



X-TREME WASTE INCORPORATED

FINANCIAL STATEMENTS for the year ended 30 June 2012

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X-TREME WASTE INCORPORATED**Directory
for the year ended 30 June 2012**

Entity:	Incorporated Society holding Charitable Status as approved by the Charities Commission
Incorporated:	31 May 2000
Registered:	30 June 2008
Registration Numbers:	CC34145 (Charities Commission) 1040359 (Incorporated Societies)
Tax Status:	Charitable Status
Nature of Business:	Zero Waste - Community-based education and management of recyclable resources to minimise waste to landfill
Address:	P.O. Box 153 Whaingaroa Raglan
Accountant:	Bizworx Consultancy Limited Chartered Accountants Raglan
Auditor:	John Mills Hamilton
Bank:	ASB Bank Anglesea Clinic Branch Westpac Raglan Branch

X-TREME WASTE INCORPORATED

Directory
for the year ended 30 June 2012



Name	Position	Position held - Term
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Elected office holders:

Ian Mayes	Chairperson	Elected - Full year
Jacqui Forbes	Assistant Chairperson	Elected - Full year
Jo McKay	Secretary	Elected - Full year
Lynne Wilkins	Treasurer	Elected - Full year
Gary Kelk	Assistant Treasurer	Elected - Full year
Hinemoa Ranga	Committee Rep	Elected - Full year
Lindsey Turner	Education Rep	Elected – Full year
Rick Thorpe	Management Rep	Elected – Full year
Liz Stanway	Minute Secretary	Appointed - Full year

Management Team as at 30 June 2012:

Rick Thorpe	Co-manager
Gavin Melgren	Operations Manager
Jacqui Forbes	Co-manager
Niki Maniapoto	Finance / Administration Manager

X-TREME WASTE INCORPORATED



Income Statement for the year ended 30 June 2012

	Notes	2012 Actual \$	2012 Budget \$	2011 Actual \$
Income				
Sales of Products & Services	2	545,143	522,509	488,586
Contract Income Waikato District Council	3	462,790	370,790	421,521
Operating Grants	4	27,833	48,952	100,683
Capital Grants	5	7,000	5,000	8,000
Other Income		6,995	4,392	21,543
Total Income		1,049,761	951,643	1,040,333
Expenditure				
Administration	6	173,074	163,533	152,790
Business Collections	15	43,128	25,836	42,711
Depreciation	16	69,228	75,833	76,310
Education	7	95,072	79,488	55,701
Interest Paid		7,079	10,000	11,559
Ewaste		44,427	42,681	-
Kerbside Collections	12	76,969	68,075	72,767
Miniskips	11	15,460	17,468	12,996
Para Kore	8	278	-	55,784
Prepaid Bags	9	50,260	93,096	99,106
Public Bins	13	36,527	31,147	34,133
Refuse Transfer Station	10	411,000	378,283	382,267
Research & Development		12,862	-	20,970
Rural Recycling	14	12,491	13,279	758
Vehicle Running Costs		52,874	50,619	47,306
Total Expenditure		1,100,729	1,049,338	1,065,158
Net Operating Surplus (Deficit)		(50,968)	(97,695)	(24,825)

X-TREME WASTE INCORPORATED**Balance Sheet
as at 30 June 2012**

	Notes	2012 Actual \$	2012 Budget \$	2011 Actual \$
Current Assets				
Cash & Bank	17	43,900	16,637	85,910
Inventory	18	16,869	15,650	15,512
Accounts Receivable	19	129,605	137,000	136,147
Prepayments	20	9,085	9,000	8,986
Total Current Assets		199,459	178,287	246,555
Current Liabilities				
Accounts Payable		134,995	140,000	138,490
Grants Received in Advance	21	7,000	11,500	11,500
GST Accrued		14,850	14,000	13,678
Prometheus Loans Current portion	22	37,004	38,000	49,988
Total Current Liabilities		193,849	203,500	213,656
Working Capital		5,610	(25,213)	32,899
Non-Current Assets				
Property, Plant & Equipment	16	99,840	84,654	160,487
Total Non-Current Assets		99,840	84,654	160,487
Non-Current Liabilities				
Prometheus Loans Term portion	22	6,282	7,000	43,250
Total Non-Current Liabilities		6,282	7,000	43,250
Net Assets & Liabilities		99,168	52,441	150,136

For and on behalf of the Executive Members of X-treme Waste Incorporated who approved and authorised the issue of these financial statements on the date show below:

..... Signature Position

..... Signature Position

.....Date

X-TREME WASTE INCORPORATED**Statement of Changes in Equity
for the year ended 30 June 2012**

	Notes	2012 Actual \$	2012 Budget \$	2011 Actual \$
Opening Balance		150,136	150,136	174,961
Net Operating Surplus (Deficit)		(50,968)	(97,695)	(24,825)
Closing Balance		99,168	52,441	150,136

X-TREME WASTE INCORPORATED



Statement of Cash Flows for the year ended 30 June 2012

	Notes	2012 Actual \$	2011 Actual \$
Cash Flow from Operating Activities			
<i>Cash was provided from:</i>			
Sales of Products & Services		998,192	884,842
Operating Grants & Subsidies		44,116	102,642
Other Sources		6,995	21,543
		1,049,303	1,009,027
<i>Cash was applied to:</i>			
Suppliers		440,961	340,541
Employees & Contractors		595,491	609,765
GST		(1,172)	(1,049)
		1,035,280	949,257
Net cash inflow (outflow) from operating activities	27	14,023	59,770
Cash flow from investing activities			
<i>Cash was provided from:</i>			
Capital grants received (applied)		2,500	(4,000)
		2,500	(4,000)
<i>Cash was applied to:</i>			
Property, Plant & Equipment Acquisitions		8,581	23,947
Reducing loans		49,952	45,261
		58,533	69,208
Net cash inflow (outflow) from investing activities		(56,033)	(73,208)
Net increase (decrease) in cash held		(42,010)	(13,438)
Plus Opening Balance		85,910	99,348
Cash at 30 June		43,900	85,910
Reconciliation of closing cash to Statement of Financial Position			
Westpac Cheque Account		16,292	24,200
ASB Investment Account		26,187	61,002
Cash on Hand		1,421	708
Cash at 30 June	17	43,900	85,910

X-TREME WASTE INCORPORATED

Notes to the Accounts for the year ended 30 June 2012



1. STATEMENT OF ACCOUNTING POLICIES

Entity Reporting

These financial statements are for X-treme Waste Incorporated.

X-treme Waste Inc is registered under the Incorporated Societies Act 1908.

Purpose of Entity

The purpose of X-treme Waste Incorporated is:

- To contract to the Waikato District Council (WDC) for the management of the current Raglan Transfer Station (RTS)
- To develop recycling facilities at the RTS
- To contract to WDC for the kerbside pickup collection of all waste
- To initiate a kerbside recyclable collection for the Raglan urban and rural communities
- To establish and service recycling drop-off points
- To develop and implement a waste management education strategy for the Raglan Community
- To offer a service to cater for the waste management needs of our business community
- To generate long-term community employment initiatives through better utilisation of the community's waste stream
- To assist in the on-going development of zero-waste initiatives at local and national levels
- To assist people interested in learning from the Raglan model

Differential Reporting

The Incorporated Society qualifies for differential reporting as it is not publicly accountable, and is not large as defined in the Framework for Differential Reporting. X-treme Waste Incorporated has taken advantage of all available differential reporting exemptions, except those in respect of FRS-10 Statements of Cash Flows.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by X-treme Waste Inc.

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand. For this purpose X-treme Waste Inc has designated itself as a public benefit entity.

The information is presented in New Zealand dollars.

Specific Accounting Policies

The following specific accounting policies that materially affect the measurement of financial performance and the financial position have been applied.

(a) Revenue

Income from the sale of products and services is recognised when it is received or falls due. Fund-raising and unconditional donations or koha are recognised when received. Grants received are recognised in operating revenue, unless specific conditions attach to a grant and repayment of the grant is required where these conditions are not met. In these cases, the grant is treated as a liability until the conditions are met.

X-TREME WASTE INCORPORATED

Notes to the Accounts for the year ended 30 June 2012



(b) Accounts Receivable

Accounts Receivable are stated at their anticipated realisable value.

(c) Property, Plant & Equipment

Property, plant and equipment are recorded at cost less accumulated depreciation.

(d) Depreciation

Depreciation has been calculated to allocate the cost or valuation of assets over their estimated useful lives, at the following rates:

Office Plant & Equipment	33.3% SL
Site Plant & Equipment	12.5% SL, 20% SL & 33.3% SL
Recycling Containers	12.5% & 20% SL
Buildings	4% SL & 12.5% SL
Vehicles	20% SL

(e) Inventories

Inventory of materials on hand has been carried out at the lower of cost or net realisable value. The following has been applied in these financial statements:

Prepaid bag stocks for resale	Cost
Mulch	Net realisable value
Recyclables (plastic, wood, metal, paper, glass and pre-loved items)	Net realisable value

Inventory of materials on hand that have no resale value but incur costs relating to storage, transport, and landfill charges, has not been accounted for in these financial statements, as collection of waste material with no resale value is regarded as a service.

(f) Income Tax

X-treme Waste Inc has charitable status, and is therefore not obliged to pay income tax on its current activities.

(g) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis. All items in the Statement of Financial Performance, together with Inventories and Fixed Assets, have been recorded exclusive of GST. Accounts Receivable and Accounts Payable are recorded in the Statement of Financial Position inclusive of GST. GST owing to or by the entity at balance date is recorded in the Statement of Financial Position, and has been determined on an accruals basis.

(h) Financial Instruments

Financial instruments in the statement of financial position include cash balances, receivables and payables.

(i) Cash flows

For the purpose of the statement of cash flows, cash includes cash on hand, deposits held at call with banks, and investments in money market instruments, net of bank overdrafts.

(j) Budget Figures

The budget figures are extracted from the Trust budget that was approved by the Trustees at the beginning of the year.

X-TREME WASTE INCORPORATED**Notes to the Accounts
for the year ended 30 June 2012****(k) Investments**

Short-term bank deposits are classified as held to maturity. They are measured at amortised cost using the effective interest method, ie interest is accounted for as it is earned.

(l) Employee Entitlements – Salary Accruals

An accrual has been made for annual leave as at 30 June \$ 34,310 (2011: \$30,610)

No accrual has been made for sick leave entitlements for the employees concerned as while the entitlement in hours/days is recorded the financial impact of not calculating the liability is not considered material.

(m) Changes in Accounting Policies

There have been no changes to accounting policies during the year. The application of accounting policies is consistent with previous years.

X-TREME WASTE INCORPORATED



Notes to the Accounts for the year ended 30 June 2012

	2012 Actual \$	2012 Budget \$	2011 Actual \$
2 Sale of Products and Services			
Collections	67,414	62,400	61,190
Events & Projects	27,958	1,000	1,223
Miniskip Income	45,875	54,900	51,186
Prepaid Bags	139,049	125,023	134,675
Recyclables	203,443	211,603	176,264
Transfer Station Gate Takings	61,404	67,583	64,048
	545,143	522,509	488,586
3 Contract Income - Waikato District Council			
RTS Management Contract	316,541	281,414	288,534
Public Bins - Litter & Recycling	109,729	54,605	100,071
Siteworks	21	-	(1,855)
Rural Recycling	36,499	34,771	34,771
	462,790	370,790	421,521
4 Operating Grants			
Ministry for Environment	-	41,952	38,313
Lion Foundation	-	-	3,500
Department of Conservation	-	-	10,189
Sky City	-	-	1,000
Marae Tukere	-	-	2,000
Waipa District Council	-	-	9,750
Waste Minimisation Fund (Environment Waikato)	-	-	23,931
Hamilton City Council	16,500	-	-
Waikato Community Trust	2,000	2,000	-
Other	9,333	5,000	12,000
	27,833	48,952	100,683
5 Capital Grants			
WEL Trust	7,000	5,000	8,000
	7,000	5,000	8,000
6 Administration			
Accountancy & Consultancy Fees	5,000	5,000	3,100
Accident Compensation Premiums	14,202	13,186	14,960
Advertising & Sponsorship	3,014	3,200	3,103
Audit Fees	1,115	1,400	1,375
Communications	8,276	6,400	5,677
Consultancy	7,904	8,000	7,333
Coordination	101,956	93,671	86,525
Conferences, Travel, Training	1,007	3,000	2,869
General Expenses	10,334	9,977	10,785
Insurance	9,334	11,000	9,660
Printing, Postage, Stationery	2,656	3,500	2,928
Office Rent, Power, Water Rates	2,439	3,500	2,550
Repairs and Replacements	5,837	1,700	1,925
	173,074	163,534	152,790

X-TREME WASTE INCORPORATED



Notes to the Accounts for the year ended 30 June 2012

	2012 Actual \$	2012 Budget \$	2011 Actual \$
7 Education			
Advertising	4,200	1,050	1,464
Brochures, Web-site & Educational Communications	-	500	-
Contractors & Wages	545	500	435
Events & Projects Expenses	50,410	62,213	37,993
General	25,145	1,500	1,854
Hui & Conferences	9,625	5,400	5,798
Professional Development	374	1,000	-
T Shirt Purchases	130	2,225	2,964
Travel & Accommodation	-	600	599
	4,643	4,500	4,594
	95,072	79,488	55,701
8 Para Kore			
Contractors & Wages	-	-	45,282
Kai & Groceries	208	-	-
Project Costs	70	-	10,502
	278	-	55,784
9 Prepaid Bags			
Contractors & Wages	31,515	79,266	82,435
Purchases	18,745	13,830	16,671
	50,260	93,096	99,106
10 Refuse Transfer Station (includes Rural Recycling)			
<i>Mulch:</i>			
Opening Stock on Hand	1,940	-	700
Mulching Costs	4,378	5,000	4,041
Closing Stock on Hand	(890)	-	(1,940)
<i>Net Mulching Costs</i>	<u>5,428</u>	<u>5,000</u>	<u>2,801</u>
<i>Recyclables:</i>			
Opening Stock on Hand	6,408	-	5,320
Closing Stock on Hand	(8,742)	-	(6,408)
<i>Net Recyclables Costs</i>	<u>(2,334)</u>	<u>-</u>	<u>(1,088)</u>
<i>Operations:</i>			
Conferences & Travel	-	-	153
Ewaste	4,184	-	1,968
Fadges, Safety Equipment, Consumables	8,868	9,000	7,598
General Expenses	3,549	2,800	2,794
Koha	-	-	50
Repairs & Maintenance	7,919	6,000	5,737
Site Repairs, Hire, Development, Security	2,153	3,500	9,556
Transport	140,554	106,150	99,310
Wages & Contractors	240,679	245,833	253,388
<i>Net Operations</i>	<u>407,906</u>	<u>373,283</u>	<u>380,554</u>
	411,000	378,283	382,267
11 Miniskips			
Advertising & Sponsorship	2,737	-	-
Contractors & Wages	10,634	15,468	12,108
Skip Bins, Safety Equipment, Consumables, Repairs	2,089	2,000	888
	15,460	17,468	12,996

X-TREME WASTE INCORPORATED



Notes to the Accounts for the year ended 30 June 2012

	2012 Actual \$	2012 Budget \$	2011 Actual \$
12 Kerbside Collections			
Contractors & Wages	76,969	66,075	72,767
Fadges, Safety Equipment, Consumables, Repairs	-	2,000	-
	76,969	68,075	72,767
13 Public Bins			
Contractors & Wages	33,372	28,847	31,468
Bin Bags & Liners, Consumables, Repairs	3,155	2,300	2,665
	36,527	31,147	34,133
14 Rural Recycling			
Contractors & Wages	5,695	12,279	134
Consumables, Repairs	6,796	1,000	624
	12,491	13,279	758
15 Business Collections			
Contractors & Wages	42,961	22,336	36,786
Fadges, Safety Equipment, Consumables, Repairs, Hire	167	3,500	5,925
	43,128	25,836	42,711
16 Property, Plant & Equipment	Closing Cost	Closing Bk Value	Opening Bk Value
Plant & Equipment - Office	10,028	2,128	3,693
Plant & Equipment - Site	93,535	25,851	39,900
Plant & Equipment - Recycling Containers	21,433	8,872	10,907
Building & Site Development	91,573	55,032	55,771
Vehicles	243,680	7,957	50,216
	460,249	99,840	160,487
Depreciation	Rates	2012	2011
Plant & Equipment - Office	33.0%	2,240	2,621
Plant & Equipment - Site	12.5%,20%&33%	16,077	16,581
Plant & Equipment - Recycling Containers	12.5% & 20%	3,085	3,050
Building & Site Development	4% & 12.5%	6,611	6,201
Vehicles	20.0%	41,215	47,857
		69,228	76,310
	2012 Actual \$	2012 Budget \$	2011 Actual \$
17 Cash & Bank			
Westpac Cheque Account	16,292	15,942	24,200
ASB Investment Account	26,187	-	61,002
Cash On Hand	1,421	695	708
	43,900	16,637	85,910

X-TREME WASTE INCORPORATED



Notes to the Accounts for the year ended 30 June 2012

	2012 Actual	2012 Budget	2011 Actual
	\$	\$	\$
18 Inventory			
Mulch	890	1,950	1,940
Prepaid Bags	7,237	7,200	7,164
Recyclables	8,742	6,500	6,408
	16,869	15,650	15,512
19 Accounts Receivable			
Local Customers	44,592	32,000	53,795
Provisional for Doubtful Debts	(710)	-	(860)
Government Agencies	1,280	45,000	23,183
Waikato District Council	84,443	60,000	60,029
	129,605	137,000	136,147
20 Prepaid Expenses			
Insurance Premiums paid in advance	9,085	9,000	8,986
	9,085	9,000	8,986
21 Grants Received in Advance			
WEL Trust	7,000	7,000	7,000
Hamilton City Council	-	4,500	4,500
	7,000	11,500	11,500
22 Loans			
Prometheus Loan 1 - <i>Current portion</i>	29,113	30,000	42,839
Prometheus Loan 2 - <i>Current portion</i>	7,891	8,000	7,149
	<u>37,004</u>	<u>38,000</u>	<u>49,988</u>
Prometheus Loan 1 - <i>Term portion</i>	-	-	29,085
Prometheus Loan 2 - <i>Term portion</i>	6,282	7,000	14,165
	<u>6,282</u>	<u>7,000</u>	<u>43,250</u>
	43,286	45,000	93,238

Loan 1 repayments are \$4006.71 monthly. The loan commenced 31 August 2007, and the final payment is due 28 February 2013. The effective interest rate is 9.95% (2011: 9.94%)

Loan 2 repayments are \$745.83 monthly. The loan commenced 30 March 2008, and the final payment is due 30 July 2014. The effective interest rate is 9.95% (2011: 9.95%)

23 Related Party Transactions

X-treme Waste Incorporated employs or contracts the services of members of the committee on a commercial basis, and contracts are formally documented.

X-TREME WASTE INCORPORATED



Notes to the Accounts for the year ended 30 June 2012

	2012 Actual	2012 Budget	2011 Actual
	\$	\$	\$
24 Commitments			
<i>Operating Lease Commitments</i>			
Lease commitments under non-cancellable operating leases:			
Not later than one year	9,446		759
Later than one year and not later than two years	-		759
Later than two years	-		-
	9,446		1,518

X-treme Waste entered into a lease agreement for EFTPOS equipment on 10 May 2010. The agreement commences 4 July 2010 and expires 3 July 2013.

X-treme Waste entered into a lease agreement for premises at 8 Jolly Street, Hamilton on 1 December 2011. The agreement commences on 1 December 2011, and has two right of renewals on 1 December 2012, 1 December 2015 with a final expiry date of 30 November 2018.

25 Capital Expenditure Commitments

There were no commitments for capital expenditure at 30 June 2012 (30 June 2011 - \$Nil).

26 Contingent Losses or Gains

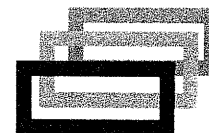
There were no known contingent losses or gains outstanding as at 30 June 2012. (30 June 2011 - \$Nil)

27 Reconciliation of reported surplus after taxation with cash from operating activities

Reported Surplus (Deficit)	(50,968)	(24,825)
Plus (Less) non-cash items	69,228	76,310
Plus (Less) capital grants	(7,000)	(8,000)
<i>Movement in Working Capital</i>		
Increase (decrease) in accounts payable	(2,323)	42,864
(Increase) decrease in accounts receivable	6,542	(23,306)
(Increase) decrease in prepayments	(99)	674
(Increase) decrease in inventory	(1,357)	(3,947)
Net cash flow from operating activities	<u>14,023</u>	<u>59,770</u>

28 Subsequent events

There are no other matters or events that have arisen, or been discovered, subsequent to balance date that would require adjustment to, or disclosure in these financial statements.



INDEPENDENT AUDITOR'S REPORT

To The Members of
X-treme Waste Incorporated

Report on the Financial Statements

I have audited the financial statements of X-treme Waste Incorporated on pages 3 to 14, which comprise the balance sheet as at June 30th, 2012, and the income statement and statement of changes in equity for the year ended, and a summary of significant accounting policies and other explanatory information.

Committee Responsibility for the Financial Statements

The Committee are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

It is my responsibility to express an independent opinion on the financial report presented by the Committee and report my opinion to you.

Basis of Opinion

My responsibility is to express an opinion on those financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing (New Zealand). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluation the overall presentation of the financial statements.

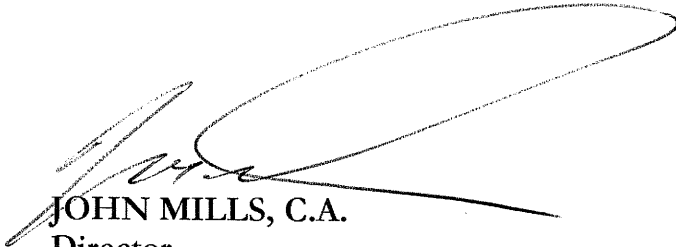
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion

Other than in my capacity as auditor I have no relationship with or interests in X-treme Waste Incorporated.

Opinion

In my opinion, the financial statements on pages 3 to 14 present fairly, in all material respects the financial position of X-treme Waste Incorporated as at June 30th, 2012, and its financial performance for the year ended in accordance with generally accepted accounting practice in New Zealand.

My audit report was completed on Thursday, November 8, 2012 and my unqualified opinion is expressed as at that date



JOHN MILLS, C.A.

Director

Email: jmil@clear.net.nz

Thursday, November 8, 2012