shows that a total of 3,306 loads emergency stockpiles were acquired/ procured for the FY 2021/22 and for each disposal site during the period.

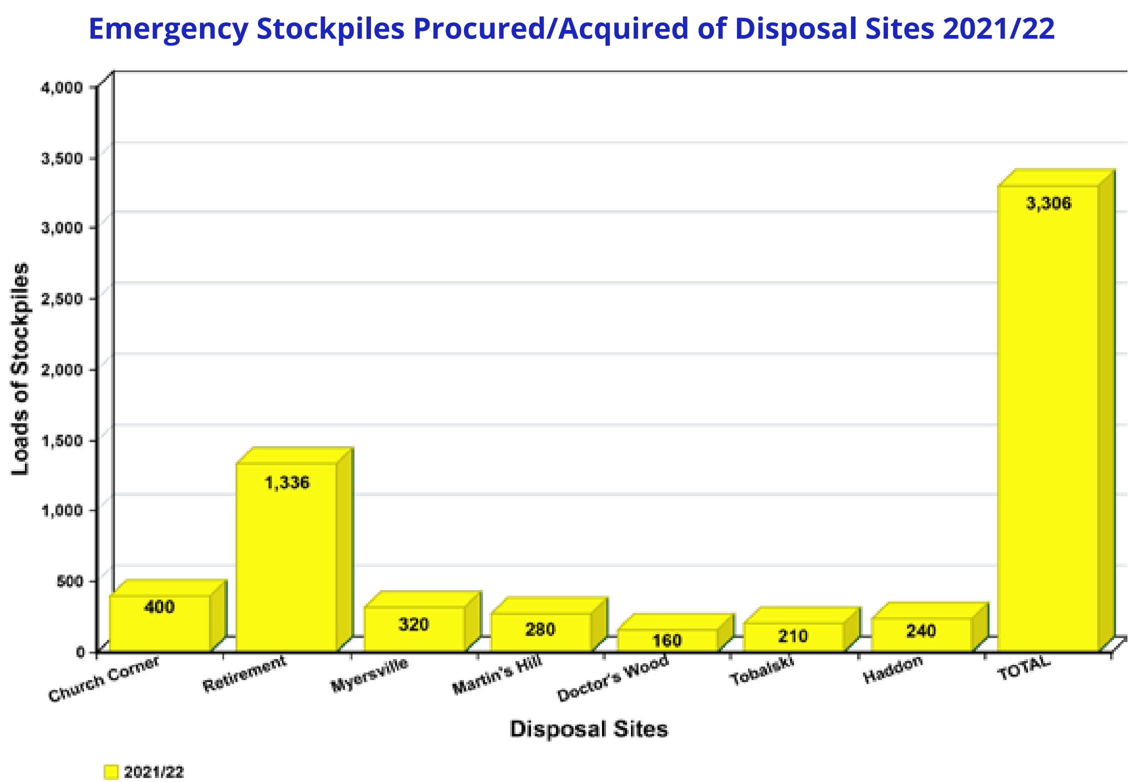


Figure 8: Emergency Stockpiles Procured/Acquired for Disposal Sites

Compliance with Conditions of Environmental Permits

Environmental permits have been granted from the National Planning & Environmental Agency (NEPA) to the Agency to operate and manage the disposal site facilities for Riverton, Haddon and Retirement. The NSWMA worked toward satisfying several of the conditions of the permit on an incremental basis due to financial and human resource constraints. Several conditions complied with were the submission of all fire incidents, covering and covering specification reports to the NEPA. Additionally, a Geographic Information System was completed for the Haddon disposal site which will redound in further improved management of the site.

Removal of Tyres – Riverton Disposal Site

In Jamaica, it is estimated that more than two million used tyres are generated per annum, and the disposal sites receive approximately 185,700 tyres per year. The long-term storage of used tyres on disposal sites poses environmental and health hazards such as the possibility of leaching of compounds that contaminate soil, ground, and surface water; promote combustible fires and host prime breeding sites for mosquitoes.

It is against this backdrop that motivated the GoJ to embark on the national programme for which it signed a memorandum of understanding (MoU) between the Ministry of Housing, Urban Renewal, Environment and Climate Change; the MLGRD, the NSWMA and Caribbean Cement Company Limited (CCCL) to use end-of-life pneumatic tyres in the cement-production process. Under the arrangement, the CCCL will convert used tyres stored at disposal sites into an alternative source of fuel at its Rockfort plant, thereby reducing costs and making a positive impact on the environment.

The national programme will be implemented on a phased basis as follows:

- Phase I July 1, 2021 to June 30, 2031 – disposal of the over two million tyres located at the Riverton disposal site; and

- Phases II and III July1, 2026 to June 30, 2031 – development and implementation of an action plan to facilitate the ongoing collection and disposal of end-of-life pneumatic tyres at the other disposal sites across the island.

Development of an inventory of end-of-life pneumatic tyres Development and implementation of a public education and awareness programme

The MoU became effective July 1, 2021

During the period reported the NSWMA removed 11,743 tyres from Riverton disposal facility and transported them to Carib Cement Co. Ltd.

End-of-life pneumatic tyres being transported from Riverton disposal site

Professional Training and Development

Figure 9: Areas of training and sensitization sessions conducted in 2021/22

The NSWMA continued to systematically engage in accessing relevant training opportunities for professional development of its staff. A total of 288 employees participated in training/sensitization in areas ranging from industrial relations to project management. A modest upward trajectory of 97 more employees accessed training since the advent of the pandemic compared to the previous FY with a record of 191 being trained/sensitized. The Zoom platform was the main medium used to facilitate training/sensitization sessions. In the FY 2021/22, areas of training in industrial relations, human resource management and fire safety sensitization accounted for 36%; 18% and 11% respectively. Conversely, in 2020/21 training in back to basics (standard customer service training for sanitation crew); fire standards and safety and industrial relations were given high priority accounting for 43%; 38% and 11% respectively.

Figure 10: Training and Sensitization Activites in 2020/2021

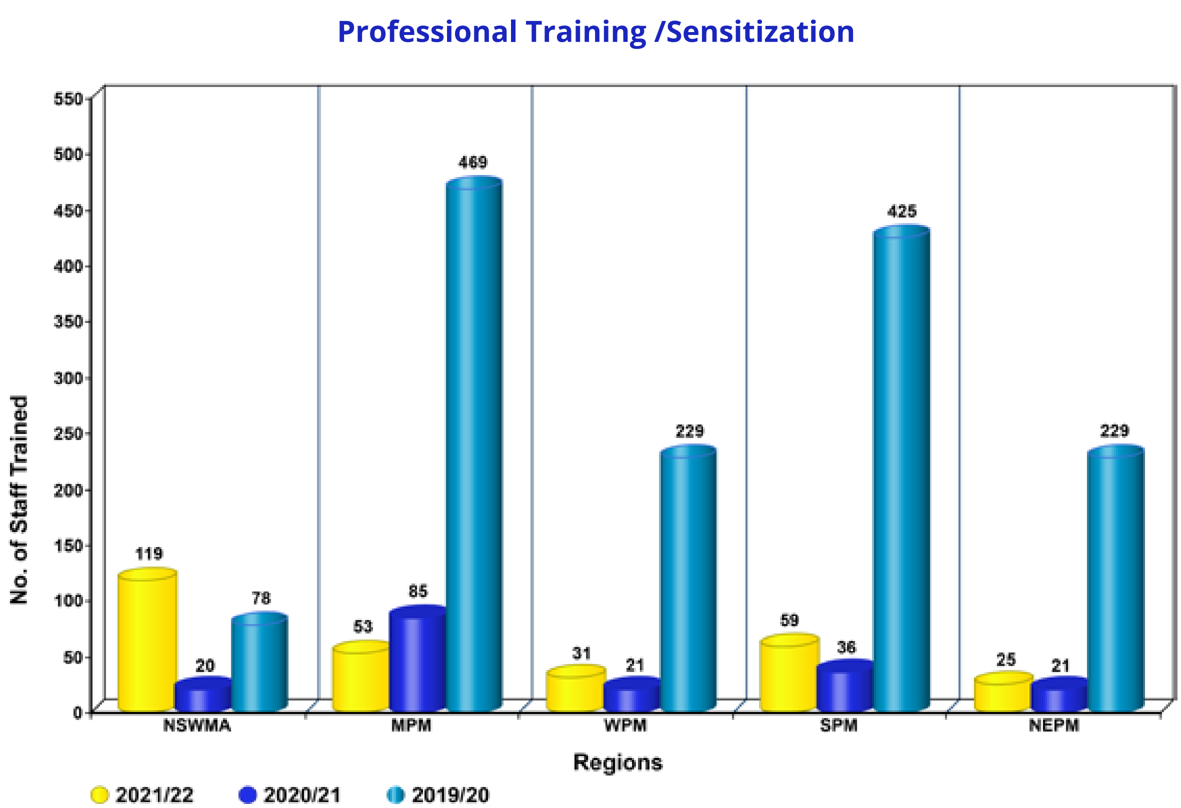


Figure 11: Staff Trained & Sensitized at the NSWMA and the Regions

Enforcement & Compliance

Surveillance Operation

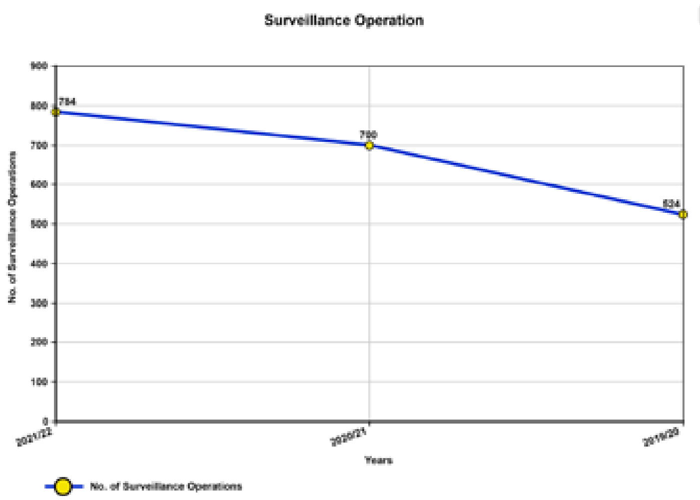


Figure 12: Surveillance Operations Conducted

The surveillance operations were conducted with a view to apprehending persons who act in contravention of the NSWM Act. The NSWMA executed 784 operations, an increase of 84 against the previous FY.

Removal Notices Served

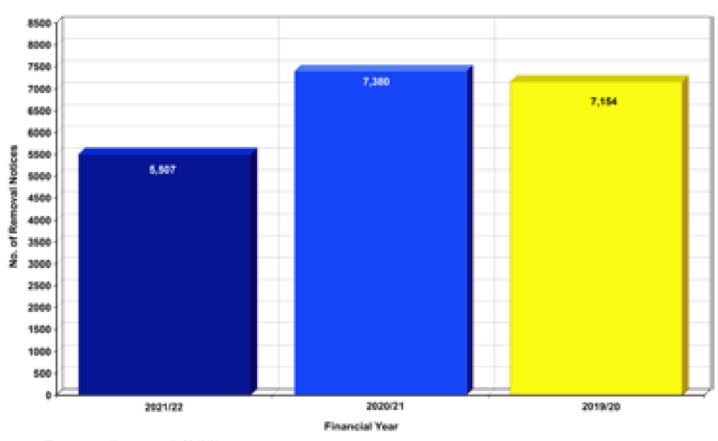


Figure 13: Removal Notices Served

The NSWMA issued 5,507 removal notices which accounted for 1,873 fewer notices served in the previous FY. The 25% decrease was part of cost-saving measures implemented which reduced the areas to be covered for issuance of notices. The target set was to serve 6,250 removal notices which was underachieved by 743 (12%).

Enforcement officer, Anthony Currie, posting a removal notice on derelict motor vehicle.

Anti-Litter Tickets Issued

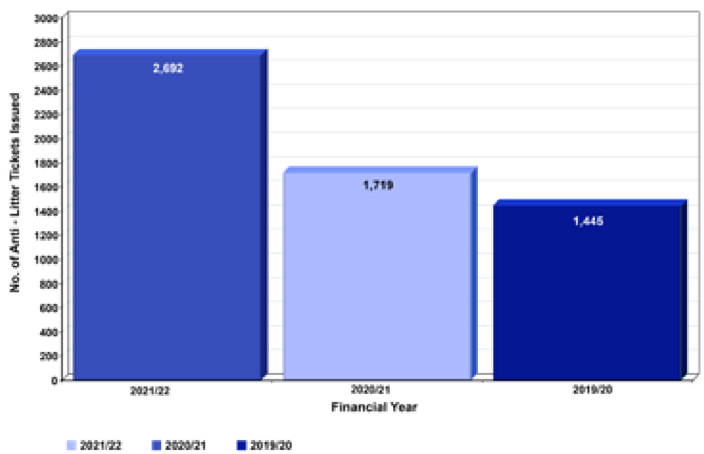


Figure 14: Anti-Litter Tickets Issued

Based on the chart above, the number of anti-litter tickets issued over the three-year period indicates a steady increase. The Enforcement and Compliance Department was strengthened with the engagement of five enforcement officers, assigned to the head office and one investigator, stationed in the NEPM region. The target set for 2021/22 FY was 1,800 which was exceeded by 892 (33%).

Residential Sensitization

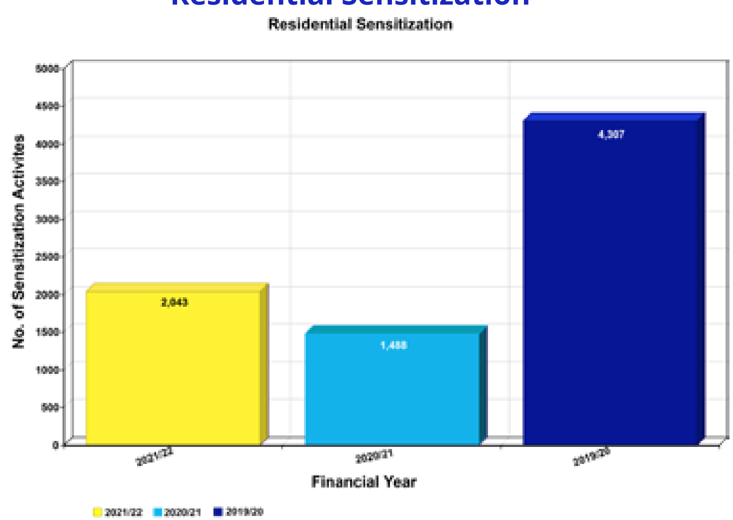


Figure 15: Residential Sensitization

The NSMWA increased its sensitization of residents on the proper containerization of their solid waste by 37% against the previous FY. The NSWMA had set a target of 1,500 which was exceeded by 543 (36%). The NSWMA was careful in observing all COVID-19 protocols and so a major part of the sensitization consisted of placing the NSWMA Managing Waste brochures and flyers on removal notices in residents' mailboxes.

Commercial Sensitization

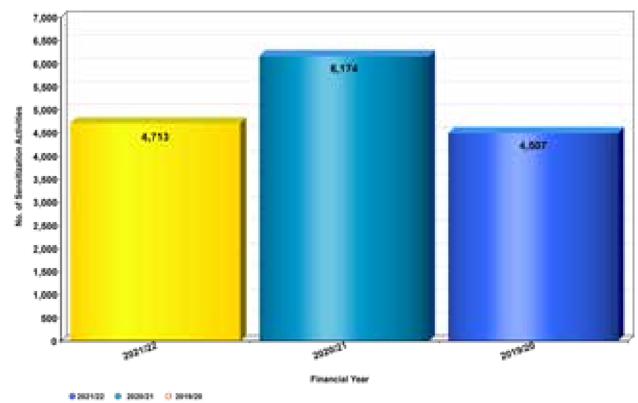


Figure 16: Commercial Sensitization

NEPM's Regional Operations Manager, Tracey Fakhourie with the region's enforcement team at a business place on Stennett Street, Port Maria.

The sensitization of commercial waste generators suffered a decline of 1,461 (24%) against that of the number sensitized in 2020/21 and the target set at 6,500 was not achieved by 1,787 (28%). The permanent closure of some businesses caused by the economic fallout as result of the pandemic and restricted opening hours for businesses contributed to the downturn. Additionally, observation of COVID-19 protocols reduced the hours of contact with business owners.

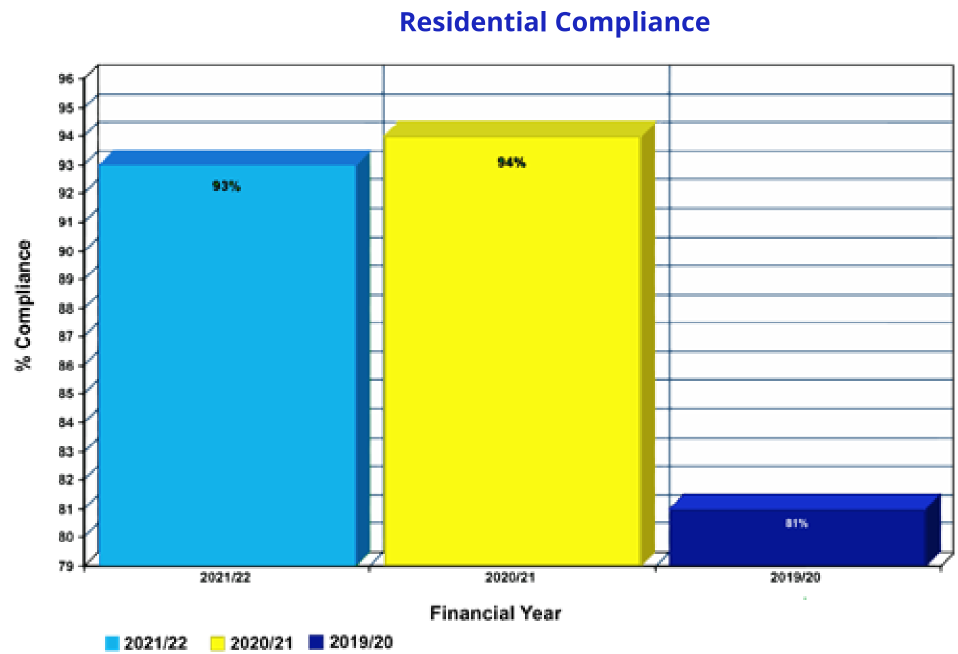


Figure 17: Residential Compliance

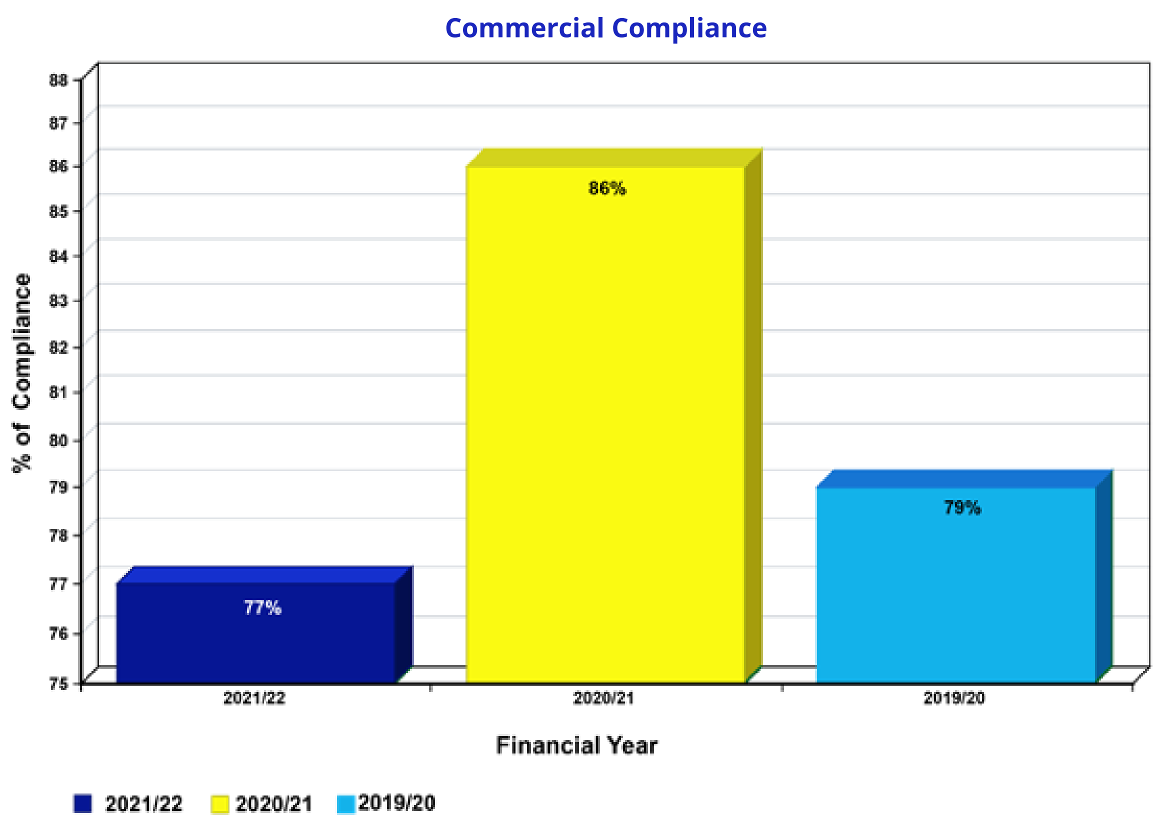


Figure 18: Commercial Compliance

Based on data gathered over the reporting period there was a 1% decline in residents' compliance with containerization of their solid waste. Commercial compliance suffered a 9% decline. Correspondingly, there was an uptick in the incidence of illegal dumping across the island, with 388 reported dumpsites identified against 288 reported in 2020/2021. Nonetheless, the NSWMA rallied and completed 65% investigations of illegal dumping versus 55% of completed investigations in 2020/21.

Illegal Dumping

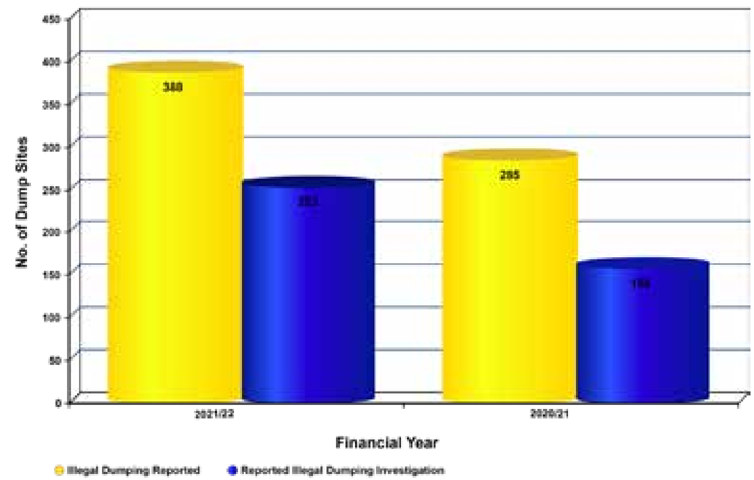


Figure 19: Illegal Dumping Investigated

Community Relations

Population Sensitized on Managing Solid Waste

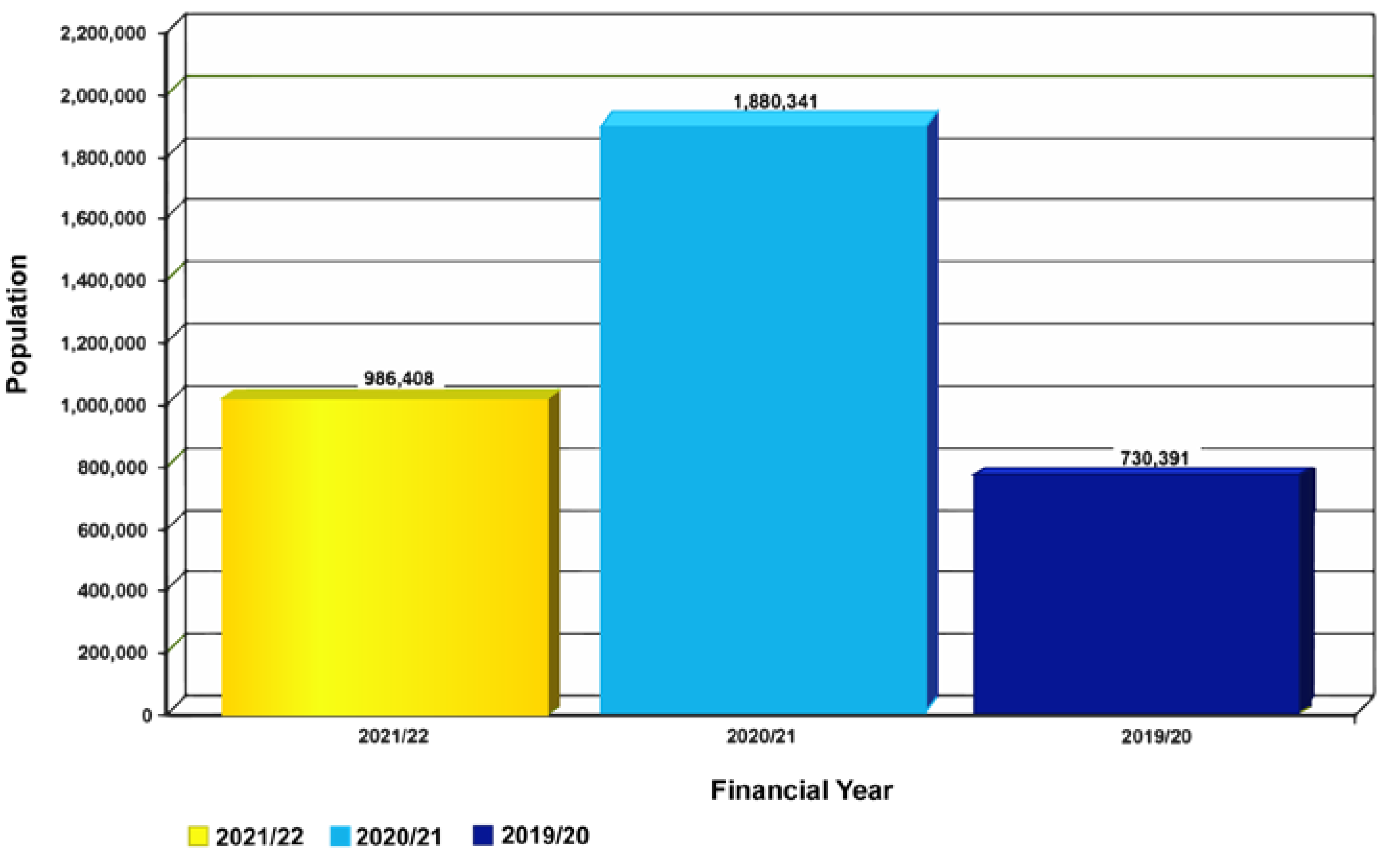


Figure 20: Population Sensitized on Managing Solid Waste

The Authority sensitized, on average, 986,408 (33%) of the population on composting, the 3Rs of waste management, (Reduce, Reuse, Recycle) littering and illegal dumping, as well as proper disposal and containerization of solid waste. The NSWMA's target was to sensitize 988,875 of the population, but was 2,467 shy of achieving the set target. For the most part, the protocols of the COVID-19 were still enforced which meant community meetings and engagements with private and public entities were conducted via the Zoom platform. Schools, for the better part of the reporting period, were shuttered.

The NSWMA staged its Waste to Art Competition, which aided in further raising public awareness about recycling, reducing, and reusing of material. The competition was staged under the theme, 'Recycling Plastic is Fantastic.'

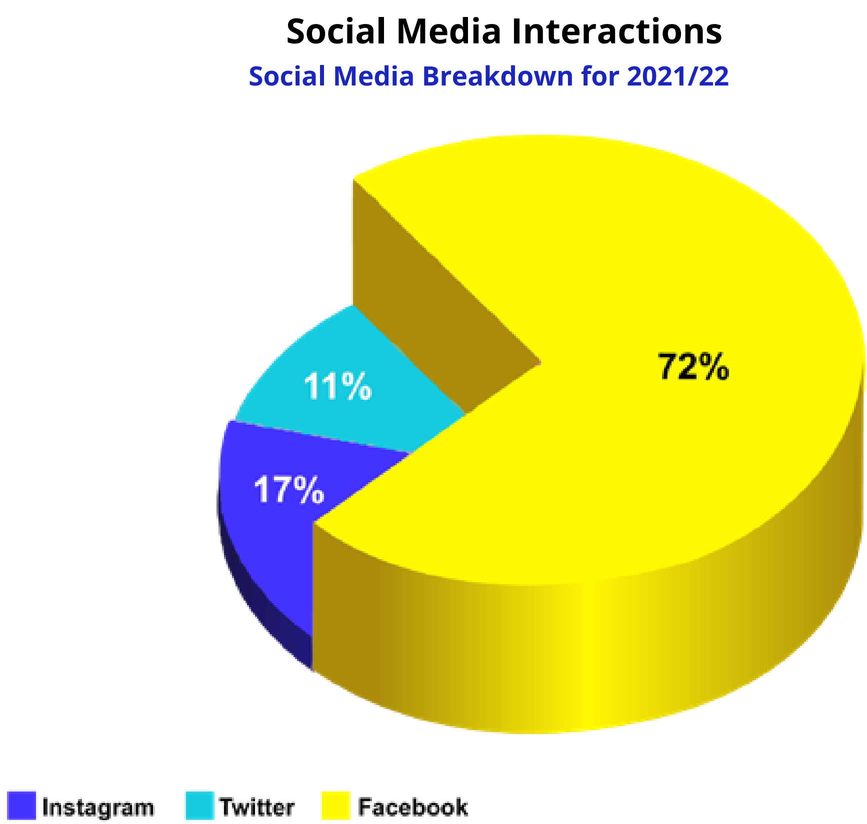


Figure 21: Social Media Breakdown for 2021/22

Social Media Visibility & Engagement Hits

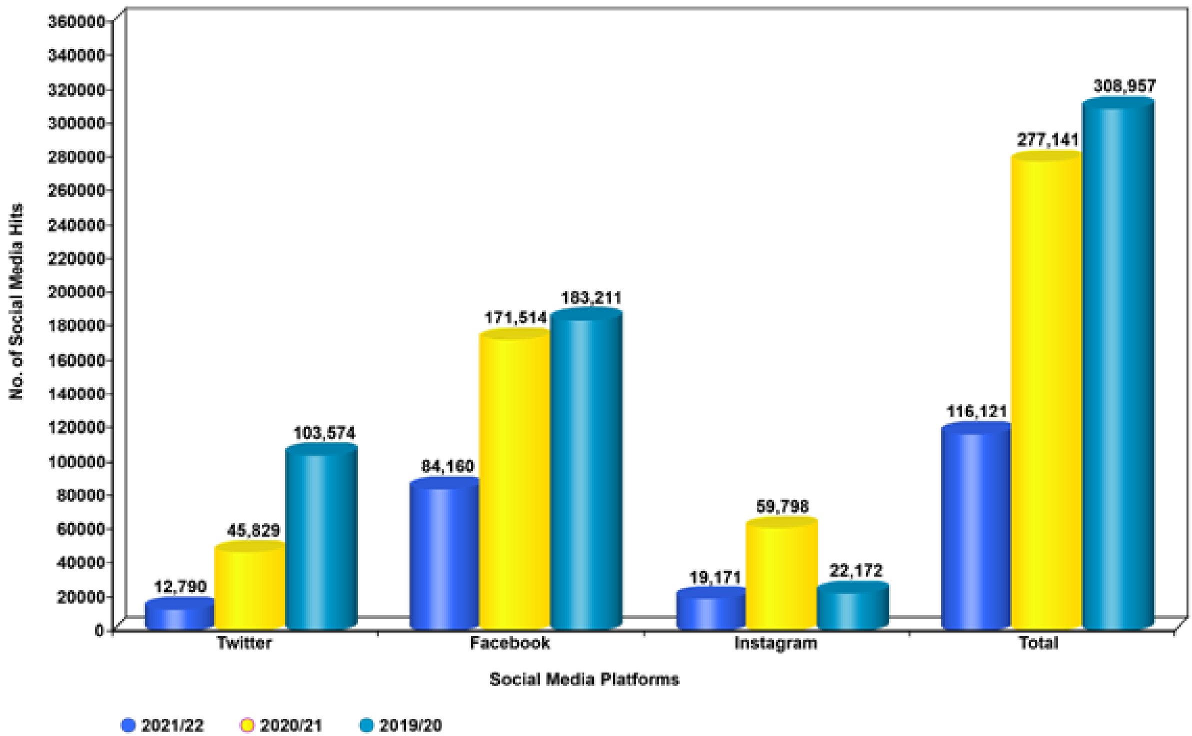


Figure 22: Social Media Visibility and Engagement

The NSWMA was able to reach, at the close of the reporting period, 116,121 of the population through social media visibility and engagement platforms, Facebook, Twitter and Instagram. The target set at 289,505 was not achieved with a shortfall of 173,384 (40%). The constraint which precluded the target achievement was largely due to lack of resources to boost social media posts to a wider audience. Consequently, the audience captured was through organic reach which required no funds to publish posts. Facebook accounted for the lion's share of the social media audience engaged at 72%.

Environmental Week

As obtained in the previous financial year, the annual public education drive on managing solid waste, staged by the NSWMA, was not executed in the traditional manner but was carried out via a webinar, under the theme, 'Plastic Recycling During a Pandemic'. The webinar featured the importance of recycling for a more sustainable environment, the NSWMA's projects/initiatives along that vein and how citizens can effectively participate.

Among the scheduled speakers were NSWMA Projects and Planning Manager, Edson Carr; National Environment and Planning Agency (NEPA) Public Education and Corporate Communication Manager, Olivia Anderson and Recycling Partners of Jamaica Limited's Brand Ambassador, Jeffery 'Agent Sasco' Campbell.

The National Environmental Awareness Week extended from June 1 – June 8, 2021and as part of the week's activities, National Solid Waste Day was observed on June 6 under the theme 'Reduce, Reuse, Recycle'. The population was encouraged to implement activities proposed during the webinar.

Drax Hall Manor resident, Barbara Brown (front left), cuts the ribbon to commission into service three plastic disposal bins in the St. Ann community on Friday (June 4). Applauding the occasion are residents and representatives from the NSWMA and NEPM. The commissioning of the plastic disposal bins was part of activities by the NSWMA to mark National Solid Waste Week 2021

To further aid in the sensitization of the public on effectively managing its solid waste, the agency published an electronic 16-page edition (January – April 2021) of the Compactor Newsletter which was disseminated islandwide via email/social media/ WhatsApp and other media.

A 2021 calendar was designed by the agency to effectively promote the recently developed NSWMA mobile app. One thousand calendars were printed and distributed to staff of the NSWMA and the regional companies, residents, particularly those participating in the plastic separation initiative, the MLGRD and the Ministry of Fisheries.

Commercial Revenue - Haulage Service

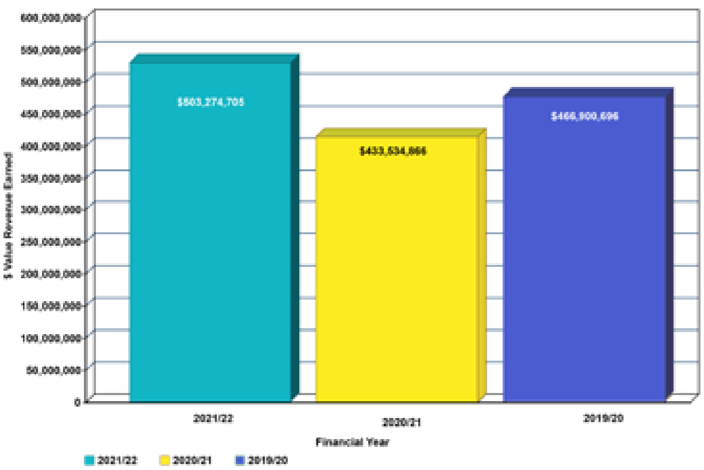


Figure 23: Commercial Revenue Earned

The agency increased commercial revenue by 14% from earning $433,534,866 in 2020/21 to $503,274,705 in 2021/2022. The target set for commercial services revenue earned was $407,110,661 which was overachieved by $96,164,044 (19%) in the reporting period. The NSWMA worked assiduously to recover aged receivables from commercial businesses during the period under review. The relaxing of the conditions of the Disaster Risk Management Act in the latter part of the FY occasioned a robust acceleration of business activities which directly contributed to the increased earnings. There was also a marked improvement in the efficiency of managing commercial services.

Revenue Earned - Commercial Service

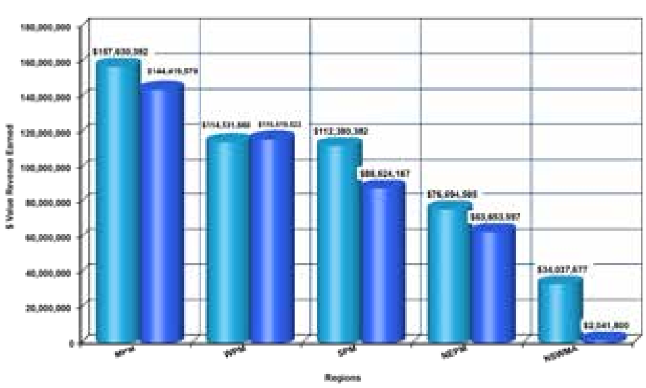


Figure 24: Commercial Revenue Earned by NSWMA and Regions

All regional companies, except for WPM WM Ltd. had an increase in revenue earned against the previous FY 2020/21. The SPM WM Ltd. recorded the highest increase of 21%, from $88,624,167 in 2020/21 to $112,380,382 in 2021/22. The WPM WM Ltd. recorded a dip of 2% in its earnings from $116,419,523 in 2020/2021 to $114,531,668 in 2021/22.

Revenue Earned - Beautification Services

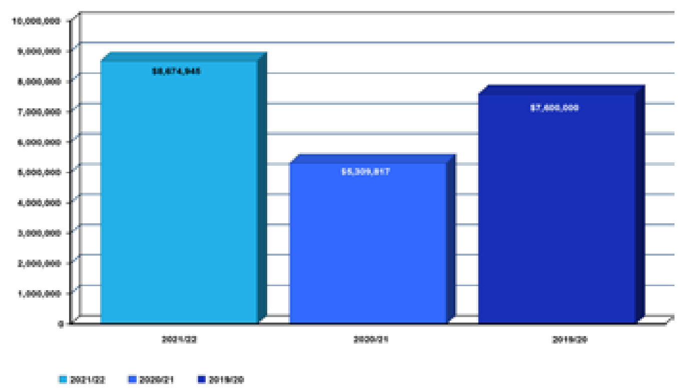


Figure 25: Revenue Earned through Beautification Services

Revenue earned from beautification services also increased for the reporting period. Earnings improved by $3,365,128 (39%) in 2021/22 against that earned in 2020/21. The rental of plants accounted for major income earned from beautification services in 2021/22.

PROJECTS AND INITIATIVES

JAMAICA SOCIAL INVESTMENT FUND (JSIF) - INTEGRATED COMMUNITY DEVELOPMENT PROJECT (PHASE 2)

ENVIRONMENTAL WARDEN PROJECT

The NSWMA continued its partnership with the JSIF through the Integrated Community Development Project (Phase 2). During the period under review, the Environmental Warden Project was launched in August Town. Thirty-four environmental wardens were certified for the community of August Town and its surroundings, under the National Solid Waste Management Act. The environmental wardens have the authority to issue tickets to residents if they refuse to obey environmental laws. This ticketing system will be managed by the NSWMA. The project is funded by the Government, through the JSIF and includes several interventions. The necessary solid waste management infrastructure including skip enclosures and bins was provided.

A proud recipient of the environmental warden certificate

PLASTIC SEPARATION PROGRAMME

Since its inception in 2020/21 the Plastic Separation Initiative, now a formally recognized programme of the NSWMA, has grown exponentially. The programme originally comprised 12 communities in the northern and eastern belts of St. Andrew, Hope Pastures, Barbican/Liguanea, Mona Heights, Havendale, Cherry Gardens/Jacks Hill, Long Mountain, Norbrook, Dillsbury, Millsborough, Lower Shortwood, Beverly Hills and Belgrade/Smokey Vale. The progamme has since incorporated other communities across the island to include Drax Hall in St. Ann, Meadows of Irwin and Norwood of Montego Bay, St. James.

NSWMA Executive Director, Audley Gordon (foreground), displays a recycled used tyre during a ceremony for the commissioning into service of three plastic disposal bins at Drax Hall Manor in St. Ann. The event was part of activities by the NSWMA to mark National Solid Waste Week 2021.

The programme has collected, since its operations, a total of 160,937 pounds of plastic waste which means a reduction of plastic waste deposited at all disposal sites islandwide.

DRUM A DI GATE INITIATIVE

In the previous FY 2020/21 the Authority signed an agreement with Hardware and Lumber Ltd. valued at 1.5 million dollars allowing the agency to receive 2,400 drums to aid in the proper containerization of waste in communities. The agreement was officially formalized at a signing ceremony at the NSWMA's head office during the annual public education campaign in June 2021.

The agreement came on the heels of the Drum a Di Gate initiative which was launched at Bethel Street, Mandeville, Manchester. Grace Kennedy Limited and Edge Chem had donated 80 drums to the residents of the community.

The Authority is in receipt of 968 drums from Hardware and Lumber Ltd. which have been distributed to designated densely populated communities such as Jones Town and Allman Town in Kingston, Farm Heights in St. James and Esher in Hanover. The residents of Flanker and Providence Heights in St. James also received drums.

Dramaine Jones, WPM ROM, pictured with residents of Flanker, St. James, distributing drums through the Drum A Di Gate initiative

COMPOSTING PILOT PROJECT - HANOVER

The NSWMA, in its ongoing efforts to divert waste from the island's disposal sites, developed a waste reduction pilot project in Chambers Pen, Hanover. The agency collaborated with the WPM WM Ltd. to sensitize farmers in the community to incorporate composting in their farming methods and techniques. The project also included plastic bottle separation and proper containerization of household waste in Chambers Pen. To encourage buy in and sustainability, a competition was staged which centred on those three areas of solid waste management. The prizes included garden tools, chickens, and chicken feed, water tanks, one deep freeze refrigerator and one weekend for two at a hotel. Under the initiative, over 60 drums to store garbage and to carry out composting activities were distributed to the residents.

Section of material for composting

Prior to the implementation of the project in Chambers Pen the following obtained:

- Prevalent burning of solid waste in the community
- Plastic bottles littered the riverbanks
- Approximately 60% of the solid waste collected and transported from Chambers Pen

to the Retirement disposal site was compostable

• Weekly solid waste collection was difficult because of the distance and poor road conditions

Up to the time of the period under review the following changes were observed:

• There was no illegal dumping within the community
• Community members actively separated their solid waste. Over 5,000 pounds of plastic bottles were collected within the six-month period
• Approximately 1200 community members were sensitized on proper solid waste disposal practices
• Farmers actively engaged in composting. Over 200 pounds of mature compost was generated by ten farmers who participated in the competition
• Community members stopped burning solid waste as a means of waste disposal
• Community members containerized their solid waste in drums

Farmers who participated in the project

The initiative was supported by the Jamaica Agricultural Society, the Rural Agricultural Development Authority, Jamaica Cultural Development Commission, the Social Development Commission, and HEART/NSTA. The project is to end in April 2022.

Audley Gordon, NSWMA executive director engages in animated discussion with a farmer who won several items

Memorandum of Understanding

During the period under review, the NSWMA engaged in memoranda of understanding to further its endeavours to strengthen the effective management of solid waste in Jamaica.

The Authority entered into an agreement with the Ministry of Housing, Urban Renewal, Environment and Climate Change, Ministry of Local Government and Rural Development and Caribbean Cement Company Limited for a ten-year National Programme for the Environmentally Sound Management of End-of-Life Pneumatic Tyres at the Riverton disposal site in Phase I. Phases II and III will be extended to the remaining disposal sites.

Government and Carib Cement sign an MOU to use end-of-life tyres as a fuel source (from left) Prime Minister, the Most Hon. Andrew Holness; Minister of Local Government and Rural Development, Hon. Desmond McKenzie; Minister of Housing, Urban Renewal, Environment and Climate Chnage, Hon. Pearnel Charles, Jr.

JAMAICA CONSTABULARY FORCE

The agency also engaged in a three-year MoU with the Jamaica Constabulary Force to provide solid waste management services to 183 police stations islandwide.

NSWMA AND COOL ENERGY LIMITED

For the reporting period the NSWMA and Cool Energy Ltd. forged an agreement which stipulated that Cool Energy Limited will be supplied with end-of-life pneumatic tyres from the NSWMA for the extraction and production of pyrolysis oil.

ESCAZU AGREEMENT

The NSWMA participated in consultations concerning Jamaica's ratification of the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters for Latin America and the Caribbean ("Escazu Agreement"). The NSWMA has submitted information on the requisite policy and legislative framework to support its ratification. The NSWMA also communicated its capacity to implement the provisions of the Escazu Agreement.

BASEL CONVENTION

Jamaica is a party to the Basel Convention on the Transboundary Movement of Hazardous Wastes and their Disposal, having acceded to the Agreement in January 2003. At the fourteenth meeting of the Conference of the Parties, amendments were adopted to enhance the control of transboundary movements of plastic waste. These amendments were incorporated effective January 1, 2021.The Ministry of Housing, Urban Renewal, Environment and Climate Change initiated the process of increasing Jamaica's capacity to meet these new obligations, with a meeting convened on June 2, 2021, comprising stakeholders, NSWMA, National Environment & Planning Agency and Jamaica Customs, to review the amendments and the local legislative framework.

INTEGRATED SOLID WASTE MANAGEMENT PUBLIC PRIVATE PARTNERSHIP (PPP) PROJECT

The NSWMA engaged in a series of meetings concerning the development and implementation of an Integrated Solid Waste Management Project under Public Private Partnership conducted by the Solid Waste Management Enterprise Team in collaboration with the Development Bank of Jamaica. The consultant is to assist the Government of Jamaica in its bid to toward divestment of solid waste management in Jamaica.

INSTITUTIONAL GOVERNANCE

The safety of staff remained a high priority during the FY, particularly, with the COVID-19 threat still existing. The NSWMA maintained 98% of all workplace protocols and guidelines issued from the Ministry of Health and Wellness. Temperature checks for visitors and staff are documented daily and frequently touched areas are sanitized five times daily. The NSWMA head office was deep cleaned 24 times for the financial year. Consistent dissemination of information/bulletins on the COVID-19 virus is emailed to staff to sensitize and remind them to remain vigilant in mitigating the spread of the virus.

The NSWMA facilitated vaccination sessions on behalf of its employees and their extended family members at its head office. The Pfizer, AstraZeneca and the Johnson & Johnson vaccines were administered. A total of 212 persons were vaccinated.

Medical personnel from MoH & Wellness administering vaccination to staff at NSWMA head office

Vaccinated Camille Facey, board member of the NSWMA

Fire safety was also a priority and information was disseminated through posting of leaflets/ pamphlets on notice boards and electronically via the all-staff group platform. The NSWMA facilitated an all-island sensitization session for its fire wardens. Thirty-two employees from the NSWMA, Parks and Gardens and MPM WM Ltd. were trained and certified as fire wardens.

Certified fire wardens of NSWMA and Parks & Garden

During the period, the fire alarm system was activated at the head office to test the preparedness of staff and the fire wardens. All employees evacuated the building and proceeded to the designated assembly point within four minutes based on a head count and timing system. The Jamaica Fire Brigade was alerted which made checks after which the staff was given clearance to re-enter the building. A report on the drill was generated and submitted to the executive director and senior management.

Sherine Smith of the Jamaica Fire Brigade Fire Prevention Unit training fire wardens of NSWMA and Parks & Garden

Safety inspections were conducted in all the regions to ensure best practices and safety standards are maintained and/or implemented. A comprehensive general safety inspection form was developed to record the findings and recommendations to be made at the end of the inspection. The inspections will be repeated and an assessment conducted to gauge compliance and adaptation of previous recommendations. The personal protective equipment (PPE) policy was updated to include a personal protective equipment indemnity and release statement to which staff must affix their signatures upon receipt of distributed PPE.

A safety orientation exercise was conducted with 18 sanitation crew members and three drivers of the SPM region. Mechanics in the NEPM region were sensitized on workplace hazards and safety precautions.

The Authority further improved on the management of its finances through the standardization of cash procedures across the regions. This has accounted for greater accuracy, accountability and transparency in managing the agency's financial resources.

The NSWMA is not only concerned with training and developmental initiatives for staff, but it also facilitated improved communication across the organization; enhanced the organization's culture; managed benefits and compensation for staff and handled conflicts and disciplinary action.

The NSWMA, provided procurement of goods and services to enable the smooth running of the organization. The major procurement conducted over the reporting period was for security, uniforms for Parks & Garden general workers and enforcement officers. Also, procurement for insurance (staff, administrative units and equipment) was also achieved.

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

FINANCIAL **REVIEW**

FINANCIAL REVIEW

REVENUE

The NSWMA and its four regional companies received subvention of $6.881 billion for the current Financial Year (FY). This represents an increase of $705 Million or (10%) over the previous year which received subvention revenue of $6.175 billion. Own source revenue for the Financial Year 2021/22 equated to $605.1 million. This reflects an increase of $48.781 million or (8%) above the previous financial year.

Total revenue for the reporting period was $7.53 billion compared to $7.03 billion in prior year. This was an increase of $497.984 million or 6%.

MAIN REVENUE SOURCES

- Regular subvention of $5.373 billion
- Special and Seasonal Projects $1.503 billion
- Own source revenue of $605.11 million
- Other income of $42.2 million

REVENUE ANALYSIS

The $497.9 Million or (6%) increase in total revenue was due to:

1. Increase in subvention and own source revenue of approximate value.
2. Special funds were received for the following projects:
    a. For retro-active salary at a rate of 4% increase and a one-off grant of $40,000 per employee paid in December 2021.
    b. Special covering and stock piling of cover material reduce the likely hood of fires on our Landfills.

EXPENSES

The total expenses of $7.54 Billion, inclusive of depreciation charges of $286.96 Million reflects an increase of $99.33 Million in staff costs, and $81.39 Million in motor vehicle expense This reflects a (5%) decrease in the overall operating expenditure over the prior period.

The main expense items are listed below:

EXPENSES	2022	2021	VAR	PER
	$M	$M	$M	%
STAFF COSTS	3,335	3,235	-100	44.2%
PUBLIC CLEANSING	1,870	2,079	209	25.1%
BEAUTIFICATION & SPECIAL PROJECTS	958	1,260	320	12.7%
MOTOR VEHICLE EXPENSE	562	481	-81	7.5%
INTEREST & PENALTIES - PAYROLL TAXES	25	40	15	0.4%
GCT IRRECOVERABLE	110	103	-7	1.5%
OTHER ADMINISTRATION EXPENSE	403	392	-11	5.4%
TOTAL OPERATING EXPENSE	**7,263**	**7,590**	**327**	**96.80%**
DEPRECIATION	286	298	12	3.2%
TOTAL EXPENSES	**7,549**	**7,888**	**339**	**100%**

EXPENSES ANALYSIS

The $339 million or (4.3%) decrease in total expenditure was also attributed to the following:

- Supplementary Fleet decreased by $129 million or (10.7%) due to reduction in supplementary fleet available.

- Public Cleansing decreased by $97.31 million or (65.3%) over the prior year of $149 million due to increased downtime and a reduction in supplementary fleet available.

- Beautification and special projects decreased by $301.63 million or (24%) over the prior year to $1.26 billion due to budgetary constraints placing a number of projects on hold.

- Overall operating costs decreased by $339.1 million or (4.3 %) partly as a result of a number of costs saving measures implemented.

STATEMENT OF FINANCIAL POSITION

The net asset base of the NSWMA and the four regional companies, as at 31 March 2022, was $151.8 million which represents a decrease of $19.1 million (11.2%) over the 2021/2022 reporting period. Asset base is broken down as:

PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment were valued at $1 billion for the reporting period. This represents a marginal decrease of $262.1 million or (19.5%) due to items being Board of Surveyed.

CASH AND CASH EQUIVALENTS

In the 2021/22 FY cash and cash equivalents amounted to $787.5 million which is an increase of $480.9 million over the previous FY. This is mainly due to subvention received for dedicated projects that were not completed at the end of 2021/2022 and general subvention received close to the year end not spent.

ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

Accounts receivable and prepaid expenses totaled $570.55 million reflecting an increase of $48 million or (9.2%) over the previous year of $522.5 million, mainly as a result of prepaid fuel and new human resource software.

ACCOUNTS PAYABLE AND PROVISIONS

Accounts payable and provision was valued at $2.34 billion, an increase of $289.5 million or (14.1%) over prior year, due to supplementary appropriation which was mainly used to clear supplementary and landfill contractors debt.

DIRECTORS' COMPENSATION
APRIL 2021 – MARCH 2022

NAME	FEES ($)	Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle ($)	Accommodation ($)	All Other Compensation including Non-Cash Benefits as applicable ($)	TOTAL ($)
Dennis Chung	281,000				281,000.00
Linley Reynolds	241,600				241,600.00
Camille Facey	350,700				350,700.00
Charlene Sharpe	417,400				417,400.00
Norman Brown	196,300		274,050.68		470,350.68
Fabian Brown	435,900				435,900.00
Lenworth Kelly	332,000				332,000.00
Wade Brown	478,800				478,800.00
Gabrielle Wilks	143,100				143,100.00
Jodiel Ebanks	438,900				438,900.00
Jodian Myrie	239,200				239,200.00
Georgia McCalla Russell	40,000				40,000.00
Carla Anne Harris -Roper	56,000				56,000.00
Dwayne Dillion	88,000				88,000.00
Carlton Hay	64,000				64,000.00
John Williams	80,000				80,000.00
Kerry-Ann Thompson	64,000				64,000.00
Byron Buckley	40,000				40,000.00
Patrick Anglin	56,000				56,000.00
Peta Gaye Bartley	32,000				32,000.00
Tashi Williamson	40,000				40,000.00
TOTAL	**$4,144,900.00**				**$4,418,950.68**

SENIOR EXECUTIVE **COMPENSATION**

POSITION OF SENIOR EXECUTIVE	YEAR	SALARY ($)	GRATUITY OR PERFORMANCE INCENTIVE ($)
Audley Gordon - Executive Director	2021/2022	6,761,090.06	1,579,289.07
Sheenique Johnson - Corporate Services Director	2021/2022	5,289,791.04	1,020,587.85
Aretha McFarlane - Operations Director	2021/2022	6,007,179.47	1,133,225.31
*Dave Powell – National Coordinator (1)	2021/2022	2,071,503.35	–
*Calvert McLeod - National Coordinator (2)	2021/2022	2,373,114.06	–
Gail Mitchell - Legal Officer	2021/2022	5,289,791.04	1,045,167.61
Mauricia Lawrence - Company Secretary	2021/2022	5,037,896.16	–
*Dominique McKnight - Enforcement Director (1)	2021/2022	2,578,528.48	994,321.61
*Dave Powell - Enforcement Director (2)	2021/2022	2,966,392.81	994,321.61
Kadian Diedrick - Procurement Director	2021/2022	5,253,332.41	994,321.61
Michelle Sheriff - Finance Director	2021/2022	4,842,044.81	1,629,301.19
GRAND TOTAL		**48,470,663.69**	**9,390,535.86**

Notation

* Dominique McKnight demitted the post of enforcement director on August 31, 2021
* Dave Powell was transferred to the post of enforcement director on September 1, 2021
* Calvert McLeod was promoted to the post of national coordinator (acting) on September 1, 2021

APRIL 2021- MARCH 2022

UPKEEP & TRAVELLING ALLOWANCE ($)	OTHER ALLOWANCES ($)	MILEAGE & TOLL CHARGES	RETRO & ONE OFF PAYMENTS	TOTAL ($)
_	300,000.00	_	759,458.06	9,399,837.19
1,697,148.0	_	2,800.00	139,204.65	8,149,531.54
1,617,004.90	_	_	169,120.50	8,926,530.18
707,145.00	_	177,016.00	_	2,955,664.35
990,003.00	_	_	_	3,363,117.06
1,697,148.00	_	_	166,096.51	8,198,203.16
1,697,148.00	_	_	132,575.97	6,867,620.13
707,145.00	_	58,240.00	107,481.24	4,445,716.33
990,003.00	_	_	149,298.62	5,100,016.04
1,697,148.00	_	_	298,052.88	8,242,854.90
1,697,148.00	_	_	124,742.13	8,293,236.13
13,497,040.90	300,000.00	238,056.00	2,046,030.56	73,942,327.01

CORPORATE INFORMATION

Mr. Audley Gordon
Executive Director
National Solid Waste Management Authority
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Email: nswma@nswma.gov.jm
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REGIONAL COMPANIES

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Mr. Daniel Heaven
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MPM Waste Management Limited
Tel: (876) 974-5465

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

ANNUAL REPORT
2021/2022

Chairman's Signature

Executive Director'sSignature

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022

National Solid Waste Management Authority

Consolidated Financial Statements
31 March 2022

SFAI JAMAICA
C.R. Hylton & Co.

National Solid Waste Management Authority

Consolidated Financial Statements
31 March 2022

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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, 2022, 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, 2022, 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.

Emphasis of Matter
As disclosed in Note 14 to the financial statements, the Authority operates a defined benefit plan for its permanent staff of MPM Waste Management Limited and the Authority. The plan is subject to annual actuarial valuations for the purpose of IAS 19 Employee benefits accounting and disclosure requirements for the plan. We were not presented with an actuarial valuation of the plan for the current financial year ended 31 March 2022. The disclosures in Note 14 therefore relate to the date of the last actuarial valuation 31 March 2021 with the result that there are no adjustments for amounts to be recognised in income or other comprehensive income for the year arising from activities of the plan. There is no other method available to the Authority and for us to independently assess the accounting and disclosure requirements required by IAS 19 for the year under review, consequently we are unable to determine and quantify the adjustments required for the plans net assets.
Our opinion is not modified in respect of this matter.

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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

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.

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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

Auditors ' Responsibility for the Audit of the Financial Statements (Cont'd)

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.

Chartered Accountants
Kingston, Jamaica
July 29, 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 $'000	2021 $'000
INCOME			
Government subvention	5,17	6,881,039	6,175,699
Commercial income	6	605,101	556,320
Other income	7	42,296	297,882
Interest income	8	1,769	2,320
		7,530,205	7,032,221
EXPENSES			
Direct, administrative and general expenses	9,14	(7,549,751)	(7,888,455)
Finance cost	11	-	(5,283)
		(7,549,751)	(7,893,738)
Deficit for the year		(19,546)	(861,517)
Other comprehensive income			
Item that will not be reclassified to income in subsequent periods:			
Retirement benefit adjustment		-	(7,710)
		-	(7,710)
Total comprehensive (loss) income		(19,546)	(869,227)

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 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 $'000	2021 $'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	1,087,670	1,349,787
Right-of-use asset	27	19,324	26,571
Retirement benefit asset	14	20,741	20,741
Total non-current assets		1,127,735	1,397,099
CURRENT ASSETS			
Inventories	15	33,873	28,729
Trade and other receivables	16	570,556	522,505
Withholding tax recoverable		358	-
Cash and cash equivalents	18	787,568	306,645
Total current assets		1,392,355	857,879
CURRENT LIABILITIES			
Trade and other payables	19	2,343,000	2,053,475
Lease liability	26	5,907	5,387
Total current liabilities		2,348,907	2,058,862
Net current liabilities		(956,552)	(1,200,983)
NON-CURRENT LIABILITY			
Lease Liability	26	(19,850)	(25,237)
		(19,850)	(25,237)
NET ASSETS		151,333	170,879
EQUITY AND RESERVES			
Share capital	20	1	1
Revaluation reserves	21	190,247	190,247
Accumulated deficit		(38,915)	(19,369)
Total equity and reserves		151,333	170,879

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 29, 2022 and signed on its behalf by:

____________________ Chairman ____________________ Executive Director

Dennis Chung Audley Gordon

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Share Capital (*) $'000	Revaluation Reserve $'000	Accumulated Surplus $'000	Total $'000
Balance at 1 April 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
Surplus for the year	-	-	(19,546)	(19,546)
Other comprehensive income			-	
Total comprehensive loss	-	-	(19,546)	(19,546)
Balance at 31 March 2022	1	190,247	(38,915)	151,333

(*) - denotes $402.

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

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	2022 $'000	2021 $'000
Cash flows from operating activities		
(Deficit) surplus for the year	(19,546)	(861,517)
Adjustments for:		
Depreciation of property, plant and equipment	286,963	298,952
Depreciation right-of-use asset	7,247	2,884
Increase in allowance for impaired trade receivables	12,000	46,969
Adjustment for retirement benefits	-	2,695
Inventory adjustment	487	-
Interest income	(1,788)	(2,260)
Finance cost - right-of-use asset	5,218	5,218
Operating cash flows before movements in working capital:	290,581	(507,059)
Increase in trade and other receivables	(60,051)	79,747
Increase in inventories	(5,631)	48,796
Increase in trade and other payables	289,525	538,325
Cash generated from operations	514,424	159,809
Taxation paid	(358)	-
Interest received	1,788	2,238
Lease expense	(5,768)	(5,218)
Net cash flows from operating activities	510,086	156,829
Cash flows from investing activities		
Acquisition of property, plant and equipment	(24,846)	(562,501)
Net cash used in investing activities	(24,846)	(562,501)
Cash flows from financing activities		
Repayment of lease liability	(4,317)	(4,317)
Repayment of long-term loan	-	(838)
Net cash used in financing activities	(4,317)	(5,155)
Net (decrease) increase in cash and cash equivalents	480,923	(410,827)
Cash and cash equivalents at the beginning of year	306,645	717,472
Cash and cash equivalents at the end of year	787,568	306,645

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

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
INCOME			
Government subvention	5,17	1,540,416	1,136,870
Commercial income	6	27,832	21,190
Other income and gains	7	41,001	296,515
Interest income	8	1,731	2,217
		1,610 ,980	1,456,792
EXPENSES			
Direct, administrative and general expenses	9, 14	(1,598,440)	(1,365,595)
Finance cost	11	-	-
		(1,598,440)	(1,365,595)
Surplus for the year		12,540	91,197
Other comprehensive income			
Item that will not be reclassified to income in subsequent periods:			
Retirement benefit adjustment	14	-	(7,710)
Total comprehensive income		12,540	83,487

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

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	1,007,940	1,256,565
Retirement benefit asset	14	20,741	20,741
		1,028,681	1,277,306
CURRENT ASSETS			
Inventories	15	1,309	1,633
Trade and other receivables	16	117,752	110,713
Due from related parties	17	662,598	549,094
Cash and cash equivalents	18	458,120	233,526
		1,239,779	894,966
CURRENT LIABILITIES			
Trade and other payables	19	272,911	209,693
Due to related parties	17	94,759	74,329
		367,670	284,022
Net current assets		872,109	610,944
NET ASSETS		1,900,790	1,888,250
EQUITY AND RESERVES			
Revaluation reserve	21	190,247	190,247
Accumulated surplus		1,710,543	1,698,003
TOTAL EQUITY AND RESERVES		1,900,790	1,888,250

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 29, 2022 and signed on its behalf by:

______________________ Chairman
Dennis Chung

______________________ Executive Director
Audley Gordon

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Revaluation Reserve $'000	Accumulated Surplus $'000	Total $'000
Balance at 1 April 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	83,487
Balance at 31 March 2021	**190,247**	**1,698,003**	**1,888,658**
Surplus for the year	-	12,540	12,540
Other comprehensive loss	-	-	-
Total comprehensive income	-	12,540	12,540
Balance at 31 March 2022	**190,247**	**1,710,543**	**1,900,790**

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

NATIONAL SOLID WASTE MANAGEMENT AUTHORITY

STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	2022 $'000	2021 $'000
Cash flows from operating activities		
Surplus for the year	12,540	91,197
Adjustments for:		
Depreciation of property, plant and equipment (Note 13)	269,115	282,261
Adjustment for retirement benefits	-	2,695
Interest income	(1,731)	(2,217)
	279,924	373,936
Operating cash flows before movements in working capital:		
Increase in inventories	324	290
(Increase) decrease in trade and other receivables	(7,039)	238,136
(Increase) decrease in due from related parties, net	(93,074)	(96,272)
(Decrease) increase in trade and other payables	63,218	(177,143)
Cash (used in) generated from operations	243,353	338,947
Interest received	1,731	2,217
Net cash flows from operating activities	245,084	341,164
Cash flows from investing activities		
Acquisition of property, plant and equipment (Note 13)	(20,490)	(548,658)
Net cash used in investing activities	(20,490)	(548,658)
Cash flows from financing activities		
Repayment of long-term loan	-	(839)
Net cash used in financing activities	-	(839)
Net (decrease) increase in cash and cash equivalents	224,594	(208,333)
Cash and cash equivalents at beginning of year	233,526	441,859
Cash and cash equivalents at end of year (Note 18)	458,120	233,526

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 3,777 (2021: 3,666) staff members as at and for the year. The Authority has a total of 799 (2021: 801).

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

2.1 *New and revised Standards and Interpretations affecting the reported financial performance and/or financial position or disclosure*

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments were applied for the first time in 2021, they did not have a material impact on the annual financial statements of the Company.

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

2.1 *New and revised Standards and Interpretations affecting the reported financial performance and/or financial position or disclosure (continued)*

Interest Rate Benchmark Reform – Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).
The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on an economically equivalent basis with no value transfer having occurred. Any other changes made at the same time, such as a change in the credit spread or maturity date, are assessed. If they are substantial, the instrument is derecognized. If they are not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument, with any modification gain or loss recognized in profit or loss. The practical expedient is required for entities applying IFRS 4 that are using the exemption from IFRS 9 (and, therefore, apply IAS 39) and for IFRS 16 Leases, to lease modifications required by IBOR reform.

The amendments also include temporary relief from discontinuing hedging relationships and temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The amendments are mandatory, with earlier application permitted. Hedging relationships must be reinstated if the hedging relationship was discontinued solely due to changes required by IBOR reform and it would not have been discontinued if the phase two amendments had been applied at that time. While application is retrospective, an entity is not required to restate prior periods.

These amendments are effective for annual periods beginning on or after January 1, 2021 and had no impact on the financial statements of the Company.

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 financial statements.

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

COVID-19-Related Rent Concessions beyond June 30, 2021– Amendment to IFRS 16

In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. The amendment does not apply to lessors. 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 practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately

Any reduction in lease payments affects only payments originally due on or before June 30, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before June 30, 2021 and increased lease payments that extend beyond June 30, 2021).

There is no substantive change to other terms and conditions of the lease.

This amendment is effective for annual periods beginning on or after April 1, 2021 and is not expected to have an impact on the financial statements.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of 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 recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. This amendment is effective for annual periods beginning on or after January 1, 2022. Management has not yet assessed the impact of these amendments.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets 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’.

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). 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. These amendments are effective for annual periods beginning on or after January 1, 2022 and are not expected to have an impact on the financial statements.

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

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements 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

Right to defer settlement
The Board decided that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date.

Existence at the end of the reporting period
The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.

Management expectations
IAS 1.75A has been added to clarify that the 'classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period'. That is, management's intention to settle in the short run does not impact the classification. This applies even if settlement has occurred when the financial statements are authorised for issuance.

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (continued)

Meaning of the term 'settlement'

The Board added two new paragraphs (paragraphs 76A and 76B) to IAS 1 to clarify what is meant by 'settlement' of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.
Settlement by way of an entity's own equity instruments is considered settlement for the purpose of classification of liabilities as current or non-current, with one exception.
In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current. Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded when determining whether the liability is current or non-current.

Unchanged from the current standard, a rollover of a borrowing is considered the extension of an existing liability and is therefore not considered to represent 'settlement'. These amendments are effective for annual periods beginning on or after January 1, 2023. Management has not yet assessed the impact of these amendments.

Reference to 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 a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.
The amendments add 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 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.
The amendments must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in IFRS Standards (March 2018).

The amendments are intended to update a reference to the Conceptual Framework without significantly changing requirements of IFRS 3. The amendments will promote consistency in financial reporting and avoid potential confusion from having more than one version of the Conceptual Framework in use. These amendments are effective for annual periods beginning on or after January 1, 2022. Management has not yet assessed the impact of these amendments.

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of accounting estimates.

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the IASB. The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a material impact on entities' financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

These amendments are effective for annual periods beginning on or after January 1, 2023. Management has not yet assessed the impact of these amendments on the financial statements of the Company.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

In the absence of a definition of the term 'significant' in IFRS, the IASB decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in IFRS and is widely understood by the users of financial statements, according to the IASB. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them.

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

Annual Improvements 2018 - 2020 Cycle (issued in May 2020)

These improvements include:

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter- effective January 1, 2022

IFRS 9 Financial instruments – Fees in the 10 “per cent” test for derecognition of financial liabilities - effective January 1, 2022

IAS 41 Agriculture -Taxation in fair value measurements– effective January 1, 2022

Management has not yet assessed the impact of these improvements.

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (continued)

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)
- 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (continued)

3.4.1 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 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.

- FVTPL and FVOCI (continued)
  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

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (continued)

3.4.1 Financial Assets (continued)

Application of the Simplified Approach (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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (continued)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (continued)

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 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (continued)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Property, plant and equipment (continued)

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.

3.10 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
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 $570.556 million at the end of the reporting period for the Group and $117.752 million for the Authority (2021: $522.505 million for Group and $110.713 million for the Authority) after impairment adjustments of $591.882 million for the Group and $62.9 million for the Authority (2021: $579.882 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 $353.004 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 (2021: $20.741 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	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Subvention - primary allocation	5,373,044	3,489,697	1,540,416	1,107,838
Subvention - emergency & special projects	979,010	2,530,991	-	-
Subvention - earmarked income	524,985	45,203	-	-
Constituency Development Fund	4,000	-	-	-
Subvention - Statutory liabilities paid	-	110,108	-	29,032
	6,881,039	6,175,999	1,540,416	1,136,870

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	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Landfill	23,707	40,211	23,707	19,781
One-off	-	788		-
Ship waste	-	7,889		-
Compost	2,937	74	2,937	150
Plant sales	948	1,1153	948	1,259
E-waste	240	3,101	240	-
Residence, business etc.	577,269	503,104		-
	605,101	556,320	27,832	21,190

7. OTHER INCOME AND GAINS

	Group		Authority	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Rental income	3,480	3,480	3,866	3,480
Fees and fines	2,481	1,190	1,691	786
Processing fee and other	36,335	41,403	35,444	41,404
Government grant	-	251,808	-	250,845
	42,296	297,882	41,001	296,515

8. INTEREST INCOME

Interest income primarily represents interest earned on bank deposits.

9. EXPENSE BY NATURE

Total direct, administration and other expenses:

	Group		Authority	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Landfill operations *	731,634	714,900	-	-
Supplementary fleet – Landfill contractors **	1,086,976	1,215,997	-	-
Public cleansing	51,742	149,052	3,576	47,618
Beautification and special projects ***	958,481	1,260,118	507,794	309,292
Staff cost (Note 10)	3,335,294	3,235,960	571,636	540,412
Retirement benefit adjustment	-	2,695	-	2,695
Directors' fees	5,669	1,222	5,669	1,222
Motor vehicle expense	562,378	480,980	65,074	53,909
Repairs and maintenance-property & equipment (NSWMA trucks)	48,585	85,054	11,007	8,971
Depreciation - Property, plant and equipment (Note 13)	286,963	298,952	269,115	282,261
Depreciation – Right-of-use asset	7,247	7,247	-	-
Security services	57,258	65,150	11,263	10,690
Rental, leasing and hireage (Note 24)	24,077	15,739	2,909	58
Utilities	66,720	63,639	29,846	25,625
Industrial & other claims	16,050	2,478	16,050	2,478
Legal and professional fees	17,484	21,613	16,950	20,639
Auditor's remuneration	9,107	7,940	7,996	7,900
Advertising, promotion and training	9,643	4,754	5,852	1,595
Stationery and office supplies	23,624	22,307	7,590	8,130
Bank charges	3,354	6,490	1,576	1,678
Allowance for credit losses (Note 25)	12,000	46,968	-	-
Interest and penalties — payroll taxes	25,435	40,327	-	-
General Consumption Tax ****	109,865	102,907	33,386	21,945
3% Withholding tax	32,158	607	15,615	607
Food, drink meetings and function	9,977	6,181	5,523	2,664
Uniform	35,838	13	-	-
Inventory adjustment	487	-	-	-
Community outreach program		-	-	-
Transportation of staff	383	332	-	-
Sanitising, staff welfare & other expenses	21,322	28,833	10,013	15,513
	7,549,751	7,888,455	1,598,440	1,365,595

* During the year 2022 there was a marginal increase in stockpiling of landfill material as a result of increased remedial work required.

** Supplementary fleet decreased as a result of a significant reduction of supplementary fleet available

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

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

10. STAFF COSTS

	Group		Authority	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Salaries and wages	2,723,602	2,684,696	456,584	421,893
Motor vehicle allowances	221,357	251,078	65,234	73,325
Payroll taxes – employer's portion (NIS, NHT)	150,789	151,140	23,552	21,700
Staff allowances and benefits	60,958	38,808		-
Staff welfare - health, life and pension	178,588	110,238	26,266	23,494
	3,335,294	3,235,960	571,636	540,412

The Group has a total of 3,777 (2021: 3,666) staff members as at year end. The Authority has a total of 799 (2021: 801).
The Group paid a 4% salary increase to all categories of staff.

11. FINANCE COST

Finance cost comprise interest expense on borrowings nil (2021: Nil) and finance lease right-of-use asset $1.907 million (2021: $1.907 million).

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 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
Additions	-	12,934	-	11,912	24,846
31 March 2022	381,388	416,933	60,361	1,791,995	2,650,677
Accumulated depreciation					
1 April 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
Charge for the year	9,174	21,060	3,817	252,912	286,963
31 March 2022	28,384	345,089	33,950	1,155,584	1,563,007
Carrying amount					
2022	353,004	71,844	26,411	636,411	1,087,670
2021	362,178	79,970	30,228	877,411	1,349,787

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

	Authority				
	Land and Building (V)	Furniture, Fixtures and Equipment	Leasehold Improvements	Motor Vehicles	Total
	$'000	$'000	$'000	$'000	$'000
At Cost or valuation (V)					
1 April 2020	240,000	188,452,	16,664	1,331,912	1,777,029
Additions	138,088	16,393	-	394,177	548,658
31 March 2021	378,088	204,846	16,664	1,726,089	2,325,687
Additions	2	8,578	-	11,912	20,490
31 March 2022	378,090	213,423	16,664	1,738,001	2,346,177
Accumulated depreciation					
1 April 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	878,974	1,069,123
Charge for the year	9,091	10,375	2,190	247,459	269,115
31 March 2022	27,272	167,869	16,664	1,126,433	1,338,238
Carrying amount					
2021	350,818	45,554	-	611,568	1,007,940
2020	259,907	49,542	-	456,938	1,256,565

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 recognized as land and building been carried under the cost model is $131,695,250 (2021: $131,695,250).

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 includes 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:

	2022	2021
	%	%
Gross discount rate	8.5	8.5
Expected rate of salary increases	5.5	5.5
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 (2021: the Society of Actuaries' Scale MP-2014).

The weighted average duration of the defined benefit obligation as at 31 March 2022 is 14.76 years (2021: 14.76 years) for active members totalling 35 (2021: 35) and 2.92 years (2021: 2.92 years) for deferred pensioners totalling 7 (2020: 8). The average duration for all participants is 13.90 years (2021: 13.90 years)

The Authority expects to make a contribution of $1.7 million (2021: $1.7 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:

	2022 $'000	2021 $'000
Present value of funded obligations	(192,880)	(192,880)
Fair value of plan assets	473,588	473,588
Surplus	280,708	280,708
Unrecognised asset due to asset ceiling	(259,967)	(259,967)
Net asset recognized in the statement of financial position	20,741	20,741

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

	2022 $'000	2021 $'000
Employer's current service cost	5,611	5,611
Administrative expenses	766	766
Net interest cost:		
Interest cost on defined benefit obligation	14,122	14,122
Interest income on plan assets	(28,642)	(28,642)
Interest effect of the asset ceiling	12,404	12,404
Net cost recognized in income statement	4,261	4,261

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

	2022 $'000	2021 $'000
Remeasurement (gains) losses:		
Remeasurement loss on the defined benefit liability (Note 14.5)	(31,205)	(31,205)
Remeasurement loss on the plan assets (Note 14.5)	(17,810)	(17,810)
Change in effect of the asset ceiling (Note 14.6)	56,725	56,725
Net cost recognized in other comprehensive income	7,710	7,710

14. RETIREMENT BENEFIT ASSET (CONTINUED)

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

2022	Demographic Assumptions $'000	Financial Assumptions $'000	Experience Adjustments $'000	Net $'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

2021	Demographic Assumptions $'000	Financial Assumptions $'000	Experience Adjustments $'000	Net $'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

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

	2022 $'000	2021 $'000
Opening effect of asset ceiling	190,834	190,834
Interest effect of asset ceiling	12,404	12,404
Remeasurement recognized in OCI: Change in effect of asset ceiling (Note 14.4)	56,728	56,728
Closing effect of asset ceiling	259,966	259,966

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

	2022 $'000	2021 $'000
Opening net asset	30,909	30,909
Amount charged as expense	(4,261)	(4,261)
Employer's contributions	1,807	1,807
Remeasurements recognized in OCI	(7,713)	(7,713)
Closing net asset	20,742	20,742

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

	2022 $'000	2021 $'000
Opening defined benefit obligation	248,023	248,023
Employer's current service cost	5,611	5,611
Interest cost on defined benefit obligation	14,122	14,122
Employees' contributions	2,314	2,314
Benefits paid	(45,984)	(45,984)
Remeasurement – due to changes in financial assumptions (Note 14.5)	(43,330)	(43,330)
Remeasurement (gain)/loss on obligation for OCI due to experience (Note 14.5)	12,125	12,125
Remeasurement – due to changes in demographic assumptions (Note 14.5)	-	-
Closing defined benefit obligation	192,881	192,881

14. RETIREMENT BENEFIT ASSET (CONTINUED)

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

	2022 $'000	2021 $'000
Opening fair value of plan assets	469,766	469,766
Employees' contributions	2,314	2,314
Employer's contributions	1,807	1,807
Interest income on plan assets	28,642	28,642
Benefits paid	(45,984)	(45,984)
Administrative expenses	(767)	(767)
Remeasurement (loss)/gain on plan assets for OCI (Note 14.5)	17,810	17,810
Closing fair value of plan assets	473,588	473,588

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

	2022 $'000	2021 $'000
Equity fund	118,547	118,547
Fixed income fund	104,255	104,255
Foreign exchange fund	74,211	74,211
Mortgage and real estate fund	71,320	71,320
Money market fund	16,441	16,441
Others	88,814	88,814
Fair value of plan assets	473,588	473,588

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)

	2022			
	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

	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

	1 year increase in life expectancy 31/3/2022	1 year increase in life expectancy 31/3/2021
	Increase $'000	Increase $'000
Increase in the present value of defined benefit obligation	2,180	2,180

15. INVENTORIES

Inventories comprise:

	Group		Authority	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Consumables	14,591	13,171	1,309	1,633
Spare parts	18,831	13,994	-	-
Skip	-	1,500	-	-
Lubricants and oil	451	64	-	-
	33,873	28,729	1,309	1,633

16. TRADE AND OTHER RECEIVABLES

Trade and other receivables comprise:

	Group		Authority	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Trade receivables	1,097,003	1,018,917	143,565	142,030
Less loss allowance	(591,882)	(579,882)	(62,939)	(62,939)
	505,121	439,035	80,626	79,091
Staff loans and advances	2,119	2,837	1,964	2,682
Prepayments	48,350	69,075	22,541	17,916
Withholding tax on interest	8,273	7,961	8,263	7,951
Deposit on network switches	4,294	3,000	4,294	3,000
Other receivables	2,399	597	64	73
	570,556	522,505	117,752	110,713

17. RELATED PARTY TRANSACTIONS AND BALANCES

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

Subvention Received

	Group		Authority	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Ministry of Local Government & Comm Dev.:				
Recurrent grant	6,881,039	6,175,899	1,540,417	1,136,870

Subvention received is broken down as follows:

	Group	
	2022 $'000	2021 $'000
Subvention - primary allocation	5,373,044	3,489,697
Subvention – emergency & special projects	979,010	2,530,991
Subvention - earmarked income	524,985	45,203
Constituency Development Fund	4,000	-
Subvention – statutory liabilities paid	-	110,108
	6,881,039	6,175,999

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

Subvention disbursed to related entities:

	2022 $'000	2021 $'000
MPM Waste Management Limited	2,878,970	2,554,567
WPM Waste Management Limited	970,119	979,852
SPM Waste Management Limited	824,447	775,259
NEPM Waste Management Limited	667,087	729,351
	5,340,623	5,039,029
Subvention retained in the Authority	1,540,416	1,136,870

Due from related parties:

	Authority	
	2022 $'000	2021 $'000
MPM Waste Management Limited	289,522	310,816
WPM Waste Management Limited	34,780	13,528
NEPM Waste Management Limited	98,768	88,322
SPM Waste Management Limited	170,460	136,428
	593,530	549,094

Due to related parties:

	Authority	
	2022 $'000	2021 $'000
MPM Waste Management Limited	-	48,287
WPM Waste Management Limited	25,171	26,042
	25,171	74,329

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent:

	Group		Authority	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Bank balances				
National Commercial Bank Ja. Ltd.	12,455	77,522	5,004	5,981
Bank of Nova Scotia Ja. Ltd.	773,538	227,573	451,576	226,017
	785,993	305,095	456,580	231,998
Cash in hand	60	60	25	25
	186,053	305,155	456,605	232,023
Short-term deposits:				
National Commercial Bank Ja. Ltd.	1,515	1,490	1,515	1,490
	787,568	306,645	458,120	233,526

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	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Trade payables	842,927	644,460	49,598	76,742
Statutory liabilities	933,344	900,395	82,733	82,876
Project expenses payable	71,504	118,034	71,504	16,857
G.C.T & 3% Withheld payable	191,232	204,093	13,037	13,037
Balance on Quickpay	26,806	48,989	26,806	24,924
Accrued vacation	90,186	79,884	19,240	18,473
Other payables	74,715	23,098	185	2,087
Accruals	112,286	34,522	9,808	8,411
	2,343,000	2,053,475	272,911	209,693

20. SHARE CAPITAL

	2022 $	2021 $
Authorised		
600 ordinary shares at no par value	600	600
Issued and fully paid		
402 ordinary shares at no par value	402	402

21. 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.

22. LEASES AND COMMITMENTS

As at March 31, the Group 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	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Lease and rental expenses recognised in the year	14,721	15,739	334	334

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

	Group		Authority	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Within 1 year	16,289	19,892	551	551
Longer than 1 year and not longer than 5 years	23,850	43,201	-	-
	40,139	63,093	551	551

23. 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 has exposure to the following risk from its use of financial instruments: credit risk 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.

24.1 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	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Cash and cash equivalents	787,568	306,645	458,120	233,526
Trade and other receivables (excluding prepayments)	522,206	453,430	95,211	92,797
Due from related parties	-	-	662,598	549,094
	1,309,774	760,075	1,215,929	875,417

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

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

24.1 Credit risk (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 2022, trade receivables of $176.24 million (2021 - $194.21 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					
	2022			2021		
Days past due	***Estimated gross carrying amount at default $'000***	***Expected Credit loss rate %***	***Allowance For Expected Credit losses $'000***	***Estimated gross Carrying amount at default $'000***	***Expected Credit loss rate %***	***Allowance for expected credit losses $'000***
30 days	216,588	-	-	10,667	-	-
31 – 180 days (6 months)	149,724	25	37,431	312,211	25	78,053
181 – 270 days (9 months)	352,480	50	176,240	388,420	50	194,210
Over 270 days	378,211	100	378,211	307,619	100	307,619
	1,097,003		591,882	1,018,917		579,882

	Authority					
	2022			2021		
Days past due	***Estimated gross carrying amount at default $'000***	***Expected Credit loss rate %***	***Allowance For Expected Credit losses $'000***	***Estimated gross Carrying amount at default $'000***	***Expected Credit loss rate %***	***Allowance for expected credit losses $'000***
30 days	12,322	-	-	15,536	-	-
31 – 180 days (6 months)	19,211	-	-	24,860	-	-
181 – 270 days (9 months)	43,240	50	-	38,695	50	-
Over 270 days	78,210	100	62,939	62,939	100	62,939
	152,983		62,939	142,030		62,939

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

24.1 Credit risk (continued)

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

As of 31 March 2022, trade receivables of $591.9 million (2021: $579.9 million) for the Group and $62.9 million (2021: $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	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
At 1 April	579,882	532,913	62,939	62,939
Loss allowance recognized in year	12,000	46,969	-	-
At 31 March	591,882	579,882	62,939	62,939

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.

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

24.2 Liquidity risk (continued)

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	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Financial liabilities				
Long-term loan		-	-	-
Trade and other payables				
(Non-interest bearing)	2,343,000	2,053,475	272,911	209,693
Due to related parties (net)	-	-	94,759	74,329
Total less than 1 year	2,343,000	2,053,475	367,670	284,022
1-2 years				
Long-term loan	-	-	-	-
	2,343,000	2,053,475	367,670	284,022

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 2022 and 31 March 2021, the Group and the Authority had no significant exposure to currency risk as there were no balances denominated in foreign currency.

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

24.3 Market risk (continued)

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 2022 and 31 March 2021, 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 2022 and 31 March 2021 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.

24. 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%

24. FAIR VALUE MEASUREMENT (CONTINUED)

25.2 Non-financial assets (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.

25. 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, 2022, there were legal claims for damages against the Authority in respect to industrial disputes of $277.021 million (2021: $277.021 million). No provision has been made in these financial statements as Management is unable to assess the likely outcome of these cases.

26. LEASES

Right-of use asset

	The Group 2022 $’000 Building	The Group 2021 $'000
Cost		
At April 1	36,234	36,234
Addition	-	-
At March 31	36,234	36,234
Accumulated depreciation		
At April 1	9,663	2,416
Charge for the year	7,247	7,247
At March 21	16,910	9,663
Carrying amount	19,324	26,571

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.

26. LEASES (CONTINUED)

Lease Liability

Maturity analysis

	2022 $'000	2021 $'000
Year 1	10,912	9,920
Year 2	12,003	10,912
Year 3	8,519	12,003
Year 4	-	8,519
Year 5		-
	31,434	
	(6,197)	41,354
Less unearned interest	25,237	(10,730)
		30,624
Analysed as:	19,850	
Non–current	5,387	25,237
Current	25,237	5,387
	10,912	30,624

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 2022 $'000	The Group 2021 $'000
Depreciation expense on right-of-use asset	7,247	7,247
Interest expense on lease liability	5,283	5,283
Expense relating to short term leases	4,872	4,872

At 31 March 2022 the Group is committed to $ 66,231,740 (2021: $73,921,000) for short term leases.

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

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C.R. Hylton & Co.

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SFAI JAMAICA

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 2022, 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 2022, 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.

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)

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 Jamaica Companies Act, in the manner so required.

Chartered Accountants
July 29, 2022

NEPM WASTE MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Income			
Government Subvention	6	667,087	729,351
Commercial Income	7	81,387	67,618
Other Income	8	136	266
Interest Income		5	19
		748,615	797,254
Expenses			
Direct, administrative and general expenses	9	(764,456)	(888,769)
Deficit, being total comprehensive loss for the year		(15,841)	(91,515)

The accompanying notes form an integral part of the financial statements

NEPM WASTE MANAGEMENT LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Non-current assets			
Property, plant and equipment	12	9,547	10,771
Current assets			
Inventories	13	8,361	7,332
Trade and other receivables	14	13,985	16,315
Cash and cash equivalents	15	12,566	5,472
Total current assets		34,912	29,119
Current liabilities			
Trade and other payables	16	195,499	185,535
Due to related party	17(b)	98,768	88,322
Total current liabilities		294,267	273,857
Net current liabilities		(259,355)	(244,738)
Net Liabilities		(249,808)	(233,967)
Deficiency in assets			
Share capital	18	-	-
Revaluation reserve	19	760	760
Accumulated deficit		(250,568)	(234,727)
Total deficiency in assets		(249,808)	(233,967)

The accompanying notes form an integral part of the financial statements

Approved for issue on behalf of the Board of Directors on July 29, 2022 and signed on its behalf by:

Linley Reynolds Deputy Chairman

Audley Gordon Executive Director

NEPM WASTE MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Share Capital (*) $'000	Revaluation Reserve $'000	Accumulated Deficit $'000	Total $'000
Balance at 1 April 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)
Deficit, being total comprehensive loss	-	-	(15,841)	(15,841)
Balance at 31 March 2022	-	760	(250,568)	(249,808)

(*) - 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 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Cash flows from operating activities:			
Deficit for the year		(15,841)	(91,515)
Adjustments for:			
Depreciation of property, plant and equipment	12	2,633	2,313
Interest income		(5)	(19)
Impairment trade receivables		-	5,000
		(13,213)	(84,221)
Operating cash flows before movements in working capital:			
Increase in inventories		(1,029)	(115)
Decrease/(increase) in trade and other receivables		2,330	(10,479)
Increase in due to related party		10,446	11,981
Increase in trade and other payables		9,964	44,073
Net cash generated by (used in) operations		8,498	(38,761)
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(1,409)	(1,436)
Interest received		5	19
Cash used in investment activities		(1,404)	(1,417)
Net (decrease) Increase in cash and cash equivalents		7,094	(40,178)
Cash and cash equivalents at beginning of year		5,472	45,650
Cash and cash equivalents at end of year	15	12,566	5,472

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 *New and revised Standards and Interpretations affecting the reported financial performance and/or financial position or disclosure*

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments were applied for the first time in 2021, they did not have a material impact on the annual financial statements of the Company.

Interest Rate Benchmark Reform – Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.

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

2.1 *New and revised Standards and Interpretations affecting the reported financial performance and/or financial position or disclosure (continued)*

Interest Rate Benchmark Reform – Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (continued)

Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on an economically equivalent basis with no value transfer having occurred. Any other changes made at the same time, such as a change in the credit spread or maturity date, are assessed. If they are substantial, the instrument is derecognized. If they are not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument, with any modification gain or loss recognized in profit or loss. The practical expedient is required for entities applying IFRS 4 that are using the exemption from IFRS 9 (and, therefore, apply IAS 39) and for IFRS 16 Leases, to lease modifications required by IBOR reform.

The amendments also include temporary relief from discontinuing hedging relationships and temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The amendments are mandatory, with earlier application permitted. Hedging relationships must be reinstated if the hedging relationship was discontinued solely due to changes required by IBOR reform and it would not have been discontinued if the phase two amendments had been applied at that time. While application is retrospective, an entity is not required to restate prior periods.

These amendments are effective for annual periods beginning on or after January 1, 2021 and had no impact on the financial statements of the Company.

2.2 *New and revised Standards and interpretations in issue but effective after the year end*

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 financial statements.

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

COVID-19-Related Rent Concessions beyond June 30, 2021– Amendment to IFRS 16

In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. The amendment does not apply to lessors. 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 practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately

Any reduction in lease payments affects only payments originally due on or before June 30, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before June 30, 2021 and increased lease payments that extend beyond June 30, 2021).

There is no substantive change to other terms and conditions of the lease.

This amendment is effective for annual periods beginning on or after April 1, 2021 and is not expected to have an impact on the financial statements.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of 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 recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. This amendment is effective for annual periods beginning on or after January 1, 2022. Management has not yet assessed the impact of these amendments.

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets 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 (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). 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. These amendments are effective for annual periods beginning on or after January 1, 2022 and are not expected to have an impact on the financial statements.

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

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements 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

Right to defer settlement
The Board decided that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date.

Existence at the end of the reporting period
The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

Classification of Liabilities as Current or Non-current - Amendments to IAS 1(continued)

Management expectations
IAS 1.75A has been added to clarify that the ‘classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period’. That is, management’s intention to settle in the short run does not impact the classification. This applies even if settlement has occurred when the financial statements are authorised for issuance.

Meaning of the term ‘settlement’
The Board added two new paragraphs (paragraphs 76A and 76B) to IAS 1 to clarify what is meant by ‘settlement’ of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.
Settlement by way of an entity’s own equity instruments is considered settlement for the purpose of classification of liabilities as current or non-current, with one exception.
In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current. Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded when determining whether the liability is current or non-current.

Unchanged from the current standard, a rollover of a borrowing is considered the extension of an existing liability and is therefore not considered to represent ‘settlement’. These amendments are effective for annual periods beginning on or after January 1, 2023. Management has not yet assessed the impact of these amendments.

Reference to 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 a previous version of the IASB’s Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments add 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 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in IFRS Standards (March 2018).

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

The amendments are intended to update a reference to the Conceptual Framework without significantly changing requirements of IFRS 3. The amendments will promote consistency in financial reporting and avoid potential confusion from having more than one version of the Conceptual Framework in use. These amendments are effective for annual periods beginning on or after January 1, 2022. Management has not yet assessed the impact of these amendments.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of accounting estimates.

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the IASB. The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a material impact on entities' financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

These amendments are effective for annual periods beginning on or after January 1, 2023. Management has not yet assessed the impact of these amendments on the financial statements of the Company.

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and

Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

In the absence of a definition of the term ‘significant’ in IFRS, the IASB decided to replace it with ‘material’ in the context of disclosing accounting policy information. ‘Material’ is a defined term in IFRS and is widely understood by the users of financial statements, according to the IASB. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them.

Annual Improvements 2018 - 2020 Cycle (issued in May 2020)

These improvements include:

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter- effective January 1, 2022

IFRS 9 Financial instruments – Fees in the 10 “per cent” test for derecognition of financial liabilities - effective January 1, 2022

IAS 41 Agriculture -Taxation in fair value measurements– effective January 1, 2022

Management has not yet assessed the impact of these improvements.

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 Revenue
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 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 $59.055 million (2021: $26.787 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:

	2022 $'000	2021 $'000
31 – 60 days	2,487	1,660
61 – 90 days	1,309	918
>90 days	1,416	3,944
	5,102	6,522

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 (2021 $34.702 million) were past due over 90 days. The expected credit loss model (ECL) was applied and the ECL assessed at $34.702 million (2021: $34.702 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:

	2022 $'000	2021 $'000
At start of year	34,702	29,702
Allowance recognised in year	-	5,000
At end of year	34,702	34,702

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:

	2022 $'000	2021 $'000
Parish councils and private enterprises	46,298	44,921
Less: Provisions for impairment	(34,702)	(34,702)
	11,596	10,219

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
	2022	
Trade payables	133,741	133,741
Other	61,758	61,758
	195,499	195,499

	Within 1 Month $'000	Total $'000
	2021	
Trade payables	117,986	117,986
Other	67,549	67,549
	185,535	185,535

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 $46.298 million at the end of the reporting period (2021: $44.921 million) against which a loss allowance of $34.702 million (2021: $34.702 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 3.13. 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.

	2022 $'000	2021 $'000
Subvention - primary allocation	573,103	292,294
Subvention - emergency and special projects	93,984	419,070
Subvention – statutory liabilities paid	-	17,987
	667,087	729,351

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

	2022 $'000	2021 $'000
Anti-litter fine	117	232
Card replacement & Staff deduction fees	19	34
	136	266

9. EXPENSE BY NATURE

Total direct, administration and other expenses:

	2022 $'000	2021 $'000
Landfill Operations	112,056	126,744
Supplementary fleet –Contractors' expense***	120,225	113,429
Public cleansing	4,245	9,818
Beautification and special projects*	78,089	167,441
Staff costs (**Note 10**) **	324,238	348,418
Motor vehicle expense	99,459	89,032
Repairs and maintenance property and equipment	1,229	751
Depreciation–property, plant & equip. (**Note 12**)	2,633	2,313
Security services	3,796	4,104
Rental, leases and hireage **(Note 20)**	1,537	1,545
Utilities	4,123	5,705
Professional fees	120	-
Interest and penalty payroll taxes (**Retroactive**)	-	344
Stationery and office expense	3,046	4,266
Bank charges	117	104
Allowance for expected credit losses (**Note 4**)	-	5,000
General Consumption Tax (GCT)	9,295	9,675
Training, advertising & promotions	248	80
	764,456	888,769

* Beautification project received a one-off boost of $72M under the MP Clean up Christmas project during the prior year.

** General salary increase of 4% was awarded to all staff during the year. Sweeper hours reduced from 6 to 4 per day and overtime capped at 20 hours per fortnight for Drivers and Sanitation workers and capping of mileage for Travelling Officers.

*** Supplementary fleet increased due to inadequate and non-operational fleet vehicles.

10. STAFF COSTS

	2022 $'000	2021 $'000
Wages and salaries	260,841	282,514
Travel cost incl. motor vehicle upkeep and mileage allowances	32,598	37,305
Payroll taxes – employer's portion (NIS, NHT)	14,270	16,005
Staff allowances and benefits	7,790	4,258
Staff welfare incl. health and life insurance	8,739	8,336
	324,238	348,418

The number of employees at year end was 295 (2021: 282).

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 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
Additions	-	-	1,409	-	1,409
31 March 2022	3,300	14,744	19,335	3,077	40,456
Accumulated depreciation					
1 April 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
Charge for the year	83	755	1,740	55	2,633
31 March 2022	1,112	12,194	14,701	2,902	30,909
Carrying amount					
31 March 2022	2,188	2,550	4,634	175	9,547
31 March 2021	2,271	3,305	4,965	230	10,771

13. INVENTORIES

Inventories comprise the following:

	2022 $'000	2021 $'000
Tools & equipment	2,067	2,069
Stationery	1,304	1,250
Consumables	1,785	1,408
Spare parts	2,818	1,868
Oils and lubricants	387	737
	8,361	7,332

Inventories recognised as an expense during the year amounted to $6.443 million (2021: $12.026 million).

14. TRADE AND OTHER RECEIVABLES

	2022 $'000	2021 $'000
Trade receivables	46,298	44,921
Allowance for impairment	(34,702)	(34,702)
	11,596	10,219
Advances	155	155
Prepayments	2,163	5,820
Other	71	121
	13,985	16,315

15. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statements, cash and cash equivalents comprise:

	2022 $'000	2021 $'000
NCB Current account	7,451	4,481
BNS Current account	5,080	956
Petty cash	35	35
	12,566	5,472

16. TRADE AND OTHER PAYABLES

	2022 $'000	2021 $'000
Trade payables	133,741	117,986
Statutory deductions	41,384	48,481
Vacation leave	7,487	7,767
Legal, audit and other professional fees	2,735	2,297
St. Ann Parish Council	9,707	8,494
Accruals	445	510
	195,499	185,535

17. RELATED PARTY TRANSACTIONS AND BALANCES

The following transactions were carried out with related parties:

(a) **Subventions received**

	2022 $'000	2021 $'000
Government subventions (Note 6)	667,087	729,351

(b) Due to Related party

	2022 $'000	2021 $'000
National Solid Waste Management Authority	98,768	88,322

(c) Senior Management Compensation

	2022 $'000	2021 $'000
Salaries and related expenses	25,848	21,792

18. SHARE CAPITAL

	2022 $	2021 $
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.

	2022 $'000	2021 $'000
Operating lease recognised as an expense in the year	1,537	1,545

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 2022

SFAI JAMAICA

C.R. Hylton & Co.

MPM Waste Management Limited

31 March 2022

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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 2022, 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 2022, 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 MPM Waste Management Limited
Report on the Financial Statements

Auditors ' Responsibility for the Audit of the Financial Statements (Continued)

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 28, 2022

MPM WASTE MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
INCOME			
Government subvention	6	2,878,970	2,554,567
Commercial income	7	247,402	216,307
Interest income	8	24	24
		3,126,396	2,770,898
EXPENSES			
Direct, administrative and general expenses	9	(3,022,411)	(3,296,715)
Interest expense	19	-	(5,283)
Surplus (deficit) being total comprehensive income (loss) for the year		103,985	(531,100)

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

MPM WASTE MANAGEMENT LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Non-current assets			
Property, plant and equipment	12	43,962	49,191
Right-of-use asset	19	19,324	26,571
		63,286	75,762
Current assets			
Inventories	13	8,911	9,398
Trade and other receivables	14	252,303	216,847
Cash and cash equivalents	15	223,548	35,385
Total current assets		484,762	261,630
Current liabilities			
Trade and other payables	16	1,147,940	1,062,473
Lease liability	19	5,387	5,387
Due to related parties	17	289,522	262,931
Total current liabilities		1,442,849	1,330,791
Net current liabilities		(958,087)	(1,069,161)
Non-current liability			
Lease liability	19	(19,850)	(25,237)
Net Liabilities		(914,651)	(1,018,636)
Deficiency in assets			
Share capital	18	-	-
Accumulated deficit		(914,651)	(1,018,636)
Total deficiency in assets		(914,651)	(1,018,636)

The financial statements were approved for issue by the Board of Directors on July 28, 2022 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.

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Share Capital (*) $'000	Accumulated deficit $'000	Total $'000
Balance at 1 April 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)
Surplus, being total comprehensive income for the year	-	103,985	103,985
Balance at 31 March 2022	-	(914,651)	(914,651)

(*) - 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 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $000	2021 $000
Cash flows from operating activities			
Surplus (deficit) for the year		103,982	(531,100)
Adjustments for:			
Depreciation of property, plant and equipment	12	7,134	6,157
Depreciation of right-of-use asset		7,247	7,247
Inventory adjustment		487	-
Increase in allowance for impaired trade receivables		6,000	5,820
Interest expense - right-of-use asset		5,283	5,283
Interest income		(24)	(24)
Operating cash flows before movements in working capital:		130,112	(506,617)
Increase in trade and other receivables		(41,456)	(105,324)
(Increase)Decrease in inventories		-	487
Increase/(Decrease) in due to related parties		26,591	50,235
Increase/(Decrease) in trade and other payables		85,467	480,473
Net cash (used in) generated by operations		200,714	(80,746)
Cash flow from investing activities			
Purchase of property, plant and equipment	12	(1,905)	(7,868)
Interest received		24	24
Net cash used in investing activities		(1,881)	(7,844)
Cash flow from financing activities			
Interest paid		(5,283)	(5,283)
Repayment of lease liability		(5,387)	(8,680)
Net cash used in financing activities		(10,670)	(13,963)
Net (decrease) increase in cash and cash equivalents		188,163	(102,553)
Cash and cash equivalents at beginning of year		35,385	137,938
Cash and cash equivalents at end of the year	15	223,548	35,385

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 (2021: 1,674) staff members as at March 31, 2022.

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

2.1 *New and revised Standards and Interpretations affecting the reported financial performance and/or financial position or disclosure*

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments were applied for the first time in 2021, they did not have a material impact on the annual financial statements of the Company.

Interest Rate Benchmark Reform – Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.

Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on an economically equivalent basis with no value transfer having occurred. Any other changes made at the same time, such as a change in the credit spread or maturity date, are assessed. If they are substantial, the instrument is derecognized. If they are not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument, with any modification gain or loss recognized in profit or loss. The practical expedient is required for entities applying IFRS 4 that are using the exemption from IFRS 9 (and, therefore, apply IAS 39) and for IFRS 16 Leases, to lease modifications required by IBOR reform.

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

2.1 *New and revised Standards and Interpretations affecting the reported financial performance and/or financial position or disclosure (continued)*

Interest Rate Benchmark Reform – Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Continued)

The amendments also include temporary relief from discontinuing hedging relationships and temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The amendments are mandatory, with earlier application permitted. Hedging relationships must be reinstated if the hedging relationship was discontinued solely due to changes required by IBOR reform and it would not have been discontinued if the phase two amendments had been applied at that time. While application is retrospective, an entity is not required to restate prior periods.

These amendments are effective for annual periods beginning on or after January 1, 2021 and had no impact on the financial statements of the Company.

2.2 *New and revised Standards and interpretations in issue but effective after the year end*

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 financial statements.

COVID-19-Related Rent Concessions beyond June 30, 2021– Amendment to IFRS 16
In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. The amendment does not apply to lessors. 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 practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately

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

2.2 ***New and revised Standards and interpretations in issue but effective after the year end (continued)***

COVID-19-Related Rent Concessions beyond June 30, 2021– Amendment to IFRS 16 (Continued)
Any reduction in lease payments affects only payments originally due on or before June 30, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before June 30, 2021 and increased lease payments that extend beyond June 30, 2021).

There is no substantive change to other terms and conditions of the lease.

This amendment is effective for annual periods beginning on or after April 1, 2021 and is not expected to have an impact on the financial statements.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of 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 recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. This amendment is effective for annual periods beginning on or after January 1, 2022. Management has not yet assessed the impact of these amendments.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets 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 (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). 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. These amendments are effective for annual periods beginning on or after January 1, 2022 and are not expected to have an impact on the financial statements.

Classification of Liabilities as Current or Non-current - Amendments to IAS 1
In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements 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

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

2.2 *New and revised Standards and interpretations in issue but effective after the year End (continued)*

Classification of Liabilities as Current or Non-current - Amendments to IAS 1(continued)

Right to defer settlement
The Board decided that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date.

Existence at the end of the reporting period
The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.

Management expectations
IAS 1.75A has been added to clarify that the 'classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period'. That is, management's intention to settle in the short run does not impact the classification. This applies even if settlement has occurred when the financial statements are authorised for issuance.

Meaning of the term 'settlement'
The Board added two new paragraphs (paragraphs 76A and 76B) to IAS 1 to clarify what is meant by 'settlement' of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.
Settlement by way of an entity's own equity instruments is considered settlement for the purpose of classification of liabilities as current or non-current, with one exception.
In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current. Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded when determining whether the liability is current or non-current.

Unchanged from the current standard, a rollover of a borrowing is considered the extension of an existing liability and is therefore not considered to represent 'settlement'. These amendments are effective for annual periods beginning on or after January 1, 2023. Management has not yet assessed the impact of these amendments.

Reference to 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 a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

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

2.2 *New and revised Standards and interpretations in issue but effective after the year End (continued)*

Reference to Conceptual Framework - Amendments to IFRS 3(continued)

The amendments add 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 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in IFRS Standards (March 2018).

The amendments are intended to update a reference to the Conceptual Framework without significantly changing requirements of IFRS 3. The amendments will promote consistency in financial reporting and avoid potential confusion from having more than one version of the Conceptual Framework in use. These amendments are effective for annual periods beginning on or after January 1, 2022. Management has not yet assessed the impact of these amendments.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of accounting estimates.

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the IASB. The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a

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

2.2 *New and revised Standards and interpretations in issue but effective after the year End (continued)*

Definition of Accounting Estimates - Amendments to IAS 8 (continued)

material impact on entities' financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

These amendments are effective for annual periods beginning on or after January 1, 2023. Management has not yet assessed the impact of these amendments on the financial statements of the Company.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and

Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

In the absence of a definition of the term 'significant' in IFRS, the IASB decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in IFRS and is widely understood by the users of financial statements, according to the IASB. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them.

Annual Improvements 2018 - 2020 Cycle (issued in May 2020)

These improvements include:

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter- effective January 1, 2022

IFRS 9 Financial instruments – Fees in the 10 "per cent" test for derecognition of financial liabilities - effective January 1, 2022

IAS 41 Agriculture -Taxation in fair value measurements– effective January 1, 2022.

Management has not yet assessed the impact of these improvements.

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.

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

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

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

(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:

	2022 $'000	2021 $'000
Cash and cash equivalents	223,548	35,385
Trade and other receivables (not including prepayment)	237,458	173,108
	461,006	208,493

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 2022, trade receivables of $47.26 million (2021 - $39.311 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:

	2022 $'000	2021 $'000
1 month	18,923	16,378
2 - 6 months	57,927	22,933
	76,850	39,311

Ageing analysis of trade receivables that are past due and impaired

As of 31 March 2022, trade receivables of $260.142 million (2021: $266,142 million) were past due over six months. The expected credit loss model (ECL) was applied and additional ECL assessed at $6 million. The total loss allowance including individually assessed customer totaled to $272.142 million (2021: $266.142 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:

	2022 $'000	2021 $'000
2- 6 months	-	5,820
Over 6 months	266,322	260,322
	266,322	266,142

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 (2022: Allowance for expected credit losses) for trade receivables is as follows:

	2022 $'000	2021 $'000
At 1 April	266,142	260,322
Allowance for expected credit losses recognised in year	6,000	5,820
At 31 March	272,142	266,142

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.

	2022 Less than 1 Year $'000	2021 Less than 1 Year $'000
Financial liabilities		
Trade payables (Non-interest bearing)	422,829	304,405
Other payables	12,605	11,505
Due to related parties (net)	289,522	262,931
	724,956	578,841

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 2022 and 31 March 2021, 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 2022 and 31 March 2021, 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 2022 and 31 March 2021 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 $234.647 million at the end of the reporting period (2021: $186.163 million) after impairment adjustments of $272.142 million (2021: $266.142 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.

	2022 $'000	2021 $'000
Subvention - primary allocation	1,928,433	1,246,256
Subvention - emergency and special projects	533,216	1,113,730
Subvention - earmarked income	417,321	181,844
Subvention – statutory liabilities paid	-	12,737
	2,878,970	2,554,567

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

Interest income primarily represents interest earned on bank balances.

9. EXPENSE BY NATURE

Total direct, administration and other expenses:	2022 $'000	2021 $'000
Landfill operations	331,138	334,236
Supplementary fleet – Landfill contractors	665,947	811,546
Public cleansing	38,014	42,569
Beautification and special projects	201,403	442,682
Staff costs (**Note 10**)	1,424,585	1,345,020
Motor vehicle expenses*	142,758	131,451
Repairs and maintenance –property and equipment	1,380	4,068
Depreciation – property, plant and equipment (**Note 12**)	7,134	6,157
Depreciation right-of-use asset	7,247	7,247
Security services	23,433	30,259
Rental, leasing and hire	10,769	5,044
Utilities	20,847	20,337
Legal and professional fees	414	-
Auditor's remuneration – prior year reversal as borne by NSWMA	-	(1,000)
Training, advertising and promotion	1,196	544
Stationery and office supplies	6,877	2,728
Bank charges	1,347	1,300
Allowance for expected credit losses (**Note 4.1**)	6,000	5,820
Interest and penalties – (payroll taxes)	23,120	39,983
General Consumption Tax (GCT) **	55,469	45,089
3%Withholding Tax	16,513	15,207
Food and drink	2,511	1,129
Uniform expenses ***	27,874	-
Inventory adjustment	487	-
Sanitising, staff welfare and other expenses	5,948	5,299
	3,022,411	3,296,715

* Motor vehicle expense increased due to significant increase in fuel price.

** GCT withheld & 3% withholding tax are based on the overall increased expenditure over the previous year on taxable activities.

*** A uniform policy was developed during 2017, a new cycle was reached during 2022.

10. STAFF COSTS

	2022 $'000	2021 $'000
Salaries, wages and allowances	1,244,362	1,159,106
Travel cost incl. motor upkeep and mileage claims	48,306	58,734
Payroll taxes – employer's portion (NIS, NHT)	67,705	67,730
Staff allowances and benefits	19,108	20,793
Staff welfare incl. health, life and pension	45,104	38,657
	1,424,585	1,345,020

The number of persons employed by the company at the year-end is 1,805 (2021: 1,674). During the 2022 financial year the company paid a 4% 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 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
Additions	-	1,663	242	-	1,905
Adjustment	-	-	-	-	-
31 March 2022	29,936	125,112	5,984	14,411	175,443
Accumulated depreciation					
1 April 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
Charge for the year	415	3,004	1,914	1,801	7,134
31 March 2022	5,928	114,943	5,878	4,732	131,481
Carrying amount					
2022	24,008	10,169	106	9,679	43,962
2021	24,423	11,510	1,778	11,480	49,191

13. INVENTORIES

Inventories comprise the following:

	2022 $'000	2021 $'000
Consumables	411	411
Spare parts	8,436	8,923
Oils and lubricants	64	64
	9,911	9,398

14. TRADE AND OTHER RECEIVABLES

	2022 $'000	2021 $'000
Trade receivables	500,789	437,640
Less allowance for expected credit losses	(272,142)	(266,142)
	228,647	171,498
Refundable deposit – lease	1,600	1,600
Prepaid lease	1,200	1,200
Prepayments	20,846	42,539
Withholding tax	10	10
	252,303	216,847

15. CASH AND CASH EQUIVALENTS

	2022 $'000	2021 $'000
Cash at bank and in hand	223,548	35,385

16. TRADE AND OTHER PAYABLES

	2022 $'000	2021 $'000
Trade payables	422,829	304,405
Statutory liabilities	516,461	482,372
GCT and 3% withholding tax payable	113,257	113,257
Accrued vacation	35,829	25,692
Other payables	12,605	11,505
Staff remittance	8,048	24,065
Accruals (Audit fee, etc.)	38,911	101,177
	1,147,940	1,062,473

17. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Balances with related parties

	2022 $'000	2021 $'000
Due to related party - NSWMA	359,161	311,216
Due from related party -NSWMA	(69,587)	(48,285)
Due from related party -NEPM	(2,444)	-
Due from related party -SPM	2,392	-
	289,522	262,931

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:

	2022 $'000	2021 $,000
Subvention received (Note 6)	2,878,970	2,554,567

Key management compensation

	2022 $'000	2021 $'000
Salaries and other short-term benefits	22,411	24,885
Payroll taxes – employer's portion	689	721
	23,100	25,606

18. SHARE CAPITAL

	2022 $	2021 $
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

	2022 $'000 Building	2021 $'000 Building
Cost		
At April 1	36,234	36,234
Addition	-	-
At March 31	36,234	36,234
Accumulated depreciation		
At April 1	9,663	2,416
Charge for the year	7,247	7,247
At March 21	16,910	9,663
Carrying amount	19,324	26,571

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

	2022 $'000	2021 $'000
Year 1	10,912	9,920
Year 2	12,003	10,912
Year 3	8,519	12,003
Year 4	-	8,519
	31,434	41,354
Less unearned interest	(6,197)	(10,730)
	25,237	30,624
Analysed as:		
Non–current	19,850	25,237
Current	5,387	5,387
	25,237	30,624

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)

	2022 $'000	2021 $'000
Depreciation expense on right-of-use asset	7,247	7,247
Interest expense on lease liability	5,283	5,283
Expense relating to short term leases	4,872	4,872

At 31 March 2022 the company is committed to $25.237 million (2021: $40.554 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.

	2022 $'000	2021 $'000
Operating lease expenses recognised in the year	4,872	4,872

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 2022

SFAI JAMAICA

C.R. Hylton & Co.

SPM WASTE MANAGEMENT LIMITED

I N D E X
31 MARCH 2022

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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 2022, 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 2022, 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 28, 2022

SPM WASTE MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
INCOME			
Government subvention	6	824,447	775,059
Commercial income	7	108,349	110,728
Other income	8	1,056	721
Interest income		9	23
		933,861	886,531
EXPENSES			
Direct, administrative and general expenses	9	(1,001,478)	(1,021,709)
Deficit being total comprehensive loss for the year		(67,617)	(135,178)

The accompanying notes form an integral part of the financial statements

SPM WASTE MANAGEMENT LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 $'000	2021 $'000
Assets			
Non-current assets			
Property, plant and equipment	12	3,828	6,063
Current assets			
Inventories	13	11,340	6,386
Trade and other receivables	14	111,091	109,873
Withholding tax recoverable		358	358
Due from related party	15	-	3,840
Cash and cash equivalents	16	28,800	9,165
Total current assets		151,589	129,622
Current liabilities			
Trade and other payables	17	229,264	175,947
Due to related party	15	170,460	136,428
Total current liabilities		399,724	312,375
Net current liabilities		(248,135)	(182,753)
Net liabilities		(244,307)	(176,690)
Deficiency in assets			
Share capital	18	1	1
Accumulated deficit		(244,308)	(176,691)
Total deficiency in assets		(244,307)	(176,690)

The accompanying notes form an integral part of the financial statements

Approved for issue on behalf of the Board of Directors on July 28, 2022 and signed on its behalf by:

Linley Reynolds Deputy Chairman

Audley Gordon Executive Director

SPM WASTE MANAGEMENT LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
YEAR ENDED 31 MARCH 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Share Capital $'000	Accumulated Deficit $'000	Total $'000
Balance at 1 April 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)
Deficit, being total comprehensive loss for the year	-	(67,617)	(67,617)
Balance at 31 March 2022	1	(244,308)	(244,307)

The accompanying notes form an integral part of the financial statements

SPM WASTE MANAGEMENT LIMITED

STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Deficit for the year		(67,617)	(135,178)
Adjustment for:			
Depreciation of property, plant and equipment	12	2,940	3,721
Increase in loss allowance		-	5,000
Interest income		(9)	(28)
Operating cash flows before movements in working capital:		(64,686)	(126,485)
Increase in trade and other receivables		(1,218)	(21,567)
(Increase) decrease in inventory		(4,954)	(1,528)
Increase in trade and other payables		53,317	72,889
Increase in due to related parties, net		37,872	31,205
Net cash used in operations		(85,017)	(45,482)
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(705)	(1,485)
Interest received		9	6
Net cash used in investing activities		(696)	(1,479)
Net increase (decrease) in cash and cash equivalents		19,635	(46,961)
Cash and cash equivalents at beginning of year		9,165	56,126
Cash and cash equivalents at end of year	15	28,800	9,165

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 *New and revised Standards and Interpretations affecting the reported financial performance and/or financial position or disclosure*

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments were applied for the first time in 2021, they did not have a material impact on the annual financial statements of the Company.

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

2.1 *New and revised Standards and Interpretations affecting the reported financial performance and/or financial position or disclosure (continued)*

Interest Rate Benchmark Reform – Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).
The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on an economically equivalent basis with no value transfer having occurred. Any other changes made at the same time, such as a change in the credit spread or maturity date, are assessed. If they are substantial, the instrument is derecognized. If they are not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument, with any modification gain or loss recognized in profit or loss. The practical expedient is required for entities applying IFRS 4 that are using the exemption from IFRS 9 (and, therefore, apply IAS 39) and for IFRS 16 Leases, to lease modifications required by IBOR reform.

The amendments also include temporary relief from discontinuing hedging relationships and temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The amendments are mandatory, with earlier application permitted. Hedging relationships must be reinstated if the hedging relationship was discontinued solely due to changes required by IBOR reform and it would not have been discontinued if the phase two amendments had been applied at that time. While application is retrospective, an entity is not required to restate prior periods.

These amendments are effective for annual periods beginning on or after January 1, 2021 and had no impact on the financial statements of the Company.

2.2 *New and revised Standards and interpretations in issue but effective after the year end*

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

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

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

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 financial statements.

COVID-19-Related Rent Concessions beyond June 30, 2021– Amendment to IFRS 16

In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. The amendment does not apply to lessors. 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 practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately

Any reduction in lease payments affects only payments originally due on or before June 30, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before June 30, 2021 and increased lease payments that extend beyond June 30, 2021).

There is no substantive change to other terms and conditions of the lease.

This amendment is effective for annual periods beginning on or after April 1, 2021 and is not expected to have an impact on the financial statements.

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of 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 recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. This amendment is effective for annual periods beginning on or after January 1, 2022. Management has not yet assessed the impact of these amendments.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets 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 (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). 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. These amendments are effective for annual periods beginning on or after January 1, 2022 and are not expected to have an impact on the financial statements.

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

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements 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

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

Classification of Liabilities as Current or Non-current - Amendments to IAS 1(continued)

Right to defer settlement

The Board decided that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date.

Existence at the end of the reporting period

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.

Management expectations

IAS 1.75A has been added to clarify that the 'classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period'. That is, management's intention to settle in the short run does not impact the classification. This applies even if settlement has occurred when the financial statements are authorised for issuance.

Meaning of the term 'settlement'

The Board added two new paragraphs (paragraphs 76A and 76B) to IAS 1 to clarify what is meant by 'settlement' of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.
Settlement by way of an entity's own equity instruments is considered settlement for the purpose of classification of liabilities as current or non-current, with one exception.
In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current. Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded when determining whether the liability is current or non-current.

Unchanged from the current standard, a rollover of a borrowing is considered the extension of an existing liability and is therefore not considered to represent 'settlement'. These amendments are effective for annual periods beginning on or after January 1, 2023. Management has not yet assessed the impact of these amendments.

Reference to 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 a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

Reference to Conceptual Framework - Amendments to IFRS 3(continued)

The amendments add 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 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in IFRS Standards (March 2018).

The amendments are intended to update a reference to the Conceptual Framework without significantly changing requirements of IFRS 3. The amendments will promote consistency in financial reporting and avoid potential confusion from having more than one version of the Conceptual Framework in use. These amendments are effective for annual periods beginning on or after January 1, 2022. Management has not yet assessed the impact of these amendments.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of accounting estimates.

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the IASB. The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

Definition of Accounting Estimates - Amendments to IAS 8 (continued)

material impact on entities' financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

These amendments are effective for annual periods beginning on or after January 1, 2023. Management has not yet assessed the impact of these amendments on the financial statements of the Company.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and

Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

In the absence of a definition of the term 'significant' in IFRS, the IASB decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in IFRS and is widely understood by the users of financial statements, according to the IASB. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them.

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

Annual Improvements 2018 - 2020 Cycle (issued in May 2020)

These improvements include:

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter- effective January 1, 2022

IFRS 9 Financial instruments – Fees in the 10 “per cent” test for derecognition of financial liabilities - effective January 1, 2022

IAS 41 Agriculture -Taxation in fair value measurements– effective January 1, 2022

Management has not yet assessed the impact of these improvements.

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. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

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

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

3.3.1 **Financial assets (continued)**

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.

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)**

3.3.1 **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 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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3.1 Financial assets (continued)

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.

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.

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

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 **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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial Instruments (Policy applicable before 1 April 2018) (continued)

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.

3.5 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:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Property, plant and equipment (continued)

Motor vehicles	5 years
Furniture and fixtures	10 years
Machinery and equipment	10 years
Leasehold improvements	Period of lease

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 2022 trade receivables of $9.980 million (2021 - $15.806 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:

	2022 $'000	2021 $'000
1 month	4,725	6,050
2 - 6 months	5,255	9,756
	9,980	15,806

Ageing analysis of trade receivables that are past due and impaired
As of 31 March 2022, trade receivables of $76.966 million (2021 - $76.966 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:

	2022 $'000	2021 $'000
Over 6 months	91,225	65,916

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:

	2022 $'000	2021 $'000
At 1 April	76,966	71,966
Allowance for expected credit losses recognized	-	5,000
At 31 March	76,966	76,966

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 2022:		
Liabilities		
Trade payables	131,891	131,891
Due to related party (NSWMA)	170,461	170,461
Total financial liabilities (contractual maturity)	302,352	302,352

	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

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 2022 and 31 March 2021, 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 2022 and 31 March 2021, 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 2022 and 31 March 2021 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 $109.267 million at the end of the reporting period (2021: $109.878 million) net of impairment of $76.966 million (2021: $76.966 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.

	2022 $'000	2021 $'000
Subvention - primary allocation	680,237	405,433
Subvention - emergency and special projects	144,210	340,594
Subvention – statutory liabilities paid	-	29,032
	824,447	775,059

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

	2022 $'000	2021 $'000
Fines	601	60
Processing Fees	455	661
	1,056	721

9. EXPENSES

Expense by nature

	2022 $'000	2021 $'000
Landfill operations**	136,125	117,728
Supplementary Fleet-Contractors' expenses*	108,242	90,791
Public cleansing	5,887	8,128
Beautification and special projects***	90,712	177,043
Staff costs (**Note 10**)	474,885	453,657
Motor vehicle expenses (NSWMA trucks)****	142,770	135,471
Repairs and maintenance - property and equip.*****	11,078	2,029
Depreciation (**Note 12**)	2,940	3,721
Security expenses	11,054	9,304
Rental, leasing and hire **(Note 19)**	3,472	4,134
Utilities	6,532	5,625
Auditor's remuneration	561	980
Advertising, promotion and training	510	554
Stationery and office supplies	3,560	3,699
Bank charges	180	77
Increase in loss allowance	-	5,000
Uniform	-	13
Food, drink meeting and function	185	147
Staff long service award function, meals & ent.	2,402	3,275
Staff transportation & courier service	383	333
	1,001,478	1,021,709

* Supplementary fleet increased due to down time of own fleet and new contractors in Clarendon at higher rates.

** Landfill operations cost comprises of stockpiling of cover material, remedial work and coverage of landfill. There were more pushing and spreading during the year as well as rate increases.

***Special projects increased expenditure during 2021 due to dengue eradication, pre-hurricane clean up, desilting, TPDCo ,TEF and Christmas projects. Most of these were not repeated during 2022.

****Motor vehicle expenses were driven by increased fuel cost.

***** Repairs and maintenance of property and equipment increased due to one off general maintenance activities.

10. STAFF COSTS

	2022 $'000	2021 $'000
Wages and salaries	392,082	368,018
Motor vehicle upkeep and mileage & travel	36,170	42,768
Payroll taxes – employer's portion (NIS, NHT)	21,133	20,904
Staff allowances and benefits	7,920	7,300
Staff welfare- health and life insurance	17,580	14,667
	474,885	453,657

The number of persons employed by the company at the year-end was 347 (2021 - 353). The company paid a salary increase of 4% during the year to all workers including administrative staff and Drivers.

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 2020	5,160	4,651	11,376	5,625	26,812
Additions		220	1,265	-	1,485
At 1 April 2021	5,160	4,871	12,641	5,625	28,297
Additions	-	94	611	-	705
At 31 March 2021	5,160	4,965	13,252	5,625	29,002
Accumulated depreciation					
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 1 April 2021	2,373	4,064	10,673	5,124	22,234
Charge for the year	880	497	1,062	501	2,940
At 31 March 2022	3,253	4,561	11,735	5,624	25,174
Carrying amount					
At 31 March 2022	1,907	404	1,517	1	3,828
At 31 March 2021	2,787	807	1,968	501	6.063

13. INVENTORIES

Inventories comprise the following:

	2022 $'000	2021 $'000
Consumables	3,873	1,186
Spare parts	7,467	5,200
	11,340	6,386

14. TRADE AND OTHER RECEIVABLES

	2022 $'000	2021 $'000
Trade receivable	186,233	186,599
Less: Allowance for expected credit losses	(76,966)	(76,966)
	109,267	109,633
Other receivables	1,824	240
	111,091	109,873

15. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Balances with related party

	2022 $'000	2021 $'000
Due to related party	(170,460)	(136,428)
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:

	2022 $'000	2021 $'000
Subvention received – NSWMA (Note 6)	824,447	775,259

Key management compensation

	2022 $'000	2021 $'000
Salaries and other short-term benefits	25,247	24,278
Payroll taxes – employer's portion	916	669
	26,163	24,947

16. CASH AND CASH EQUIVALENTS

	2022 $'000	2021 $'000
Cash at bank and in hand	28,800	9,165

17. TRADE AND OTHER PAYABLES

	2022 $'000	2021 $'000
Trade payable	131,891	78,801
Audit and accounting	-	980
Statutory liabilities	71,997	68,942
Vacation leave	13,411	11,513
Accruals (Rent etc.)	11,965	15,711
	229,264	175,947

18. SHARE CAPITAL

	2022 $'000	2021 $'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, 2022 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.

	2022 $'000	2021 $'000
Minimum lease payments under operating leases recognised as an expense in the year	2,588	2,588

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 2022

JAMAICA

C.R. Hylton & Co.

WPM Waste Management Limited
Financial Statements

31 March 2022

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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 2022, 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 2022, 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.

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 28, 2022

WPM WASTE MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
INCOME			
Government subvention	6	970,119	979,852
Commercial income	7	140,131	140,477
Other income	8	103	380
Interest income		-	37
		1,110,353	1,120,746
EXPENSES			
Direct, administrative and general expenses	9	(1,162,966)	(1,315,665)
Deficit being total comprehensive loss for the year		(52,613)	(194,919)

The accompanying notes form an integral part of the financial statements

WPM WASTE MANAGEMENT LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Non-current assets			
Property, plant and equipment	12	22,393	27,197
Current assets			
Inventories	13	3,952	3,980
Trade and other receivables	14	75,425	68,757
Due from related party	15	25,171	25,144
Cash and cash equivalents	16	64,534	23,097
Total current assets		169,082	120,978
Current liabilities			
Trade and other payables	17	497,386	423,231
Due to related parties	15	34,780	13,022
Total current liabilities		532,166	436,253
Net current liabilities		(363,084)	(315,275)
Net Liabilities		(340,691)	(288,078)
Deficiency in assets			
Accumulated deficit		(340,691)	(288,078)
Total deficiency in Assets		(340,691)	(288,078)

The financial statements were approved for issue by the Board of Directors on July 28, 2022 and signed on its behalf by:

Linley Reynolds Deputy Chairman

Audley Gordon Executive Director

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 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Accumulated Deficit $'000	Total $'000
Balance at 1 April 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)
Deficit being total comprehensive loss for the year	(52,613)	(52,613)
Balance at 31 March 2022	(340,691)	(340,691)

The accompanying notes form an integral part of the financial statements

WPM WASTE MANAGEMENT LIMITED

STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Deficit for the year		(52,613)	(194,919)
Adjustments for:			
Depreciation of property, plant and equipment	12	5,141	4,500
Increase in credit loss allowance		6,000	31,149
Interest income		(19)	(37)
Operating cash flows before movements in working capital:		(41,491)	(159,307)
(Increase)/decrease in trade and other receivables		(12,668)	(21,021)
Decrease (Increase) in inventories		28	49,662
(Decrease)/increase in trade and other payables		74,155	121,519
Increase in due from related party		21,731	(637)
Net cash (used in) generated by operations		41,755	(9,784)
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(337)	(3,054)
Interest received		19	37
Net cash used in investing activities		(318)	(3,017)
Net (decrease) increase in cash and cash equivalents		41,437	(12,801)
Cash and cash equivalents at beginning of year		23,097	35,898
Cash and cash equivalents at end of year	16	64,534	23,097

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 *New and revised Standards and Interpretations affecting the reported financial performance and/or financial position or disclosure*

Interest Rate Benchmark Reform – Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16(continued)

Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on an economically equivalent basis with no value transfer having occurred. Any other changes made at the same time, such as a change in the credit spread or maturity date, are assessed. If they are substantial, the instrument is derecognized. If they are not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument, with any modification gain or loss recognized in profit or loss. The practical expedient is required for entities applying IFRS 4 that are using the exemption from IFRS 9 (and, therefore, apply IAS 39) and for IFRS 16 Leases, to lease modifications required by IBOR reform.

The amendments also include temporary relief from discontinuing hedging relationships and temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The amendments are mandatory, with earlier application permitted. Hedging relationships must be reinstated if the hedging relationship was discontinued solely due to changes required by IBOR reform and it would not have been discontinued if the phase two amendments had been applied at that time. While application is retrospective, an entity is not required to restate prior periods.

These amendments are effective for annual periods beginning on or after January 1, 2021 and had no impact on the financial statements of the Company.

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

2.2 New and revised Standards and interpretations in issue but effective after the year end

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 financial statements.

COVID-19-Related Rent Concessions beyond June 30, 2021– Amendment to IFRS 16

In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. The amendment does not apply to lessors. 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 practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately

Any reduction in lease payments affects only payments originally due on or before June 30, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before June 30, 2021 and increased lease payments that extend beyond June 30, 2021).

There is no substantive change to other terms and conditions of the lease.

This amendment is effective for annual periods beginning on or after April 1, 2021 and is not expected to have an impact on the financial statements.

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of 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 recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. This amendment is effective for annual periods beginning on or after January 1, 2022. Management has not yet assessed the impact of these amendments.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets 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 (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). 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. These amendments are effective for annual periods beginning on or after January 1, 2022 and are not expected to have an impact on the financial statements.

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

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements 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

Right to defer settlement
The Board decided that if an entity’s right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date.

Existence at the end of the reporting period
The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

Classification of Liabilities as Current or Non-current - Amendments to IAS 1(continued)

Management expectations

IAS 1.75A has been added to clarify that the 'classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period'. That is, management's intention to settle in the short run does not impact the classification. This applies even if settlement has occurred when the financial statements are authorised for issuance.

Meaning of the term 'settlement'

The Board added two new paragraphs (paragraphs 76A and 76B) to IAS 1 to clarify what is meant by 'settlement' of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.
Settlement by way of an entity's own equity instruments is considered settlement for the purpose of classification of liabilities as current or non-current, with one exception.
In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current. Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded when determining whether the liability is current or non-current.

Unchanged from the current standard, a rollover of a borrowing is considered the extension of an existing liability and is therefore not considered to represent 'settlement'. These amendments are effective for annual periods beginning on or after January 1, 2023. Management has not yet assessed the impact of these amendments.

Reference to 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 a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.
The amendments add 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 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.
The amendments must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in IFRS Standards (March 2018).

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

The amendments are intended to update a reference to the Conceptual Framework without significantly changing requirements of IFRS 3. The amendments will promote consistency in financial reporting and avoid potential confusion from having more than one version of the Conceptual Framework in use. These amendments are effective for annual periods beginning on or after January 1, 2022. Management has not yet assessed the impact of these amendments.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of accounting estimates.

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the IASB. The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a material impact on entities' financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

These amendments are effective for annual periods beginning on or after January 1, 2023. Management has not yet assessed the impact of these amendments on the financial statements of the Company.

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

2.2 New and revised Standards and interpretations in issue but effective after the year end (continued)

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and

Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

In the absence of a definition of the term ‘significant’ in IFRS, the IASB decided to replace it with ‘material’ in the context of disclosing accounting policy information. ‘Material’ is a defined term in IFRS and is widely understood by the users of financial statements, according to the IASB. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them.

Annual Improvements 2018 - 2020 Cycle (issued in May 2020)

These improvements include:

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter- effective January 1, 2022

IFRS 9 Financial instruments – Fees in the 10 “per cent” test for derecognition of financial liabilities - effective January 1, 2022

IAS 41 Agriculture -Taxation in fair value measurements– effective January 1, 2022

Management has not yet assessed the impact of these improvements.

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.

3.3 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.

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

3.3.1 **Financial Assets**

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

- 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.

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.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

3.3.1 Financial assets (continued)

Trade receivables and contract assets (continued)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3.6 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 $171.13 million (2021: $126.83 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 2022, trade receivables of $73.862 million (2021 - $7.721 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:

	2022 $'000	2021 $'000
1 month	3,917	5,892
2 - 9 months	69,945	1,829
	73,862	7,721

Ageing analysis of trade receivables that are past due and impaired

As at the end of the reporting period trade receivables of $214.159 million (2021: $107.984 million) were past due over 90 days. The expected credit loss model (ECL) was applied and additional ECL assessed at $139.133 million (2021: $139.133 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:

	2022 $'000	2021 $'000
Over 3 months	67,497	65,450

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:

	2022 $'000	2021 $'000
At 1 April	139,133	107,984
Allowance for expected credit losses recognised	6,000	31,149
At 31 March	145,133	139,133

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:

	2022 **$'000**	**2021** **$'000**
Parish councils and private enterprises	220,118	207,727
Less: Provisions for impairment	(145,133)	(139,133)
	74,985	68,594

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** **2022** **$'000**	**Within** **3 Months** **2021** **$'000**
Liabilities		
Trade payables	104,868	59,881
Other payables	392,518	355,613
Total financial liabilities (contractual maturity)	497,386	415,494

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 2022 and 2021, 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 2022 and 2021, 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 2022 and 2021 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 $74.985 million at the end of the reporting period (2021: $68.594 million) net of credit losses of $145.133 million (2021: $139.133 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.

	2022 $'000	2021 $'000
Subvention - primary allocation	650,855	437,576
Subvention - emergency and special projects	207,600	475,753
Subvention – earmarked income	107,664	45,203
Constituency Development Fund allocation	4,000	-
Subvention – payroll taxes paid by MLG	-	21,320
	970,119	979,852

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

	2022 $'000	2021 $'000
Fines	72	112
Processing fees & other revenue	12	268
Waived charges	19	-
	103	380

9. EXPENSES

Expense by nature	**2022 $'000**	**2021 $'000**
Landfill operations *	152,315	136,192
Supplementary fleet – Landfill contractors	192,562	200,231
Public cleansing	-	4,919
Beautification and special projects **	80,483	199,660
Staff costs (N**ote 10**)	539,950	548,451
Motor vehicle expenses – Fuel, oil and Lubricant ***	112,317	89,251
Repairs and maintenance – property and equip.	23,891	51,101
Depreciation (**Note 12**)	5,141	4,500
Security expenses	7,712	10,793
Rental leasing and hire (**Note 18**)	5,390	4,958
Utilities	5,372	6,347
Auditor's remuneration	550	1,030
Advertising and promotion	2,085	1,978
Stationery and office supplies	2,551	3,484
Bank charges	134	25
Allowance for expected credit losses (**See note 4.1**)	6,000	31,148
Penalty, interest and fines	2,315	3,612
General Consumption Tax (GCT)	11,715	10,995
Food, drink, meetings and functions	1,758	2,241
Training	-	3
Uniforms ****	7,964	-
Sanitising, staff welfare and other expenses	2,731	4,746
Withholding tax 3%	30	-
	1,162,966	1,315,665

* Landfill operations cost increased due to increased stockpiling of cover material, remedial work and coverage of land fill.

**Special projects expenditure during the prior year related to dengue eradication, pre-hurricane clean-up and desilting. Some of these activities did not reoccur during the current year.

***Motor vehicle expense went up due to increased fuel price.

****Uniform policy was developed during 2017, now due.

10. STAFF COSTS

	2022 $'000	**2021 $'000**
Salaries and wages	369,733	453,165
Travel and subsistence cost incl. motor vehicle upkeep and mileage claims	39,049	38,944
Payroll taxes – employer's portion (NIS, NHT)	24,129	25,001
Staff allowances and benefits	26,140	6,457
Staff welfare incl. health and life insurance	80,899	24,884
	539,950	548,451

The number of persons employed by the company at the year end was 531 (2021: 562).
Staff cost increased due to the 4% across the board rate increase.

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 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
Additions	-	230	-	-	-	56	51	-	337
Adjustment	-	-	-	-	-	-	-	-	-
At 31 March 2022	8,143	3,857	2,164	481	19,585	10,890	7,125	7,741	59,986
Accumulated depreciation									
At 1 April 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
Charge for the year	814	821	216	48	1,959	194	433	656	5,141
At 31 March 2022	5,286	2,839	1,120	196	9,181	9,147	7,505	2,311	37,593
Carrying amount:									
2022	2,857	1,018	1,044	285	10,404	1,743	(380)	5,430	22,393
2021	3,671	1,609	1,260	323	12,363	1,881	2	6,086	27,197

13. INVENTORIES

Inventories comprise the following:

	2022 $'000	2021 $'000
Consumables	3,444	2,120
Spare parts	110	1,097
Skips	-	763
Tools	398	-
	3,952	3,980

Inventory recognized as an expense during the year amounted to $59 million (2021: $48 million).

14. TRADE AND OTHER RECEIVABLES

	2022 $'000	2021 $'000
Trade	220,118	207,727
Less: allowance for expected credit losses	(145,133)	(139,133)
	74,985	68,594
Other receivables	440	163
	75,425	68,757

15. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Balances with related party

	2022 $'000	2021 $'000
Due from related party	25,171	25,144
Due to related party	(34,780)	(13,022)
	(9,609)	12,122

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:

	2022 $'000	2021 $'000
Subvention received (Note 6)	970,119	979,852

Key management compensation

	2022 $'000	2021 $'000
Salaries and other short-term benefits	14,255	15,155
Payroll taxes – employer's portion	708	722
	14,963	15,877

16. CASH AND CASH EQUIVALENTS

	2022 $'000	2021 $'000
Cash at bank and in hand	64,534	23,097

17. TRADE AND OTHER PAYABLES

	2022 $'000	2021 $'000
Trade payable	104,868	65,926
Accrued charges	51,157	35,837
Statutory liabilities	222,769	217,724
Accrued vacation	14,219	16,439
GCT withheld	64,938	61,607
Withholding tax payable	27,030	16,192
Staff salary deductions payable	12,405	9,506
	497,386	423,231

18. LEASE COMMITMENTS

As at 31 March the company as had lease commitments under operating lease expiring in 2025. Operating leases relate to rental of premises for carrying out its operation and are negotiated for an average of one year.

	2022 $'000	2021 $'000
Operating lease payments expensed in the year	5,390	4,958

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.


HONOURING THE PAST,
SHAPING THE FUTURE!
NSWMA
NATIONAL SOLID WASTE MANAGEMENT AUTHORITY