

# WAYNE SMITH AND ASSOCIATES

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# WS&A

*Beyond Accounting*

## INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA Financial statements for the year ended 30 June 2014

Wayne Smith and Associates  
Chartered Accountant (S.A.)  
Registered Auditor  
Published 30 September 2014

# INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA

Financial Statements for the year ended 30 June 2014

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Institute for Waste Management for Southern Africa
<b>Registered office</b>	Shop 2 Weltevreden Park Shopping Centre Rinyani Street Weltevreden Park 1715
<b>Business address</b>	Shop 2 Weltevreden Park Shopping Centre Rinyani Street Weltevreden Park 1715
<b>Postal address</b>	PO Box 79 Allen's Nek 1737
<b>Bankers</b>	Standard Bank Limited
<b>Accounting officer</b>	Wayne Smith and Associates Chartered Accountant (S.A.) Registered Auditor SAICA
<b>Executive Officer</b>	Gail Smit

# INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA

Financial Statements for the year ended 30 June 2014

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The reports and statements set out below comprise the financial statements presented to the Executive Officer: Gail Smit:

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### **Published**

30 September 2014

# Practitioner's Compilation Report

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To INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA

I have compiled the financial statements of INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA, as set out on pages 6 - 14, based on the information you have provided. These financial statements comprise the statement of financial position of INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

I performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

I have applied my expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, I am not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

**Wayne Smith**  
Partner  
Registered Auditor  
SAICA

25 Equity Drive  
Blairgowrie  
Johannesburg  
South Africa  
2196

30 September 2014

# INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA

Financial Statements for the year ended 30 June 2014

## Executive Officer's Responsibilities and Approval

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The Executive Officer is required by the Companies Act No.71 of 2008, to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is her responsibility to ensure that the financial statements fairly present the state of affairs of the branch as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Executive Officer acknowledge that she is ultimately responsible for the system of internal financial control established by the branch and place considerable importance on maintaining a strong control environment. To enable the Executive Officer to meet these responsibilities, the Executive Officer sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the branch and all employees are required to maintain the highest ethical standards in ensuring the branch's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the branch is on identifying, assessing, managing and monitoring all known forms of risk across the branch. While operating risk cannot be fully eliminated, the branch endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Executive Officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Executive Officer have reviewed the branch's cash flow forecast for the year to 30 June 2015 and, in the light of this review and the current financial position, they are satisfied that the branch has or has access to adequate resources to continue in operational existence for the foreseeable future.



Treasurer: Sidney Crampton



Gari Smit

# INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA

Financial Statements for the year ended 30 June 2014

## Executive officers' Report

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The officers have pleasure in submitting their report on the financial statements of INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA for the year ended 30 June 2014.

### 1. Nature of business

INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA was incorporated in South Africa with interests in the promotion of science and practice of waste management and the advancement of the profession of waste management sector. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

### 2. Executive Officer

The officers in office at the date of this report are as follows:

#### Executive Officer

Gail Smit

Treasurer: Sidney Crampton

There have been no changes to the directorate for the period under review.

### 3. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 30 June 2014 the company's investment in property, plant and equipment amounted to R69 700 (2013:R47 402), of which R56 406 (2013: R27 954) was added in the current year through additions.

### 4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

### 5. Auditors

Wayne Smith and Associates continued in office as auditors for the company for 2014.

At the AGM, the executive officer will be requested to reappoint Wayne Smith and Associates as the independent external auditors of the company and to confirm Mr Wayne Smith as the designated lead audit partner for the 2015 financial year.

# INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA

Financial Statements for the year ended 30 June 2014

## Statement of Financial Position as at 30 June 2014

Figures in Rand	2014	2013
<b>Assets</b>		
<i>Non-Current Assets</i>		
Property, plant and equipment	69 700	47 402
<i>Current Assets</i>		
Loans to shareholders	10 000	10 000
Wastecon Loan	98 060	6 417
Trade and other receivables	2 400	2 400
Deferred expenses	-	(18 740)
SARS paye refund due	-	2 279
Cash and cash equivalents	2 965 457	2 986 333
	<b>3 075 917</b>	<b>2 988 689</b>
<b>Total Assets</b>	<b>3 145 617</b>	<b>3 036 091</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Retained income	2 954 440	2 953 110
<b>Liabilities</b>		
<i>Current Liabilities</i>		
Trade and other payables	118 191	113 392
HCWF Bank Balance Transfer	72 986	(30 411)
	<b>191 177</b>	<b>82 981</b>
<b>Total Equity and Liabilities</b>	<b>3 145 617</b>	<b>3 036 091</b>

# INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA

Financial Statements for the year ended 30 June 2014

## Statement of Comprehensive Income

Figures in Rand	2014	2013
<b>Revenue</b>		
Wastecon net income	107 060	800 000
Administration fee income	85 653	79 777
Buyer's guide income	-	24 440
Subscriptions - patron members income	592 544	381 228
Insurance claim income	8 480	-
Subscriptions - members income	576 338	572 121
Subscriptions - affiliates income	13 509	23 070
Resource journal income	797 839	261 662
General sales and donations income	3 451	7 584
	<b>6</b>	<b>2 184 874</b>
	<b>2 184 874</b>	<b>2 149 882</b>
<b>Other income</b>		
Interest Received	30 453	20 734
Bank interest received	41	-
	<b>30 494</b>	<b>20 734</b>
<b>Operating expenses</b>		
Bookkeeping fees	(23 600)	(15 300)
Advertising	(22 343)	(53 573)
Accounting fees	(40 240)	(26 743)
Accreditation Survey	-	(18 997)
Bank charges	(10 787)	(10 720)
Cleaning services	(6 800)	(6 639)
Buyers guide costs	(20 669)	-
Computer expenses	(3 500)	-
Consultants - Marketing	(190 675)	(206 202)
Consultants	-	(3 763)
Delivery expenses	(33 583)	(33 771)
Depreciation	(34 108)	(31 961)
Distributions	(98 619)	-
Employee costs	(803 008)	(827 312)
Consumables	(13 898)	(9 639)
Interest Paid	(9)	(4)
DSW Training	-	(641 052)
Presidents Expenses	(37 761)	(37 026)
Newsletter	(22 646)	(22 261)
Meetings - National Council	(109 707)	(86 960)
Resource Journal Cost	(41 296)	(45 305)
Insurance	(17 191)	(10 817)
Gifts	(190)	(1 000)
Lease rentals on operating lease	(71 160)	(70 219)
General expenses	-	(132)
Printing and stationery	(33 293)	(77 861)
Repairs and maintenance - office premises and equipment	(12 431)	(33 899)
Security	(6 801)	(5 282)
Website hosting	(45 771)	(54 561)
Subscriptions	(3 115)	(4 094)
Telephone and fax	(49 072)	(44 287)
Training materials	(461 765)	(323 423)
Travel - local	-	(336)
	<b>(2 214 038)</b>	<b>(2 703 139)</b>
<b>Profit (loss) for the year</b>	<b>1 330</b>	<b>(532 523)</b>



**INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA**  
Financial Statements for the year ended 30 June 2014

**Statement of Comprehensive Income**

Figures in Rand	2014	2013
<b>Total comprehensive income (loss) for the year</b>	<b>1 330</b>	<b>(532 523)</b>

# INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA

Financial Statements for the year ended 30 June 2014

## Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
<b>Balance at 01 July 2012</b>	<b>3 485 633</b>	<b>3 485 633</b>
Loss for the year	(532 523)	(532 523)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(532 523)</b>	<b>(532 523)</b>
<b>Balance at 01 July 2013</b>	<b>2 953 110</b>	<b>2 953 110</b>
Profit for the year	1 330	1 330
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>1 330</b>	<b>1 330</b>
<b>Balance at 30 June 2014</b>	<b>2 954 440</b>	<b>2 954 440</b>

Note(s)

# INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA

Financial Statements for the year ended 30 June 2014

## Statement of Cash Flows

Figures in Rand	2014	2013
<b>Cash flows from operating activities</b>		
Cash generated from operations	40 196	128 981
Interest income	41	-
Other non-cash item 1	-	1
<b>Net cash from operating activities</b>	<b>40 237</b>	<b>128 982</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(56 406)	(27 954)
Movement in Wastecon loan	(91 643)	2 083
Recovery of Wastecon 2012 Loan	-	64 828
Deferred expense adjustment	(18 740)	-
Deferred expense	-	18 740
PAYE refund - Denied	2 279	-
<b>Net cash from investing activities</b>	<b>(164 510)</b>	<b>57 697</b>
<b>Cash flows from financing activities</b>		
Movement in HCWF Bank balance	103 397	(30 411)
Repayment of shareholders loan	-	(10 000)
<b>Net cash from financing activities</b>	<b>103 397</b>	<b>(40 411)</b>
<b>Total cash movement for the year</b>	<b>(20 876)</b>	<b>146 268</b>
Cash at the beginning of the year	2 986 333	2 840 065
<b>Total cash at end of the year</b>	<b>2 965 457</b>	<b>2 986 333</b>

# INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA

Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act No.71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Furniture and fixtures	6 years
Office equipment	5 years
IT equipment	5 years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

#### 1.2 Impairment of assets

The branch assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

#### 1.3 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

#### 1.4 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

# INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA

Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1.4 Revenue (continued)

- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

### 1.5 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

# INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

Figures in Rand

2014

2013

### 2. Property, plant and equipment

	2014			2013		
	Cost	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Furniture and fixtures	52 174	(48 481)	3 693	52 174	(45 122)	7 052
Office equipment	71 099	(60 845)	10 254	62 389	(53 874)	8 515
IT equipment	280 811	(225 058)	55 753	233 115	(201 280)	31 835
<b>Total</b>	<b>404 084</b>	<b>(334 384)</b>	<b>69 700</b>	<b>347 678</b>	<b>(300 276)</b>	<b>47 402</b>

#### Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	7 052	-	(3 359)	3 693
Office equipment	8 515	8 710	(6 971)	10 254
IT equipment	31 835	47 696	(23 778)	55 753
	<b>47 402</b>	<b>56 406</b>	<b>(34 108)</b>	<b>69 700</b>

#### Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	8 261	2 322	(3 531)	7 052
Office equipment	16 089	-	(7 574)	8 515
IT equipment	27 059	25 632	(20 856)	31 835
	<b>51 409</b>	<b>27 954</b>	<b>(31 961)</b>	<b>47 402</b>

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the branch.

### 3. Trade and other receivables

Deposits - rental office premises	2 400	2 400
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### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	135	-
Bank balances	2 965 322	2 986 333
	<b>2 965 457</b>	<b>2 986 333</b>

### 5. Trade and other payables

Trade payables	113 391	113 392
Accrued Rent expense	4 800	-
	<b>118 191</b>	<b>113 392</b>

**INSTITUTE FOR WASTE MANAGEMENT OF SOUTHERN AFRICA**  
 Financial Statements for the year ended 30 June 2014

**Notes to the Financial Statements**

Figures in Rand

	2014	2013
<b>6. Revenue</b>		
Wastecon net income		
Administration fee income	107 060	800 000
Buyer's guide income	85 653	79 777
Subscriptions - patron members income	-	24 440
Subscriptions - members income	592 544	381 228
Subscriptions - affiliates income	576 338	572 121
Resource journal income	13 509	23 070
General sales and donations income	797 839	261 662
Insurance claim income	3 451	7 584
	8 480	-
	<b>2 184 874</b>	<b>2 149 882</b>
<b>7. Other income</b>		
Fees earned	30 453	20 734
<b>8. Cash generated from operations</b>		
Profit (loss) before taxation	1 330	(532 523)
<b>Adjustments for:</b>		
Depreciation and amortisation	34 108	31 961
Interest received - investment	(41)	-
<b>Changes in working capital:</b>		
Trade and other receivables	-	240
Prepayments	-	629 303
Trade and other payables	4 799	-
	<b>40 196</b>	<b>128 981</b>