



# Annual Report

**2019-2020**



**Use It Waste Beneficiation (RF) NPC**

Registration: 2008005835/08

PBO: 930036764

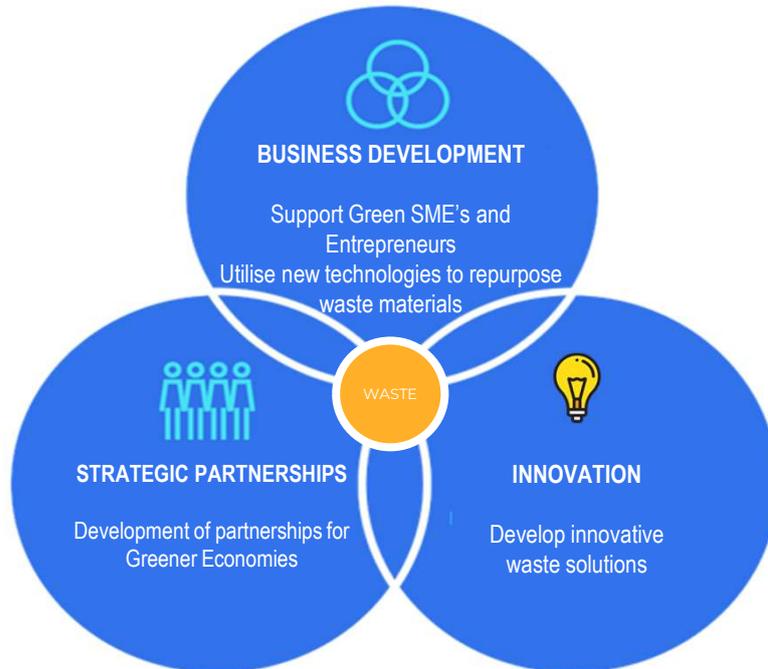
NPO: 089-770

21 Buthelezi Road, Mpumalanga F, Hammarsdale, KwaZulu  
Natal

Tel: 031 765 2349

Web: [www.use-it.co.za](http://www.use-it.co.za)

## OUR 3 MAIN PURPOSES



## HI, WELCOME TO OUR COMPANY PROFILE & ANNUAL REPORT

USE-IT has been established as a non-profit organisation to research and develop waste beneficiation technologies with the aim of diverting waste from landfill and creating jobs in the green economy. Our primary funding and mandate is in the eThekweni area in association with the Economic Development Unit of the Municipality.

USE-IT is a special purpose vehicle, designed to act as a cluster for the waste materials recovery industry in eThekweni Municipality. In terms of Governance USE-IT is overseen by a board of directors made up of members from a diverse range of backgrounds in the waste material recovery, business and environmental management backgrounds.



# USE-IT

ETHEKWINI WASTE MATERIALS RECOVERY  
INDUSTRY DEVELOPMENT CLUSTER

OUR

## VISION

*"To maximize waste diversion from landfill into waste beneficiation projects that create a multiplier effect of positive benefits to the environment, the economy and the creation of jobs"*

OUR

## STRATEGY

*Developing partnerships to grow and succeed within the green economy.*

## BOARD MEMBERS

PROFILES



**QUADE CORDER**  
CHAIRMAN  
Sustainability & Supply  
Chain



**MARK LIPTROT**  
DIRECTOR  
Environmental



**PAULOS NGCOBO**  
DIRECTOR  
Stakeholder  
Engagement



**HEIDI COX**  
DIRECTOR  
Sustainability & Textiles



**SOPHIE CROUSE**  
DIRECTOR  
Waste Management

Registered Section 18A  
PBO 930036764  
NPO 089-770  
NPC 2008/005825/08

# Company Information

<b>Company Name:</b>	<b>USE IT WASTE BENEFICIATION (RF) NPC</b>
<b>Registration:</b>	2008/005825/08
(Section 21 Company Incorporated under the Companies Act 61 of 1973 as a NPO)	
<b>Certificate:</b>	089-770-NPO
<b>PBO</b>	930036764
<b>VAT:</b>	4920274968
<b>Registered Physical Address:</b>	21 Buthelezi Road, Mpumalanga F Hammarisdale KwaZulu Natal
<b>Telephone:</b>	031 765 2349
<b>Website:</b>	<a href="http://www.use-it.co.za">www.use-it.co.za</a>
<b>Email:</b>	<a href="mailto:info@use-it.co.za">info@use-it.co.za</a>



## MESSAGE FROM OUR CHAIRMAN

### 2019-2020 ACTIVITIES



*Dear Friends and Colleagues*

I have completed my first year in the position of Chairman of Use-it. My thanks to Linus Naik who previously occupied this position with wonderful insight and knowledge concerning the science of reusing, recycling and reducing waste to landfill.

The year 2019 showed a South Africa that was struggling economically with subsequent pressures on all areas of the waste streaming industries. The COVID pandemic in 2020 could not have come at a worse time for our country. It dealt a "killer" blow to all industries in this sector, with subsequent job losses, waste channelling declines, increased waste to landfill, etc.

Through trials and tribulations there are always lessons to be learnt from challenging events or situations. In this instance it has shown us that there is even a more urgent need to collaborate across waste businesses, recyclers, pickers, formal and informal collection points, City Waste, Government, and big business. Transport efficiencies and a more connected supply chain that is commercially viable reduces the waste in the value chain and allows all parties to be winners in a green economy.

To this end, new steering committees are currently being established in eThekweni to bring all affected parties together in a spirit of collaboration. It is anticipated that improved communications and understanding of the restrictions to good business in the different areas of waste accumulation, sorting and value addition will help immeasurably in getting businesses back on their feet.

Along the course of the 2020 year, we sadly waved goodbye to our founder Chris Whyte. He has for over a decade been doing sterling work in the Green economy. We wish him well in his new endeavours and look forward to learning about his new creativity projects in coming years.

Jessica Chaplin who was also a Board Director stepped down in 2020. She will be missed, and we thank her for all her contributions to Use-it over the years.

Pleasingly we can report that Use-it in 2019 and 2020 also achieved many accolades and has shown tenacity in building capacity within our NPC

Some of these initiatives were the following:

1. The tenancy at the Use-it Hammersdale Waste Beneficiation Centre has increased dramatically in the last few months. Three incubators have been leased and we have Sachs Reliable Services and Bowisolve businesses renting space monthly.
2. The woodworking learning project has commenced at HWBS, with initially 20 students (per 2-week cycle) rotating through the training. We have been very encouraged by the enthusiasm of the community in participating in this volunteer program. It is estimated that the total number of students to be trained in 2020 will be approximately 80.

## MESSAGE FROM OUR CHAIRMAN

### 2019-2020 ACTIVITIES



3. Through the hard work of our Administration Manager (Belinda Putterill) Use-it won the prize for HWBC Ashoka Global Innovation Challenge.
4. Currently are working with the EDU, DSW and Green Corridors on setting up a supply chain and costing model to convert glass and plastic into pavers. It is anticipated that the process which is being trialled at the KwaMashu material beneficiary Site will be duplicated at HWBC.
5. USE-IT recently provided over 6000 wooden boards and five bulk containers of off cut timber pieces to local community in the Hammersdale region. Members of the community, Use-it staff, eThekweni city officials, Durban Solid Waste management and the Vukuzame self-help group were in attendance when the handover was made on Monday the 20th of July 2020.

This timber is all recycled and heat treated, so it can be used safely by the community. It will either be burnt for heating purposes or used to create green upcycled and reprocessed products for local and commercial purposes.

6. Food banks and training associated with growing food will become a new focus of attention for Use-It going forward. We have a test site at the HWBS where we are growing food plants with a look to replicate on a larger scale in the future and involve community.

In short, I would like to thank the board for all their support over this last year. A special thank you must go to our Office Manager, Belinda Putterill who has been exceptional in her support of Use-it and for going the extra mile.

Warm Regards

A handwritten signature in black ink, appearing to read 'Q. Corder', written over a horizontal line.

**Quade Corder**

**Chairman of Use-it**





## HAMMARSDALE WASTE BENEFICIATION CENTRE

USE-IT has constructed a waste beneficiation centre in Hammarisdale, KwaZulu Natal funding for which has been obtained from the Green Fund. A fully green building development using the CEB as the main building material of the centre was used with other green elements within the infrastructure.

We also aim to initiate composting facilities on the site, which we can then use to create organic farming applications on the lower portion of the site that will not only look to vegetable production and food security, but also to value-add applications such as traditional medicines and essential oils.

The aim of this site is not for USE-IT to undertake all the components, but rather to attract community and private-sector ventures into the area.

**Currently the principal focus at the Centre is around Green Jobs and Skills Development – a full artisan carpentry program is in place.**

From the initial intake of 29 YES interns where basic skills we provided we have extended the program to include:

- Level 1 – Woodworking
- Level 2 – Carpentry
- Level 3 – Machine & tooling
- Level 4 – Competent carpenter

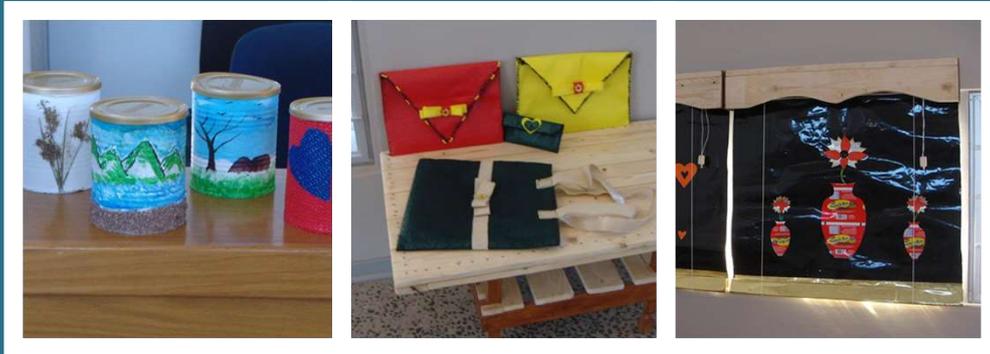
## SKILLS DEVELOPMENT

## CERTIFICATE *of* COMPLETION

Woodworking Level 1



# ARTS AND CRAFT OF WASTE MATERIALS



## WOODWORKING WASTE MATERIALS



# UPMARKET WOODWORKING



## Training Program

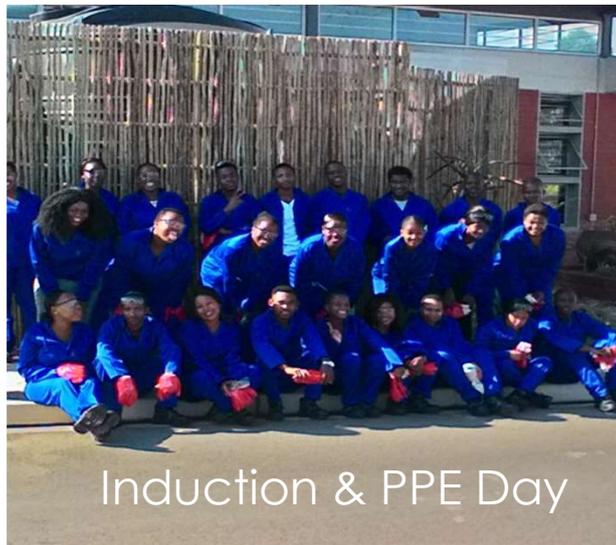


# GRADUATION!

29 YES Interns 2019/2020 | Currently 40 Volunteers enrolled



First Day



Induction & PPE Day



Level 1 Completed

## SME INCUBATION

SVM Timber (Pty) Ltd  
Registration  
2020/054823/07



**Owner**  
S'Manga Njokwe

From the first year intake of 29 YES candidates we have identified 1 entrepreneur and employed 6 staff directly with Use-It for Hammarsdale operations. The identified SME received support through our incubator program where he is provided with:

- Operational space
- Access to tools and equipment
- Waste wood materials
- Business support
- Marketing of products

SVM Timber currently employs two additional staff.



# SVM TIMBER PRODUCT RANGE



# Inkanyiso School Shoes

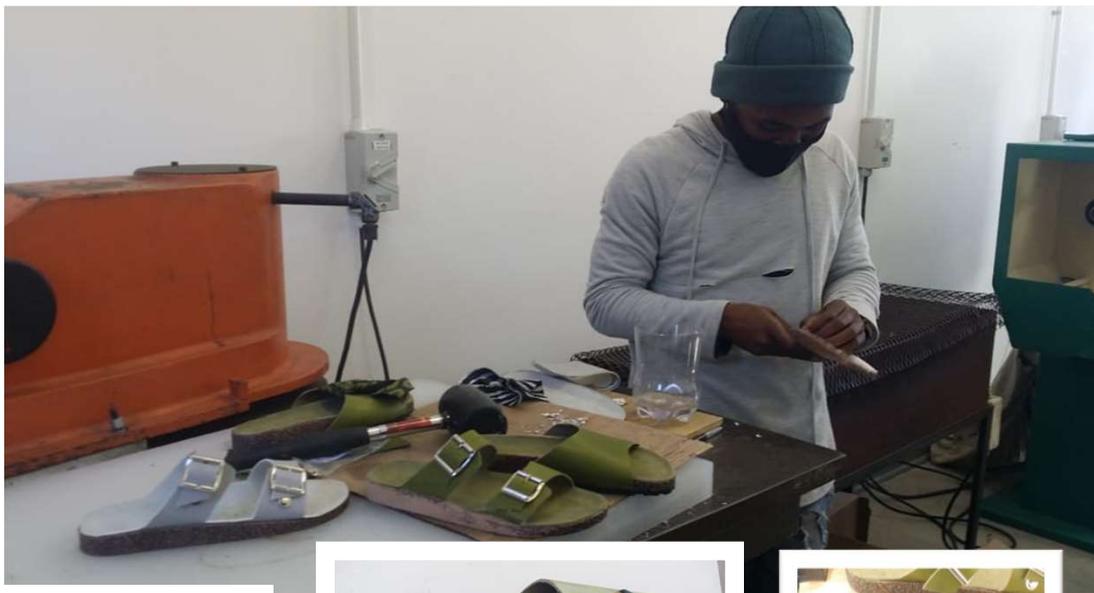
Inkanyiso, together with their Partners for Prosperity (such as individuals, community leaders and patriotic businesses), create locally sourced, proudly South African school shoes to gift to children in need:

- Support the education of children in South Africa by providing them with quality, durable school shoes.
- Invest in South Africa's economy by supporting local manufacturers and suppliers.



Use It has partnered with Inkanyiso shoes through our incubation program at Hammarisdale to further develop affordable shoes. Waste leather is reutilised to produce a range of durable shoes.

## NEW PRODUCT DEVELOPMENT



# SACHS RELIABLE SERVICES

## Chrome Ore beneficiation from waste materials

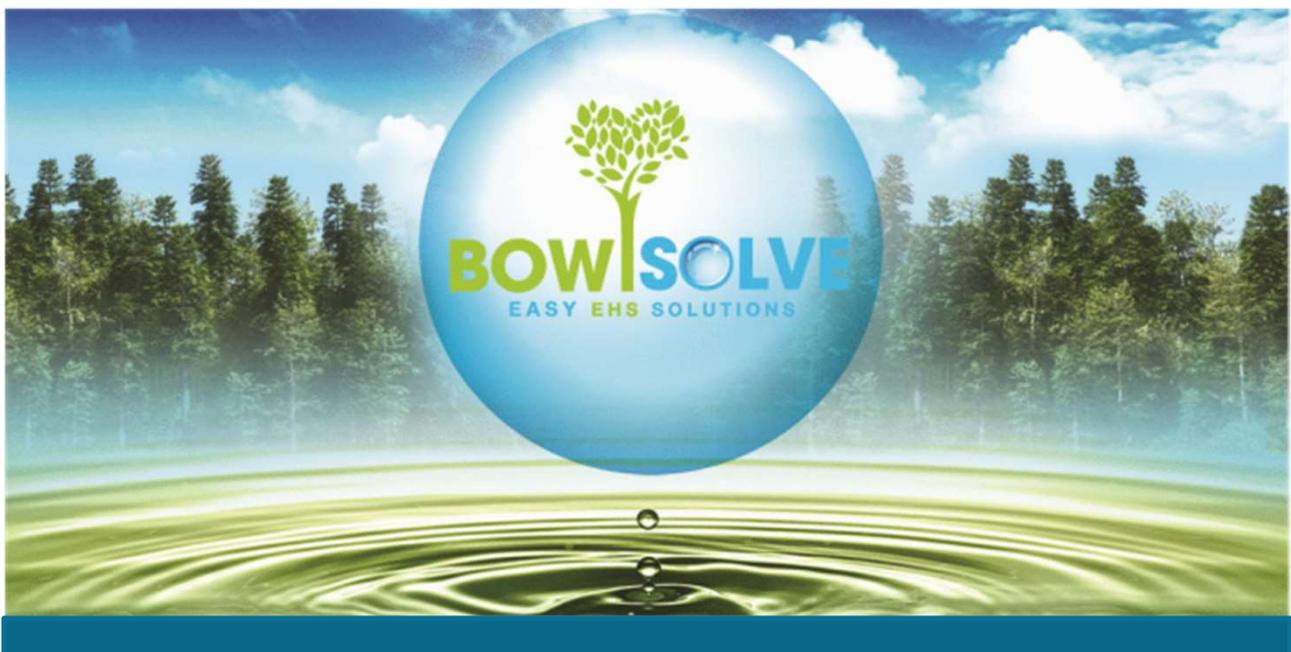


## BOWISOLVE EHS Solutions

Bowisolve delivers Environmental, Health and Safety Management Services which includes:

- Waste optimisation
- Audits
- Monitoring and measurements.

Bowisolve draws on qualified individuals in their fields to ensure quality delivery and cost effectiveness and to provide South Africa with viable transformed environmental, safety and health solutions.



## DIRECTORS' RESONSIBILITIES & APPROVAL

### Use It Waste Beneficiation (RF) NPC

(Registration number: 2008/005825/08 (089-770-NPO))

### Annual Financial Statements for the year ended 30 June 2020

The directors have pleasure in submitting their report on the annual financial statements of the company for the year ended 30 June 2020.

#### 1. Nature of business

Use It Waste Beneficiation (RF) NPC was incorporated and operates in South Africa with interest in the Services industry.

The Non-profit company is involved in the identification of waste beneficiation opportunities in the eThekweni Municipal area that will help to divert waste from landfill and create employment in the green economy as well as provide a number of specialised services.

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

#### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

#### 3. Directors

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

Directors	Changes
Chaplin JV	Retired January 2020
Corder QRS	
Cox HD	
Liptrot MRM	Re-elected January 2020
Naik L	Resigned October 2019
Ngcobo PN	
Shaik Amod MA	Resigned May 2020
Whyte CR	Retired January 2020
Crouse SM	Appointed May 2020

#### 4. Property, plant and equipment

At 30 June 2020 the company's investment in property, plant and equipment amounted to R25 066 302 (2019: R25 363 190)

## **DIRECTORS' RESONSIBILITIES & APPROVAL**

### **Use It Waste Beneficiation (RF) NPC**

**(Registration number: 2008/005825/08 (089-770-NPO))**

### **Annual Financial Statements for the year ended 30 June 2020**

#### **5. Nature of business**

##### **Internal events**

Use-It has undergone a great deal of change in its management and organisational structure. Diversity moved to more than 80% BBBEE staff, while the financial structures and costs changed as a result of a targeted tenancy and incubation influx at HWBC. Monthly costs reduced by 70% as a result of these improvements.

Training moved from a YES orientated initiative to a community volunteering scheme with 100% local participation. Three small medium businesses were assisted and housed on our site.

##### **External events**

Further to the above on 31 January 2020 the World Health Organisation declared a public health emergency of international concern in respect of an outbreak of the COVID-19 virus. The declaration of the aforementioned resulted in government implementing strict measures and rules restricting movement and proximity to and within public and as such had a significant effect on the future operations of the non profit.

The financial effect of the aforementioned event on the company cannot currently be estimated.

The member is not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

#### **6. Going concern**

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

#### **7. Auditors**

DNKA Inc continued in office as auditors for the company for 2020.

#### **8. Public interest score**

The non-profit company's public interest score, as determined in accordance with the relevant provisions of the Companies Act 71 of 2008, is 9

# INDEPENDENT AUDITOR'S REPORT



## To the Shareholder of Use It Waste Beneficiation (RF) NPC

### Qualified Opinion

We have audited the annual financial statements of Use It Waste Beneficiation (RF) NPC (the company) as set out herein which comprise the statement of financial position as at 30 June 2020, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, concluding a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the annual financial statements present fairly, in all material respects, the financial position of Use It Waste Beneficiation (RF) NPC as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

### Basis for Qualified Opinion

In common with similar organisations, it is not feasible for Use It Waste Beneficiation (RF) NPC to institute accounting controls over collections from government or municipal grants prior to the initial entry in the accounting records. Accordingly, it is impractical for us to extend our examination beyond receipts and accruals actually recorded.

In addition to the above, due to lack of segregation of duties in respect of expenses and payment there during the period of January 2020 to June 2020 certain expenses were submitted. However, subsequently these expenses were corrected.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding section of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter(s) described in the Basis for Qualified Opinion section, we have determined there are no other key audit matters to communicate in our report.

# INDEPENDENT AUDITOR'S REPORT



## **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the document titled "Use It Waste Beneficiation (RF) NPC annual financial statements for the year ended 30 June 2020", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out herein. The other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statement 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 Directors for the Annual Financial Statements**

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company'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 the company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Annual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 decision of users taken on the basis of these annual financial statements.

# INDEPENDENT AUDITOR'S REPORT



As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 the company'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 annual 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 the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

## **Report on other legal and regulatory requirements**

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report the DNKA Inc has been the auditor of Use It Waste Beneficiation (RF) NPC for 2 years.

**Nasser Kader CA (SA)**  
**Registered Auditor**  
**Director**  
**DNKA Inc**

**27 August 2020**  
**Kloof**

## DIRECTORS' RESONSIBILITIES & APPROVAL

Use It Waste Beneficiation (RF) NPC

(Registration number: 2008/005825/08 (089-770-NPO))

Annual Financial Statements for the year ended 30 June 2020

### Statement of Financial Position as at 30 June 2020

	Notes	2020 R	2019 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	25 066 302	25 363 190
<b>Current Assets</b>			
Trade and other receivables	3	148 559	175 570
Cash and cash equivalents	4	2 038 171	2 788 521
		<b>2 186 730</b>	<b>2 965 091</b>
<b>Total Assets</b>		<b>27 253 032</b>	<b>28 328 281</b>
Equity and Liabilities			
Equity			
Accumulated surplus		27 241 900	28 324 928
Liabilities			
Current Liabilities			
Trade and other payables	5	11 132	3 353
<b>Total Equity and Liabilities</b>		<b>27 253 032</b>	<b>28 328 281</b>

### Statement of Comprehensive Income

	Notes	2020 R	2019 R
Revenue		3 313 057	2 557 170
Other income	6	314	-
Operating expenses		(4 505 471)	(3 770 529)
Operating loss	7	<b>(1 192 100)</b>	<b>(1 213 359)</b>
Investment revenue	8	99 206	170 502
Finance costs		9 866	-
Deficit for the year		<b>(1 083 028)</b>	<b>(1 042 857)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(1 083 028)</b>	<b>(1 042 857)</b>

## DIRECTORS' RESONSIBILITIES & APPROVAL

Use It Waste Beneficiation (RF) NPC

(Registration number: 2008/005825/08 (089-770-NPO))

Annual Financial Statements for the year ended 30 June 2020

### Statement of Changes in Equity

	Accumulated surplus R	Total Equity R
<b>Balance at 01 July 2018</b>	<b>29 367 785</b>	<b>29 367 785</b>
Surplus for the year	(1 042 857)	(1 042 857)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(1 042 857)</b>	<b>(1 042 857)</b>
Balance at 01 July 2019	<b>28 324 928</b>	<b>28 324 928</b>
Deficit for the year	(1 083 028)	(1 083 028)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(1 083 028)</b>	<b>(1 083 028)</b>
<b>Balance at 30 June 2020</b>	<b>27 241 900</b>	<b>27 241 900</b>

### Statement of Cash Flows

	Notes	2020 R	2019 R
<b>Cash flows from operating activities</b>			
Cash used in operations	10	(859 422)	(123 068)
Interest income		99 206	170 502
Finance costs		9 866	-
<b>Net cash from operating activities</b>		<b>(750 350)</b>	<b>47 434</b>
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(1 380 267)
<b>Total cash movement for the year</b>		<b>(750 350)</b>	<b>(1 332 833)</b>
Cash at the beginning of the year		2 788 521	4 121 354
<b>Total cash at end of the year</b>	4	<b>2 038 171</b>	<b>2 788 521</b>

## DIRECTORS' RESONSIBILITIES & APPROVAL

### Use It Waste Beneficiation (RF) NPC

(Registration number: 2008/005825/08 (089-770-NPO))

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

2020 R 2019 R

### 2. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Building Improvement	25 003 660	-	25 003 660	25 003 660	-	25 003 660
Plant & Machinery	2 882 872	(2 820 576)	62 296	2 882 872	(2 536 121)	346 751
Furniture & Fixtures	28 712	(28 370)	342	28 712	(26 173)	2 539
Motor vehicles	155 094	(155 093)	1	277 044	(270 947)	6 097
IT equipment	27 804	(27 801)	3	27 804	(23 661)	4 143
<b>Total</b>	<b>28 098 142</b>	<b>(3 031 840)</b>	<b>25 066 302</b>	<b>28 220 092</b>	<b>(2 856 902)</b>	<b>25 363 190</b>

#### Reconciliation of property, plant and equipment - 2020

	Opening balance	Depreciation	Closing balance
Building improvement	25 003 660	-	25 003 660
Plant & Machinery	346 751	(284 455)	62 296
Furniture & Fixtures	2 539	(2 197)	342
Motor Vehicles	6 097	(6 096)	1
IT equipment	4 143	(4 140)	3
	<b>25 363 190</b>	<b>(296 888)</b>	<b>25 066 302</b>

#### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Closing balance
Building improvement	25 623 393	1 380 267	25 003 660
Plant & Machinery	346 751	-	346 751
Furniture & Fixtures	2 539	-	2 539
Motor Vehicles	6 097	-	6 097
IT equipment	4 143	-	4 143
	<b>23 982 923</b>	<b>1 380 267</b>	<b>25 363 190</b>

#### Property, plant and equipment encumbered as security

Note that no depreciation was recognised for the 2019 year.

#### Details of properties

##### Leasehold improvements – Buildings

Buildings for the Hammarsdale Waste Beneficiation Centre (HWBC) on leased land situated on Portion 2 and 3 of Farm Lot K No 7610 FT in Hammarsdale

Additions since purchase	23 623 393	23 623 393
Capitalised expenditure	1 380 267	1 380 267
	<b>25 003 660</b>	<b>25 003 660</b>

## DIRECTORS' RESONSIBILITIES & APPROVAL

Use It Waste Beneficiation (RF) NPC

(Registration number: 2008/005825/08 (089-770-NPO))

Annual Financial Statements for the year ended 30 June 2020

### Notes to the Annual Financial Statements

	2020 R	2019 R
<b>3. Trade and other receivables</b>		
Trade receivables	-	62 721
Prepayments	11 209	-
Deposits	14 684	14 684
VAT	30 666	7 165
Other receivable	92 000	92 000
	<b>148 559</b>	<b>176 570</b>
<b>4. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	4 945	4 945
Bank balances	2 033 226	2 783 576
	<b>2 038 171</b>	<b>2 788 521</b>
<b>5. Trade and other payables</b>		
Trade payables	-	(4)
Payroll Accrual	11 132	3 357
	<b>11 132</b>	<b>3 353</b>
<b>6. Other Income</b>		
Insurance claim	314	-
<b>7. Operating loss</b>		
Operating loss for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Equipment		
• Contractual amounts	27 945	31 401
• Lease rentals on operating lease	133 062	117 997
	<b>161 007</b>	<b>149 398</b>
Depreciation on property, plant and equipment	296 891	-
Employee costs	636 475	1 170 338
<b>8. Investment Revenue</b>		
Interest revenue	99 206	170 502

## DIRECTORS' RESONSIBILITIES & APPROVAL

Use It Waste Beneficiation (RF) NPC

(Registration number: 2008/005825/08 (089-770-NPO))

Annual Financial Statements for the year ended 30 June 2020

### Notes to the Annual Financial Statements

	2020 R	2019 R
<b>9. Taxation</b>		
No provision has been made for 2020 tax as the non-profit company is exempt from normal income taxation in terms of section 10(1)(cN).		
<b>10. Cash used in operations</b>		
Loss before taxation	(1 083 028)	(1 042 857)
<b>Adjustments for:</b>		
Depreciation and amortisation	296 891	-
Interest received	(99 206)	(170 502)
Finance costs	(9 866)	-
<b>Changes in working capital:</b>		
Trade and other receivables	28 008	1 119 695
Trade and other payables	7 779	(29 404)
	<b>(859 422)</b>	<b>(123 068)</b>
<b>11. Commitments</b>		
<b>Operating leases – as lessee (expense)</b>		
Minimum lease payments due		
- Within one year	282 913	257 194
- In second to fifth year inclusive	200 777	483 690
	<b>483 692</b>	<b>740 884</b>
Operating lease payments represent rentals payable by the non-profit company for certain of its office properties. Leases are negotiated for an average term of six years. No contingent rent is payable.		
<b>12. Related parties</b>		
Relationships		
Entity with common director		Impilo Yesibili Proprietary Limited
<b>Related party balances and transaction with key management personnel of the company or its parent</b>		
<b>Related party transactions</b>		
<b>Business development expenses</b>		
Impilo Yesibili Proprietary Limited	1 289 313	1 460 486

## DIRECTORS' RESONSIBILITIES & APPROVAL

Use It Waste Beneficiation (RF) NPC

(Registration number: 2008/005825/08 (089-770-NPO))

Annual Financial Statements for the year ended 30 June 2020

### Notes to the Annual Financial Statements

2020 R

2019 R

#### 13. Directors' remuneration

##### Executive

##### 2020

No emoluments were paid to any of the directors during the year.

##### 2019

	Emoluments	Total
Whyte CR	403 959	403 959

#### 14. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### Detailed Income Statement

Notes

2020 R

2019 R

#### Revenue

Donations received		238 865	83 572
eThekwini Municipality Grant		2 994 187	2 473 598
Grant income		80 005	-
		<b>3 313 057</b>	<b>2 557 170</b>

#### Other income

Insurance claim		314	-
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#### Expenses

Operating loss	7	(4 505 471)	(3 770 529)
Investment income	8	(1 192 100)	(1 213 359)
Finance costs		99 206	170 502
		9 866	-
		<b>109 072</b>	<b>170 502</b>
<b>Loss for the year</b>		<b>(1 083 028)</b>	<b>(1 042 857)</b>

## DIRECTORS' RESONSIBILITIES & APPROVAL

Use It Waste Beneficiation (RF) NPC

(Registration number: 2008/005825/08 (089-770-NPO))

Annual Financial Statements for the year ended 30 June 2020

### Detailed Income Statement

	Notes	2020 R	2019 R
<b>Operating expenses</b>			
Accounting fees		44 219	54 576
Administration and management fees		12 400	20 421
Advertising		-	6 950
Auditors remuneration		60 000	26 285
Bank charges		5 662	4 994
Business development		1 542 899	1 558 531
Computer expenses		3 700	600
Consulting and professional fees		1 286 185	322 131
Depreciation, amortisation and impairments		296 891	-
Employee costs		636 475	1 170 338
Entertainment		-	6 118
General expenses		10 460	-
Insurance		16 257	16 465
Lease rentals on operating lease		161 007	149 398
Materials		24 696	5 965
Meetings and conferences		3 727	4 553
Motor vehicle expenses		-	3 394
Municipal expenses		67 541	161 353
Office expenses		74 483	12 170
Printing and stationery		-	511
Security		51 500	-
Staff welfare		7 394	-
Subcontractors		88 615	-
Subscriptions		6 305	30 064
Telephone and fax		23 355	22 696
Travel – local		78 700	193 016
		<b>4 505 471</b>	<b>3 770 529</b>

## DIRECTORS' RESONSIBILITIES & APPROVAL

### Use It Waste Beneficiation (RF) NPC

(Registration number: 2008/005825/08 (089-770-NPO))

### Annual Financial Statements for the year ended 30 June 2020

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company 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 external auditors are engaged to express an independent opinion on the annual financial statements.

The annual 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 directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors 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 through the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 30 June 2021 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented herein. The annual financial statements have been prepared on the going concern basis, and were approved and signed by the directors on 27 August 2020.

  
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Liptrot MRM



**21 Buthelezi Road, Mpumalanga F,  
Hammarsdale  
Tel: 031 765 2349  
Email: [info@use-it.co.za](mailto:info@use-it.co.za)  
[www.use-it.co.za](http://www.use-it.co.za)**