



X-TREME WASTE INCORPORATED

FINANCIAL STATEMENTS for the year ended 30 June 2008

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X-TREME WASTE INC

**Directory
For the year ended 30 June 2008**

Entity:	Incorporated Society
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 INC

Directory For the year ended 30 June 2008

Name	Position
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Elected office holders:

Peter Haworth (Raglan)	Chairperson
Jacqui Forbes (Raglan)	Assistant Chairperson
Simon Thompson (Raglan)	Secretary
Liz Stanway (Raglan)	Assistant Secretary
Lynne Wilkins (Raglan)	Treasurer
Niki Maniapoto (Raglan)	Assistant Treasurer

Management Team:

Rick Thorpe	General Manager
Koko Whitiora	Operations Manager
Liz Stanway	Shop Manager
Jacqui Forbes	Strategic Manager
Lindsey Turner	Education Manager
Niki Maniapoto	Finance / Administration Manager

X-TREME WASTE INCORPORATED



Income Statement for the year ended 30 June 2008

	Notes	2008 Actual \$	2008 Budget \$	2007 Actual \$
Income				
Sales of Products & Services	2	406,268	353,221	351,614
Contract Income Waikato District Council	3	373,970	247,314	198,629
Operating Grants	4	23,263	-	72,868
Capital Grants	5	7,193	-	7,807
Other Income		61,360	2,700	21,111
Total Income		872,054	603,235	652,029
Expenditure				
Administration	6	113,935	138,104	106,503
Education	7	62,381	58,800	57,088
Prepaid Bags	8	76,786	77,937	79,104
Refuse Transfer Station & Rural Recycling	9	332,801	284,157	225,436
Miniskips	10	12,095	-	-
Kerbside Collections	11	58,294	24,712	42,539
Public Bins	12	24,220	-	-
Business Collections	13	26,214	18,495	29,846
Interest Paid		19,653	-	-
Vehicle Running Costs		50,697	26,532	27,576
Depreciation	14	62,528	38,345	17,423
Total Expenditure		839,604	667,082	585,515
Net Operating Surplus (Deficit)		32,450	(63,847)	66,514

X-TREME WASTE INCORPORATED**Balance Sheet
as at 30 June 2008**

	Notes	2008 Actual \$	2008 Budget \$	2007 Actual \$
Current Assets				
Cash & Bank	15	110,929	29,615	68,926
Inventory	16	19,409	9,700	9,847
Accounts Receivable	17	146,262	30,000	79,832
Prepayments	18	9,711	3,800	3,782
Total Current Assets		286,311	73,115	162,387
Current Liabilities				
Accounts Payable		97,620	60,000	52,924
Grants Received in Advance	19	7,000	7,000	7,193
GST Accrued		15,192	12,000	11,640
Promethius Loans Current portion	20	67,024	-	-
Total Current Liabilities		186,836	79,000	71,757
Working Capital		99,475	(5,885)	90,630
Non-Current Assets				
Property, Plant & Equipment	14	251,624	48,462	78,807
		351,099	42,577	169,437
Non-Current Liabilities				
Promethius Loans Term portion	20	149,212	-	-
Net Assets & Liabilities		201,887	42,577	169,437

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 2008**

	Notes	2008 Actual \$	2008 Budget \$	2007 Actual \$
Opening Balance		169,437	169,437	102,923
Net Operating Surplus (Deficit)		32,450	(63,847)	66,514
Closing Balance		201,887	105,590	169,437

X-TREME WASTE INCORPORATED



Statement of Cash Flows for the year ended 30 June 2008

	Notes	2008 Actual \$	2007 Actual \$
Cash Flow from Operating Activities			
<i>Cash was provided from:</i>			
Sales of Products & Services		728,263	528,599
Operating Grants & Subsidies		8,809	66,618
Other Sources		61,360	21,111
		798,432	616,328
<i>Cash was applied to:</i>			
Suppliers		268,416	138,500
Employees & Contractors		479,455	422,721
GST		(3,552)	(4,914)
		744,319	556,307
Net cash inflow (outflow) from operating activities	20	54,113	60,021
Cash flow from investing activities			
<i>Cash was provided from:</i>			
Grants Received		7,000	15,000
Loans		216,236	-
		223,236	15,000
<i>Cash was applied to:</i>			
Property, Plant & Equipment Acquisitions		235,346	30,310
		235,346	30,310
Net cash inflow (outflow) from investing activities		(12,110)	(15,310)
Net increase (decrease) in cash held		42,003	44,711
Plus Opening Balance		68,926	24,215
Cash at 30 June		110,929	68,926
Reconciliation of closing cash to Statement of Financial Position			
WestpacTrust Cheque Account		21,380	35,828
ASB Investment Account		89,206	31,661
Cash on Hand		343	1,437
Cash at 30 June		110,929	68,926

The attached notes form part of, and should be read in conjunction with these financial statements.

X-TREME WASTE INC

Notes to the Accounts For the year ended 30 June 2008

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. The financial statements of X-treme Waste Inc have been prepared according to generally accepted accounting practice.

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.

(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	33.3% SL
Recycling Containers	12.5% SL
Buildings	4% SL and 12.5% SL
Vehicles	20% SL

X-TREME WASTE INC

Notes to the Accounts (cont'd) For the year ended 30 June 2008

(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
Recycle bins	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) 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.

(k) Budget Figures

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

(l) 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.

X-TREME WASTE INC**Notes to the Accounts (cont'd)
For the year ended 30 June 2008****(m) Employee Entitlements – Salary Accruals**

Leave entitlements are accrued for employees. Entitlements comprise:

- Annual leave (holiday pay)
- Sick leave

An accrual has been made for annual leave. No accrual has been made for sick leave entitlements for the employees concerned. The effect is not considered to be material.

(n) Changes in Accounting Policies

X-treme Waste Incorporated has implemented the New Zealand equivalents to International Financial Reporting Standards for the first time. This has not involved significant changes to accounting policy. A change required under NZIFRS to the method of accounting for sick leave was not implemented (see note 1 (m)).

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

**Notes to the Accounts (cont'd)
for the year ended 30 June 2008**

	2008 Actual \$	2008 Budget \$	2007 Actual \$
2 Sale of Products and Services			
Collections	43,098	41,600	37,856
Events & Projects	3,632	0	4,406
Miniskip Income	54,098	0	0
Prepaid Bags	97,988	96,880	85,849
Recyclables	134,257	145,233	148,738
Recycle Bins	0	1,200	400
T Shirts	1,129	0	5,225
Transfer Station Gate Takings	72,066	68,308	69,140
	406,268	353,221	351,614
3 Contract Income - Waikato District Council			
RTS Management Contract	264,174	163,200	158,200
Public Bins - Litter & Recycling	78,486	52,914	0
Siteworks *	0	0	16,429
Rural Recycling	31,310	31,200	24,000
	373,970	247,314	198,629
<i>* The steelyard shed cost of \$16,108 has been recorded as a Fixed Asset</i>			
4 Operating Grants			
Ministry of Social Development	5,556	0	54,954
Environment Waikato	11,707	0	13,327
Trust Waikato	5,000	0	0
Sky City	1,000	0	0
Work & Income New Zealand	0	0	4,587
	23,263	0	72,868
5 Capital Grants			
WEL Trust - Development	7,193	0	7,807
	7,193	0	7,807
6 Administration			
Accountancy & Consultancy Fees	4,621	3,500	3,617
Accident Compensation Premiums	11,773	16,113	11,624
Audit Fees	765	700	895
Communications	6,730	4,600	3,506
Consultancy	5,196	15,000	1,182
Coordination	66,404	85,410	75,641
Conferences, Travel, Training	1,511	1,000	381
General Expenses	5,784	2,600	4,316
Insurance	7,402	3,681	1,834
Printing, Postage, Stationery	2,551	3,500	2,460
Office Rent & Power	928	1,000	708
Repairs and Replacements	270	1,000	339
	113,935	138,104	106,503

**Notes to the Accounts (cont'd)
for the year ended 30 June 2008**

	2008 Actual \$	2008 Budget \$	2007 Actual \$
7 Education			
Advertising	4,311	5,500	2,916
Brochures, Web-site & Educational Communications	0	2,500	0
Contractors & Wages	46,011	46,800	42,391
Events & Projects Expenses	7,433	1,000	5,447
General	1,169	0	796
Hui & Conferences	1,612	1,000	1,603
T Shirt Purchases	796	0	2,685
Travel & Accommodation	1,049	0	1,250
	62,381	58,800	57,088
8 Prepaid Bags			
Contractors & Wages	76,273	66,737	59,590
Purchases	513	11,200	19,514
	76,786	77,937	79,104
9 Refuse Transfer Station (includes Rural Recycling)			
<i>Mulch:</i>			
Opening Stock on Hand	2,150	0	9,325
Mulching Costs	15,393	8,000	10,364
Closing Stock on Hand	(690)	0	(2,260)
<i>Net Mulching Costs</i>	16,853	8,000	17,429
<i>Recyclables:</i>			
Opening Stock on Hand	3,136	0	2,148
Closing Stock on Hand	(9,102)	0	(3,295)
<i>Net Recyclables Costs</i>	(5,966)	0	(1,147)
<i>Operations:</i>			
Conferences & Travel	558	0	0
Fadges, Safety Equipment, Consumables	8,559	6,000	6,013
General Expenses	3,509	2,000	282
Koha	42	0	0
Recycle Bins	272	1,200	524
Repairs & Maintenance	6,045	4,000	3,516
Site Repairs, Hire, Development, Security	7,805	0	805
Transport	82,066	70,890	21,113
Wages & Contractors	213,058	192,067	176,901
	332,801	284,157	225,436
10 Miniskips			
Contractors & Wages	11,388	0	0
Skip Bins, Safety Equipment, Consumables, Repairs	707	0	0
	12,095	0	0
11 Kerbside Collections			
Contractors & Wages	58,294	23,712	42,464
Fadges, Safety Equipment, Consumables, Repairs	0	1,000	75
	58,294	24,712	42,539

**Notes to the Accounts (cont'd)
for the year ended 30 June 2008**

12 Public Bins			
Contractors & Wages	18,826	12,624	0
Bin Bags & Liners, Consumables, Repairs	5,394	1,584	0
	24,220	14,208	0
13 Business Collections			
Contractors & Wages	26,214	18,495	29,846
Fadges, Safety Equipment, Consumables, Repairs	0	0	0
	26,214	18,495	29,846
14 Property, Plant & Equipment			
	Cost	Closing Bk Value	Opening Bk Value
Plant & Equipment - Office	7,390	3,371	3,520
Plant & Equipment - Site	17,039	34,190	12,177
Plant & Equipment - Recycling Containers	9,843	819	2,582
Building & Site Development	47,682	34,124	39,061
Vehicles	274,742	179,120	21,467
	356,696	251,624	78,807
Depreciation			
	Rates	2008	2007
Plant & Equipment - Office	33.0%	1,637	1,429
Plant & Equipment - Site	33.0%	11,047	2,832
Plant & Equipment - Recycling Containers	12.5%	1,763	1,765
Building & Site Development	4% & 12.5%	4,937	3,594
Vehicles	20.0%	43,144	7,803
		62,528	17,423
	2008 Actual	2008 Budget	2007 Actual
	\$	\$	\$
15 Cash & Bank			
WestpacTrust Cheque Account	21,380	13,515	35,828
ASB Investment Account	89,206	15,000	31,661
Cash On Hand	343	1,100	1,437
	110,929	29,615	68,926
16 Inventory			
Mulch	910	2,200	2,260
Prepaid Bags	7,905	3,300	3,372
Recycle Bins	0	300	272
Recyclables	9,261	3,300	3,295
T Shirts	1,333	600	648
	19,409	9,700	9,847
17 Accounts Receivable			
Local Customers	72,131	20,000	50,181
Ministry of Economic Development	9,956	0	4,250
Waikato District Council	64,175	10,000	25,401
	146,262	30,000	79,832
18 Prepaid Expenses			
Insurance Premiums paid in advance	9,711	3,800	3,782
	9,711	3,800	3,782

**Notes to the Accounts (cont'd)
for the year ended 30 June 2008**

19 Grants in Advance

WEL Trust	7,000	7,000	7,193
	7,000	7,000	7,193

20 Term Loans

Promethius Loan 1	177,540	0	0
Promethius Loan 2	38,696	0	0
	216,236	0	0

Loan 1 repayments are \$4006.71 monthly. The loan commenced 31 August 2007, and the final payment is due 30 July 2014. Interest rate is 11.5%

Loan 2 repayments are \$745.83 monthly. The loan commenced 30 March 2008, and the final payment is due 30 July 2014. Interest rate is 11.75%

Loan 2 was borrowed for the purpose of purchasing an Autobaler. The purchase was not actioned as at balance date (see Note 22 and Note 25). Therefore the entire loan is regarded as a current liability as at 30th June 2008.

21 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.

22 Capital Expenditure Commitments

At 30th June 2008 X-treme Waste Incorporated had an Autobaler SL300A3-C3N valued at \$37,000 on site. This baler was to be purchased using part of the loan from Prometheus, but there were doubts about it meeting the needs of the organisation. Therefore while X-treme Waste Incorporated was committed to purchasing a baler as at 30th June 2008 for this value, it had not committed to purchasing this particular item. Refer to note 23.

There were no other commitments for capital expenditure at 30 June 2008 (30 June 2007 - \$Nil).

23 Contingent Losses or Gains

There were no known contingent losses or gains outstanding as at 30 June 2008. (30 June 2007 - \$Nil)

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

	2008 Actual \$	2008 Budget \$	2007 Actual \$
Reported Surplus (Deficit)	32,450		66,514
Plus (Less) non-cash items	62,528		17,423
Plus (Less) capital grants	(7,193)		(7,807)
<i>Movement in Working Capital</i>			
Increase (decrease) in accounts payable	48,248		(2,590)
(Increase) decrease in accounts receivable	(66,430)		(27,894)
(Increase) decrease in prepayments	(5,929)		0
(Increase) decrease in inventory	(9,562)		18,157
Net cash flow from operating activities	<u>54,112</u>		<u>63,803</u>

**Notes to the Accounts (cont'd)
for the year ended 30 June 2008**

2008 Actual \$	2008 Budget \$	2007 Actual \$
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25 Subsequent events

Since 30th June 2008, X-treme Waste Incorporated has made arrangements to return the Autobaler SL300A3-C3N, and is planning to purchase a different baler of similar value.

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.

26 Uncommitted Funds

At balance date the following funds were available:

WestpacTrust Cheque Account	21,380	13,515	35,828
ASB Investment Account	89,206	15,000	31,661
Cash on Hand	343	1,000	1,437
Stock on Hand	19,409	9,100	9,847
Accounts Receivable	146,262	30,000	79,832
	<u>276,600</u>	<u>68,615</u>	<u>158,605</u>

To meet the following commitments:

Accounts Payable	97,441	60,000	52,924
Grants Received in Advance	7,000	7,000	7,193
GST	15,192	12,000	11,640
	<u>119,633</u>	<u>79,000</u>	<u>71,757</u>
Cash Surplus (Deficit)	156,967	(10,385)	86,848
Property, Plant & Equipment Replacement Fund	139,620	115,437	77,092
Net Uncommitted Funds	<u>17,347</u>	<u>(125,822)</u>	<u>9,756</u>