

WASTE CARE SA

General Purpose Financial Report for the year ended 30 June 2016

TABLE OF CONTENTS

	<u>Page</u>
Certificate of Financial Statements	1
 Principal Financial Statements	
Statement of Comprehensive Income	2
Balance Sheet	3
Statement of Changes in Equity	4
Cash Flow Statement	5
 Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	N6-9
Note 2 - Income	N10
Note 3 - Expenses	N10
Note 4 - Current Assets	N10
Note 5 - Asset Disposal & Fair Value Adjustment	N10
Note 6 - Infrastructure, Property, Plant & Equipment	N11
Note 7 - Liabilities	N12
Note 8 - Reconciliation of Cash Flow Statement	N12
Note 9 - Events Occurring After Reporting Date	N13
Note 10 - Winding Up of Authority	N13
 Waste Care SA's Certificate of Audit Independence	14
Audit Certificate of Audit Independence	15
Audit Report	16

WASTE CARE SA
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2016
CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by Waste Care SA to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2016 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.


.....
Mr Trevor Hockley
ACTING EXECUTIVE OFFICER

Date: 20 August 2016

WASTE CARE SA

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
INCOME			
Commercial Activities	2	-	643,350
Investment Income		6,194	27,048
Total Income		6,194	670,398
EXPENSES			
Materials, contracts & other expenses	3	58,431	415,790
Finance costs	3	294	297,902
Total Expenses		58,725	713,692
OPERATING SURPLUS / (DEFICIT)		(52,531)	(43,294)
NET SURPLUS / (DEFICIT)		(52,531)	(43,294)
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		(52,531)	(43,294)

This Statement is to be read in conjunction with the attached Notes.

WASTE CARE SA

BALANCE SHEET

as at 30 June 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	-	241,607
Trade & other receivables	4	-	18,228
Total Current Assets		<u>-</u>	<u>259,835</u>
Total Assets		<u>-</u>	<u>259,835</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	-	26,765
Total Current Liabilities		<u>-</u>	<u>26,765</u>
Total Liabilities		<u>-</u>	<u>26,765</u>
NET ASSETS		<u>-</u>	<u>233,070</u>
EQUITY			
Accumulated Surplus		-	233,070
Asset Revaluation Reserve		-	-
TOTAL EQUITY		<u>-</u>	<u>233,070</u>

This Statement is to be read in conjunction with the attached Notes.

WASTE CARE SA

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2016

2016	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	TOTAL EQUITY \$
Balance at end of previous reporting period		<u>233,070</u>	-	<u>233,070</u>
Restated Opening Balance		233,070	-	233,070
Net Surplus/ (Deficit) for Year		(52,531)	-	(52,531)
Other Comprehensive Income				
Distributions to Member Councils		<u>(180,539)</u>	-	<u>(180,539)</u>
Balance at end of period		<u>-</u>	<u>-</u>	<u>-</u>
2015				
Balance at end of previous reporting period		<u>(1,730,940)</u>	2,007,304	276,364
Restated Opening Balance		(1,730,940)	2,007,304	276,364
Net Surplus/ (Deficit) for Year		(43,294)	-	(43,294)
Other Comprehensive Income				
Change in revaluation surplus - infrastructure, property, plant & equipment		2,007,304	(2,007,304)	-
Balance at end of period		<u>233,070</u>	<u>-</u>	<u>233,070</u>

This Statement is to be read in conjunction with the attached Notes

WASTE CARE SA

STATEMENT OF CASH FLOWS
for the year ended 30 June 2016

		2016	2015
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES	Notes		
<u>Receipts</u>			
Commercial Activities		-	1,512,605
Investment Income		6,194	27,780
<u>Payments</u>			
Members Contracts & Other Services		(66,968)	(1,224,565)
Finance Charges		(294)	(297,903)
Net Cash provided by (or used in) Operating Activities	8	<u>(61,068)</u>	<u>17,917</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Fixed Asset Disposal	5	-	11,000,000
Net Cash provided by Investing Activities		<u>-</u>	<u>11,000,000</u>
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings		-	(11,281,600)
<u>Payments</u>			
Distribution of Funds Remaining		(180,539)	
Net Cash provided by (or used in) Financing Activities		<u>(180,539)</u>	<u>(11,281,600)</u>
Net Increase (Decrease) in cash held		<u>(241,607)</u>	<u>(263,683)</u>
 Cash & cash equivalents at beginning of period	8	<u>241,607</u>	<u>505,290</u>
Cash & cash equivalents at end of period	8	<u>-</u>	<u>241,607</u>

This Statement is to be read in conjunction with the attached Notes

WASTE CARE SA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report has been prepared in accordance with applicable Australian Accounting standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the *Local Government Act 1999*. The accounting policies have been consistently applied, unless otherwise stated.

Waste Care SA is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils and their respective percentages of equity are as follows:

Constituent Council	Equity Share %
Adelaide City Council	23.75
Campbelltown City Council	23.75
City of Charles Sturt	23.75
City of Norwood, Payneham & St. Peter	17.81
City of Prospect	5.00
Town of Walkerville	5.94

Prior to the Authority being wound up, Waste Care SA operated a Resource Recovery and Waste Transfer Station facility (RRWTS) within an Integrated Resource Management Centre (IRMC) at Wingfield, South Australia, on land leased by the Adelaide City Council.

The financial report was authorised for issue by certificate under clause 11 of the *Local Government (Financial Management) Regulations 2011*.

The following is a summary of the material accounting policies adopted by the Subsidiary in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income Tax

Waste Care SA operates as a regional subsidiary of the member councils pursuant to Section 43 *Local Government Act 1999*. Accordingly, it is not liable to pay income tax.

(b) Property Plant and Equipment

The Authority did not own or have under its care and control any property plant or equipment during the 2015/16 financial year.

(c) Cash and Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Subsidiary's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful. All financial instruments are recognised at fair value at the date of recognition.

WASTE CARE SA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*cont*)

(d) Revenue

Revenue from the sale of services is recognised upon delivery of the service to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(f) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(g) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(h) Critical Accounting Estimates and Judgments

The Subsidiary evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Subsidiary.

WASTE CARE SA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*cont*)

Key Estimates - Impairment

The subsidiary assesses impairment at each reporting date by evaluating conditions specific to the subsidiary that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgments - Doubtful Debts Allowance

Accounts receivable are reviewed at each reporting date to establish the collectability.

(i) Winding Up of the Authority

The Authority was wound up on the 22 October 2015. Refer to Note 10 for details relating to the final distribution of funds to Constituent Councils.

WASTE CARE SA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

	2016 \$	2015 \$
NOTE 2: INCOME		
Operating Activities		
Gate Fees for Delivery	-	191,606
Commercial Contributions	-	439,776
Jeffries Profit Share	-	11,237
Sundry Income	<u>6,194</u>	<u>731</u>
	<u>6,194</u>	<u>643,350</u>
NOTE 3: EXPENSES		
Prescribed Expenses		
Auditor's Remuneration	9,389	5,317
Operating Lease Rentals - cancellable leases	-	110,194
Other Materials Contracts & Expenses		
Managerial Services	31,269	158,068
Council Rates	-	33,432
Accounting Fees	3,000	875
Legal Expenses	147	33,818
Insurance	-	59,534
Admin Other	697	1,770
Bad Debt Write Off	13,929	12,782
	<u>58,431</u>	<u>415,790</u>
Finance Costs		
Loan Interest	-	297,595
Bank Charges	<u>294</u>	<u>308</u>
	<u>294</u>	<u>297,903</u>
NOTE 4: CURRENT ASSETS		
Cash at Bank	-	241,607
Receivables	<u>-</u>	<u>18,228</u>
	<u>-</u>	<u>259,835</u>
NOTE 5: ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS		
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
Assets renewed or directly replaced		
Proceeds from disposal	-	11,000,000
Less: Carrying amount of assets sold	-	(11,000,000)
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	<u>-</u>	<u>-</u>

WASTE CARE SA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

NOTE 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2015 \$				2016 \$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Plant & Equipment Disbursement & Capitalised Interest	-	-	-	-	-	-	-	-
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	-	11,281,696	(2,289,000)	8,992,696	-	-	-	-
<i>Comparatives</i>								

	CARRYING AMOUNT MOVEMENTS DURING YEAR \$						2016 \$
	2015 \$	Additions		Disposals	Depreciation	Impairment	Transfers
		New/Upgrade	Renewals				
Plant & Equipment Disbursement & Capitalised Interest	-	-	-	-	-	-	-
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	11,000,000	-	-	(11,000,000)	-	-	-
<i>Comparatives</i>							

This Note continues on the following pages.

WASTE CARE SA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

	2016 \$	2015 \$
NOTE 7 - LIABILITIES		
TRADE & OTHER PAYABLES		
Goods & Services	-	12,193
ATO Creditor	-	6,266
Accrued Expenses	-	8,306
	<u>-</u>	<u>26,765</u>

NOTE 8 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2016 \$	2015 \$
Total cash & equivalent assets	-	-
Balances per Cash Flow Statement	<u>-</u>	<u>-</u>

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus (Deficit)	(52,531)	(43,294)
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	18,228	869,986
Net increase (decrease) in trade & other payables	(20,499)	(804,436)
Net increase (decrease) in GST Payable	(6,266)	(4,339)
Net Cash provided by operations	<u>(61,068)</u>	<u>17,917</u>

WASTE CARE SA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 9 - EVENTS OCCURRING AFTER REPORTING DATE

There are no relevant events to report after the balance date that will require adjustments to the financial statements.

Note 10 - Winding Up of the Authority

On the 22nd October 2015, the Authority was Wound up under the Notice of Winding-up of a Subsidiary in the South Australian Government Gazette.

Upon Winding up 100% of the cash balance was distributed to Member Councils.


Amounts distributed are shown in table below.

Council	Equity (%)	Payment (\$)
Adelaide City Council	23.75	42,876.08
Campbelltown City Council	23.75	42,876.08
City of Charles Sturt	23.75	42,876.08
City of Norwood Payneham and St Peters	17.81	32,152.55
City of Prospect	5.00	9,026.54
Town of Walkerville	5.94	10,723.53
Total	100.00	180,530.86

WASTE CARE SA
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2016
CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Waste Care SA for the year ended 30 June 2016, the Authority's Auditor, HLB Mann Judd, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) Local Government (Financial Management) Regulations 2011.


.....
Mr Trevor Hockley
ACTING EXECUTIVE OFFICER

Date: 20 August 2016