

**THE STATES OF DELIBERATION**  
**of the**  
**ISLAND OF GUERNSEY**

**STATES' TRADING SUPERVISORY BOARD**

**GUERNSEY WASTE ACCOUNTS 2023**

The States are asked to decide:-

1. Whether they are of the opinion to agree with the States' Trading Supervisory Board's approval of the Guernsey Waste Accounts for the year ending 31 December 2023.

The above Proposition has been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.

**States of Guernsey**  
**States' Trading Supervisory Board**  
**Guernsey Waste**

**Annual Report and Audited Financial Statements**

**For the year ended 31 December 2023**

# States' Trading Supervisory Board Guernsey Waste

States' Trading Supervisory Board Members, Principal Officers and Professional Advisers	3
Chairman's Report	5
Operations Manager's Report	8
Corporate Governance	12
Independent Auditor's Report to the Member of the States of Guernsey – States' Trading Supervisory Board – Guernsey Waste	14
Statement of Comprehensive Income	17
Statement of Financial Position	18
Statement of Changes in Equity	19
Statement of Cash Flows	20
Notes to the Financial Statements	21

# States' Trading Supervisory Board

## Guernsey Waste

### States' Trading Supervisory Board Members, Principal Officers and Professional Advisers

#### States' Trading Supervisory Board Members

Deputy P. Roffey                      President  
Deputy C. Parkinson  
Deputy N. Moakes  
Mr S. Falla CBE - Resigned 27th September 2023  
Dr S Thornton  
Mr M Thompson - Appointed 27th September 2023

The constitution of the States' Trading Supervisory Board ("STSB") provides that the membership of the STSB shall be a President and two members who shall be sitting members of the States and up to two voting members who shall not be sitting members of the States. If and when the STSB is inquorate and an urgent decision is required, the States' Rules of Procedure allow for the insufficiency of members to be replaced by members of the States chosen, in the first instance, from members of the Policy & Resources Committee.

#### Principal Officers to the States' Trading Supervisory Board

Mr S. Elliott, Managing Director, States Trading Group  
Mr A. Ford, Head of Shareholder Executive, States Trading Group  
Mr P. Lickley, Corporate Services Director, States Trading Group -Appointed 1st October 2023  
Mr M. Salmon, Finance Business Partner, States Trading Group

#### Guernsey Waste Board Members

Mr M Thompson              Chairman - Appointed 27th September 2023  
Dr S Thornton              Chairman - Resigned 27th September 2023  
Deputy C. Parkinson  
Mr M. Jones                  non-voting adviser  
Mr P. Watson                  non-voting adviser  
Miss S. Robinson              non-voting adviser  
Mr I. Merrien                  non-voting adviser - Resigned 17th July 2023  
Mr H Canagareddy              non-voting adviser - Appointed 17th July 2023

At its meeting of 4 May 2017, the STSB agreed to establish political subcommittees (company boards) for the trading businesses, including the Solid Waste Trading Account which transferred its assets to Guernsey Waste on its inception on 1 January 2019.

The constitution of the company boards was determined by the STSB at its meeting of 4 May 2017, which was adopted by the Guernsey Waste Board ("GWB") on 1 January 2019.

Further information on the role of the GWB is provided in the section on Corporate Governance

# States' Trading Supervisory Board Guernsey Waste

## States' Trading Supervisory Board Members, Principal Officers and Professional Advisers - continued

### Principal Officers to the Guernsey Waste Board

Miss S. Robinson, Operations Manager, Guernsey Waste  
Mr H Canagareddy, Senior Finance Manager, Guernsey Waste  
Mr P Lickley, Corporate Service Director, Guernsey Waste  
Mr R. Roussel, Senior Technical Advisor, Guernsey Waste  
Ms R. Lowe, Contracts & Compliance Manager, Guernsey Waste

In these financial statements any reference to "President" refers to the President of the STSB and any reference to "Chairman" refers to the Chairman of the GWB.

### Legal Advisers

Law Officers of the Crown  
St James Chambers  
St James Street  
St Peter Port  
GY1 2PA

### Independent Auditor

Grant Thornton Limited  
St James Place  
St James Street  
St Peter Port  
GY1 2NZ

# States' Trading Supervisory Board

## Guernsey Waste

### Chairman's Report

Guernsey Waste continues to deliver its services in line with the island's Waste Strategy and Waste Management Plan focusing on moving waste up the waste hierarchy. It does this by encouraging waste prevention through campaigns such as "Love Food Hate Waste" and maximising value out of resources by continuing to secure best value routes for recyclates.

Guernsey Waste has around 40 contracts and/or supply agreements for processing and the supply of materials or services for managing the island's various waste streams, with new contracts for the management of residual waste and food waste (once pre-processed at the Waste Transfer Station) due to commence in 2024. Excluding export and treatment of general waste (as there is no realistic prospect of an on-island solution in the foreseeable future), the contracts total around £6.5 million a year. Not including States Works' contracts for the operation of the waste facilities at Longue Hougue and other waste sites, around 90% of spend is with local businesses and/or supply chains.

Guernsey Waste has been subject to further financial pressures outside of its control, due to a requirement to relocate the household green waste site at Chouet to enable Ronez to commence quarry activity on the headland. Construction of the new site at Mont Cuet commenced during 2023 and the new facility was on 3 April 2024. Guernsey Waste is required to cover the costs of construction as well as additional costs in relation to the operation, although this is to be offset partly through commercial terms with Ronez for use of the land. The relocation has provided an opportunity to review the overall service provision, with operating hours of the new site to be adjusted to better meet customer demand.

Guernsey Waste is responsible for the monitoring and management of current and previous landfill sites to ensure any negative environmental impacts of the historic operations are mitigated. Although these sites are not related to Guernsey Waste's current operations it bears the cost of ongoing management. The future development potential of former landfill sites is also limited due to their previous use and planning designation under the Island Development Plan. Although many of them are under the ownership of States of Guernsey they are not Guernsey Waste's assets.

Insurance for the Waste Transfer Station, which is a critical piece of island infrastructure, continues to attract high premiums due to the risks involved in waste management sites. The facilities were constructed with this in mind to mitigate risks and keep premiums as low as possible.

Working in line with its site operator, States Works, Guernsey Waste has begun to prepare for the stockpiling of inert waste at Longue Hougue while a decision for the longer-term management of this waste stream is determined and implemented. The requirement to stockpile material comes at an additional cost in terms of site operations and the need to double handle material when a new site is commissioned. The States of Deliberation are expected to consider the options and provide direction in Q3 2024.

To assist in minimising operating costs, the remaining bring bank sites, which cost around £100k a year to manage, were reviewed and the decision taken to remove them in 2023. This decision was taken as the kerbside collection scheme in place proves to be well-established and utilised in comparison to the bring banks.

# States' Trading Supervisory Board

## Guernsey Waste

### Chairman's Report - continued

#### Business performance

The island continues to maintain a high household recycling rate, and although the States' approved target of 70% by 2030 was achieved in 2019, the rate has dipped just below 70% in recent years much of which is currently believed to be due to the impact of COVID 19 pandemic. Work is underway to assess how the rate can be improved upon to meet the target once again and to identify other potential key metrics to measure waste performance more appropriately.

The business continues to incur an operating deficit although this was less than budgeted. The States of Deliberation agreement to limit increases in household waste charges annually from 2023 to 2025 saw below inflation rises in the Waste Disposal Authority (WDA) annual charge and 5% "pay as you throw" bag charge for general waste in 2023. This restricted Guernsey Waste's ability to fully recover its costs. Therefore, an annualised contribution from general revenue was approved by Policy & Resources to cover the business' deficit.

#### Our community

Guernsey Waste continued to run many campaigns and initiatives to encourage islanders to reduce, reuse, recycle and move waste up the waste hierarchy. For example, Love Food Hate Waste, real nappy subsidies and the promotion of home composting (including provision of home composting kits through local retailers).

#### Our team

Guernsey Waste is a commissioning organisation comprising a small administrative team of eight staff with support, such as finance, HR and legal services being provided from the States corporate function. Most site operations are contracted out to States Works and other local contractors, and contracts are in place with UK based off takers for several waste streams. The Guernsey Waste team oversees the procurement and management of these contracts and provides a customer service and educational function on all waste and recycling matters to the community.

# States' Trading Supervisory Board

## Guernsey Waste

### Chairman's Report - continued

#### Our business strategy and future

The States of Deliberation has resolved that the self-funding model for Guernsey Waste is not sustainable in the short, medium, or long term and direct the Policy & Resources Committee to write off Guernsey Waste's losses from General Revenue. Nevertheless, the Guernsey Waste Board and the States' Trading Supervisory Board are committed to mitigating the support required. As a result, new charges at the Household Waste and Recycling Centre are to be introduced from 1 January 2024 to generate additional revenue required to offset operating costs. Commercial gate fees for use of Guernsey Waste's sites are also to increase, with charges being levied in line with the waste hierarchy to drive the intended behaviours – focusing on waste minimisation.

Work to identify new methods for managing waste that continues to be landfilled/managed at Mont Cuet, such as asbestos, has been a priority for the team in 2023. This will ensure these waste streams can be sustainably managed in the long term. Work to implement the best practicable environmental options identified will take place in 2024 and beyond.

The business will continue to ensure its services are run efficiently by continually reviewing its activities and making changes where value can be identified, while delivering services in line with the Waste Strategy and Waste Management Plan.

Mr M Thompson  
Chairman  
Guernsey Waste

# States' Trading Supervisory Board

## Guernsey Waste

### Operations Manager's Report

The STSB presents its report and the audited financial statements for Guernsey Waste for the year ended 31 December 2023. These comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 21.

### Principal activities

Guernsey Waste ensures the statutory obligations of the island's Waste Disposal Authority (WDA) are met, at an operational level in accordance with the current Waste Management Plan approved by the States. Its main activities are to:

- make arrangements for and ensure the operation of Guernsey's public waste management system.
- monitor the creation of waste in Guernsey.
- keep under review the systems for collection, transportation, sorting and recycling of waste.
- identify the best practical environmental options for the recovery or disposal of waste.
- carry out such other functions as may be created, assigned or transferred for or to it by the Environmental Pollution Law or any other enactment.

### Our customers

Guernsey Waste's customer base is predominantly the public, local businesses and private customers including local Parish Douzaines.

### Financial performance

	<b>Actual 2023 £'000</b>	<b>Budget 2023 £'000</b>	<b>Actual 2022 £'000</b>
Revenue	<b>10,686</b>	11,016	<b>10,424</b>
Operating (deficit)/surplus before depreciation	<b>(172)</b>	(825)	<b>172</b>
Deficit for the financial year	<b>(2,019)</b>	(2,783)	<b>(1,795)</b>
Capital expenditure	<b>159</b>	176	<b>35</b>

# States' Trading Supervisory Board

## Guernsey Waste

### Operations Manager's Report - continued

#### Operational performance

Guernsey Waste improved on its expected position with an operating deficit before depreciation for the year of £172k (compared to a budgeted deficit of £825k). The key differences were:

- Operating revenue for Guernsey Waste was £10,686k which is £330k lower than budgeted. This was driven by a reduction in tonnages of waste received at Mont Cuet compared to the budget that was based on the forecast for previous year. On further analysis, it appears that 2022 was an exceptional year for inputs into Mont Cuet for material such as asbestos.
- Actual expenditure for the year is below budgeted expenditure by £1,018k. The largest element for the underspend is due to works in relation to the Inert Waste Project not progressing in 2023, deferring £676k spend into later years.

#### Statement of responsibilities for the preparation of financial statements

The STSB is required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs for Guernsey Waste and of the surplus or deficit of Guernsey Waste for that period. In preparing those financial statements, the STSB is required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis, unless it is inappropriate to do so, and
- state whether applicable accounting standards have been followed.

The STSB is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time Guernsey Waste's financial position. The STSB is also responsible for identifying and installing internal controls, including financial controls, which are adequate for its own purposes and to safeguard the assets of Guernsey Waste and the States of Guernsey in its care, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# States' Trading Supervisory Board

## Guernsey Waste

### Operations Manager's Report - continued

#### Statement of financial controls

The STSB is responsible for the economic, efficient and effective operations and management of Guernsey Waste and has a duty to ensure that they fulfil their obligations.

Guernsey Waste's internal financial controls and monitoring procedures include:

- Annually reported and approved budgets monitored against monthly management accounts with additional operational detail reported in monthly management reports, which monitor actual revenue and expenditure against that anticipated. All such detail is regularly reviewed at meetings of the STSB and GWB, to ensure that all board members are informed of Guernsey Waste's financial affairs,
- Customer invoices are subjected to a range of pre-determined computerised integrity checks prior to dispatch in order to ensure accuracy,
- Regular review of debtors to ensure that any delinquent debtors are identified at an early stage and dealt with appropriately,
- The control of materials and stores purchases are managed using a computerised programme with specific authorisation limits for purchases and segregated areas of responsibility for processing of payments, all of which maintain detailed audit trails,
- Manpower expenditure is monitored and controlled at source,
- Capital expenditure authorisation is subject to strict valuation guidelines and purchase procedures,
- Regular review of waste charges, and
- Consideration of all audit reports by the STSB.

The STSB strives to ensure that all staff with financial responsibility in Guernsey Waste have the appropriate integrity, skills, and motivation to professionally discharge their duties.

Guernsey Waste's internal controls and accounting policies have been and are subject to continuous review and improvement. In addition, the financial statements are subject to an independent external audit by an auditor appointed by the States of Guernsey.

# States' Trading Supervisory Board

## Guernsey Waste

### Operations Manager's Report - continued

#### Going concern

The financial statements have been prepared on the going concern basis of accounting. The STSB and its Principal Officers have reviewed the cash flows and projected income and expenses over the next 12 months prepared by management, and deem that Guernsey Waste, as an essential part of the island's infrastructure and part of the States of Guernsey, has access to adequate financial resources to meet its obligations as they fall due. The STSB therefore believes that Guernsey Waste is a going concern for at least 12 months from the approval of the financial statements.

#### Independent Auditors

Grant Thornton Limited have expressed their willingness to continue in office as independent auditors.

# States' Trading Supervisory Board

## Guernsey Waste

### Corporate Governance

The purpose of the GWB is to support the delivery of the STSB's mandate, ensuring the efficient and effective management, operation and maintenance of Guernsey Waste.

The GWB is accountable to the STSB and operates by challenging established practices and assumptions and seeking to support the business in establishing clear strategic direction, business planning and operational delivery in support of the outcomes of the Government Work Plan, the Public Service Reform Agenda, Service Guernsey and other strategic reviews and organisational drivers.

The GWB membership is a minimum of a Chairman who is not a States Member, a Political Member of the STSB, a Senior Executive of an Incorporated Company or one or more Senior Officers of the States of Guernsey, the Guernsey Waste Operations Manager and the Financial Manager.

All members of the GWB other than the Operations Manager and the Financial Manager are appointed by the STSB.

As a subcommittee of the States of Guernsey, the quorum will be two members of the STSB.

The GWB does not hold a fiduciary responsibility.

The GWB will take into account the States of Guernsey's political direction with regard to the operation of Guernsey Waste, as directed from time to time by the STSB. It must ensure that Guernsey Waste's operations and operational policies align with the wider strategy and policy framework of the States of Guernsey and/or the STSB. The GWB may generate policy for endorsement by the STSB and onward to the States of Guernsey as required.

The STSB specifically confers the following responsibilities and delegated authority to the GWB to:

- Approve capital and revenue annual budgets in line with the long-term budgets approved by the STSB,
- Approve annual business plans in line with long-term strategy and planning approved by or directed by the STSB,
- Approve and issue annual reports, and
- Guide and steer Guernsey Waste.

In carrying out these responsibilities the GWB is bound and enabled by States of Guernsey rules for financial and resource management and the rules, directives, policies and procedures of the States of Guernsey, such as, but not limited to: Finance; Procurement; Property; Human Resources; Data Protection; Health and Safety Management; Risk and Issue Management; Managing Matters of Litigation; and Relevant legislation. The GWB has the authority delegated by the STSB to direct the Guernsey Waste Operations Manager in the day-to-day operation of Guernsey Waste, in line with approved budgets and business plans.

# **States' Trading Supervisory Board Guernsey Waste**

## **Corporate Governance - continued**

The GWB acts as a political sub-committee of the STSB.

The STSB can disband GWB at any time without notice or recourse to any other body.

In the event due process has not been followed, the GWB must render itself unable to make a decision until such time process has been followed.

# States' Trading Supervisory Board Guernsey Waste

## Independent Auditor's Report to the Member of the States of Guernsey – States' Trading Supervisory Board – Guernsey Waste

### Opinion

We have audited the financial statements of the States of Guernsey – States' Trading Supervisory Board ("STSB") – Guernsey Waste for the year ended 31 December 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102: 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102"). In our opinion, the accompanying financial statements:

- give a true and fair view of the state of Guernsey Waste's affairs as at 31 December 2023, and of its financial performance and its cashflows for the year then ended;
- are in accordance with FRS 102.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. 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 Guernsey Waste in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# States' Trading Supervisory Board

## Guernsey Waste

### Independent Auditor's Report to the Members of the States of Guernsey – States' Trading Supervisory Board – Guernsey Waste - continued

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the STSB for the financial statements**

The STSB is responsible for the preparation of the financial statements which give a true and fair view in accordance with FRS 102 and for such internal control as the directors determine 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, the STSB is responsible for assessing Guernsey Waste'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 the directors either intend to liquidate Guernsey Waste or to cease operations, or have no realistic alternative but to do so.

#### **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.

# States' Trading Supervisory Board

## Guernsey Waste

### Independent Auditor's Report to the Members of the States of Guernsey – States' Trading Supervisory Board – Guernsey Waste - continued

#### **Auditor's responsibilities for the audit of the financial statements (continued)**

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 Guernsey Waste'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 Guernsey Waste'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 Guernsey Waste to cease to continue as a going concern.

We communicate with those charged with governance 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.

#### **Use of our report**

This report is made solely to the members of STSB. Our audit work has been undertaken so that we might state to the members of STSB those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Guernsey Waste and the members of STSB, for our audit work, for this report, or for the opinions we have formed.



Grant Thornton Limited  
Chartered Accountants  
St Peter Port, Guernsey  
Date: 7 May 2024

# States' Trading Supervisory Board

## Guernsey Waste

### Statement of Comprehensive Income

*for the year ended 31 December 2023*

	Notes	2023 £'000	2022 £'000
<b>Revenue</b>	2 & 4	<u>10,686</u>	<u>10,424</u>
<b>Expenses</b>	2 & 5		
Operating expenses		(8,655)	(8,333)
Administration and general expenses		<u>(2,203)</u>	<u>(1,919)</u>
		<u>(10,858)</u>	<u>(10,252)</u>
<b>Operating (deficit)/surplus before depreciation</b>		(172)	172
Depreciation	8 & 3	(1,933)	(1,932)
Loss on disposal of fixed assets	8	<u>-</u>	<u>(12)</u>
<b>Operating deficit for the year</b>		<u>(2,105)</u>	<u>(1,772)</u>
Interest receivable/(payable)		<u>86</u>	<u>(23)</u>
<b>Deficit for the financial year</b>		<u>(2,019)</u>	<u>(1,795)</u>

All material activities derive from continuing operations.

There are no recognised gains or losses or other movements in reserves for the current or preceding financial years, other than as stated in the Statement of Comprehensive Income.

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Statement of Financial Position

as at 31 December 2023

	Notes	2023 £'000	2022 £'000
<b>Non-current assets</b>			
Tangible fixed assets	8 & 9	<u>22,471</u>	<u>24,245</u>
<b>Current assets</b>			
Inventories	2	216	257
Debtors and prepayments	11	1,774	1,157
Balances with States Treasury		<u>1,150</u>	<u>1,560</u>
		<u>3,140</u>	<u>2,974</u>
<b>Creditors: amounts falling due within one year</b>			
Creditors	12	<u>(1,813)</u>	<u>(1,574)</u>
<b>Net current assets</b>		<u>1,327</u>	<u>1,400</u>
<b>Total net assets</b>		<u>23,798</u>	<u>25,645</u>
<b>Reserves</b>	13	<u>23,798</u>	<u>25,645</u>

Signed on behalf of the States of Guernsey – States' Trading Supervisory Board



Deputy P. Roffey  
President

7 May 2024

Signed on behalf of the States Trading Group



Mr S. Elliott  
Managing Director

7 May 2024

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Statement of Changes in Equity for the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
<b>Balance at 1 January</b>		<b>25,645</b>	24,465
Deficit for the financial year		<b>(2,019)</b>	(1,795)
Cash funding from General Revenue	13	<b>172</b>	<u>2,975</u>
<b>Balance at 31 December</b>	13	<b><u>23,798</u></b>	<u>25,645</u>

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Statement of Cash Flows

for the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
<b>Net cash flows (used in)/from operating activities</b>	14	<u>(509)</u>	<u>896</u>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets (incl assets under construction)	9	<u>(159)</u>	<u>(35)</u>
<b>Net cash flows used in investing activities</b>		<u>(159)</u>	<u>(35)</u>
<b>Cash flows from financing activities</b>			
Contribution from General Revenue	13	<u>172</u>	<u>2,975</u>
Interest received / (paid)		<u>86</u>	<u>(23)</u>
<b>Net cash flows from financing activities</b>		<u>258</u>	<u>2,952</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(410)</u>	<u>3,813</u>
<b>Cash and cash equivalents at the beginning of the year</b>		<u>1,560</u>	<u>(2,253)</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>1,150</u>	<u>1,560</u>
<b>Reconciliation to cash at bank and in hand:</b>			
Balances with States Treasury		<u>1,150</u>	<u>1,560</u>
<b>Cash and cash equivalents</b>		<u>1,150</u>	<u>1,560</u>

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Notes to the Financial Statements

#### 1. General information

Guernsey Waste is an unincorporated business, the management, operation and maintenance of which is the responsibility of the States of Guernsey – STSB. The nature of Guernsey Waste's operations and principal activities are set out in the Operations Manager's report.

Guernsey Waste's principal places of business are Longue Hougue, Bulwer Avenue, St Sampson, GY2 4LE and La Hure Mare, Vale, Guernsey, GY3 5UD.

#### 2. Principal accounting policies

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

##### Accounting convention

The financial statements are prepared in accordance with the stated accounting policies and under the historical cost convention and in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council.

##### Functional and presentational currency

The financial statements are presented in Pounds Sterling, which is the functional and presentational currency of Guernsey Waste and have been rounded to the nearest thousand.

##### Going concern

The financial statements have been prepared on the going concern basis of accounting. The STSB and its Principal Officers have reviewed the cash flows and projected income and expenses over the next 12 months prepared by management, and deem that Guernsey Waste, as an essential part of the island's infrastructure and part of the States of Guernsey, has access to adequate financial resources to meet its obligations as they fall due. The STSB therefore believes that Guernsey Waste is a going concern for at least 12 months from the approval of the financial statements.

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Notes to the Financial Statements – continued

#### 2. Principal accounting policies – continued

##### Tangible fixed assets

##### i) Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment. Property, plant and equipment is depreciated over their expected useful life except assets in the course of construction.

##### ii) Assets under construction

Assets under construction are capitalised and are transferred to tangible fixed assets and depreciated once brought into use. All costs associated with capital projects, including professional fees are capitalised.

##### Depreciation

Depreciation is calculated at the following annual rates so as to write off the cost of tangible fixed assets over their anticipated expected useful lives using the straight-line method. Depreciation commences from the month of the acquisition of an asset or, in the case of constructed assets, the asset being brought into a condition to be used as intended.

	Estimated life in years	Depreciation % per annum
Buildings and fittings	10 – 50	2% - 10%
Plant and equipment	3 – 20	5% - 33.3%
Office and ICT equipment	3 – 10	10% - 33.3%

##### Impairment of assets (excluding inventories)

Assets are assessed for indicators of impairment at the end of each reporting period. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income. An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Notes to the Financial Statements – continued

#### 2. Principal accounting policies – continued

##### Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Costs include an appropriate proportion of processing expenses and are calculated at average value method. Provisions are made for obsolete and slow-moving items where appropriate.

##### Basic financial instruments

###### i) Trade debtors

Trade debtors are recognised initially at original invoiced amount. Subsequent to initial recognition they are measured at amortised cost, less any impairment losses.

###### ii) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and balances held by States Treasury on behalf of Guernsey Waste. Whilst Guernsey Waste operates a treasury account, the entity will make payments and receive money via bank accounts held centrally by the States of Guernsey. The net cash balance held with the States Treasury at the year-end is treated as Cash and Cash Equivalents in Guernsey Waste's Statement of Financial Position. This net cash balance may change on a daily basis, with surplus cash balances generating financial returns, and balances in deficit being charged interest. Any net cash balance held with the States Treasury could be reduced over a very short period of time without detriment, and therefore is considered to be a highly liquid investment, readily convertible to known amounts of cash and subject to an insignificant risk of any change in notional value.

###### iii) Trade creditors

Trade creditors are recognised initially at original cost. Subsequent to initial recognition they are measured at amortised cost.

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Notes to the Financial Statements – continued

#### 2. Principal accounting policies – continued

##### iv) De-recognition of basic financial instruments

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the business transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the business, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in a contract is discharged, cancelled or expires.

##### Revenue and expenses

Revenue and expenses are accounted for on an accruals basis. Revenue from the sale of goods is recognised when the goods are physically delivered to the customer. Revenue from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date, turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date.

Where payments are received from customers in advance of services provided, which includes 'pay-as-you-throw' stickers, the amounts are recorded as deferred revenue and included as part of creditors due within one year.

##### Pension costs

Pension costs are treated as described in note 17.

##### Investment return

Investment return on balances held with the States of Guernsey is accounted for on an accrual's basis. 2023 £86K (2022: (£23K))

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Notes to the Financial Statements – continued

#### 2. Principal accounting policies – continued

##### Leases

##### i) As lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

#### 3. Critical accounting judgements and key sources of estimation uncertainty

In the application of Guernsey Waste's accounting policies, which are described in note 2, the GWB is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no critical judgements that require disclosure made by the GWB in the process of applying Guernsey Waste's accounting policies. The following estimations made by the GWB have the most significant effect on the amounts recognised in the financial statements.

##### i) Depreciation rates

Some of Guernsey Waste's infrastructure assets have no definite life, so management makes an assumption based on the usage of the assets. The rate used for each type of asset that makes up the infrastructure assets has been disclosed in note 2.

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Notes to the Financial Statements – continued

#### 4. Revenue

All revenue is derived from activities within the Bailiwick of Guernsey.

An analysis of Guernsey Waste's revenue by class of business, is set out below:

	<b>2023</b>	2022
	<b>£'000</b>	£'000
WDA Fixed charges	<b>2,844</b>	2,651
HWRC Operations	<b>630</b>	499
Sticker charges	<b>1,835</b>	1,677
Inert Waste	<b>2,488</b>	2,536
Commercial gate fees	<b>1,389</b>	1,477
Mont Cuet	<b>1,019</b>	1,135
Green Waste	<b>341</b>	316
Other	<b>140</b>	133
	<b><u>10,686</u></b>	<u>10,424</u>

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Notes to the Financial Statements – continued

#### 5. Expenses

	2023	2022
	£'000	£'000
<b>Operating expenses</b>		
Waste Transfer Station	4,652	4,113
HWRC	739	721
Inert waste	286	345
Mont Cuet	543	796
Kerbside recycling	953	678
Green waste	352	530
Bring bank collections	57	91
Other landfill	604	473
Other operating expenses	469	586
	<u>8,655</u>	<u>8,333</u>
<b>Administration and general expenses</b>		
Salaries, wages and employer's pension costs	504	466
Rent	305	336
Management expenses	536	355
Audit fees	20	16
Insurance premium	598	567
Other administration expenses	240	179
	<u>2,203</u>	<u>1,919</u>
<b>Total expenses</b>	<u>10,858</u>	<u>10,252</u>

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Notes to the Financial Statements – continued

#### 6. Staff numbers and costs

The average monthly number of full time equivalent employees (including senior management) was:

	<b>2023</b>	2022
Administration staff	<u>8</u>	<u>7</u>

Their aggregate remuneration comprised:

	Note	<b>2023</b>	2022
		<b>£'000</b>	£'000
Wages and salaries		428	390
Social security costs		27	27
Pension costs	17	<u>49</u>	<u>49</u>
		<u>504</u>	<u>466</u>

Pension costs include only those items within administration and general expenses.

#### 7. Deficit for the financial year

Deficit for the financial year is stated after charging:

	Note	<b>2023</b>	2022
		<b>£'000</b>	£'000
Auditor's remuneration	5	20	16
Depreciation of tangible fixed assets	8	1,933	1,932
Loss on disposal of fixed assets	8	<u>-</u>	<u>12</u>
		<u>1,953</u>	<u>1,960</u>

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Notes to the Financial Statements – continued

#### 8. Tangible fixed assets

	1 January 2023 £'000	Additions £'000	Disposals £'000	31 December 2023 £'000
<b>Cost</b>				
Buildings & fittings	18,738	7	-	18,745
Plant & equipment	11,708	-	-	11,708
Office equipment	1,276	-	-	1,276
	<u>31,722</u>	<u>7</u>	<u>-</u>	<u>31,729</u>
	1 January 2023 £'000	Charge for the year £'000	Disposals £'000	31 December 2023 £'000
<b>Depreciation</b>				
Buildings & fittings	2,415	632	-	3,047
Plant & equipment	4,562	1,174	-	5,736
Office equipment	500	127	-	627
	<u>7,477</u>	<u>1,933</u>	<u>-</u>	<u>9,410</u>
<b>Net Book Value</b>	<u>24,245</u>			<u>22,319</u>

The addition in Tangible Fixed assets pertained to the acquisition of a grid force gas cylinder base, totalling £7k.

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Notes to the Financial Statements – continued

#### 9. Assets under construction

	1 January 2023 £'000	Expense in the year £'000	Transfers to Tangible Fixed Assets £'000	31 December 2023 £'000
<b>2023 Total</b>	<u>-</u>	<u>159</u>	<u>(7)</u>	<u>152</u>
2022 Total	-	35	(35)	-

Assets under construction relate to an ongoing project for the new household green waste site at Mont Cuet, which will be operational in Q2 2024 and for 10 skips to be commissioned early 2024.

#### 10. Inventories

	2023 £'000	2022 £'000
Inventories - Waste Plant mechanical spares	<u>216</u>	<u>257</u>
	<u>216</u>	<u>257</u>

#### 11. Debtors and prepayments

	2023 £'000	2022 £'000
Trade debtors	741	348
Prepayments and other debtors	514	228
Accrued revenue	<u>519</u>	<u>581</u>
	<u>1,774</u>	<u>1,157</u>

As of December 31, 2023, the trade debtors amount to £741k, inclusive of a specific provision of £47k.

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Notes to the Financial Statements – continued

#### 12. Creditors: amounts falling due within one year

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Trade creditors	<b>976</b>	664
Accruals	<b>729</b>	772
Deferred income	<b>108</b>	138
	<b><u>1,813</u></b>	<u>1,574</u>

As of December 31, 2023, Geminor, the provider of export and energy recovery services for RDF (Refuse derived fuel) material, constitutes the majority of the Trade Creditors.

#### 13. Reserves

	<b>Revenue reserve £'000</b>	<b>Asset transfer reserve £'000</b>	<b>Total £'000</b>
<b>Balance at 1 January 2023</b>	<b><u>(7,347)</u></b>	<b><u>32,992</u></b>	<b><u>25,645</u></b>
Deficit for the financial year	(2,019)	-	(2,099)
Cash contribution from General Revenue	<u>172</u>	<u>-</u>	<u>173</u>
<b>Balance at 31 December 2023</b>	<b><u>(9,194)</u></b>	<b><u>32,992</u></b>	<b><u>23,798</u></b>

All reserves are distributable.

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Notes to the Financial Statements – continued

#### 14. Reconciliation of operating deficit to net cash flows from operating activities

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Operating deficit for the year</b>	<b>(2,105)</b>	<b>(1,772)</b>
Depreciation charges	1,933	1,932
Deficit on sale of tangible assets	-	12
Decrease/(Increase) in inventories	41	(2)
(Increase)/Decrease in debtors and prepayments	(617)	346
Increase in creditors due within one year	239	380
	<hr/>	<hr/>
<b>Net cash flows from operating activities</b>	<b>509</b>	<b>896</b>

#### 15. Financial commitments and contingent liabilities

There is a constructive obligation to cap the landfill site at Mont Cuet once it has reached the end of its useful life. It is not possible to reliably estimate when this will occur, or the cost of this obligation. As the obligation cannot be measured with sufficient reliability, no provision has been made in these financial statements.

Guernsey Waste is required to monitor and where required, manage all closed landfill sites filled by the States of Guernsey until such point they no longer pose an environmental risk. In some cases, active monitoring and management can be for up to sixty 60 years from when they closed. The cost of monitoring all landfill sites in 2023 was £604k (2022: £473k) this includes the environmental monitoring of the remaining active landfill site, Mont Cuet, but excludes costs in relation to managing the leachate from the site with these costs falling under Mont Cuet operational costs.

The Guernsey Waste Transfer Station and Household Waste and Recycling Centre occupies land owned by the States of Guernsey and consequently has paid rent to the States of Guernsey. Although not finalised it is likely that Guernsey Waste will enter into a lease agreement for future rent payable.

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Notes to the Financial Statements – continued

#### 16. Financial instruments

Guernsey Waste's financial instruments may be analysed as follows:

	Note	2023 £'000	2022 £'000
<b>Financial assets at amortised cost</b>			
Cash and cash equivalents		<b>1,150</b>	1,560
Debtors	11	<b>1,774</b>	1,156
<b>Financial liabilities at amortised cost</b>			
Cash and cash equivalents		-	-
Creditors: amounts falling due within one year	12	<b>(1,813)</b>	(1,574)

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Notes to the Financial Statements – continued

#### 17. Employee benefits

The employees of Guernsey Waste are members of the States of Guernsey Public Servants' Pension Scheme. These arrangements provide defined benefits on a career average revalued earnings (CARE) basis up to a salary cap (£106,235 as at 31 December 2023) for members joining from 1 May 2015 and, on a different CARE basis, for the service from 1 March 2016 of members who joined before 1 May 2015. There is a defined contribution section for earnings in excess of this salary cap. The arrangements for service before 1 March 2016 for members who joined before 1 May 2015 and for the future service of those closer to pension age remains final salary. The scheme is funded by contributions from both employer and employee. The employer rates for the defined benefits are determined on the basis of independent actuarial advice and calculated to spread the expected cost of benefits payable to employees over the period of those employees' expected service lives.

Although the scheme is a multi-employer plan, it is not possible to identify Guernsey Waste's share of the underlying assets and liabilities of the scheme on a reasonable and consistent basis. There is neither an agreement nor a policy in place to allocate any of the deficit of the pension scheme across the participating entities. The States of Guernsey is liable for any obligations that arise from the States of Guernsey Superannuation Fund in respect of employees of the States of Guernsey. All employees of Guernsey Waste are considered to be ultimately employees of the States of Guernsey.

Consequently, Guernsey Waste has accounted for the plan as if it were a defined contribution plan, whereby it has expensed employer contributions through the Statement of Comprehensive Income. The employees also contribute to the States of Guernsey Superannuation Fund. The contribution rates are determined by a qualified actuary on the basis of periodic valuations.

The total cost of employer contributions included within the Statement of Comprehensive Income amounted to £49k (2022: £49k). The rate of employer contributions was reduced with effect from 1 August 2022 from 14.1% to 10.3%.

Further details relating to the funding of the Superannuation Scheme are included within the States of Guernsey Accounts 2023.

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Notes to the Financial Statements – continued

#### 18. Statement of control

Guernsey Waste is wholly owned and ultimately controlled by the States of Guernsey. Responsibility for the operations of Guernsey Waste has been delegated to the members of the STSB appointed by the States of Guernsey.

#### 19. Related party transactions

The STSB is of the opinion that there have been no material related party transactions in the current or preceding financial years other than as described in these financial statements. All transactions are conducted as normal business arrangements carried out at "arm's length".

45% of the value of the organisation's annual expenditure is due to transactions with States Works (2022: 43%).

The total compensation of key management personnel in 2023 (including salaries and other benefits) was £240k (2022: £226k).

Related party transactions between Guernsey Waste and other entities controlled by the States of Guernsey have not been disclosed in accordance with the exemptions available within FRS102 Section 33 "Related Party Disclosures".

STSB member Mr S. Falla CBE declared that he was a major shareholder in the Garenne Group during 2023. However, the Garenne Group was put into voluntarily liquidation on 3<sup>rd</sup> May 2023. As such, transactions which had taken place (between 1<sup>st</sup> January to 2<sup>nd</sup> May 2023) between Ports and Garenne Group companies in the ordinary course of business were subject to declaration under FRS 102 section 33. The aggregate of all of these transactions is not of a material nature to either party and all were conducted at arms-length in the normal course of business. Where any conflict of interest may exist, Mr Falla, as under normal rules would excuse himself from any STSB or other meetings, and has not participated in any discussions or voting regarding awarding any contracts leading to these transactions. Mr S. Falla CBE resigned from the Board on 27<sup>th</sup> September 2023.

Notes 1 to 21 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Guernsey Waste

### Notes to the Financial Statements – continued

£49k (2022: £360k) is from tipping of waste at published waste disposal.

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Garenne Group</b>		
Income	<u>49</u>	<u>360</u>
	<u><b>49</b></u>	<u><b>360</b></u>

#### 20. Subsequent events

Management knows of no events subsequent to the end of the reporting period that would materially affect the financial statements.

#### 21. Off balance-sheet arrangements

There are no commitments or contingent liabilities other than detailed in note 15 relating to 2023 which would affect these financial statements (2022: None).

Notes 1 to 21 form an integral part of these financial statements.