Interwaste Holdings Limited

INTEGRATED REPORT 2014

Interwaste Holdings Limited

(Incorporated in the Republic of South Africa)
Registration Number 2006 / 037223 / 06
JSE Code: IWE
ISIN: ZAE000097903

ABOUT THIS REPORT

This is Interwaste's third integrated report prepared in accordance with the requirements of the King Code of Corporate Governance for South Africa, 2009 ("King III").

This integrated annual report describes Interwaste's business, the primary risks we face and our approach to managing those risks, it sets out the economic results of what we do, and in the sustainable development report, we describe the environmental and societal aspects of our business. The report also contains comment on the Group's prospects.

The report covers the logistics business, the landfill business, compost manufacturing and provides some comment on our smaller ventures, which include Green's Scrap Recycling and Industrial Cleaning.

This report takes account of the provisions of the Companies Act, No 71 of 2008, as amended and the regulations thereto (the "Companies Act"), the Listings Requirements of the JSE Limited ("the Listings Requirements"), King III, the Global Reporting Initiative (GRI) G3 guidelines, and International Financial Reporting Standards ("IFRS"), in regard to the preparation of the annual financial statements.

Board responsibility

The board of directors ("the board") acknowledges its responsibility for ensuring the integrity of this integrated report. It has reviewed the report and in its opinion, the report provides a balanced, transparent and fair reflection of the business and its performance.

Interwaste's business

Interwaste is a diversified waste management company listed on the JSE Limited.

Interwaste's business activities, conducted under the Interwaste, Envirowaste, Greens and Industrial Cleaning brands, include the collection and disposal of waste, management of the environmental consequences of the waste, landfill management and ownership, the development and implementation of alternatives to landfill disposal, the production of organic compost and related products, metals recovery, where required as part of the service to our clients, water and sewerage treatment and specialised industrial cleaning. Interwaste operates in South Africa and a number of its neighbouring countries.

Waste collection, transportation and disposal

The collection, transportation and subsequent disposal of waste comprises a large part of Interwaste's business. The Group provides advice on waste storage and collection methods and utilises a range of container types and sizes, as well as different collection vehicles, to optimise transportation efficiencies for our customers.

The results of the logistics business are influenced by, inter alia, the price of diesel, the rand dollar exchange rate, the level of risk assumed in owning/maintaining the fleet and labour stability. For a number of years the Group held its fleet through full maintenance leases which provided a reasonable level of certainty as to ownership and operating costs but meant that Interwaste did not participate in the benefits of effective maintenance and operation of the fleet. As the leases terminate the Group is purchasing vehicles which will increase its gearing levels but should have a positive result in the medium term.

In the latter part of 2014 we opened a transfer station in Wynberg, Johannesburg. This facility allows for the accumulation and bulking of waste collected in the various part of Johannesburg prior to bulking that waste and transporting it to the FG landfill in Olifantsfontein. We expect material savings from the transport efficiencies, and reduced levels of handling required at the landfill.

Interwaste specialises in the collection and management of various types of hazardous waste. We have developed the expertise, and own the necessary equipment, to deal with these waste streams.

Hazardous waste is generally disposed of at H:H (High Hazard) landfills where the cost of disposal is significant. Interwaste has made substantial investments in developing more cost effective and innovative ways of disposing of hazardous waste and through various treatment and reclassification processes has had considerable success in diverting hazardous waste from H:H landfills, while complying with all applicable legislation, thus generating cost savings for our clients. The alternatives to traditional disposal of hazardous waste include detailed analysis of the relatively lower hazardous waste streams with the objective of obtaining regulatory authorisation for disposal of the waste at designated non-H:H landfills capable of accepting such waste, treatment of the waste to reduce the extent to which it is hazardous, or different forms of disposal of the waste, including using the waste as fuel to create thermal energy. During the 2014 financial year we saw a reduction in the landfill cost of a number of hazardous waste streams. This caused some disruption to the industry and initial market share gains to the responsible landfill owners; if the lower prices are sustainable given the increasing costs of maintaining landfills, this will present an opportunity to reduce our customers' disposal costs and to grow volumes.

The Group is exposed to a variety of risks in this business including the loss of client contracts, an inability to pass operating cost increases on to clients, the loss of key skills related to the management and disposal of hazardous waste, labour unrest and the consequences of any inadvertent breaches of environmental regulations.

The risks are mitigated through a focus on client relationships and client service, close management and control of all costs, contracts which provide for specified cost increases to be billed to clients, various staff retention mechanisms, considerable investment in our labour force and strict procedures requiring compliance with all applicable legislation and regulations, supported by a strong SHEQ department.

Landfill management

The Group is one of the largest third party landfill managers in South Africa. Interwaste has substantial experience and expertise in this area and is able to ensure that the landfills it manages operate safely, economically and efficiently.

The majority of the South African landfills which are available for third party management are owned by the state, via municipal authorities, and the award of landfill management contracts has become an increasingly politicised area with certain awards based on criteria other than competency to manage the landfills, and other awards made at prices which are insufficient to provide a commercial return on the capital equipment required to properly manage the landfills. The Group has eliminated a number of landfills from its portfolio by not retendering for these landfills and ensures that all landfill tenders are submitted on commercially justifiable terms. While we expect revenue from third party landfill management to decline over time, there should be a limited impact on profitability as a number of the sites we will eliminate, or which will not be awarded to us through a tender process, will have limited profitability or be loss making if managed in accordance with applicable legislation.

In addition to managing third party landfills, Interwaste has constructed a landfill which it manages for its own account. This has been a source of material growth and we are in the process of licensing further sites for development as landfills. (The licensing of a landfill is a complicated process which generally takes a number of years to complete.) Where demand exists we also consult on the development of third party landfills. These functions are becoming an increasingly important part of this division's function and have the potential to create significant capital value for the Group.

As a third party landfill manager Interwaste is exposed to claims should the landfills not be managed in terms of the management contracts, and applicable laws and regulations. This risk is addressed through a strict control regime and regular audits to ensure that required levels of compliance are achieved. The business is also exposed to the risk of unprofitable contracts and the loss of contracts for operational and other reasons. Appropriate corrective action is taken on unprofitable contracts and contracts are terminated or run out where returns are not sufficient to justify the risks related to the contracts.

The primary risks arising from landfills managed for the company's own account are environmental liabilities and a failure to generate a commercial return from the investment in the landfill. Landfill staff are properly trained and there is a system of internal control designed to ensure compliance with applicable requirements. Furthermore, management of the landfill is subject to regular compliance audits. The returns generated by the landfill managed for the company's own account are regularly reviewed and adjustments are made to operations where necessary.

Compost manufacturing

Compost manufacturing is the largest producer of organic growing mediums in Southern Africa. Through this division the Group diverts over 300 000 tons, per year, of organic material, comprised primarily of waste bark, from landfills. This, together with domestic greens collected at landfill sites and garden waste transfer stations, is used to produce in excess of 50 000 cubic metres a month of export grade compost and growing mediums.

The Group has a range of operational controls to ensure that organic growing products are produced to the required standards.

As the division is an important part of a customer service offering, we will continue to operate it with an ongoing focus on restoring it to profitability. This business has incurred losses over a number of years and various measures have been introduced to address this risk and restore profitability. These efforts have had a degree of success and the level of losses has reduced markedly with the division making a positive contribution to central overheads.

JSE Listed

Interwaste Holdings Limited

- **Inter-waste (Pty) Ltd 100%**
  - Greens Scrap Recycling (Pty) Ltd 100%
  - Extent Road Properties (Pty) Ltd 100%
  - Moz Environmental Limitada 99%
  - Interwaste Swaziland (Pty) Ltd 99%
  - Platinum Waste Resources (Pty) Ltd 74%
  - Limpopo Platinum Waste (Pty) Ltd 70% (Dormant)
  - Interwaste Industrial Cleaning (Pty) Ltd 50%
  - Interwaste Cleaning (Pty) Ltd 49%
  - Earth 2 Earth (Pty) Ltd 100% (Dormant)
  - Metals Recovery Company (Pty) Ltd 100% (Dormant)
  - Kutu Waste Management Services (Pty) Ltd 100% (Dormant)
  - Enbitec Environmental Solutions (Pty) Ltd 50% (Dormant)
- **Interwaste Properties (Pty) Ltd 100% (Dormant)**
  - Moz Environmental Limitada 1%
  - Interwaste Swaziland (Pty) Ltd 1%
- **Envirowaste SA (Pty) Ltd 100%**

Overview

We are pleased to be able to report another improvement in performance over the prior year. Despite the impact of the platinum industry strike in the first half, the current year was marked by continued strong growth.

Revenue grew by 21%, operating profit grew by 67%, profit after taxation grew by 60% and headline earnings grew by 50%. At an earnings per share level the growth figures were lower as a result of the increased number of shares in issue following the capital raisings in 2013 and 2014.

The results were achieved in a constrained economic environment and reflect a significant focus on developing new income streams and controlling costs.

The revenue growth arose mainly in the waste management business. We secured a number of new customers, there was pleasing organic growth from many existing customers, our non-South African businesses performed strongly and a number of investments made in prior years produced higher income streams. In accordance with our strategies for those businesses, growth in the compost manufacturing and landfill management operations was deliberately constrained and was limited to relatively more profitable opportunities.

Cash flows from operating activities were substantially higher than the previous year; they were however matched by a materially higher level of investment in the underlying businesses. The excess of investment over operating inflows was funded through a capital raising in the latter part of the year. The more significant investments included the acquisition of several properties which the Group had leased, the continued acquisition of vehicles previously held under operating leases, the development of a transfer station in Wynberg and the acquisition of a range of equipment related to our core business that has contributed to our ability to provide a more comprehensive range of services to our waste customers.

Segmental Review

The waste management business grew revenue by 28% and operating profit by 94%. The significant growth in operating profit was a function of leverage as volumes increased, strong contributions by certain of our new higher margin businesses and continued cost control.

There was a material improvement in the compost manufacturing and sales business with the loss reducing from R6.6 million in the previous year to R1.2 million. The operation is an important part of our customer service offering and now makes a positive contribution to group overheads. We have been able to achieve some distribution scale on the retail side and will continue to look for opportunities to grow sales and control costs in order to restore profitability.

The landfill management business produced a minimal increase in revenue and an 18% increase in operating profit. Levels of income from FG landfill continued to grow and supported this result. The division further reduced its exposure to non-profitable third party landfills and now has a core portfolio that generates satisfactory returns, although this is subject to change as contracts mature and new awards are made through government tender processes. An important part of the division's function is the sourcing and development of new landfill space, or alternative options to landfills, and pleasing progress was made in this area. The Group has a number of environmental impact studies in progress that should result in future landfill space with significant value.

Initiatives

The Group progressed a number of initiatives during the year. The Envirowaste business has been effectively integrated and is performing well under its own brand. It operates largely in the northern suburbs of Johannesburg and is an important source of waste for the FG landfill.

The blending platform joint operation we have with Lafarge is operating. In addition to the environmental benefits of reducing the volume of oil type liquids disposed of to landfill (and such disposals will become illegal in the next few years), use of the material as fuel for cement kilns, and subsequent use of the resultant ash, results in clean and effective disposal of hazardous materials.

Further progress was made on the development of the Klinkerstene landfill with important aspects of the required authorisations now in hand. This facility will be a vital source of landfill space to the Group, and to parts of greater Gauteng, in the medium term.

Greens Waste, previously a joint venture, is now wholly owned, and delivered a credible performance on the back of the turnaround that was implemented when we acquired control of the business in the prior year.

We entered into several more ventures during the period. One of those was Hazclic, a specialised industrial cleaning service, which provides an exciting extension to the Group's service offering. While the venture is still in an early phase, it is showing promising signs.

Our on-site business, where we assume responsibility for all aspects of a customer's integrated waste management, continues to gain acceptance and has produced encouraging savings for those customers that have implemented the service.

We extended our geographical reach outside South Africa during the year and substantially increased the resources allocated to the operations. The significant decline in the oil price, and lower coal prices, will impact on our customers' operations in certain of the areas in which we operate, however our operations are cash generative and we remain of the view that their long term prognosis is sound.

We developed a transfer station in Wynberg which accepted its first loads late in 2014. The facility provides the Group, and certain of our major clients, with the ability to bulk waste collected in the northern part of Johannesburg for subsequent disposal at the FG landfill. This will result in cost savings and more efficient operations as, without the commute to Olifantsfontein, vehicles will be able to do more customer loads per day, and fewer vehicles will be required to achieve the same service levels. In addition, the number of vehicles going into the landfill can be reduced and the bulk loads can be run to the landfill at off peak times.

Our commodities trading and effluent treatment businesses performed solidly. We have built expertise in these areas and have invested strongly behind our people; it is therefore gratifying to see the businesses providing the level of returns we had originally envisaged.

We raised R81 million of capital during the period, subsequent to the R50 million raised in 2013. The year was characterised by high levels of investment and despite the fund raising, interest-bearing borrowings less cash, expressed as a percentage of total equity, increased from 41.9% to 47.9%. A part of this was due to bringing debt on balance sheet as a result of owning rather than leasing vehicles and certain properties. Significant focus is placed on ensuring that our investments provide appropriate returns and on managing our gearing levels.

Prospects

The 2015 financial year is likely to be difficult. Competition between trade unions seems to be intensifying and this often leads to increased levels of labour unrest, and militant and illegal behaviour by elements of striking workers. While workers bear a substantial portion of the resultant costs through lost wages and benefits, the cost to corporate South Africa of an unfortunate approach to labour relations is meaningful.

The last five years have seen significant increases in landfill disposal costs at H:H (high hazard) landfills. The increases were a function of the increasing costs of operating the landfills as legislative requirements tightened, and the ability of landfill owners to price aggressively given their control of a limited resource. A consequence of the regular steep increases in landfill costs was that alternate forms of disposal became economically viable, and presented opportunities for those companies able to develop alternatives to H:H landfill disposal. During 2014 we saw material reductions in H:H landfill disposal costs for certain waste streams. This created some disruption in the market and resulted in initial market share gains for the responsible landfill owners, but if applied consistently, and if sustainable in the context of rising landfill operating costs, should enable us to provide waste disposal to our customers at lower prices.

The reduction in the oil price and consequent reduction in the price of diesel, although tempered by the new fuel taxes and the impact of the weak Rand, should provide an element of saving on our vehicle operating costs. The saving will however be required to fund above inflation increases in other operating costs.

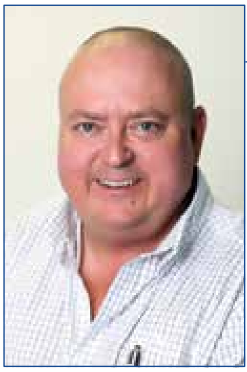
The recent load shedding has affected many of our customers and will continue to do so. Where appropriate we have installed back up power and have been able to manage through the dark periods.

Given the headwinds in our environment, we are cautious as to the outlook for the next year. We will carefully target those markets where we have the best capacity to produce meaningful growth, we will control costs tightly and we will look to further leverage the skills base and relationships we have developed. While our primary focus will be on organic growth, we will remain vigilant for acquisitions where we believe that long term value is available.

Alan Willcocks
Chief Executive Officer

Andisiwe Kawa
Chairperson

THE **BOARD OF DIRECTORS**



ALAN **WILLCOCKS**
Chief Executive Officer

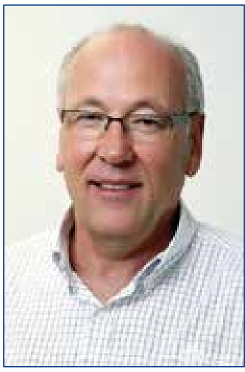
Alan co-founded Interwaste with Bronwyn in 1989. Over the past 26 years Alan has acquired an in-depth knowledge of the waste management sector. He is renowned for innovative waste management solutions and his drive to continually provide better service levels to customers.

ANDISIWE **KAWA**
Independent Non-Executive Chairperson

Andisiwe has over 21 years corporate experience both internationally and in South Africa in strategy transformation and finance. She has worked In the services, banking and mining sectors. She currently serves on various boards as a non-executive director. Andisiwe holds an MBA from Wharton Business School, an MA from Columbia University and a BSc from tile University of Transkei.

ANDRÉ **BROODRYK**
Group Financial Director

André is a Chartered Accountant. He has extensive experience in the South African financial services industry having worked as a financial director and in the operational departments of companies operating in the investment treasury and banking sectors. He has been with Interwaste for 5 years and has developed a detailed knowledge of the waste industry.



LEON **GROBBELAAR**
Landfill Director

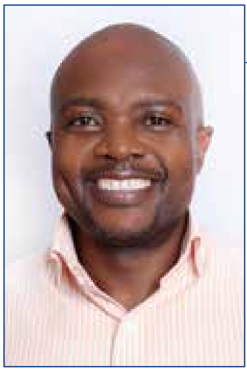
Leon obtained a National Diploma in soil conservation in 1983 and a National Higher Diploma in Irrigation. He joined Fraser Alexander Waste in 1989 as Operations Manager responsible for the operation and management of landfills. After the acquisition of Waste-Tech by Fraser Alexander he was seconded to Waste-Tech as Landfill Manager. In 1995 he obtained a Diploma in Road Transportation through the Rand Afrikaans University. He has extensive experience In landfill management and is responsible for the Group's landfill business.

GAVIN **TIPPER**
Non-executive Director

Gavin is a Chartered Accountant with BComm. and BAcc. degrees and a Masters in Business Administration. He has been involved in the financial services sector for 25 years. Prior to joining the Coronation Holdings Group as Chief Operating Officer in 2001, he was a technical partner at KPMG. Gavin left Coronation in 2011 and now holds directorships in a number of listed Companies.

BRONWYN **WILLCOCKS**
Non-executive Director

Bronwyn (a co-founder of Interwaste), currently serves as a non-executive director of Interwaste Holdings. She has extensive hands on experience in the waste management Industry obtained over 26 years of service at Interwaste. She is currently involved in property investment and supporting fledgling business entrepreneurs.



FUNANI **MOJONO**
Independent Non-executive Director

Funani is a chemical engineer with extensive experience in waste recycling, supply chain management and business improvement He has held a number of senior positions in manufacturing businesses. Funani is currently the CEO of Imerys South Africa. Funani is the chairman of the Audit Committee and the Social and Ethics Committee.

LANDIWE **MAHLANGU**
Independent Non-executive Director

Landiwe Mahlangu is an Economist by training, holds a B. Admin degree, B. Admin Honors (Economics); MSc (Economics). He completed a Higher Certificate in Financial Markets and Instruments (Academy of Financial Markets) and Executive Development Programme (EDP) at University of Witwatersrand in 2001 and 2003 respectively. He is currently the Chairperson of the Municipal Demarcation Board; Non- Executive Chairperson of Katenge Tubular Construction Proprietary Limited. Landiwe has extensive experience and knowledge in Local Government infrastructure development and Financing. Previously, Landiwe worked as an Executive at DBSA.

INTRODUCTION

Interwaste recognises that sustainable business practices are essential to an operating environment that will allow all stakeholders to prosper over the long term. Accordingly, the Group has established a corporate governance framework that provides for the identification and management of matters relevant to its sustainable operations. These matters are managed at appropriate levels in the business and, where necessary, are elevated to the board. Accountability for sustainability matters is applied and there is regular reporting on the management of these matters.

The Group approaches its sustainability responsibilities as follows:

ETHICS

Interwaste has a comprehensive code of ethics that applies to all directors and employees and requires high standards of ethical behaviour. The code is communicated to all new employees and is available on the Company intranet. It is aligned with the recommendations of the King III report and is subject to review by the Social and Ethics Committee.

Compliance with the code is monitored as part of normal management practice and deviations from the code are escalated to appropriate levels of management, and to the Social and Ethics Committee and the Board, if necessary.

SOCIAL AND ETHICS COMMITTEE

The Social and Ethics Committee forms an integral part of the Group's corporate governance structures and discharges its statutory functions within the ambit of formal terms of reference established in terms of the Companies Act, and approved by the board.

The Committee met twice during 2014, with the emphasis of these meetings on:

- Transformation;
- Employment Equity;
- Skills Development; and
- Health and safety of employees, and third parties affected by the Group's operations

The Committee has four members, one of whom is an independent non-executive director and who chairs the Committee. The remainder of the members are executive directors and/or prescribed officers. The Company Secretary acts as secretary to the Committee. The Chairman of the Committee reports formally to the board of the Company after each meeting on all matters within the Committee's duties and responsibilities. The Committee is authorised by the board to seek any information it requires from any Group employee in the performance of its duties. The Chairman of the Committee is mandated to report to shareholders at the Company's annual general meeting.

Further details of the composition and meetings of the Committee, are set out in the corporate governance report on page 18.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement in regard to sustainability and other matters is important to the Company. As a consequence, Interwaste formally identifies relevant stakeholders with legitimate interests with whom it engages as appropriate. Engagements with stakeholders vary depending on the matters to be addressed and the frequency of interaction required.

The following are examples of stakeholders and the interactions the Company has with them:

Stakeholder type	**Nature of engagement**
Shareholders and media	• Annual general meeting at which shareholders have an opportunity to vote on material resolutions, including the appointment of directors, the remuneration of non-executive directors and the Company's remuneration framework. • Distribution of a broad range of information via the website. • Sens announcements. • Integrated annual report. • Interviews and media briefings. • Ad hoc meetings with investors. • Email notifications.
Customers	• Daily personal and telephonic contact. • Meetings. • Marketing documents and functions. • Website.
Employees and employee representative bodies (including unions)	• Intranet. • Presentations and written communications, including newsletters. • Performance appraisals. • General staff meetings. • Union representative forums. • Industry sector and education training authorities. • Ad hoc events.

Stakeholder type	**Nature of engagement**
Suppliers	• Visits and meetings. • Management and procurement staff interactions. • Correspondence.
Communities and non-profit organisations	• Corporate social investment programmes. • Workplace learning and development programmes for unemployed learners. • Ad hoc engagements in surrounding communities. • Community forums
Business associations	• Participation in, and / or, membership of relevant industry associations.
Government and regulators	• Contact with industry regulators through industry associations. • Meetings relating to customer waste streams and the efficient disposal thereof.

ACCREDITATION

Interwaste benchmarks its systems, procedures and operations against objectively determined, generally accepted criteria. The standards accredited by independent organisations (including the SABS and the Chemical and Allied Industries Association) are used as the basis for this and systems, procedures and operations are improved where appropriate.

- **ISO 14001 (an international environmental management standard)**
  Interwaste received ISO 14001 accreditation in 2002 and was the first waste management company in South Africa to receive the accreditation in respect of its operational disciplines. The company is audited by the SABS on an annual basis and has maintained the accreditation since it was first awarded.

- **Responsible Care**
  Responsible Care is a global initiative that allows industries to demonstrate improvements in safety over an extended period of time, thereby gaining the trust of stakeholders. As a signatory to the Responsible Care standard, Interwaste implements systems that result in ongoing improvements in employee health and safety, and progress in minimising the impact of its operations on the environment and surrounding communities.

- **Safety Quality Assessment Series**
  Interwaste is audited and accredited in accordance with the Safety Quality Assessment Series ("SQAS") standard.

Interwaste has been a patron member of the Institute of Waste Management of South Africa ("IWMSA") since 1993, and actively endorses IWMSA's aim of promoting best practice in all aspects of waste management in South Africa.

During the financial year under review, Interwaste FG landfill facility received an International Certification for OHSAS 18001 from TUV Rheinland making the site the only facility with such a certification and set the standard for future landfill operations in South Africa.

Interwaste is an accredited by the LG Seta as a Waste Management Training Provider, from NQF Level 1 to 4.

ENVIRONMENT

Interwaste utilises an Environmental Management System ("EMS") developed in accordance with the requirements of the ISO 14001 standard. The EMS forms the basis of the Group's safety, health, environment and quality ("SHEQ") processes and procedures.

Interwaste successfully underwent a South African Bureau of Standards (SABS) audit during the period under review, which resulted in the retention of its ISO 14001 (an international environmental standard) certification.

Management review the Environmental Management System at least annually in order to ensure, inter alia, its continued suitability, adequacy and effectiveness.

Interwaste's operations are governed by an environmental policy that includes a commitment to continual improvement and that requires the Group to carry out all its activities, and to provide its products and services, in a responsible manner that minimises any potential adverse effects on the environment and the health and safety of its employees, and which takes account of the interests of affected parties.

CUSTOMERS

An important part of the Group's EMS is the identification and reduction of the negative impacts that its operations have on the environment. A consequence of the progress the Group has made in this area is that we are able to help our customers to reduce the impact of their business on the environment and affected communities by offering innovative, responsible and legally compliant waste management services and solutions.

COMPLIANCE FUNCTION

Interwaste operates in a highly regulated environment, and the Group's compliance function is a critical resource in ensuring the implementation of necessary assurance processes and procedures. The function also provides updated information on applicable legislation. Compliance monitoring and advice is provided by the SHEQ Department and the Environmental Compliance and Authorisations Department. Training is provided both internally and by external service providers, on an ongoing basis.

The Group's SHEQ department conducts numerous compliance audits on various aspects of Interwaste's operations each year.

The Group's operations are also audited by third parties (including the SABS, National Government Departments, Local Government Departments and customers) on a regular basis.

Interwaste has been successful in improving its compliance results over an extended period and will continue to strive for improvements. In certain cases we have incurred significant costs, including construction costs, to ensure that we are fully in compliance with all requirements.

Where issues of non-compliance are identified, the extent of the issues are determined and all affected parties, including the applicable regulators, are notified. The Group then works with the affected parties and the applicable regulator to mitigate any impact of the non-compliance and to implement, where possible, controls to prevent any recurrence of the breach.

EMPLOYEE WELL-BEING

Interwaste's employees are our most important asset and their safety and well-being are of paramount importance to us. A healthy and safe workplace enhances employee morale and productivity and is essential to operations, particularly in some of the difficult environments the Company faces.

Health and safety requirements are monitored as part of the Company's risk management framework and legislative compliance is treated as a minimum standard.

The internal SHEQ department focuses on instilling a strong culture of health and safety at all levels and safety policies are strictly applied. The SHEQ department reviews the safety related incidents that are referred to the applicable workplace committees and these are elevated to management where necessary. The Social and Ethics Committee and / or the Board also receive reports on incidents where appropriate.

The Company's safety record is compared to industry standards and active measures are taken to reduce the number and severity of safety related incidents. These measures include regular training of employees as well as the ongoing identification, monitoring and mitigation of risks posed by the Company's operations.

In addition to safety related matters, the Company has made programmes available to employees to assist with issues involving alcohol, drugs, domestic violence, HIV/Aids and maintaining a healthy lifestyle.

TRAINING INITIATIVES

Interwaste recognises the chronic skills gap in South Africa and has embarked on a variety of training initiatives to address this issue, to the extent it applies to our employees.

We have a successful training and learnership programme for employees. In 2014 Interwaste continued offering learnerships, which contribute to a skilled workforce and empower our staff.

A subsidiary, Interwaste (Pty) Ltd, embarked on a 12 Month IT end-user computing L3 learnership in conjunction with Microsoft for people with disabilities. The learnership commenced on the 7th of June 2013 and concluded on the 31 May 2014.

22 learners were involved, of the 22 learners 9 successfully completed the IT End User Computing NQF Level 3 course. Of the 9 learners who successfully completed the programme, 4 were retained by Interwaste in full time positions.

For the fourth year in succession we offered the Adult Training and Education Programme, "AET", and each year we increase the number of learners and extend the geographical areas in which employees are trained. We work with accredited providers and ensure that the employees we train acquire communication, literacy and life skills that prepare them for further skills programmes.

Training is an important part of our transformation process and our Learnership and Training Programmes are designed accordingly.

WASTE BENEFICATION

Interwaste has long recognised the value in waste. Through recycling and waste commodity trading, we have been able to divert waste from landfills and have contributed to the re-utilisation of that waste.

- **Waste Commodity trading**
  A number of our clients produce waste which has value as a tradeable commodity, either as is produced, or after further processing. Interwaste has a division focused on identifying waste which is saleable and then trading it, in partnership with the waste producer where possible, or on a stand-alone basis. The Group currently exports commoditised waste to 5 countries.

- **On-site services**
  As part of the provision of a holistic integrated waste management solution Interwaste offers an "On-Site" waste management service. In rendering this service the Group assumes on site responsibility for a customer's entire waste stream and, as part of the service, waste is sorted on site into that which can be recovered and that which must be finally disposed of. This generally results in a

reduction of disposal costs through diversion of recyclable material away from landfills and, in certain cases, revenue is generated through the sale of the recyclables. In addition to recyclables, where possible, tradeable materials are identified and sold.

The "On-Site" service also includes significant levels of customer reporting.

- **Organics production**
  Interwaste's Compost manufacturing division is the largest producer of organic growing mediums in Southern Africa, diverting over three hundred thousand tons of organic material (primarily waste bark discarded by the timber industry) from landfills each year. This, together with domestic greens collected at landfill sites and garden-waste transfer stations, goes to produce in excess of fifty thousand cubic metres per month of export-grade compost and growing mediums, from a production centre in Mpumalanga.

BROAD BASED BLACK ECONOMIC EMPOWERMENT

Interwaste recognises and supports the Broad Based Black Economic Empowerment Act and its associated Codes of Good Practice. The Company is committed to a process of transformation and progress in this area is measured with reference to the generic broad based black empowerment ("BBBEE") scorecard, and is verified annually by an external agency. Management and the Social and Ethics Committee actively co-ordinate the Company's efforts and ensure that meaningful progress is made.

The Company achieved a BBBEE rating of Level 3 in 2013. This rating has been maintained in 2014.

The new BBBEE codes have been published and once effective are likely to result in a deterioration in BBBEE ratings. Interwaste is committed to ongoing improvement in this area and is taking steps to minimise the impact of the new codes on its rating.

ENTERPRISE DEVELOPMENT

The Group has had success with Enterprise Development initiatives and was awarded a full 15 points for enterprise development, as part of its BBBEE verification processes for 2011, 2012, 2013 and 2014. We have developed a number of Black owned businesses and provide ongoing support and mentoring to them.

CORPORATE SOCIAL INVESTMENT

A widely accepted benchmark for Corporate Social Investment (CSI) spend is 1% of net profit after tax. The Group has invested more than this in each of the past two years.

Interwaste strives to make a positive impact on the communities in which it operates and our CSI initiatives are focused on those communities.

In 2014 Interwaste continued its "Tops and Tags" initiative which involves the donation of wheelchairs to needy causes in response to individuals or entities collecting plastic bottle tops and bread tags.

INTRODUCTION

With over 25 years of experience in waste management, Interwaste has integrated its people, facilities and infrastructure into a cohesive force able to provide holistic waste management solutions based on cost effective and environmentally sound systems and practices.

This "Integrated Waste Management" offering takes into account the full life cycle of waste streams, from "cradle to grave".

WHAT IS INTEGRATED WASTE MANAGEMENT?

Integrated Waste Management is an approach to waste management that focuses on holistic management of complete waste streams with the objectives of minimising waste, growing recycling and disposal efficiencies, and reducing associated health and environmental impacts.

The waste from a process is identified at its point of origin and any possibilities of recycling or sale of the waste are highlighted. The remaining waste is then managed through the disposal process to minimise costs and its environmental impact. Detailed reporting is provided throughout the process.

With recent legislative changes relating to waste management, and industry's general desire to minimise its environmental impact, we have seen an increase in the demand for this service from customers and a very positive reaction to the service when delivered.

The following integrated Waste Management model sets out the processes involved in the service:

The main objectives of Integrated Waste Management are to:

- Improve waste management practices;
- Highlight positives and deficiencies in current systems of waste management;
- Institute processes of waste management aimed at minimisation at source and prevention of pollution;
- Manage the impact of waste on the receiving environment;
- Manage waste in a holistic manner.

The elements of Integrated Waste Management include:

- Minimising waste generation;
- Separation of waste (enabling efficient recycling);
- Storage and collection of waste;
- Transfer and transportation of waste;
- Re-using and recycling waste;
- Disposal of waste (always the last option);
- Management of the landfills (general and hazardous waste).

In applying Integrated Waste Management, the process incorporates all the major stages of an environmental planning process, namely:

- Analysing the current situation and legal framework;
- Making projections of future requirements;
- Setting objectives;
- Developing projects and programmes to reach the set objectives;
- Developing and implementing an integrated waste management plan;
- Periodically evaluating and reviewing the plan to ensure the objectives are being met.

By making use of the Integrated Waste Management Service, our clients effectively outsource their entire waste management function to Interwaste.

Our trained on-site waste management staff assume full responsibility for our clients' waste management plans:

- After an extensive waste assessment in which all waste streams are analysed, classified and assigned a handling procedure;
- Waste is sorted into the various categories, namely recyclable waste (e.g. paper, plastic, metal, cardboard and glass) and non recyclable waste (hazardous and non-hazardous);
- The waste is then appropriately contained, labelled and transported to the recycling centre or disposal facility;
- Detailed reports are produced on a monthly basis and a full audit report is available.

Interwaste ensures that our clients' waste is classified, sorted, recycled, reused and disposed of in the best practical manner, ensuring cradle to grave peace of mind. Our experience has shown that when this process is successfully implemented, waste costs reduce and there is a measurable contribution to the sustainability of our clients' businesses.

Grow shareholder value
We aim to provide a real annual return to shareholders of at least 10%. In the period since listing, the business has been substantially restructured and, as the results presented in this report evidence, is positioned for profitable growth.

Remain at the forefront of technology in the industry
The shortage of landfill space and increasing waste management and disposal regulation mean that reducing and eliminating waste to landfill are ever increasing priorities. Interwaste has consistently applied innovative technologies to achieve alternatives to disposal of waste, thereby reducing disposal volumes and significantly benefitting our clients. Despite recent reductions in H.H. landfill disposal rates, the shortages of landfill space means that this will continue to be an area of considerable emphasis and investment.

Provide innovative, environmentally sensitive waste management solutions to our clients
We achieved significant growth in revenue on certain clients during the current year by providing environmentally friendly, cost effective and legally compliant solutions for the disposal of their waste. We will continue to target companies who produce waste streams the current disposal of which is threatened by the new waste regulations, that are environmentally sensitive or have the potential to be treated and disposed of differently from historical practice, and are confident that this is a source of future growth.

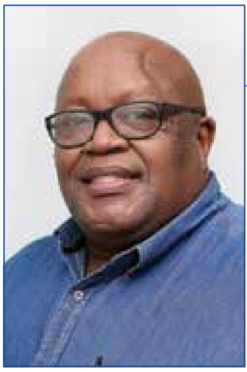
Continue to grow organically and through acquisitions
We have identified industries where we have a competitive advantage and which offer worthwhile opportunities. Strong growth was recorded in certain of these areas in the current year and we expect further profitable growth in the next year. Our geographical growth has continued with the operation in Mozambique showing positive returns, despite decrease in the oil price.

Actively participate in the transfer of skills to the historically disadvantaged
Interwaste has established and grown two companies which are operated by previously disadvantaged people and which have significant levels of ownership by previously disadvantaged persons. The success of these companies is directly related to the extent to which Interwaste has been able to transfer skills to the company's management. There are a number of programmes in Interwaste to ensure that staff receive appropriate training and that employees who display potential and enthusiasm are groomed for greater levels of responsibility.

Continue our commitment to BBBEE
Interwaste has improved its BBBEE rating from a level 5 to a level 3. This required considerable effort and investment, which will be continued. The new codes will have a negative effect on our rating, work is being performed to limit the impact.

Attract, develop and retain outstanding talent
Our people are critical to our success and we made a number of senior appointments during the current year, all of whom are making significant contributions to the business. We will continue to search for highly talented people we can bring into the business and we have a carefully designed programme for investing in our employees.

EXECUTIVE MANAGEMENT



DAN NKOMO

Enterprise Development Director
Interwaste (Pty) Ltd

Dan Nkomo has been with the organisation for 22 years. He has extensive knowledge of waste management, operations and logistics. Dan possesses qualifications in Road Transport Management and Waste Management from Wits and RAU respectively.

RAJASPREE PILLAY

Group Human Resource Director
Interwaste (Pty) Ltd

Rajas Pillay holds the following qualifications: BA; BProc; Advanced Diploma and Masters degree (Labour Law and Employee Relations) and has passed the Attorneys Board Exam. She has more than 19 years experience in HR Strategy; Transformation; Corporate Legal and Employee Relations matters.

JASON MCNEIL

Group Sales and Marketing Director
Interwaste (Pty) Ltd

Jason McNeil holds a Post Graduate Diploma in Business Administration (GIBS) and is currently completing a MBA (GIBS, 2016). He has spent the last 20 years in the operational management of environmental solutions in South Africa.

MIKE NICHOLLS

Divisional Director – Technical Services
Interwaste (Pty) Ltd

Mike Nicholls holds a B.Sc. Honours degree from the University of Kwa Zulu Natal. He is passionate about waste reuse and regards waste as a valuable resource.

ALLEN DE VILLIERS

Group Company Secretary

Allen is an attorney with BA and LLB degrees and diplomas in Tax Practice and business administration. Allen has over 16 years experience in the practice and business administration of law with experience in the fields of litigation, commercial law and corporate governance. Allen is also head of Interwaste (Pty) Ltd's Safety, Health and Environment Department.

HENNIE SCHOEMAN

Regional Director

Hennie holds a MBA (GIBS) and has been involved in waste management for the last 20 years. He is passionate about finding the most effective solutions in transporting waste from customer to end destination.

GRAEME BAYFORD

Regional Director

Graeme Bayford has been active within the waste industry for the past 12 years and holds a National Diploma within the Environmental Sciences.

INTRODUCTION

Interwaste Holdings Limited ("the Company") is a public company listed on the JSE Limited.

The Board recognises its responsibility for ensuring that the Company is governed in an ethical, prudent and sustainable manner, in accordance with the provisions of the Companies Act, the JSE Listings Requirements ("the Listings Requirements") and the King Report on Governance for South Africa, 2009 ("King III"). The board of directors ("the Board") of the Company is committed to ensuring that operations are conducted in a responsible manner and with due regard for sustainable environmental, social and economic practices. Management aim to create a culture of good governance across all operations and breaches of operating policies are addressed promptly.

External assurance on compliance with matters recommended by King III has not been obtained for this Integrated Report as the cost thereof is likely to exceed the benefit of the assurance. The need for future external assurance will be evaluated annually.

STATEMENT OF COMPLIANCE

The Board is of the view that the Company has complied in material respects with the provisions and spirit of King III, unless otherwise stated in this section of the report or in the detailed King III disclosures set out on pages 19 to 24 of this integrated report, and has complied with the provisions of the Listings Requirements.

BOARD OF DIRECTORS

The Board is a unitary structure, and currently consists of eight directors, five of whom are non-executive. Three of the non-executive directors are independent.

The Company's Memorandum of Incorporation sets out the general powers of the Board and the directors. The roles and functions of the chairperson and the Chief Executive Officer ("CEO") are formalised in the Company's board charter which is reviewed annually. In order to ensure that conflicts of interest are avoided, Board members are required, at least annually, to provide a general disclosure of their personal financial interests, in terms of section 75 of the Companies Act, and at each board meeting, board members are reminded of their obligation to declare any material personal financial interests they may have in contracts entered into or authorised by the Company, or in any matters to be discussed at the meeting.

There is a clear division of responsibilities at board level ensuring a balance of power, with the functions of chairperson and CEO being separate and independent. No one director is able to exercise unfettered decision making powers.

The board is chaired by Ms A Kawa, an independent non-executive director, who is considered to be free from conflicts of interest. Ms Kawa provides overall leadership and guidance to the Board and sets the ethical tone for the Board. Due to the limited size of the Board, Ms Kawa also serves as a member of the Company's Audit Committee.

The position of CEO is occupied by Alan Willcocks, who is a co-founder of the Company. Alan is responsible for management of the day to day affairs of the Company and for ensuring the achievement of the Company's strategic goals and objectives.

The remaining directors are André Broodryk (financial director), Bronwyn Willcocks (non-executive), Funani Mojono (independent non-executive), Landiwe Mahlangu (independent non-executive), Gavin Tipper (non-executive) and Leon Grobbelaar (landfills and effluent treatment director).

The independence of non-executive directors is assessed informally by the Board, on a regular basis, with reference to non-executive directors' declarations of interest and the applicable provisions of King III. An evaluation of the performance of the directors and the Board as a whole, takes place annually on an informal basis.

The Company secretary, Allen de Villiers, assists the Board in discharging its responsibilities and is a source of guidance on matters of good governance and ethics. The Board confirms that the company secretary maintains an arms length relationship with the board at all times and the Board believes that company secretary is suitably qualified and has the requisite knowledge and skills to fulfil his duties and responsibilities, after having considered his competence, experience and qualifications.

The Board meets quarterly and further ad hoc meetings are convened when necessary. Prior to the transfer of the Company's listing to the main board of the JSE, representatives of the Company's designated advisors, Grindrod Bank, attended all Board and Audit Committee meetings.

All of the Company's directors may seek independent, professional advice on matters pertaining to the Company, at the Company's expense, and have unrestricted access to management and Company information, documentation and property.

ROTATION OF DIRECTORS

In terms of the Company's Memorandum of Incorporation Andisiwe Kawa and Landiwe Mahlangu retire by rotation at the forthcoming annual general meeting, but being eligible offer themselves for re-election.

Brief curricula vitae of the directors of the Company are provided on page 8 of this report.

BOARD COMMITTEES

The Board has appointed an Audit & Risk Committee, a Remuneration Committee and a Social & Ethics Committee. These committees have formal terms of reference that have been approved by the Board and that reflect, where appropriate, the Company's application of the principles contained in King III and the statutory requirements of the Companies Act.

The terms of reference set out, inter alia, the committees' purposes, membership requirements, duties and reporting procedures.

- **Audit & Risk Committee**
  The Audit Committee is chaired by Funani Mojono, an independent non-executive director, with Andisiwe Kawa, Landiwe Mahlangu and Gavin Tipper as the other members. Ms Kawa's membership of the Committee is considered appropriate in the context of the size of the Group and the Board, despite her role as chair of the Board.

The Committee discharges its functions in accordance with legislative requirements and the delegated authority of the Board, as set out in its terms of reference.

The Audit Committee is responsible for ensuring that there are appropriate key financial controls, in the context of the financial risks the Company faces, and in particular assists the Board in the following matters:

- Monitoring the financial reporting process;
- Recommending the appointment of an independent registered auditor, determining the terms of engagement and approving fees for audit and non-audit services;
- Monitoring the operation and effectiveness of internal control systems, including information technology controls;
- Overseeing the implementation and effective operation of a structured risk management process;
- Implementing sound corporate governance policies;
- Reviewing and recommending to the Board for approval the interim and annual financial statements and the assessment of going concern;
- Considering and satisfying itself, on an annual basis, of the expertise and experience of the financial director.

KPMG Incorporated was re-appointed as the Company's external auditor by shareholders at the Company's last annual general meeting. On the recommendation of the Audit Committee, the Board has ensured that the external auditor has not performed the following services:

- Function in the role of management;
- Audit their own work; or
- Service in an advocacy role for the Company.

In accordance with the requirements of the Companies Act, all non-audit services provided by the external auditor were pre-approved by the Audit Committee.

The Audit Committee discharged the functions ascribed to it in terms of the Companies Act and the Listings Requirements, as reported in the Directors' Report. It also complied in all material respects with its mandate and fulfilled its responsibilities as set out in its terms of reference.

Prior to the transfer of the Company's listing to the main board of the JSE, the Company's designated advisors attended Audit Committee meetings by invitation and had unrestricted access to the chairman of the Committee.

The Committee may call upon any executive directors, company officers, the Company secretary or other assurance providers to provide it with information. The Committee has reasonable access to Company records and the resources that may be necessary for the fulfilment of its functions. It also has the right to obtain independent professional advice at the Company's expense, should such be required for it to fulfil its responsibilities.

The Company currently does not have a separate internal audit function, although external assurance providers are contracted to the Company to provide specific internal audit services, as and when deemed necessary by the Committee or the Board. The need for an internal audit function is regularly considered in the context of the size of the Group.

The report of the Audit Committee may be found on page 29 of this report.

- **Remuneration Committee**

The Company's Remuneration and Nominations committee is chaired by Mr G Tipper with Mr F Mojono, an independent non-executive director, as the Committee's second member. The Committee assists the Board in the determination of the Group remuneration philosophy and the remuneration policies applicable to all levels in the Company. It also provides input to the board on senior executive appointments, on appointments of non-executive directors and on succession matters.

The Committee ensures that the Group's executives and managers are remunerated in a manner that is competitive and appropriate to their individual contributions, it ensures that there is an effective remuneration and reward framework so that all employees are fairly paid and retention levels are at targeted levels, it considers succession planning and it reviews and makes recommendations regarding the composition of the Board and its sub committees.

- **Social and Ethics Committee**

The Company's Social and Ethics committee is chaired by Mr F Mojono and consists of Ms R Pillay, Mr A Cronjé and Mr D Nkomo. The Social and Ethics Committee is tasked with discharging the functions set out in the Companies Act for social and ethics committees, including monitoring the Company's activities relating to social and economic development, good corporate citizenship, ethics, the environment, health and safety, consumer relations and labour and employment.

The Social and Ethics Committee operates in terms of a mandate approved by the Board and reports to shareholders at the Company's annual general meeting on matters within its mandate.

BOARD AND AUDIT COMMITTEE ATTENDANCE

The board met four times, and the Audit Committee met thrice, during the year under review. Details of the directors' attendance at the meetings are:

Director	Number of Board meetings attended	Number of Audit Committee meetings attended	Category
Andisiwe Kawa	3	2	Non-executive Chairperson
Alan Willcocks	4	3	CEO
Gavin Tipper	4	3	Non-executive
Bronwyn Willcocks	4	3	Non-executive
André Broodryk	4	3	Executive
Funani Mojono	2	1	Independent non-executive
Leon Grobbelaar	2	2	Executive
Landiwe Mahlangu	4	3	Independent non-executive

BOARD CHARTER AND POLICIES

The Board functions within a framework provided by, inter alia, its Charter and the following Group policies:

- Trading in Securities;
- Appointments to the Board;
- Conflicts of Interest;
- Communications;
- Remuneration; and
- Non-Audit Services.

The Board Charter and the various policies assist Board members in the discharge of their duties and responsibilities and help to ensure that principles of good corporate governance are applied in all their dealings with and on behalf of the Company.

DEALINGS IN SHARES

The Company and its directors comply with the Listings Requirements relating to trading in the Company's shares. The Company has a closed period policy in terms of which all directors and Company officers are precluded from dealing in Company shares during closed periods, from 30 June and 31 December of each year until the release of the Group's interim and final results, respectively.

The same arrangements apply to other closed periods declared during price sensitive transactions. A pre-approval policy and process for all dealings in Company shares by directors and selected key employees is strictly followed. Details of directors' and the company secretary's dealings in Company shares are disclosed through the Stock Exchange News Service ("SENS") in accordance with the Listings Requirements.

The Company secretary regularly disseminates written notices to inform the directors, executives and employees of insider trading legislation, and closed periods.

KING III

The Board considers good corporate governance as vital to the sustainability of the Group, and believes that the structures currently in place are appropriate based on the Group's size, complexity and requirements. The Board is cognisant of the challenges faced in balancing the achievement of the Company's strategic goals with the implementation of all of the principles contained in King III.

A process of review of the Company's practices against the provisions of King III is occurs regularly and the results thereof form the basis of efforts to further improve corporate governance structures, within the confines of available resources and having regard to what is practical and sensible given the Group's size.

The Group's compliance with the requirements of King III is summarised below.

The Board have compiled a checklist regarding the Group's compliance with the requirements of King III which is set below:

Principle		**Description of compliance**
CHAPTER 1: ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP		
1.1	**The Board should provide effective leadership based on an ethical foundation**	The Board sets the ethical tone for the business and has ultimate responsibility for the group code of ethics. The Board approves the strategic direction of the group, monitors the implementation of stratergy and requires adjustments where necessary.
1.2	**The Board should ensure that the company is and is seen to be a responsible corporate citizen.**	Emphasis is placed on complying with all applicable legislation and regulations, and recognising the role the group plays in the environment in which it operates, and the need to contribute positively to that environment. The Board is responsible for the economic, environmental and social performance and reporting of the company.
1.3	**The Board should ensure that the company's ethics are managed effectively**	The Company has a code of ethics which is communicated internally and externally. The Social and Ethics Committee reports to the Board on ethical matters. The relevance of the code of ethics and the effectiveness of its implementation are reviewed on a regular basis.

Principle		**Description of compliance**
CHAPTER 2: BOARDS AND DIRECTORS		
2.1	**The Board should act as the focal point for and custodian of corporate governance.**	The Board operates in terms of the Memorandum of Incorporation and the board charter. It is responsible for ensuring that sound corporate governance principles are applied throughout the business, that business is conducted on an ethical basis in line with the group's moral values, and that the interests of all stakeholders are appropriately taken into account.
2.2	**The Board should appreciate that strategy, risk, performance and sustainability are inseparable.**	The Board works with management in determining the strategic direction of the group and monitors the implementation of strategy. In setting strategy it adopts a risk based approach recognising the importance of sustainability.
2.3	**The Board should provide effective leadership based on an ethical foundation.**	Refer 1.1 above.
2.4	**The Board should ensure that the company is and is seen to be a responsible corporate citizen.**	Refer 1.2 above.
2.5	**The Board should ensure that the company's ethics are managed effectively.**	Refer 1.3 above.
2.6	**The Board should ensure that the company has an effective and independent audit committee.**	The membership of the Committee is considered appropriate in the context of the sizes of the Group and the Board. The committee operates in terms of a charter approved by the Board and its effectiveness is informally reviewed on an annual basis.
2.7	**The Board should be responsible for the governance of risk.**	In approving the strategic direction of the Group and monitoring the implementation of strategy, the Board takes account of the risks faced by the Group. The financial aspects of the risk management system are monitored by the Audit Committee, which reports to the Board on that process, and the non-financial aspects are monitored by the Board through the executive.
2.8	**The Board should be responsible for information technology ("IT") governance.**	The Board monitors IT governance through the audit committee and executive management.
2.9	**The Board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.**	The Group operates in a highly regulated environment and has a substantial compliance function designed to ensure adherence to applicable laws and regulations. In addition, it is subject to regular external compliance audits. Consideration is regularly given to non-binding matters and to the need for and value of compliance with those.
2.10	**The Board should ensure that there is an effective risk-based internal audit function.**	As a result of the relatively small size of the Group and the high level of hands on management by the executive, the Board is of the view that a fulltime internal audit function is not required. Where appropriate, specific internal audit assignments are performed by an external service provider.
2.11	**The Board should appreciate that stakeholders' perceptions affect the company's reputation.**	The Company engages with its various stakeholders as appropriate. The extent and nature of the engagements vary based on the interests of the different stakeholders.
2.12	**The board should ensure the integrity of the company's integrated report.**	The Audit Committee oversees integrated reporting and is responsible for reporting to the Board on the financial aspects of the integrated report and the integrity thereof. The non-financial aspects of the report are considered by the board directly.
2.13	**The Board should report on the effectiveness of the company's system of internal controls.**	The Audit Committee monitors the financial controls and reports to the Board on the results of its monitoring. The Board reviews the effectiveness of the non-financial controls through executive management and ad hoc internal audit engagements. The integrated report includes reporting on the system of internal controls.
2.14	**The Board and its directors should act in the best interest of the company.**	The Board and directors are, inter alia, required to exercise due care, skill and diligence; act in good faith; exercise objective judgement; declare any personal financial interests or conflicts of interest; and not deal in the Company's securities during closed or other price sensitive periods.
2.15	**The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Companies Act.**	The application of the going concern principle and the solvency of the Group are reviewed on a regular basis. The Board is aware of and understands its responsibilities regarding business rescue proceedings.
2.16	**The Board should elect a chairman of the Board who is an independent non-executive director. The CEO of the company should also not fulfil the role of chairman of the Board.**	The position of chairperson is held by an independent non-executive director.

Principle		**Description of compliance**
CHAPTER 2: BOARDS AND DIRECTORS (CONTINUED)		
2.17	**The Board should appoint the CEO and establish a framework for the delegation of authority.**	The CEO is appointed by the Board and his role and responsibilities are set out in the Board charter. The Group has a formalised framework for the delegation of authority.
2.18	**The Board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.**	The Board comprise a majority of non-executive directors and a majority of the non-executives are independent.
2.19	**Directors should be appointed through a formal process.**	There is a formal process for the appointment of directors and the Board is assisted in the process by the Remuneration and Nominations committee.
2.20	**The induction of and on-going training and development of directors should be conducted through formal processes.**	Where appropriate, new directors are formally inducted. Training of directors takes place where necessary, however due to the size of the Group the process is not formalised.
2.21	**The Board should be assisted by a competent, suitably qualified and experienced company secretary.**	A competent, qualified and experienced company secretary assists the Board.
2.22	**The evaluation of the Board, its committees and the individual directors should be performed every year.**	Due to the relatively small size of the Company and the Board, annual evaluations of the Board, its committees and individual directors, are conducted informally.
2.23	**The Board should delegate certain functions to well-structured committees but without abdicating its own responsibilities.**	The Board has delegated functions, without abdicating responsibility, to the executive committee, the Audit and Risk Committee, the Remuneration and Nominations Committee and the Social and Ethics Committee. Where appropriate, ad hoc committees are constituted and functions delegated to those. The Board retains overall responsibility for anything it delegates.
2.24	**A governance framework should be agreed between the group and its subsidiary boards.**	Due to the relatively small size of the Group there are limited subsidiary boards. The Group governance framework applies to those boards.
2.25	**Companies should remunerate directors and executives fairly and responsibly.**	The remuneration and nominations committee reviews the remuneration philosophy and policies on an annual basis and remuneration packages are benchmarked externally where appropriate.
2.26	**Companies should disclose the remuneration of each individual director and prescribed officer.**	The remuneration of directors and prescribed officers is disclosed in the integrated annual report.
2.27	**Shareholders should approve the company's remuneration policy.**	Shareholders approve the Company's remuneration policy by way of a non-binding advisory vote at the AGM.
CHAPTER 3: AUDIT COMMITTEES		
3.1	**The Board should ensure that the company has an effective and independent Audit Committee.**	The Audit Committee is comprised of three non-executive directors, elected by shareholders at the Annual General Meeting. The composition thereof is considered appropriate in the context of the sizes of the Group and the Board. The effectiveness of the Audit Committee is assessed informally on an annual basis.
3.2	**Audit Committee members should be suitably skilled and experienced independent non-executive directors.**	Audit Committee members are appointed after being assessed as suitably skilled and experienced. Two of the three audit committee members are independent non-executive directors, the third member is a non-executive director.
3.3	**The Audit Committee should be chaired by an independent non-executive director.**	The Audit Committee is chaired by an independent non- executive director.
3.4	**The Audit Committee should oversee integrated reporting.**	The Audit Committee operates in terms of its charter which includes the responsibility for overseeing integrated reporting.
3.5	**The Audit Committee should ensure that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities.**	The activities of management and external audit are co-ordinated, to the extent practical, and the relationship between management and the external auditors is monitored by the Audit Committee. As noted, internal audit is limited to ad hoc assignments. Where these are performed they are co-ordinated with the activities of management and, if relevant, external audit.
3.6	**The Audit Committee should satisfy itself of the expertise, resources and experience of the company's finance function.**	The Audit Committee evaluates the expertise, experience and resources of the finance function and the financial director on an annual basis.

Principle		**Description of compliance**
CHAPTER 3: AUDIT COMMITTEES (CONTINUED)		
3.7	**The Audit Committee should be responsible for overseeing internal audit.**	Due to the relatively small size of the Group, internal audit activities are limited to ad hoc assignments. Where these are performed, they are overseen by the Audit Committee.
3.8	**The Audit Committee should be an integral component of the risk management process.**	Due to the small size of the Group, the Audit Committee, together with the Board, oversees the risk management process.
3.9	**The Audit Committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.**	The Audit Committee recommends the appointment of the external auditor to shareholders at the AGM. The committee is responsible for overseeing the external audit process.
3.10	**The Audit Committee should report to the board and shareholders on how it has discharged its duties.**	The Audit Committee reports to the Board at relevant board meetings on the discharge of its duties and the integrated report contains a report from the Audit Committee to shareholders. The chairman of the Audit Committee attends the AGM and is available to answer questions from shareholders on the discharge of the Committee's duties.
CHAPTER 4: THE GOVERNANCE OF RISK		
4.1	**The Board should be responsible for the governance of risk.**	In terms of the board charter, the Board is responsible for the governance of risk. Without abdicating any of its responsibilities, the Board delegates certain of these responsibilities to the Audit Committee.
4.2	**The Board should determine the levels of risk tolerance.**	Risk, and the extent of acceptable risk, are reviewed by the Board as part of the strategic process and are regularly reconsidered as the implementation of strategy is monitored.
4.3	**The risk or audit committee should assist the Board in carrying out its risk responsibilities.**	Refer 4.1 above.
4.4	**The Board should delegate to management the responsibility to design, implement and monitor the risk management plan.**	Management is responsible for identifying and responding to the risks faced by the business, and for implementing an effective risk management plan. The Board reviews this process.
4.5	**The Board should ensure that risk assessments are performed on a continual basis.**	Risks are assessed on a regular basis as part of normal operational management practices.
4.6	**The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.**	The consideration of unpredictable risks, and appropriate responses to those risks, is incorporated in normal operational management processes.
4.7	**The Board should ensure that management considers and implements appropriate risk responses.**	Appropriate risk responses are considered and implemented by management on an on-going basis.
4.8	**The Board should ensure continual risk monitoring by management.**	Risks are monitored on a continual basis as part of normal operational management processes.
4.9	**The Board should receive assurance regarding the effectiveness of the risk management process.**	Assurance regarding the risk management process is provided to the Board by management and the Audit Committee. Where appropriate, exceptions or major issues are highlighted and discussed.
4.10	**The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosures to stakeholders.**	The integrated report includes relevant risk disclosures taking into account the nature of the business and competitively sensitive information. The need for other risk disclosures is monitored by the Board.
CHAPTER 5: THE GOVERNANCE OF INFORMATION TECHNOLOGY		
5.1	**The Board should be responsible for information technology ("IT") governance.**	The Board monitors IT governance through the Audit Committee and executive management.
5.2	**IT should be aligned with the performance and sustainability objectives of the company.**	IT is designed to support the performance of the group and to contribute to the achievement of its sustainability objectives.
5.3	**The Board should delegate to management the responsibility for the implementation of an IT governance framework.**	Management is responsible for the implementation of the IT governance framework.

Principle		**Description of compliance**
CHAPTER 5: THE GOVERNANCE OF INFORMATION TECHNOLOGY (CONTINUED)		
5.4	**The Board should monitor and evaluate significant IT investments and expenditure.**	In line with company policies for delegation of authority and approval of capital expenditure, the Board considers all significant IT investments and expenditure.
5.5	**IT should form an integral part of the company's risk management.**	IT is an integral part of risk management and is monitored and reviewed accordingly.
5.6	**The Board should ensure that information assets are managed effectively.**	The management of information and information assets forms part of normal management processes and is subject to regular review and improvement, where applicable.
5.7	**A risk committee and audit committee should assist the Board in carrying out its IT responsibilities.**	Refer 5.1 above.
CHAPTER 6: COMPLIANCE WITH LAWS, CODES, RULES AND STANDARDS		
6.1	**The Board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.**	The board charter requires compliance with applicable laws and regular consideration is given to adherence to relevant non-binding rules, codes and standards.
6.2	**The Board and each director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business.**	The Board charter requires the Board and individual directors to have a working knowledge of the effects of applicable laws, rules, codes and standards on the Group's business. Where relevant, directors are educated on these matters.
6.3	**Compliance risk should form an integral part of the company's risk management process.**	Compliance risk forms part of the company's risk management framework and processes.
6.4	**The Board should delegate to management the implementation of an effective compliance framework and processes.**	Compliance risk and the implementation of an effective compliance framework is delegated to management. There is a compliance department and significant resources are applied to the area.
CHAPTER 7: INTERNAL AUDIT		
7.1	**The Board should ensure that there is an effective risk based internal audit.**	Due to the relatively small size of the Group, internal audit activities are limited to ad hoc assignments. These are performed by an external service provider.
7.2	**Internal audit should follow a risk based approach to its plan.**	Refer 7.1 above. Where ad hoc assignments are performed they are risk based.
7.3	**Internal audit should provide a written assessment of the effectiveness of the company's system of internal control and risk management.**	Refer 7.1 above.
7.4	**The Audit Committee should be responsible for overseeing internal audit.**	Refer 7.1 above. Where ad hoc assignments are performed, they are overseen by the Audit Committee.
7.5	**Internal audit should be strategically positioned to achieve its objectives.**	Refer 7.1 above.
CHAPTER 8: GOVERNING STAKEHOLDER RELATIONSHIPS		
8.1	**The Board should appreciate that stakeholders' perceptions affect a company's reputation.**	The Board recognises the relevance of its different stakeholders and the Company engages with various stakeholders as appropriate. The extent and nature of the engagements vary based on the interests of the different stakeholders.
8.2	**The Board should delegate to management to proactively deal with stakeholder relationships.**	Management is responsible for proactively dealing with stakeholder relationships.
8.3	**The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company.**	The Company recognises material stakeholders with legitimate interests and engages with them as appropriate.

Principle		**Description of compliance**
CHAPTER 8: GOVERNING STAKEHOLDER RELATIONSHIPS (CONTINUED)		
8.4	**Companies should ensure the equitable treatment of shareholders.**	All shareholders are treated equitably. In dealing with shareholders, the Company complies with the relevant provisions of the Companies Act and the Listings Requirements.
8.5	**Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.**	Refer 8.1 above. The Company's communications with different stakeholders are tailored to the nature of the stakeholders and their interests. (Refer page 9)
8.6	**The Board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.**	Should disputes with stakeholders arise, they will be addressed in the appropriate forum and resolved as effectively, efficiently and expeditiously as possible.
CHAPTER 9: INTEGRATED REPORTING AND DISCLOSURE		
9.1	**The Board should ensure the integrity of the company's integrated report.**	The Audit Committee oversees integrated reporting and is responsible for reporting to the Board on the financial aspects of the integrated report and the integrity thereof. The Board retains responsibility for the integrity of the Integrated Report.
9.2	**Sustainability reporting and disclosure should be integrated with the company's financial reporting.**	Sustainability reporting and disclosure form part of the integrated report.
9.3	**Sustainability reporting and disclosure should be independently assured.**	External assurance will be considered when the sustainability reporting is more fully developed and the Board is of the view that the value of such assurance will exceed the cost thereof.

IT GOVERNANCE

The Board is cognisant of the strategic importance of information technology ("IT") to the effective functioning of the Group.

The Board is responsible for IT governance and ensures that the Group acquires and retains the resources necessary to ensure the effective functioning of the IT system. IT risks and the mitigation and management of these risks are regularly reviewed and improvements to systems and structures are made where appropriate.

The Board is satisfied that appropriate backup procedures and disaster recovery plans are in place.

GOING CONCERN

The Board is of the opinion that the Group has adequate resources to continue operating for the foreseeable future. Consequently, the going concern basis has been applied in preparing the annual financial statements presented on pages 33 to 74 of this Integrated Annual Report.

REMUNERATION REPORT

This report sets out the Group's remuneration philosophy and remuneration policies for non-executive directors, executive directors and senior managers. It also provides details of the remuneration of executive directors and certain senior managers, and the fees paid to non-executive directors, for the financial year ended 31 December 2014.

REMUNERATION PHILOSOPHY

The Group's remuneration philosophy is to pay packages, benchmarked against comparable positions in the market, that facilitate the employment and retention of talented people who have the ability and motivation to drive the Group forward and who can contribute to the achievement of its strategic goals.

The objectives of the remuneration philosophy are to:

- Attract individuals who are innovative, who have high levels of integrity, a strong work ethic and who subscribe to the Group's culture and values;
- Reward individuals for the achievement of the Group's objectives and motivate high levels of performance;
- Reward exceptional performance by individuals, measured using a performance management system;
- Retain competent employees who contribute meaningfully to the Group's performance;
- Motivate high levels of performance in line with the Group's strategic objectives and business priorities;
- Recognise and, where possible, address differing employee needs;
- Support the Group's transformation agenda;
- Achieve fairness and equity in remuneration and reward;
- Allow the organisation to compete effectively in the labour market and to recruit and retain high calibre staff.

Remuneration packages for management and executives include an appropriate balance of short and long term rewards designed to ensure that their interests are aligned with those of shareholders.

INTERWASTE SHARE SCHEME

The Interwaste Share Scheme was approved by shareholders during 2012 and the first allocations were made in terms of the scheme in that year. The objectives of the scheme are "to incentivise selected employees through an opportunity to participate in the Company's equity. This should result in an increased alignment of interests between employees and shareholders, motivate improved performance by senior employees and promote the creation of long term shareholder wealth. The Scheme should contribute materially to the Group's ability to retain the employees who participate therein over the medium term." Annual allocations have been made in terms of the share scheme in each financial year since 2012.

COMPOSITION OF REMUNERATION

The remuneration packages of executive directors and senior managers comprise:

- A guaranteed remuneration package;
- An annual bonus based on appropriate combinations of divisional, Group and individual performance; and
- A long term incentive plan in the form of the Interwaste Share scheme.

GUARANTEED REMUNERATION

The remuneration committee reviews the salaries of executive directors and senior management annually. As part of this process there is a comparison of the remuneration paid by the Group to remuneration levels in relevant sectors of the South African market.

The Group remunerates employees at levels reflective of the market, subject to their experience and contribution. Where there is significant out performance, remuneration levels are adjusted consequently. Underperforming employees are paid at below average levels and are actively managed. Where necessary above average levels of remuneration are paid to attract high performing individuals to the Group or to attract managers with knowledge or experience relevant to Interwaste's plans for growth.

SHORT TERM INCENTIVE SCHEMES

Annual bonuses are based on a combination of the performance of the division to which an employee is attached and their individual performance. The more the employee is able to influence the financial performance of the division, the greater the extent to which his / her bonus is aligned to the performance of the division. The bonuses payable to executive directors are based on a combination of Group financial performance and their individual performance.

Executive management recommends annual bonuses to the Remuneration Committee for approval. The committee retains final discretion over the incentives.

LONG TERM INCENTIVE SCHEME

The Interwaste Share Scheme was introduced during 2012 to provide a mechanism for retaining employees over medium to long term periods, for rewarding them for their contributions to the Group and for aligning their interests with those of shareholders.

The Scheme delivers value to employees based on share price appreciation over the option strike price. Executive directors, general managers, other managers and selected staff regarded as out performers or as strategic to the Group, are eligible to participate in the Scheme. Options are allocated at the discretion of the Remuneration Committee which takes account of market practice in determining the frequency and scale of allocations. Where appropriate, the Remuneration Committee may attach performance conditions to the options it allocates. The options vest over five years and are required to be exercised within two years of the date of their vesting.

Directors' emoluments	Salary	Fees	Motor vehicle allowance	Bonus and gratuity	Sub total	Share Option Expense	Total
Group and Company - 2014							
Executive							
Alan Willcocks	2 336 683	–	–	194 724	2 531 407	–	2 531 407
Leon Grobbelaar	1 673 378	–	170 819	224 172	2 068 369	118 235	2 186 604
André Broodryk	1 788 000	–	120 000	278 250	2 186 250	284 893	2 471 143
Non-executive – Fees							
Gavin Tipper	–	78 000	–	–	78 000	–	78 000
Andisiwe Kawa	–	54 000	–	–	54 000	–	54 000
Funani Mojono	–	57 500	–	–	57 500	–	57 500
Bronwyn Willcocks	–	78 500	–	–	78 500	–	78 500
Landiwe Mahlangu	–	78 000	–	–	78 000	–	78 000
	5 798 061	345 000	290 819	697 146	7 131 026	403 128	7 534 154
Consulting Services							
Gavin Tipper	–	930 000	–	–	930 000	–	930 000
	5 798 061	1 275 000	290 819	697 146	8 061 026	403 128	8 464 154

Non-executive directors' emoluments
Non-executive directors are remunerated in line with market related rates taking into account their responsibilities on board and on any of the sub committees on which they serve. For services that all outside their ordinary duties as directors they are remunerated by the way of a market related consulting fee.

Prescribed officers' remuneration
In accordance with the King III recommendation on the disclosure of remuneration paid to prescribed officers (as defined in the Companies Act of 2008), the prescribed officers in the group, other than the executive directors, were remunerated as follows:

Prescribed officers' emoluments	Salary	Bonus and gratuity	Motor vehicle allowance	Other	Sub total	Share Option Expense	Total
2014							
Prescribed officer A	1 037 533	128 112	–	–	1 165 645	51 672	1 217 317
Prescribed officer B	918 505	76 542	74 444	47 104	1 116 595	–	1 116 595
Prescribed officer C	1 344 000	180 000	137 706	–	1 661 706	128 893	1 790 599
Prescribed officer D	1 297 950	120 000	193 758	–	1 611 708	128 893	1 740 601
Prescribed officer E	1 110 000	125 000	109 363	–	1 344 363	63 480	1 407 843
Prescribed officer F	1 182 960	197 160	21 208	–	1 401 328	86 711	1 488 039
Prescribed officer G	1 187 280	98 940	25 465	–	1 311 685	106 439	1 418 124
	8 078 228	925 754	561 944	47 104	9 613 030	566 088	10 179 118

CONTENTS

The group annual financial statements and annual financial statements were prepared under the supervision of André Broodryk CA (SA), Financial Director.

The financial statements of Interwaste Holdings Limited have been audited in compliance with Section 30 of the Companies Act of South Africa.

The group annual financial statements and annual financial statements were published on 21 May 2015.

DIRECTORS' RESPONSIBILITY STATEMENT AND APPROVAL

The directors are responsible for the preparation and fair presentation of the group annual financial statements and annual financial statements of Interwaste Holdings Limited, comprising the statements of financial position at 31 December 2014, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa. In addition, the directors are responsible for preparing the directors' report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the group financial statements and financial statements are fairly presented in accordance with the applicable financial reporting framework.

APPROVAL OF THE GROUP ANNUAL FINANCIAL STATEMENTS AND ANNUAL FINANCIAL STATEMENTS

The group annual financial statements and annual financial statements of Interwaste Holdings Limited, as identified in the first paragraph, were approved by the board of directors on 21 May 2015 and are signed by:

Alan Willcocks
Authorised director
Chief Executive Officer

André Broodryk
Authorised director
Financial Director

CERTIFICATE BY COMPANY SECRETARY

In my capacity as Company Secretary, I hereby confirm, in terms of section 268 G(d) of the Companies Act, 2008, as amended, that for the year ended 31 December 2014, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.

AS de Villiers
Company Secretary
21 May 2015

The Interwaste Audit Committee has discharged the functions delegated to it by the board (a summary of the Audit Committee's terms of reference is provided on pages 17 and 18 in the Corporate Governance Report) and as prescribed in terms of the Companies Act, 71 of 2008.

During the financial year ended 31 December 2014, the Interwaste Audit Committee, inter alia:

- Met on three separate occasions to review the interim and year end results of the group, and to consider regulatory and accounting standard compliance;
- Nominated the appointment of KPMG Inc. as the registered independent auditor of the company after satisfying itself through enquiry that KPMG Inc. and Mr J Wessels, the designated auditor, are independent of the company;
- Ensured that the appointment of KPMG Inc. complied with the requirements of the Companies Act relating to the appointment of auditors;
- Determined the fees to be paid to KPMG Inc. and its terms of engagement;
- Approved a non-audit services policy which determines the nature and extent of any non-audit services which KPMG Inc. may provide to the group. All non-audit services were formally approved by the Audit Commitee during the year.

The Audit Committee recommended the group and company annual financial statements of Interwaste Holdings Limited for the year ended 31 December 2014 to the Board for approval. The Board has subsequently approved these financial statements which will be tabled for discussion at the forthcoming annual general meeting.

In compliance with the Listing Requirements of the JSE Limited, the Audit Committee has considered and satisfied itself as to the expertise and experience of the Financial Director.

Funani Mojono
Audit Committee Chairman
Date: 21 May 2015

The directors have pleasure in submitting their report for the year ended 31 December 2014.

NATURE OF BUSINESS

Interwaste Holdings Limited (the company) is the holding company of a group of environmentally conscious waste management companies. The group's business activities include waste collection, responsible disposal of waste, sale of recyclable waste, recovery of previously worked metals, management of landfills, manufacture of natural bark compost and sewerage water treatment. Operations are based primarily in South Africa, Mozambique and Swaziland and the company is listed on the Johannesburg Stock Exchange (JSE).

FINANCIAL RESULTS

The financial results for the year ended 31 December 2014 are set out in detail in these financial statements and do not require further comment.

GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This 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.

SUBSEQUENT EVENTS

Subsequent to year end, on 15th January 2015, the company:
- Issued 7 750 000 ordinary shares, through a specific issue of shares for cash, for a total subscription consideration of approximately R10 075 000;
- Converted the company's par value ordinary shares into no par value ordinary shares; and
- Increased the company's authorised share capital to 1 000 000 000.

1 250 000 of the above issued shares, were issued to Mr G Tipper, a non-executive director of the company.

The directors are not aware of any other matter or circumstance arising since the end of the financial year, and up to the approval of these financial statements, relevant to an assessment of the financial statements at 31 December 2014.

AUTHORISED AND ISSUED SHARE CAPITAL

Alterations to authorised share capital
There have been no alterations to the authorised share capital during the current financial year.

Issue of shares
The company issued 62 250 000 additional shares through a general share issue during the year.

115 000 shares were issued to employees who exercised their share options.

BORROWING LIMITATIONS

In terms of the Memorandum of Incorporation of the company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate.

SHARE INCENTIVE TRUST

Refer to note 12 for detail about share-based payments during the current year.

NON-CURRENT ASSETS

There were no major changes to the nature of the non-current assets of the company during the year, details of which are disclosed in this annual report.

DIVIDENDS

No dividends were declared or paid to shareholders during the year ended 31 December 2014.

Platinum Waste Resources Proprietary Limited, a group subsidiary, did not pay any dividends for the current year (2013: R1 170 000) to non-controlling shareholders.

Interwaste Cleaning Proprietary Limited, a group subsidiary, paid dividends of R459 000 (2013: Rnil) to non-controlling shareholders.

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations adopted by the International Accounting Standards Board ("IASB"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited and the Companies Act, 2008, as amended. The accounting policies applied are consistent with those applied in the prior year, other than disclosed in note 1 of the annual financial statements.

DIRECTORS

The directors of the Company during the year and to the date of this report are as follows:

A Kawa	(Chairperson)	(independent non-executive)
PF Mojono		(independent non-executive)
AP Broodryk	(Financial Director)	
GR Tipper		(non-executive)
BL Willcocks		(non-executive)
WAH Willcocks	(Chief Executive Officer)	
LC Grobbelaar	(Landfill Director)	
L Mahlangu		(independent non-executive)

SECRETARY AND REGISTERED ADDRESS

The secretary of the Company is:	Allen Stuart de Villiers, (BA) LLB Dip Tax Practice.
The Company's registered address is:	2 Brammer Street, Industries East, Germiston South PO Box 382, Germiston, 1400

DIRECTORS INTERESTS

At 31 December 2014 the directors and their associates (as defined in terms of the JSE Listings Requirements) had the following direct and indirect beneficial interests in the share capital of the company:

	Number of Shares 2014 Direct	Number of Shares 2014 Indirect	%
Executive Directors			
LC Grobbelaar	–	2 740 007	0,60
WAH Willcocks	100 000	79 633 700	17,37
AP Broodryk	2 000 000	–	0,44
	2 100 000	82 373 707	18,41
Non-Executive Directors			
GR Tipper	12 756 751	–	2,78
BL Willcocks	–	79 633 701	17,37
	12 756 751	79 633 701	20,15

MAJOR SHAREHOLDERS

Details of the interests of shareholders who hold, directly or indirectly, a beneficial interest in 5% or more of the company's share capital, are reflected in the shareholder analysis set out on page 75.

INTEREST IN SUBSIDIARIES

Interest in Subsidiaries	Percentage Holding	Profit after tax
Directly Held		
Inter-Waste Proprietary Limited	100%	37 425 313
Envirowaste SA Proprietary Limited	100%	783 767
Interwaste Properties Proprietary Limited (dormant)	100%	–
		38 209 080

SPECIAL RESOLUTIONS

No special resolutions were passed during the financial year ended 31 December 2014, other than those tabled and passed at the Annual General Meeting on 30 June 2014.

TO THE SHAREHOLDERS OF INTERWASTE HOLDINGS LIMITED

We have audited the group financial statements and financial statements of Interwaste Holdings Limited, which comprise the statements of financial position at 31 December 2014, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 33 to 74.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we 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 the 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 fair 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 made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Interwaste Holdings Limited at 31 December 2014, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 December 2014, we have read the Directors' report, the Audit Committee report and the Company Secretary certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

KPMG Inc.
Registered Auditor

Per J Wessels
Chartered Accountant (SA)
Registered Auditor
Director
21 May 2015

85 Empire Road
Parktown
Johannesburg
2122

AT 31 DECEMBER 2014

Figures in Rand	Note	**Group 2014**	Group 2013	**Company 2014**	Company 2013
ASSETS					
Non-current assets					
Property, plant and equipment	3	**598 589 935**	395 337 503	**–**	–
Goodwill	4	**59 381 792**	59 381 792	**–**	–
Investments in subsidiaries	5	**–**	–	**79 291 963**	78 490 001
Deferred tax assets	6	**440 229**	401 292	**252 346**	560 820
Loan to subsidiary company	7	**–**	–	**245 362 998**	161 095 113
		658 411 956	455 120 587	**324 907 307**	240 145 934
Current assets					
Inventories	8	**14 746 970**	13 512 096	**–**	–
Current tax receivable		**120 345**	427 134	**–**	50 000
Trade and other receivables	9	**164 991 773**	114 017 321	**–**	–
Cash and cash equivalents	10	**61 905 653**	29 286 551	**19 847**	12 242
		241 764 741	157 243 102	**19 847**	62 242
Total assets		**900 176 697**	612 363 689	**324 927 154**	240 208 176
EQUITY AND LIABILITIES					
Equity					
Share capital and premium	11	**306 497 567**	225 489 941	**306 497 567**	225 489 941
Share-based payment reserve	12	**3 294 788**	2 063 152	**3 294 788**	2 063 152
Foreign currency translation reserve		**59 679**	99 205	**–**	–
Retained earnings		**140 339 260**	96 016 500	**10 008 016**	8 724 854
Equity attributable to owners of the company		**450 191 294**	323 668 798	**319 800 371**	236 277 947
Non-controlling interests		**2 891 266**	2 125 770	**–**	–
		453 082 560	325 794 568	**319 800 371**	236 277 947
LIABILITIES					
Non-current liabilities					
Interest-bearing borrowings	13	**191 377 716**	110 576 630	**–**	–
Provision for site rehabilitation	14.1	**23 963 712**	16 836 878	**–**	–
Deferred tax liabilities	6	**36 866 029**	29 099 149	**–**	–
		252 207 457	156 512 657	**–**	–
CURRENT LIABILITIES					
Interest-bearing borrowings	13	**89 005 558**	55 171 480	**–**	–
Trade and other payables	15	**102 844 635**	73 422 503	**4 970 718**	3 930 229
Current tax payable		**3 036 487**	925 082	**156 065**	–
Provision for onerous leases	14.2	**–**	532 308	**–**	–
Bank overdraft	10	**–**	5 091	**–**	–
		194 886 680	130 056 464	**5 126 783**	3 930 229
Total liabilities		**447 094 137**	286 569 121	**5 126 783**	3 930 229
Total equity and liabilities		**900 176 697**	612 363 689	**324 927 154**	240 208 176

STATEMENTS OF **COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2014

Figures in Rand	Note	Group 2014	Group 2013	Company 2014	Company 2013
Revenue	16	834 473 860	688 242 257	–	–
Cost of sales		(486 039 307)	(420 305 878)	–	–
Gross profit		348 434 553	267 936 379	–	–
Other income		–	678 687	–	–
Operating expenses		(264 418 976)	(218 162 957)	(13 178 553)	(8 135 165)
Results from operating activities	17	84 015 577	50 452 109	(13 178 553)	(8 135 165)
Net finance (costs) / income	18	(19 578 417)	(10 199 542)	15 124 814	9 878 657
Finance costs	18	(20 366 801)	(11 334 647)	(3 095)	(25 037)
Finance income	18	788 384	1 135 105	15 127 909	9 903 694
Profit before taxation		64 437 160	40 252 567	1 946 261	1 743 492
Taxation expense	19	(18 889 954)	(11 736 859)	(663 099)	(59 481)
Profit for the year		45 547 206	28 515 708	1 283 162	1 684 011
Less: Non-controlling interests		(1 224 446)	(1 174 744)	–	–
Income attributable to owners of the company		44 322 760	27 340 964	1 283 162	1 684 011
Other comprehensive income					
Items that are or may be reclassified to profit and loss					
Foreign currency translation reserve movement on foreign operations		(39 526)	58 233	–	–
Total comprehensive income attributable to owners of the company		44 283 234	27 399 197	1 283 162	1 684 011
Basic earnings per share (cents)	24	10.82	7.61		
Diluted earnings per share (cents)	24	10.62	7.56		

Figures in Rand	Share Capital and Premium	Share-Based Payment Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total	Non-Controlling Interest	Total Equity
GROUP							
Balance at 1 January 2013	175 491 253	831 872	40 972	68 425 840	244 789 937	2 773 295	247 563 232
Total comprehensive income							
Profit for the year	–	–	–	27 340 964	27 340 964	1 174 744	28 515 708
Foreign currency translation reserve movement	–	–	58 233	–	58 233	–	58 233
Transactions with owners, recorded directly in equity							
Share-based payment expense	–	1 231 280	–	–	1 231 280	–	1 231 280
Purchase of shares from non-controlling interest	–	–	–	249 696	249 696	(652 269)	(402 573)
Contributions by and distributions to shareholders							
Issue of ordinary shares							
– share capital	6 667	–	–	–	6 667	–	6 667
– share premium	49 992 021				49 992 021		49 992 021
Dividends paid to non-controlling interests	–	–	–	–	–	(1 170 000)	(1 170 000)
Balance at 31 December 2013	225 489 941	2 063 152	99 205	96 016 500	323 668 798	2 125 770	325 794 568
Total comprehensive income							
Profit for the year	**–**	**–**	**–**	**44 322 760**	**44 322 760**	**1 224 446**	**45 547 206**
Foreign currency translation reserve movement	**–**	**–**	**(39 526)**	**–**	**(39 526)**	**–**	**(39 526)**
Transactions with owners, recorded directly in equity							
Share-based payment expense	**–**	**1 231 636**	**–**	**–**	**1 231 636**	**–**	**1 231 636**
Contributions by and distributions to shareholders							
Share option exercised	**11**	**–**	**–**	**–**	**11**	**–**	**11**
Issue of ordinary shares							
– share capital	**6 225**	**–**	**–**	**–**	**6 225**	**–**	**6 225**
– share premium	**81 001 390**	**–**	**–**	**–**	**81 001 390**	**–**	**81 001 390**
Changes in ownership interests in subsidiaries							
Acquisition of subsidiary with non-controlling interests	**–**	**–**	**–**	**–**	**–**	**50**	**50**
Dividends paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**(459 000)**	**(459 000)**
Balance at 31 December 2014	**306 497 567**	**3 294 788**	**59 679**	**140 339 260**	**450 191 294**	**2 891 266**	**453 082 560**

STATEMENTS OF CHANGES IN EQUITY (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

Figures in Rand	Note	Share Capital and Premium	Share-Based Payment Reserve	Retained Earnings	Total Equity
COMPANY					
Balance at 1 January 2013		175 491 253	831 872	7 040 843	183 363 968
Total comprehensive income					
Profit for the year		–	–	1 684 011	1 684 011
Transactions with owners, recorded directly in equity					
Share-based payment expense	**12**	–	1 231 280	–	1 231 280
Contributions by and distributions to shareholders					
Issue of ordinary shares					
– share capital	**11**	6 667	–	–	6 667
– share premium	**11**	49 992 021	–	–	49 992 021
Balance at 31 December 2013		225 489 941	2 063 152	8 724 854	236 277 947
Total comprehensive income					
Profit for the year		–	–	**1 283 162**	**1 283 162**
Transactions with owners, recorded directly in equity					
Share-based payment expense	**12**	–	**1 231 636**	–	**1 231 636**
Contributions by and distributions to shareholders					
Share option exercised		**11**	–	–	**11**
Issue of ordinary shares					
– share capital	**11**	**6 225**	–	–	**6 225**
– share premium	**11**	**81 001 390**	–	–	**81 001 390**
Balance at 31 December 2014		**306 497 567**	**3 294 788**	**10 008 016**	**319 800 371**

Figures in Rand	Note	Group 2014	Group 2013	Company 2014	Company 2013
Cash flows from operating activities					
Cash generated from/(utilised by) operations	**20.1**	**131 498 439**	93 325 826	**(11 708 391)**	(9 613 328)
Finance costs paid	**18**	**(20 366 801)**	(11 334 647)	**(3 095)**	(25 037)
Finance income received	**18**	**788 384**	1 135 105	**15 127 909**	9 903 694
Tax paid	**20.2**	**(8 820 935)**	(3 471 254)	**(148 560)**	(50 000)
Net cash inflow from operating activities		**103 099 087**	79 655 030	**3 267 864**	215 329
Cash flows applied to investing activities					
Purchase of property, plant and equipment		**(264 676 652)**	(148 037 596)	**–**	–
Proceeds on disposal and scrapping of property, plant and equipment		**3 919 159**	20 158 964	**–**	–
Non-controlling interest in new subsidiary		**50**	**–**	**–**	–
Acquisition of subsidiaries	**20.3**	**(4 901 241)**	(17 357 748)	**–**	–
Net cash outflow applied to investing activities		**(265 658 684)**	(145 236 380)	**–**	–
Cash flows from financing activities					
Proceeds on issue of share capital		**81 007 626**	49 998 688	**81 007 626**	49 998 688
Loans advanced to group companies		**–**	(20 251)	**(84 267 885)**	(50 206 537)
Loans repaid by related parties		**–**	(5 140 523)	**–**	–
Interest-bearing borrowings raised		**114 635 164**	73 186 873	**–**	–
Dividends paid to non-controlling interests		**(459 000)**	(1 170 000)	**–**	–
Acquisition of non-controlling interest		**–**	(402 572)	**–**	–
Net cash inflow / (outflow) from financing activities		**195 183 790**	116 452 215	**(3 260 259)**	(207 849)
Total cash movement for the year		**32 624 193**	50 870 865	**7 605**	7 480
Effect of exchange rate fluctuations on cash held		–	43 046	**–**	–
Cash and cash equivalent acquired		–	(207 813)	**–**	–
Cash and cash equivalents at beginning of year		**29 281 460**	(21 424 638)	**12 242**	4 762
Total cash and cash equivalents at end of year	**10**	**61 905 653**	29 281 460	**19 847**	12 242

1. BASIS OF PRESENTATION

Reporting entity
Interwaste Holdings Limited is a company domiciled in South Africa.

The address of the company's registered office is 2 Brammer Street, Industries East, Germiston South. The consolidated financial statements of the group as at and for the year ended 31 December 2014, comprise the company and its subsidiaries (together referred to as the "group" and individually as "group entities"). The group's activities range across a broad spectrum of sectors (see the segment report and the report of the directors).

The financial statements include the following principal accounting policies, which are consistent with those used in previous years. The accounting policies are applicable both to the group and separate financial statements of the company unless the context indicates otherwise.

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the requirements of the Companies Act of South Africa, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the JSE listing requirements.

The financial statements were approved by the directors on 21 May 2015.

Basis of measurement
The financial statements have been prepared on the historical cost basis.

Functional and presentation currency
These financial statements are presented in South African Rand, which is the company's functional currency. All financial information is presented in South African Rand with no decimal.

Accounting policies
The group has consistently applied the accounting policies set out in note 1 to all periods presented in these financial statements.

1.1 SIGNIFICANT JUDGEMENTS

In preparing the financial statements in conformity with IFRS, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of the conformity and assumptions form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results in the future could differ from these estimates and may be material to the financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty, and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, is included in the following areas:

- Note 1.5 – business combinations and goodwill;
- Note 1.6 – measurement of the recoverable amounts of cash generating units containing goodwill; and
- Note 1.12 – Provisions and impairments.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year include:

Impairment of assets
The group tests whether or not assets have suffered any impairment, in accordance with the accounting policy stated in note 1.6. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. Estimates are based on management's interpretation of market forecasts. Disclosure of these estimates relating to intangible assets with indefinite useful lives and goodwill is detailed in note 4.

Inventories
Management makes use of assumptions and scientific methods to quantify the compost on hand. These are based on each compost windrow length, width and sloping height and the use of trigonometry rules. A similar technique is employed in the quantification of metal inventory on hand. Recyclable materials are weighed and a value applied to the quantity.

Impairment losses are raised against inventory when it is considered that the amount realisable from such inventory's sale is considered to be less than its carrying value. In determining whether a particular item of inventory could be considered to be overvalued, the following factors are taken into consideration:

- Saleability;
- Excessive quantity;
- Age;
- Sub-standard quality and damage; and
- Historical and forecast sales demand.

Trade receivables
Management identifies impaired trade receivables on an ongoing basis. Impairment adjustments are raised against trade receivables when their collectability is considered to be doubtful. Management believes that the impairment allowance is appropriate and there are no significant trade receivables that are doubtful and have not been impaired. In determining whether a particular debtor could be doubtful, the following factors are taken into consideration:

- Age;
- Credit terms;
- Debtor's current and anticipated future financial status; and
- Disputes with the debtor.

Property, plant and equipment
Management has made certain estimates in regard to the determination of the estimated useful lives and residual values of items of property, plant and equipment, as described in note 1.2. Residual values and useful lives are based on readily available

market data and historical experience of the use of the relevant items of property, plant and equipment.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. The group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax expense and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Share based payments

Management used the Hull and White (2004) model to determine the value of the options at issue date. Additional details regarding the estimates are included in note 12.

1.2 PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement

Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite life.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the group; and
- the cost of the item can be measured reliably.

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

The initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Borrowing costs

The group capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

Depreciation

Depreciation is the systematic allocation of the depreciable amount of an item of property, plant and equipment over its estimated useful life. Depreciation is charged on the depreciable amount, to profit or loss, on a straight line basis over the estimated useful lives of the items of property, plant and equipment.

The depreciable amount is the difference between the cost of an item of property, plant and equipment and its residual value, less impairments.

Residual value is the estimated amount that the group would currently obtain from disposal of the item of property, plant and equipment, after deducting the estimated costs of disposal, if the item of property, plant and equipment was already of age and in the condition expected at the end of its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Depreciation commences when an asset is available for use.

The estimated useful lives for the current and comparative periods are:

ITEM	USEFUL LIFE
Plant and machinery	3 – 20 years
Buildings	4 – 25 years
Leasehold improvements	Term of the lease
Vehicles	2 – 8 years
Computer, furniture & office equipment	3 – 6 years

The residual value, depreciation method and the useful life of each asset is reviewed at each reporting date.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the group will obtain ownership by the end of the lease term, in which case the assets are depreciated over their useful lives.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying value of the item.

Subsequent expenditure

Routine maintenance costs are charged to profit or loss as they are incurred. The costs of major maintenance or overhaul of an item of property, plant or equipment are recognised as an expense, except if the cost had been recognised as a separate part of the cost of the asset, and that amount has already been depreciated to reflect the benefits that had been replaced or restored.

Subsequent expenditure relating to an item of property, plant and equipment is only capitalised when it is probable that future economic benefits from the use of asset will be increased and the costs can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

1.3 INTANGIBLE ASSETS

An intangible asset is an identified, non-monetary asset that has no physical substance. An intangible asset is recognised when it is identifiable; the group has control over the asset; it is probable that economic benefits will flow to the group and the cost of the asset can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Subsequent expenditure on capitalised intangible assets is only capitalised when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

1.4 INVESTMENT IN SUBSIDIARIES

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra- group transactions, are eliminated in preparing the consolidated financial statements.

Investments in subsidiary companies are stated at cost less accumulated impairment losses in the company's separate financial statements.

Loss of control

On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

1.5 GOODWILL

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Subsequently goodwill is carried at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units and is tested for impairment at each reporting date and whenever there is an indication that goodwill has been impaired.

An impairment loss in respect of goodwill is not reversed.

Acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions.

For each business combination the Group elects to measure any non-controlling interest in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

1.6 IMPAIRMENT

Non-financial assets

The group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset. For goodwill the recoverable amount is estimated at each reporting date.

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

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

Goodwill acquired in a business combination is allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit.

The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit; and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

The group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset, other than goodwill, attributable to a reversal of an impairment loss cannot exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation, other than goodwill, is recognised immediately in profit or loss.

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset, for example, default or delinquency by a debtor or indications that the debtor will enter bankruptcy.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

1.7 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

Finance leases are recognised as property, plant and equipment and liabilities in the statement of financial position at amounts equal to the fair value of the assets acquired or, if lower, the present value of the minimum lease payments at inception of the lease, and depreciated over the estimated useful life of the asset or the lease term, whichever is the shortest. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term, using the effective interest method, and is charged against profit or loss over the lease period.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.8 REVENUE

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for the sale of goods provided in the normal course of business, net of trade discounts and volume rebates, and value added tax. The group's revenue streams have been disclosed in note 16.

Sale of goods

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

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be estimated reliably.

Services
Service revenue is recognised in profit or loss by reference to the stage of completion of the transaction at reporting date.

Service revenue is recognised once the following criteria have been met:

- the amount of revenue can be measured reliably;
- it is probable that future economic benefits will flow to the entity;
- the state of completion can be measured reliably; and
- the cost incurred to complete the transaction can be measured reliably.

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

Holding company
Dividend income is recognised in profit or loss on the date that the right to receive payment is established. In the company's separate financial statements, dividend income is regarded as revenue.

1.9 FINANCE INCOME AND FINANCE COSTS

Finance income comprises interest income on funds invested and on funds advanced to related parties and group companies. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Financing costs comprise interest payable on borrowings calculated using the effective interest method and foreign exchange gains and losses that are recognised in profit or loss. The interest expense component of finance lease payments is recognised in profit or loss using the effective interest method.

1.10 INCOME TAX

Current tax assets and liabilities
Current tax for the current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities
A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except to the extent that both of the following conditions are satisfied:

- the parent is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries, to the extent that it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Tax expenses
Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, directly in equity or other comprehensive income; or
- a business combination.

Current tax and deferred taxes are charged or credited directly to equity or other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, directly to equity or other comprehensive income.

Dividend withholding tax
Dividend withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends declared on or after 1 April 2012.

The company withholds dividend tax on behalf of its shareholders at a rate of 15% on dividends declared. Amounts withheld are not recognised as part of the company's tax charge, but rather as part of the dividend paid, directly in equity.

Where withholding tax is withheld on dividends received, the dividend is recognised at the gross amount with the related withholding tax recognised as part of the tax expense unless it is otherwise reimbursable, in which case it is recognised as an asset.

1.11 TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition, in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised directly in equity, any exchange component of that gain or loss is recognised directly in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss, except for a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised directly in other comprehensive income.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Rand at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Rand at the average exchange rates per month for monthly transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

1.12 PROVISIONS

Provisions are recognised when:

- the group has a present legal or constructive obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation and is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the group recognises any impairment loss on the assets associated with that contract.

Site rehabilitation

In accordance with the group's environmental policy and applicable legal requirements, a provision for site rehabilitation in respect of contaminated land, and the related expense, is recognised when the land is contaminated. A site rehabilitation provision is recognised as part of the cost of the related asset if damage to the land is done before the asset is ready for use.

1.13 EMPLOYEE BENEFITS

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid annual leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The liabilities for employee entitlements to wages, salaries and annual leave represent the amount which the company has a present obligation to pay as a result of employees' services provided to the reporting date. The liabilities have been calculated at undiscounted amounts based on current wage and salary rates.

A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

The group operates an equity-settled share-based payment programme. The fair value of the employee services received in exchange for the grant of the awards is recognised as a personnel expense with a corresponding increase in equity. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The total amount to be expensed is determined by reference to the grant date fair value of the awards, excluding the impact of any non-market performance conditions (e.g. achievement of profitability and sales growth targets or transfer restrictions) and service conditions. Non-market performance conditions are included in assumptions about the number of options that are expected to vest. The grant date fair value of the awards is adjusted to reflect non-vesting conditions.

At each reporting date, the group revises its estimates of the number of awards that are expected to vest based on the non-market performance conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in profit and loss, with a corresponding adjustment to equity.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

1.14 FINANCIAL INSTRUMENTS

The group classifies financial instruments, or their component parts, on initial recognition, as a financial asset, a financial liability or an equity instrument, in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised in the statement of financial position when the group becomes party to the contractual provisions of the instrument.

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the group is recognised as a separate asset or liability.

The group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Loans to/(from) group companies and related parties

These include loans to fellow subsidiaries, subsidiaries, joint ventures and related parties, and are recognised initially at fair value plus direct transaction costs.

Subsequently these loans are measured at amortised cost using the effective interest method, less any impairment loss recognised to reflect irrecoverable amounts on loans receivable.

On loans receivable an impairment loss is recognised in profit or loss when there is objective evidence that the loan is impaired. The impairment is measured as the difference between the loan's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate as determined at initial recognition.

Impairment losses are reversed in subsequent periods when an increase in the loan's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the loan at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances and are subject to an insignificant risk of changes in value. These are initially recognised at fair value and subsequently measured at amortised cost.

Interest-bearing borrowings

Interest-bearing borrowings are initially measured at fair value less attributable transaction costs, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the initially recognised amount and the redemption amount of interest-bearing borrowings is amortised over the term of the interest-bearing borrowings using the effective interest method.

Trade and other receivables

Trade and other receivables are initially recognised at fair value, and are subsequently carried at amortised cost, using the effective interest method.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.15 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments, net of bank overdrafts, all of which are available for use by the group unless otherwise stated. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

1.16 INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Where necessary, an allowance is made for obsolete, slow-moving and defective inventories.

1.17 EARNINGS PER SHARE

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

1.18 SEGMENT REPORTING

An operating segment is a component of the group that engages in business activities from which it may earn revenue and in respect of which it incurs expenses, including revenues and expenses that relate to transactions with any of the group's other components. All operating segments' operating results are reviewed regularly by the group's CEO (chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance. Discrete financial information is available for operating segments.

Segment revenue

Segment revenue represents the gross value of services invoiced and goods sold excluding value-added taxation, which is directly attributable and can be reasonably allocated to each reportable segment.

Investment income is included in the segment where the business activity holding the investment is situated.

Segment results

Segment results equal segment revenue less segment expenses before any adjustment to non-controlling interest.

Segment assets and liabilities

Segment assets and liabilities include direct and reasonably allocable operating assets, investments in associates and liabilities. Segment assets comprise total assets and segment liabilities comprise total liabilities.

2. STATEMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

At the date of authorisation of the financial statements of Interwaste Holdings Limited for the year ended 31 December 2014, the following Standards and Interpretations were in issue but not yet effective:

Standard / Interpretation		**Effective date**
IAS 19	Defined Benefit Plans: Employee Contributions	Annual periods beginning on or after 1 July 2014*
Amendment to 6 standards	Improvements to IFRSs 2010-2012 Cycle	Annual periods beginning on or after 1 July 2014*
Amendment to 4 standards	Improvements to IFRSs 2011-2013 Cycle	Annual periods beginning on or after 1 July 2014*
IFRS 14	Regulatory Deferral Accounts	Annual periods beginning on or after 1 January 2016*
IFRS 11	Accounting for Acquisitions of Interest in Joint Operations	Annual periods beginning on or after 1 January 2016*
IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	Annual periods beginning on or after 1 January 2016*
IFRS 15	Revenue from contracts with customers	Annual periods beginning on or after 1 January 2017*
IAS 16 and IAS 41	Agriculture: Bearer Plants	Annual periods beginning on or after 1 January 2016*
IFRS 9	Financial Instruments	Annual periods beginning on or after 1 January 2018*
IAS 27	Equity Method in Separate Financial Statements	Annual periods beginning on or after 1 January 2016*
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Annual periods beginning on or after 1 January 2016*
Amendment to 4 standards	Improvements to IFRSs 2012-2014 Cycle	Annual periods beginning on or after 1 January 2016*
IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	Annual periods beginning on or after 1 January 2016*
IAS 1	Disclosure Initiative	Annual periods beginning on or after 1 January 2016*

* All Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the entity).

The amendments to IAS 19, 41, 27 and 28 and IFRS 14, 11, 10 and 12 are not applicable to the business of the entity and will therefore have no impact on future financial statements. The directors are of the opinion that the impact of the application of the remaining Standards and Interpretations will not have a material impact on the company.

IFRS 9 Financial Instruments

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting.

The effective date of IFRS 9 was 1 January 2015. The effective date has been postponed and a new date is yet to be specified. The company will adopt the standard in the first annual period beginning on or after the mandatory effective date (once specified). The impact of the adoption of IFRS 9 has not yet been estimated as the standard is still being revised and impairment and macro-hedge accounting guidance is still outstanding.

The group will assess the impact once the standard has been finalised and the effective date is known.

3. PROPERTY, PLANT AND EQUIPMENT

Figures in Rand	Land, buildings and improvements	Vehicles	Plant and equipment	Computers, furniture and office equipment	Assets under construction	Total
GROUP						
Cost						
Balance at 1 January 2014	136 497 418	121 985 346	263 368 704	23 394 620	26 502 263	571 748 351
Additions through business combinations	–	4 005 557	1 084 073	–	–	5 089 630
Additions	30 305 329	135 854 834	63 017 706	9 541 710	25 957 073	264 676 652
– to enhance existing operations	3 599 176	104 037 502	14 744 310	3 546 314	3 304 200	129 231 502
– to expand operations	26 706 153	31 817 332	48 273 396	5 995 396	22 652 873	135 445 150
Transfer from assets under construction	12 695 208	–	3 228 475	19 500	(15 943 183)	–
Reclassifications	–	(1 002 257)	1 002 257	–	–	–
Site rehabilitation cost	3 158 237	–	–	–	–	3 158 237
Disposals and scrapping	(279 730)	(4 495 553)	(13 049 242)	(9 188 106)	–	(27 012 631)
Effect of movements in exchange rates	23 710	1 375 534	71 389	355	8 848	1 479 836
Balance at 31 December 2014	182 400 172	257 723 461	318 723 362	23 768 079	36 525 001	819 140 075
Accumulated depreciation and impairments						
Balance at 1 January 2014	(13 671 503)	(42 795 831)	(102 795 164)	(17 148 350)	–	(176 410 848)
Current year charge	(6 807 024)	(22 909 678)	(31 293 767)	(3 859 281)	–	(64 869 750)
Reclassification	–	743 059	(739 160)	(3 899)	–	–
Disposals and scrapping	–	2 546 885	9 842 211	8 386 834	–	20 775 930
Effect of movements in exchange rates	(13 201)	(20 942)	(10 932)	(397)	–	(45 472)
Balance at 31 December 2014	(20 491 728)	(62 436 507)	(124 996 812)	(12 625 093)	–	(220 550 140)
Carrying value at 31 December 2014	161 908 444	195 286 954	193 726 550	11 142 986	36 525 001	598 589 935

Impairment
There were no indications of impairment on any of the categories of property, plant and equipment and no impairments to current values were made in the current year.

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Figures in Rand	Land, buildings and improvements	Vehicles	Plant and equipment	Computers, furniture and office equipment	Assets under construction	Total
GROUP						
Cost						
Balance at 1 January 2013	92 951 162	98 459 345	245 465 342	20 401 253	1 279 728	458 556 830
Additions through business combinations	5 968 121	5 654 743	9 796 991	222 337	–	21 642 192
Additions	36 916 077	41 857 927	40 067 802	2 973 255	26 222 535	148 037 596
– to enhance existing operations	11 117 520	10 389 070	18 995 902	2 440 064	–	42 942 556
– to expand operations	25 798 557	31 468 857	21 071 900	533 191	26 222 535	105 095 040
Reclassification	–	1 020 927	(1 001 427)	(19 500)	–	–
Transfer from assets under construction	–	–	1 000 000	–	(1 000 000)	–
Site rehabilitation cost	4 362 497	–	–	–	–	4 362 497
Disposals and scrapping	(5 470 859)	(25 121 954)	(32 449 719)	(203 238)	–	(63 245 770)
Effect of movements in exchange rates	1 770 420	114 358	489 715	20 513	–	2 395 006
Balance at 31 December 2013	136 497 418	121 985 346	263 368 704	23 394 620	26 502 263	571 748 351
Accumulated depreciation and impairments						
Balance at 1 January 2013	(10 539 949)	(46 014 439)	(97 583 714)	(14 241 298)	–	(168 379 400)
Additions through business combinations	(725 256)	(2 071 949)	(1 139 501)	(184 677)	–	(4 121 383)
Current year charge	(5 904 255)	(9 832 006)	(23 011 265)	(2 930 047)	–	(41 677 573)
Reclassification	–	(763 725)	755 925	7 800	–	–
Disposals and scrapping	3 718 566	15 891 872	18 285 922	203 172	–	38 099 532
Effect of movements in exchange rates	(220 609)	(5 584)	(102 531)	(3 300)	–	(332 024)
Balance at 31 December 2013	(13 671 503)	(42 795 831)	(102 795 164)	(17 148 350)	–	(176 410 848)
Carrying value at 31 December 2013	122 825 915	79 189 515	160 573 540	6 246 270	26 502 263	395 337 503

Security
The following property, plant and equipment has been pledged as security for the bank loans used to finance the amounts. (Refer to Note 10).

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Figures in Rand	**2014**	2013
GROUP		
Year-end balance for assets under instalment sale agreements / mortgage bonds:		
Carrying value of capitalised assets	**282 292 499**	156 648 779
Cost	**329 525 443**	180 236 589
Accumulated depreciation	**(47 232 944)**	(23 587 810)
Classification of carrying value of assets committed as security for debt	**282 292 499**	156 648 779
Land, buildings and improvements	**38 044 833**	42 474 297
Vehicles	**148 460 962**	49 026 026
Plant and equipment	**87 088 560**	64 621 521
Computers, furniture and office equipment	**8 698 144**	526 935
Current year additions to assets under instalment sale agreements / mortgage bonds	**131 574 497**	71 494 590
Cost of capital assets	**144 049 502**	75 397 529
Accumulated depreciation	**(12 475 005)**	(3 902 939)

4. GOODWILL

Figures in Rand	Cost	Accumulated Impairments	Carrying value
GROUP			
2014 **Goodwill**	**61 744 799**	**(2 363 007)**	**59 381 792**
2013 Goodwill	61 744 799	(2 363 007)	59 381 792

Figures in Rand	Opening Balance	Acquisitions through business combinations	Total
Reconciliation of movement in carrying value – 2014 **Goodwill**	**59 381 792**	–	**59 381 792**
Reconciliation of movement in carrying value – 2013 Goodwill	47 001 217	12 380 575	59 381 792

Figures in Rand	**2014**	2013
Impairment reviews of goodwill Cash generating units (CGU):		
Landfill management	**11 853 004**	11 853 004
Waste management	**35 148 213**	35 148 213
Green's Scrap Recycling Proprietary Limited	**4 113 032**	4 113 032
Envirowaste SA Proprietary Limited	**8 267 543**	8 267 543
TOTAL	**59 381 792**	59 381 792

The carrying value of goodwill as identified above has been assessed for impairment based on value in use calculations.

Key assumption used in the value in use calculations is estimated future revenue streams.

The value in use calculations use cash flow projections based on 2015 budgeted figures, extrapolated at a growth of 5% per annum. The cumulative cash flows were discounted using a weighted average cost of capital of 13.94.% and 14.92% (2013: 14.66%).

The discount rate was estimated as the company's weighted average cost of capital (WACC) which was based on a cost of debt of 9.25% (2013: 8.50%) and a required rate of return on equity of 17.70% (2013: 20.36%) estimated from the risk free rate, based on the R186 bond rate of 7.96% (2013: R207 bond of 8.26%), and adjusted for market and small stock premiums.

Such assumptions are based on historical results adjusted for anticipated future growth. These assumptions are a reflection of management's past experience in the market in which these units operate.

Based on the above assumptions, management's calculations of the recoverable amounts were greater than the carrying amounts.

Sensitivity analysis
An analysis of the effect on the value of the CGU's for changes in the key valuation assumptions is presented below:

CGU VALUE			**WACC**	
Landfill management		**12.94%**	**13.94%**	**14.94%**
Growth rate	4%	315 378 061	281 180 949	253 232 075
	5%	358 275 422	315 444 687	281 228 824
	6%	413 541 596	358 343 034	315 491 368
Waste management		**12.94%**	**13.94%**	**14.94%**
Growth rate	4%	269 102 639	211 724 898	164 830 785
	5%	340 401 722	268 611 066	228 689 373
	6%	432 258 832	339 832 790	268 080 743
Green's Scrap Recycling SA Proprietary Limited		**13.92%**	**14.92%**	**15.92%**
Growth rate	4%	6 268 400	4 626 517	3 259 747
	5%	8 208 770	6 205 257	4 568 258
	6%	10 638 933	8 137 846	6 140 496
Envirowaste SA Proprietary Limited		**13.92%**	**14.92%**	**15.92%**
Growth rate	4%	25 406 785	21 403 655	18 071 285
	5%	31 586 040	25 221 851	21 233 342
	6%	35 985 462	29 895 836	25 032 704

5. INVESTMENT IN SUBSIDIARIES

Figures in Rand	Issued Share Capital	% Holding 2014	Shares at Cost 2014	Share of profit/(loss)
COMPANY				
DIRECT - 2014				
Inter-Waste Proprietary Limited	**900**	**100**	**75 375 128**	**37 425 313**
Envirowaste SA Proprietary Limited	**1 000**	**100**	**1 904 289**	**783 767**
Interwaste Properties Proprietary Limited	**100**	**100**	**100**	**–**
			77 279 517	**38 209 080**
Inter-Waste Proprietary Limited Group share based payment allocation			**2 012 446**	
			79 291 963	
INDIRECT - 2014				
Earth 2 Earth Proprietary Limited	**100**	**100**	**611 290**	**–**
Interwaste Cleaning Proprietary Limited	**100**	**49**	**49**	**1 035 029**
The Metals Recovery Company Proprietary Limited	**100**	**100**	**3 057**	**–**
Kutu Waste Management Services Proprietary Limited	**100**	**100**	**1 506 125**	**–**
Platinum Waste Resources Proprietary Limited	**1 000**	**74**	**433 392**	**298 991**
Moz Environmental Limitada*	**4 285**	**100**	**4 285**	**2 916 515**
Green's Scrap Recycling Proprietary Limited	**120**	**100**	**358 753**	**614 712**
Interwaste Industrial Cleaning Proprietary Limited	**100**	**50**	**50**	**(29 542)**
Extent Road Property Proprietary Limited	**100**	**100**	**100**	**430 303**
Interwaste Swaziland Proprietary Limited+	**100**	**100**	**100**	**(161 703)**
Limpopo Platinum Waste Proprietary Limited	**100**	**70**	**70**	**167 213**
Enbitec Environmental Solutions Proprietary Limited	**1 000**	**50**	**500**	**–**

The company has no unconsolidated structured entities.

Figures in Rand	Issued Share Capital	% Holding 2013	Shares at Cost 2013	Share of net profit / (loss)
DIRECT - 2013				
Interwaste Proprietary Limited	900	100	75 375 128	23 393 693
Envirowaste SA Proprietary Limited	1 000	100	11 929 932	1 576 784
Interwaste Properties Proprietary Limited	100	100	100	–
			87 305 160	24 970 477
Impairment of Envirowaste SA Proprietary Limited			(11 602 427)	
Inter-Waste Proprietary Limited Group share based payment allocation			1 210 484	
Reversal of impairment in the current period on Envirowaste SA Proprietary Limited			1 576 784	
			78 490 001	
INDIRECT - 2013				
Earth 2 Earth Proprietary Limited	100	100	611 290	–
Interwaste Cleaning Proprietary Limited	100	49	49	635 772
The Metals Recovery Company Proprietary Limited	100	100	3 057	–
Kutu Waste Management Services Proprietary Limited	100	100	1 506 125	–
Platinum Waste Resources Proprietary Limited	1 000	74	433 392	1 040 481

5. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Figures in Rand	Issued Share Capital	% Holding 2013	Shares at Cost 2013	Share of net profit / (loss)
Moz Environmental Limitada*	4 285	100	4 285	2 942 394
Green's Scrap Recycling Proprietary Limited	120	100	358 753	(1 113 610)
Extent Road Property Proprietary Limited	100	100	100	329 167
Interwaste Swaziland Proprietary Limited+	100	100	100	5 799
Limpopo Platinum Waste Proprietary Limited	100	70	70	344 047

* Incorporated in Mozambique
+ Incorporated in Swaziland

Subsidiaries including consolidated structured entities
The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest (NCI), before any intra-group eliminations.

Figures in Rand	**Interwaste Industrial Cleaning Proprietary Limited 2014**	**Platinum Waste Resources Proprietary Limited 2014**	**Limpopo Platinum Waste Proprietary Limited 2014**	**Interwaste Cleaning Proprietary Limited 2014**	Platinum Waste Resources Proprietary Limited 2013	Limpopo Platinum Waste Proprietary Limited 2013	Interwaste Cleaning Proprietary Limited 2013
NON-CONTROLLING INTERESTS IN SUBSIDIARIES:							
NCI percentage	**50%**	**26%**	**30%**	**51%**	26%	30%	51%
Non-current assets	**7 326 570**	**239 856**	**–**	**260 181**	784 951	–	224 501
Current assets	**1 207 759**	**5 283 920**	**730 470**	**8 267 410**	5 120 938	1 715 295	5 047 958
Non-current liabilities	**–**	**(2 341)**	**–**	**–**	(96 909)	(1 052 288)	**–**
Current liabilities	**(8 593 313)**	**(963 900)**	**–**	**(5 537 645)**	(1 655 487)	(171 413)	(3 494 818)
Net (liabilities)/assets	**(58 984)**	**4 557 535**	**730 470**	**2 989 946**	4 153 493	491 594	1 777 641
Carrying amount of NCI	**(29 492)**	**1 184 959**	**219 141**	**1 524 872**	1 079 908	147 478	906 597
Revenue	**7 133 583**	**24 369 218**	**4 328 279**	**51 605 883**	24 708 675	1 578 496	35 231 136
(Loss)/profit for the year	**(59 084)**	**404 042**	**238 875**	**2 112 304**	1 406 057	491 495	1 297 492
Total comprehensive (loss)/income	**(59 084)**	**404 042**	**238 875**	**2 112 304**	1 406 057	491 495	1 297 492
(Loss)/profit allocated to NCI	**(29 542)**	**105 051**	**71 663**	**1 077 275**	365 575	147 448	661 721
Cash flows from operating activities	**–**	**(903 534)**	**1 773 905**	**2 389 100**	(4 306 462)	(1 047 387)	2 318 250
Cash flows from investing activities	**–**	**497 399**	**–**	**(978 584)**	10 239	–	(1 616 351)
Cash flows from financing activities							
– before dividends to NCI	**–**	**(1 375 379)**	**(1 774 653)**	**(441 000)**	3 158 898	1 052 387	(882 358)
– cash dividends to NCI	**–**	**–**	**–**	**(459 000)**	(1 170 000)	–	–
Net (decrease)/increase in cash and cash equivalents	**–**	**(1 781 514)**	**(748)**	**510 516**	(2 307 325)	5 000	(180 459)

No significant judgements or estimates were made in assessing whether the group controls the investees.

6. DEFERRED (TAX LIABILITY) / ASSET

Figures in Rand	**2014**	2013
GROUP		
Reconciliation of deferred tax (liabilities) / assets:		
At beginning of year	**(28 697 857)**	(19 724 790)
Exchange rate difference on foreign subsidiary	**(77 118)**	40 243
Arising on business combination	**–**	(133 361)
Current year temporary differences recognised in profit or loss	**(7 650 825)**	(8 879 949)
	(36 425 800)	(28 697 857)
The deferred tax (liability) / asset comprises:		
– capital allowances on property, plant and equipment	**(39 217 382)**	(34 426 296)
– non-deductible provisions and accruals	**1 379 052**	70 000
– doubtful debt allowance	**1 340 343**	1 555 997
– leave pay accrual	**649 409**	1 713 794
– prepayments	**(17 969)**	(73 749)
– STC credit	**–**	80 303
– available tax losses	**423 772**	3 455 777
– unrealised foreign exchange differences	**(983 025)**	(1 073 683)
	(36 425 800)	(28 697 857)
Disclosed as follows:		
Deferred tax asset	**440 229**	401 292
Deferred tax liability	**(36 866 029)**	(29 099 149)
	(36 425 800)	(28 697 857)
The group has no unrecognised tax losses		

Figures in Rand	**2014**	2013
COMPANY		
Reconciliation of deferred tax asset:		
At beginning of year	**560 820**	620 301
Current year temporary differences	**(308 474)**	(59 481)
	252 346	560 820
The deferred tax asset comprises:		
– leave pay accrual	**252 346**	209 928
– available tax losses	**–**	350 892
	252 346	560 820

7. LOANS TO SUBSIDIARY COMPANY

Figures in Rand	**2014**	2013
COMPANY		
Inter-Waste Proprietary Limited The loan is unsecured, bears interest at 1% below the prime bank lending rate per annum, and is repayable on demand, but has to be settled no later than 31 December 2018. The loan was made during the 2007 financial year to fund operational activities. The loan is unsecured as it is to a wholly owned subsidiary of the company.	**245 362 998**	161 095 113
	245 362 998	161 095 113

There is no material difference between the fair value of the loan and the carrying value.

8. INVENTORIES

Figures in Rand	**Group 2014**	Group 2013	**Company 2014**	Company 2013
Raw materials	**3 251 271**	1 617 850	**–**	–
Work in progress	**4 225 793**	4 006 458	**–**	–
Finished goods	**1 807 138**	1 954 821	**–**	–
Consumables	**2 855 212**	2 841 085	**–**	–
Fuel	**2 577 556**	3 091 882	**–**	–
	14 746 970	13 512 096	**–**	–

Inventories are reflected after a write down to net realisable value of R 0.3 million (2013 – R1,9 million) against raw materials and work in progress. No inventory has been pledged as security for liabilities owing by the group.

9. TRADE AND OTHER RECEIVABLES

Figures in Rand	**Group 2014**	Group 2013	**Company 2014**	Company 2013
Trade receivables	**154 767 325**	109 618 686	**–**	–
Other receivables	**9 675 015**	4 147 039	**–**	–
Financial assets	**164 442 340**	113 765 725	**–**	–
Prepayments	**549 433**	251 596	**–**	–
	164 991 773	114 017 321	**–**	–

Trade and other receivables are ceded as security for banking facilities provided to the group by ABSA Limited. Refer to note 10.
As of 31 December 2014, group trade and other receivables are stated after an impairment allowance of R 6 182 951 (2013: R7 159 520).

10. CASH AND CASH EQUIVALENTS

Figures in Rand	**Group 2014**	Group 2013	**Company 2014**	Company 2013
Cash and cash equivalents consist of:				
Cash on hand	**723 030**	637 552	**–**	–
Bank balances	**61 182 623**	28 648 999	**19 847**	12 242
Bank overdraft	**–**	(5 091)	**–**	–
	61 905 653	29 281 460	**19 847**	12 242
Current assets	**61 905 653**	29 286 551	**19 847**	12 242
Current liabilities	**–**	(5 091)	**–**	–
	61 905 653	29 281 460	**19 847**	12 242

There is no material difference between the fair value of cash and cash equivalents and their carrying value.

The following facilities and guarantees have been provided to the Interwaste group by ABSA Limited:
- Primary lending facility of R29 900 000
- Credit card facility of R300 000
- Fleet card facility of R600 000
- Vehicle and Commercial Asset Finance of up to R105 000 000
- Financial Guarantee in favour of various customers of R100 000
- Term loan of R28 800 000.

The ABSA facilities have been secured by the following:
- Cession of book debts by Inter-Waste Proprietary Limited.
- First continuing covering bond over Portion 2 Erf 13 – South Germiston for an amount of R10 000 000.
- Cession of Fire and Sasria Insurance Policy in respect of Portion 2 Erf 13 – South Germiston.
- The assets to be financed and currently under agreement in terms of the Credit Line Facility will serve as collateral.
- Unlimited cross guarantee between the following legal entities, supported by a cession of loan accounts:
  - Interwaste Holdings Limited;
  - Inter-Waste Proprietary Limited;
  - Envirowaste SA Proprietary Limited; and
  - Moz Environmental Limitada.

  If at any time the above Guarantors contribute less than 80% of Interwaste Holdings Limited's revenue, EBITDA, total assets and cash flow from operating activities measured on a consolidated basis, the bank may request additional guarantees.

The following facilities and guarantees have been provided to the Interwaste group by Standard Bank:
- Vehicle Asset Finance Facility of R36 000 000
- Credit card facility of R1 500 000

The following facilities and guarantees have been provided to the Interwaste group by Mercedes-Benz Financial Services South Africa (Pty) Ltd:
- Revolving asset based finance facility of R270 000 000

The facility is secured by an unlimited guarantee from Interwaste Holdings Limited in favour of Inter-Waste Proprietary Limited.

Inter-Waste Proprietary Limited provides suretyship on behalf of Green's Scrap Recycling Proprietary Limited.

11. SHARE CAPITAL

Figures in Rand	**Group 2014**	Group 2013	**Company 2014**	Company 2013
Authorised				
500 000 000 ordinary shares of R0.0001 each	**50 000**	50 000	**50 000**	50 000
Issued				
458 342 877 (2013: 395 977 877) ordinary shares of R0.0001 each				
Ordinary shares	**45 834**	39 598	**45 834**	39 598
Share premium	**306 451 733**	225 450 343	**306 451 733**	225 450 343
	306 497 567	225 489 941	**306 497 567**	225 489 941

The company issued 62 250 000 additional shares through a general issue during the year. 115 000 shares were issued to employees who exercised their share options.

41 657 123 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

12. SHARE-BASED PAYMENT RESERVE

12.1 OLD SHARE OPTION SCHEME

The share-based payment expense included in the profit or loss for the year amounts to R156 000 (2013 – R214 991). The expense includes amounts relating to share options issued to a director under the old share option scheme. The options vest after 3 years, and are required to be exercised within 5 years of the date of grant, failing which they will lapse. Disclosures relating to these share options are as follows:

Vesting date for share options	
1 June 2013	**800 000**
1 June 2014	**800 000**
1 June 2015	**1 600 000**
	3 200 000

Figures in Rand	**Number of Share Options 2014**	Number of Share Options 2013	**Weighted Exercise Price 2014**	Weighted Exercise Price 2013
Outstanding at 1 January	**3 200 000**	3 200 000	**0,54**	0,54
Outstanding at 31 December	**3 200 000**	3 200 000	**0,54**	0,54

12. SHARE-BASED PAYMENT RESERVE (CONTINUED)

12.2 NEW SHARE OPTION SCHEME

The share option scheme was approved by shareholders on 08 June 2012.

Information on options granted – New scheme

The objective of the new Share Option Scheme is to incentivise selected employees through an opportunity to participate in the entity's equity. Essentially the goal of the scheme is to align the interest between employees and shareholders and hence improve performance and promote long term shareholder wealth.

Options are allocated to eligible employees by the Remuneration Committee. Allocations are also motivated by executive management. The Remuneration Committee is under no obligation to allocate options annually, or to allocate options to all eligible employees or participants each time an allocation is made.

Options are allocated to eligible employees at the option strike price, and there is no re-pricing or back-dating of options. At the date of allocation, performance conditions may be attached to the options. These performance conditions have to be objective, relevant to the employee and capable of quantitative measurement.

The options have no voting, dividends or other rights attached to them. Upon payment of the strike price on vesting, the entity will issue one (1) share for every option.

	2014 **%**	2013 %
The following key assumptions were used in valuing the various options:		
Expected volatility	**25 – 37**	28 – 44
Risk-free interest rate	**7,15 – 8,02**	6,62 – 7,85

The expected life of the options was based on historical data and expected future trends, and were not necessarily indicative of exercise patterns that may occur.

The share-based payments expense in respect of the scheme included in the profit or loss for the year amounts to R1 075 636 (2013: R1 016 289) for the group.

Information on options granted
Disclosures and amounts relating to these share options are as follows:

Figures in Rand	**Number of Share Options 2014**	Number of Share Options 2013	**Weighted Exercise Price 2014**	Weighted Exercise Price 2013
At 1 January	**15 535 000**	11 400 000	**0,57**	0,51
Allocations made June 2013	**–**	4 135 000	**–**	0,75
Exercised November 2014	**(115 000)**	–	**0,50**	–
Forfeited	**(2 650 000)**	–	**0,57**	–
Allocations made June 2014	**3 495 000**	–	**0,50**	–
Outstanding at 31 December	**16 265 000**	15 535 000	**0,56**	0,57

Vesting date for share options		
15 June 2014	**445 000**	1 140 000
15 June 2015	**2 408 500**	3 833 500
15 June 2016	**4 215 000**	4 660 500
15 June 2017	**4 914 000**	4 660 500
15 June 2018	**3 234 000**	1 240 500
15 June 2019	**1 048 500**	–
	16 265 000	15 535 000

	2014	2013
Total share-based payment expense recognised	**1 231 636**	1 231 280

13. INTEREST-BEARING BORROWINGS

Figures in Rand	**2014**	2013
GROUP		
Secured		
Instalment sale agreements Instalment sale obligations were capitalised at rates ranging between prime and 1 % below the prime interest rate per annum. The loans are repayable over a period of three to five years. The liabilities are secured by instalment sale agreements over property, plant and equipment as per note 3.	**253 747 128**	132 503 776
ABSA		
Term loan	**25 066 667**	31 466 667
The term loan bears interest at a rate equal to the prime interest rate per annum less 1% and is repayable over a period of five years. The security for this liability is detailed in Note 10.		
Mortgage bond		
– George	**1 569 479**	1 777 667
The loan bears interest at the prime bank lending rate. The loan is repayable in monthly installments over 60 months. The loan is secured by land and a building with a carrying value of R4 242 479.		
	280 383 274	165 748 110
Less: Portion payable within one year included in current liabilities	**(89 005 558)**	(55 171 480)
Portion included in non-current liabilities	**191 377 716**	110 576 630
Additional disclosure for interest-bearing borrowings:		
Minimum lease payments due:		
– within one year	**110 390 412**	66 980 454
– in second to fifth year inclusive	**218 239 343**	123 655 480
Total	**328 629 485**	190 635 934
Less: future finance charges	**(48 246 211)**	(24 887 824)
Present value of minimum future payments	**280 383 274**	165 748 110
Present value of minimum future payments due		
– within one year	**89 005 558**	55 171 480
– in second to fifth year inclusive	**191 377 716**	110 576 630
Present value of minimum future payments	**280 383 274**	165 748 110

14. PROVISIONS

14.1 PROVISION FOR SITE REHABILITATION

Figures in Rand	**2014**	2013
GROUP		
Balance 1 January	**16 836 878**	8 844 087
Increase in provision	**7 126 834**	7 992 791
Balance 31 December	**23 963 712**	16 836 878

Site rehabilitation provision
A provision is made for the company's obligation to rehabilitate a leased landfill site after decommissioning the facility in the future.

In accordance with the South African National Environmental Management Waste Act, 2008 (Act No. 59 of 2008) and its associated schedules, the development and operation of a waste disposal facility is considered a listed "Waste Management Activity" and therefore requires a "Waste Licence" as per the requirements of the act. Furthermore, the act makes provision for such a license to specify conditions for decommissioning of the waste disposal facility or for the cessation of the waste management activity for which it grants permission. The waste license issued to the company for its FG landfill site requires that company performs ongoing post-closure monitoring and remediates the site or any portion thereof in accordance with a closure report and rehabilitation plan which must be prepared and approved by government at least one year prior to the intended closure of the site, or any portion thereof. In accordance with the license, Inter-Waste Proprietary Limited will remain responsible for the site, or any of its impacts on the environment after operations have ceased. Due to the long term nature of the liability, the greatest uncertainty in estimating the provision is the costs that will be incurred. In particular, Inter-Waste Proprietary Limited has assumed that the site will be restored using technology and materials that are available currently.

14.1 PROVISION FOR SITE REHABILITATION (CONTINUED)

Experienced waste management engineers are used in the determination of the estimated site rehabilitation costs. The engineers have provided the company with estimates of the total current costs of rehabilitation for the two landfills the company operates, namely cell 1 and cell 2. The 2014 costs of rehabilitation provided by the engineers are R18.3 million (2013: R19 million) and R12.7 million (2013: R9.5 million) for cell 1 and cell 2 respectively. These costs have been based on 2014 market prices for the materials and labour that would be required to rehabilitate the landfills based on applicable laws and regulations. For the purposes of computing the provision to be recognised at year-end, these current costs were adjusted by an average forecast inflation rate of 6 percent per annum over a period of 4 years, the expected life of the landfills, to calculate the expected future rehabilitation costs. The expected future rehabilitation costs were then discounted at a rate of 6 percent over a period of 4 years to calculate the present value of the obligation. At year-end, R11.2 million (2013: R7.2 million) and R12.7 million (2013: R9.6 million) were recognised in respect of provisions for rehabilitation costs for cell 1 and cell 2, respectively.

14.2 PROVISIONS FOR ONEROUS LEASE

Figures in Rand	**2014**	2013
GROUP		
Balance 1 January	**532 308**	1 293 483
Provision utilised	**(532 308)**	(761 175)
Balance 31 December	–	532 308

Onerous lease provision
The provision related to the group's contractual obligation for leased property in Kya Sands and Randburg which were no longer occupied. The leases expired in the current year.

15. TRADE AND OTHER PAYABLES

Figures in Rand	**Group 2014**	Group 2013	**Company 2014**	Company 2013
Trade payables	**56 789 365**	37 999 005	**61 565**	26 046
Other payables	**46 055 270**	33 946 988	**4 909 153**	3 904 183
Accrued expenses	**–**	1 476 510	**–**	–
	102 844 635	73 422 503	**4 970 718**	3 930 229

16. REVENUE

Figures in Rand	**Group 2014**	Group 2013	**Company 2014**	Company 2013
Sale of goods	**104 465 991**	84 457 150	**–**	–
Rendering of services	**730 007 869**	603 785 107	**–**	–
	834 473 860	688 242 257	**–**	–

17. RESULTS FROM OPERATING ACTIVITIES

Results from operating activities have been stated after accounting for the following:

Figures in Rand	**Group 2014**	Group 2013	**Company 2014**	Company 2013
Operating lease charges	**83 136 881**	60 569 030	**–**	–
– premises	**11 692 806**	15 617 191	**–**	–
– equipment	**28 245 224**	–		
– vehicles	**43 198 851**	44 951 839	**–**	–
Legal fees	**2 920 453**	1 232 103	**–**	–
Audit fees – current year	**2 755 311**	1 908 600	**–**	–
Bad debts	**3 186 881**	4 074 201	**–**	–
Depreciation	**64 869 750**	41 677 573	**–**	–
– depreciation on buildings and improvements	**6 807 024**	5 904 255	**–**	–
– depreciation on plant and equipment	**31 293 767**	23 011 265	**–**	–
– depreciation on motor vehicles	**22 909 678**	9 832 006	**–**	–
– depreciation – other	**3 859 281**	2 930 047	**–**	–
Employee costs	**208 648 811**	216 229 411	**68 467 644**	39 179 016
Normal	**190 974 755**	200 373 813	**50 793 588**	23 323 418
Directors' emoluments	**8 061 026**	7 556 012	**8 061 026**	7 556 012
Prescribed officers	**9 613 030**	8 299 586	**9 613 030**	8 299 586
Employee costs recharge paid by subsidiary	**–**	–	**(58 499 970)**	(30 727 598)
Share-based payment expense	**1 231 636**	1 231 280	**429 673**	20 796
Loss on disposal and scrapping of property, plant and equipment	**2 317 542**	4 987 274	**–**	–
Gain on bargain purchase	**–**	(173 848)	**–**	–
Consulting fees	**12 105 529**	3 430 405	**122 121**	675 000
Management fee paid to subsidiary	**–**	–	**600 000**	–
Foreign currency exchange gains	**(297 211)**	(3 691 936)	**–**	–
Provident fund contributions	**2 237 528**	2 062 008	**–**	–
Reversal of impairment against investment in Envirowaste SA Proprietary Limited	**–**	–	**–**	(1 576 784)

18. NET FINANCE (COSTS) / INCOME

Figures in Rand	**Group 2014**	Group 2013	**Company 2014**	Company 2013
Finance income				
Bank accounts	**788 384**	1 118 538	**5 815**	–
Loans to group companies	**–**	–	**15 122 094**	9 891 051
Other interest	**–**	16 567	**–**	12 643
	788 384	1 135 105	**15 127 909**	9 903 694
Finance costs				
Interest-bearing borrowings	**(18 764 174)**	(8 785 968)	**–**	–
Loans from related companies	**–**	(256 537)	**–**	–
Bank overdraft	**(1 567 102)**	(2 120 481)	**–**	(110)
Other interest	**(35 525)**	(171 661)	**(3 095)**	(24 927)
	(20 366 801)	(11 334 647)	**(3 095)**	(25 037)
Net finance (cost) / income	**(19 578 417)**	(10 199 542)	**15 124 814**	9 878 657

19. TAXATION EXPENSE

Figures in Rand	**Group 2014**	Group 2013	**Company 2014**	Company 2013
Major components of the tax expense				
Current taxation	**(11 239 129)**	(2 856 910)	**(354 625)**	–
– current year	**(11 239 129)**	(2 856 910)	**(354 625)**	–
Deferred taxation				
– current year	**(7 650 825)**	(8 879 949)	**(308 474)**	(59 481)
	(18 889 954)	(11 736 859)	**(663 099)**	(59 481)
Reconciliation of tax expense Reconciliation between statutory tax rate and average effective tax rate.	%	%	%	%
Statutory tax rate	**28,00**	28,00	**28,00**	28,00
Reversal of impairment	**–**	–	**–**	(25,32)
Disallowed charges	**1,18**	4,24	**6,07**	0,73
Exempt income	**–**	(2,79)	**–**	–
Unrecognised temporary differences	**(0,18)**	(0,30)	**–**	–
Effect of tax rates in foreign jurisdictions	**0,29**	–	**–**	–
Prior year adjustment	**0,02**	–	**–**	–
Effective tax rate	**29,31**	29,15	**34,07**	3,41

20. NOTES TO THE STATEMENT OF CASH FLOWS

20.1 CASH GENERATED FROM / (UTILISED BY) OPERATIONS

Figures in Rand	**Group 2014**	Group 2013	**Company 2014**	Company 2013
Profit before taxation	**64 437 160**	40 252 567	**1 946 261**	1 743 492
Adjustments for:				
Depreciation	**64 869 750**	41 677 573	**–**	–
Finance costs	**20 366 801**	11 334 647	**3 095**	25 037
Finance income	**(788 384)**	(1 135 105)	**(15 127 909)**	(9 903 694)
Loss on disposal of property, plant and equipment	**2 317 542**	4 987 274	**–**	–
Landfill rehabilitation provision	**7 126 834**	7 992 791	**–**	–
Share-based payment expense	**1 231 636**	1 231 280	**429 673**	20 796
Reversal of impairment against investment	**–**	–	**–**	(1 576 784)
Foreign currency translation reserve movement	**(39 526)**	58 233	**–**	–
Gain on bargain purchase	**–**	(173 848)	**–**	–
Decrease in provision for onerous lease	**(532 308)**	(761 175)	**–**	–
Changes in working capital:				
Increase in trade and other receivables	**(50 974 452)**	(16 609 577)	**–**	365
Increase in trade and other payables	**28 792 132**	8 181 775	**1 040 489**	77 460
(Increase)/decrease in inventories	**(793 263)**	2 755 113	**–**	–
Change in estimate – site rehabilitation cost	**(3 158 237)**	(4 362 497)	**–**	–
Exchange rate movement – deferred tax	**77 118**	(40 243)	**–**	–
Exchange rate movement – property, plant and equipment	**(1 434 364)**	(2 062 982)	**–**	–
	131 498 439	93 325 826	**(11 708 391)**	(9 613 328)

20.2 TAX PAID

Figures in Rand	**Group 2014**	Group 2013	**Company 2014**	Company 2013
Balance (payable)/receivable at beginning of year	**(497 948)**	(1 112 292)	**50 000**	–
Tax recognised in the statement of comprehensive income	**(11 239 129)**	(2 856 910)	**(354 625)**	–
Balance payable/(receivable) at end of year	**2 916 142**	497 948	**156 065**	(50 000)
Taxation paid	**(8 820 935)**	(3 471 254)	**(148 560)**	(50 000)

20. CASH FLOW NOTES (CONTINUED)

20.3 ACQUISITION OF SUBSIDIARIES

INTERWASTE INDUSTRIAL CLEANING PROPRIETARY LIMITED

On 1 July 2014 the group acquired 50% of the issued share capital of Interwaste Industrial Cleaning Proprietary Limited for an amount of R50. Interwaste Industrial Cleaning Proprietary Limited was a dormant company. Subsequently, on 16 October 2014, Interwaste Industrial Cleaning purchased the business operations of Hazclic (Pty) Ltd for R4 901 241. The purchase was paid in cash.

Presented below is a summary of the acquisition date carrying and fair values of the identifiable assets and liabilities acquired:

Figures in Rand	Fair values on acquisition
Liabilities	**(630 000)**
Property, plant and equipment	**5 089 630**
Inventories	**441 611**
Net identifiable assets and liabilities	**4 901 241**
Purchase consideration	**(4 901 241)**
(Goodwill)/gain on bargain purchase	**–**
Purchase consideration	
Cash received	**–**
Net cash outflow	**(4 901 241)**

The operating results of the acquired business post acquisition are disclosed in Note 5.

21. COMMITMENTS

21.1 PREMISES OPERATING LEASES – AS LESSEE

Figures in Rand	**2014**	2013
GROUP		
Minimum lease payments due		
– within one year	**1 397 604**	2 948 324
– in second to fifth year inclusive	**1 847 899**	615 919
	3 245 503	3 564 243

Operating lease payments represent rentals payable by the group for certain of its business premises. Leases are negotiated for an average term of two to five years and rentals escalate either at fixed or inflation rates annually. No contingent rent is payable.

21.2 LANDFILL OPERATING LEASES – AS LESSEE

Figures in Rand	**2014**	2013
GROUP		
Minimum lease payments due		
– within one year	**6 140 509**	2 522 536
– in second to fifth year inclusive	**24 562 037**	11 665 704
	30 702 546	14 188 240

The lease commitment relates to land used for landfill waste disposal. The expiry of the lease is the earlier of 31 December 2025 or once the group has dumped 6,3 million tonnes of waste on the property. Lease payments are based on volumes dumped at a rate that increases annually with inflation. At current dumping rates, it is expected that there are 4 years remaining on the lease.

21.3 MOTOR VEHICLE OPERATING LEASES – AS LESSEE

Figures in Rand	**2014**	2013
GROUP		
Minimum lease payments due		
– within one year	**31 655 031**	47 012 268
– in second to fifth year inclusive	**29 625 091**	55 992 100
	61 280 122	103 004 368

The group leases certain of its motor vehicles in terms of operating leases. Lease charges escalate in line with prime interest rates and typically run for a period of three to four years.

21.4 EQUIPMENT OPERATING LEASES

The group leases certain equipment under month to month leases depending on its need for specialised equipment.

21.5 CAPITAL COMMITMENTS

Figures in Rand	**2014**	2013
GROUP		
– authorised and contracted	**–**	5 932 428
– authorised but not contracted	**59 200 749**	–
	59 200 749	5 932 428

22. RELATED PARTIES

Identity of related party relationships
Group companies as well as directors and significant shareholders are considered to be related parties and have been listed below.

Subsidiaries of the group	Inter-Waste Proprietary Limited Interwaste Cleaning Proprietary Limited Envirowaste SA Proprietary Limited Limpopo Platinum Waste Proprietary Limited Green's Scrap Recycling Proprietary Limited Platinum Waste Resources Proprietary Limited Extent Road Property Proprietary Limited Interwaste Swaziland Proprietary Limited Moz Environmental Limitada Interwaste Properties Proprietary Limited Kutu Waste Management Services Proprietary Limited The Metals Recovery Company Proprietary Limited Earth 2 Earth Proprietary Limited Interwaste Industrial Cleaning (Pty) Ltd Karee Investments Six Seven Proprietary Limited (Namibia) Interwaste Environmental Solutions Limited (Tanzania) Enbitec Environmental Solutions Proprietary Limited
Trust relating to a director	Wilco Family Trust N2 Property Trust
Joint Operation	Lafarge South Africa
Other related party	Interwaste (Mauritius) Limited
Directors	WAH Willcocks BL Willcocks AP Broodryk LC Grobbelaar GR Tipper A Kawa PF Majono L Mahlangu
Significant shareholders	Wilco Family Trust Refer also to the shareholder analysis in this report.

Related party balances
Related party balances at year-end and the corresponding terms and conditions have been disclosed in the following notes:

Investments in subsidiaries	Note 5
Loan to group company	Note 7

Related party transactions	**2014**	2013
GROUP		
N2 Property Trust – property rentals paid	**(2 802 200)**	(3 084 781)
Wilco Family Trust – Interest paid	**–**	(270 444)
Dividends paid to non–controlling interests	**(459 000)**	(1 170 000)
COMPANY		
Inter-Waste Proprietary Limited – Interest received	**15 122 094**	9 891 051
Inter-Waste Proprietary Limited – Expense recharge received	**58 499 970**	30 727 598
Inter-Waste Proprietary Limited – Management fee paid	**(600 000)**	–

Emoluments paid to prescribed officers have been disclosed in note 28. Share options awarded to directors and executive management have been disclosed in note 12. The share option expense related to relevant share options awarded to each director, has been disclosed in note 12.

23. FINANCIAL RISK MANAGEMENT

The group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk.

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The company's board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board is responsible for developing and monitoring the group's risk management policies.

The group's risk management policies are established to identify and analyse the risks faced by the group, in order to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to take account of changes in market conditions and the group's activities.

The board oversees management's monitoring of compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group.

Credit risk
Credit risk is the risk of financial loss to the group if a customer, group company or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and loans to related parties.

Trade and other receivables
The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. There is no concentration of credit risk in a single customer.

The group establishes an allowance for impairments that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Financial assets exposed to credit risk at year end were as follows:

Figures in Rand	**Group 2014**	Group 2013	**Company 2014**	Company 2013
Loan to subsidiary company	**–**	–	**245 362 998**	161 095 113
Cash and cash equivalents	**61 905 653**	29 286 551	**19 847**	12 242
Trade and other receivables	**164 442 340**	113 765 725	**–**	–
	226 347 993	143 052 276	**245 382 845**	161 107 355

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

Domestic	**133 998 995**	104 572 771	**–**	–
Foreign – Mozambique	**19 556 888**	4 764 027	**–**	–
Foreign – Swaziland	**1 211 442**	281 888	**–**	–
	154 767 325	109 618 686	**–**	–

The aging of trade receivables at the reporting date was:

Figures in Rand	**2014 Gross**	**2014 Impairment Allowance**	2013 Gross	2013 Impairment Allowance
GROUP				
Not past due	**84 907 746**	**–**	56 571 248	–
Past due 30 days	**43 263 554**	**–**	34 100 238	–
Past due 60 – 120 days	**32 778 976**	**(6 182 951)**	26 106 720	(7 159 520)
	160 950 276	**(6 182 951)**	116 778 206	(7 159 520)

The Company has no trade receivables at year end.

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

Figures in Rand	**Group 2014**	Group 2013	**Company 2014**	Company 2013
Movement in impairment allowance				
Balance at 1 January 2014	**(7 159 520)**	(5 908 558)	**–**	–
Bad debts written off in current year	**4 886 988**	3 842 083	**–**	–
Impairment allowance created	**(3 910 419)**	(5 093 045)	**–**	–
Balance at 31 December 2014	**(6 182 951)**	(7 159 520)	**–**	–

Based on past experience, the group believes that no impairment allowance is necessary in respect of trade receivables not past due. The loan to the subsidiary company is not impaired at year-end.

Liquidity risk
The group's risk in respect of liquidity relates to the extent of funds available to cover future commitments. The group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The following are the contractual maturities of financial liabilities:

Figures in Rand	Carrying Amount	Contractual Cash Flows	Less Than 1 Year	Between 2 And 5 Years	No Fixed Maturity
GROUP					
At 31 December 2014 **Non derivative liabilities**					
Interest-bearing borrowings	**280 383 274**	**328 629 485**	**110 390 412**	**218 239 343**	**–**
Trade and other payables	**102 844 635**	**102 844 635**	**102 844 635**	**–**	**–**
	383 227 909	**431 474 120**	**213 235 047**	**218 239 343**	**–**
At 31 December 2013 **Non derivative liabilities**					
Interest-bearing borrowings	165 748 110	190 635 934	66 980 454	123 655 480	–
Bank overdraft	5 091	5 091	5 091	–	–
Trade and other payables	73 422 503	73 422 503	73 422 503	–	–
	239 175 704	264 063 528	140 408 048	123 655 480	–

Figures in Rand	Carrying Amount	Contractual Cash Flows	Less Than 1 Year	Between 2 And 5 Years	No Fixed Maturity
COMPANY					
At 31 December 2014 **Non derivative liabilities**					
Trade and other payables	**4 970 718**	**4 970 718**	**4 970 718**	**–**	**–**
At 31 December 2013 **Non derivative liabilities**					
Trade and other payables	3 930 229	3 930 229	3 930 229	–	–

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk
Interest rate risk is the risk that changes in interest rates will affect the Group's income or the value of it's holdings of financial instruments.

The interest rate risk profiles of the interest bearing financial instruments were:

Figures in Rand	**ZAR 2014**	**Interest rate %**	ZAR 2013	Interest rate %
GROUP				
Variable rate instruments				
Cash and cash equivalents	**61 905 653**	**0,40 – 4,35**	29 286 551	0,40
Interest-bearing borrowings	**(280 383 274)**	**8,50 – 9,25**	(165 748 110)	8,50
Bank overdraft	**–**	**–**	(5 091)	8,50

Figures in Rand	**ZAR 2014**	**Interest rate %**	ZAR 2013	Interest rate %
COMPANY				
Variable rate instruments				
Loan to subsidiary company	**245 362 998**	**8,25**	161 095 113	7,50 – 8,50
Cash and cash equivalents	**19 847**	**–**	12 242	–

Sensitivity analysis
A change of 100 basis points in interest rates at the reporting date would have increased or decreased group and company profit or loss and equity by R2 018 760 (2013 – R1 199 946) and R1 766 614 (2013 – R1 162 195) respectively.

Currency risk
The group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currency of the company. The currency in which these transactions is primarily denominated is the Mozambican Metical (MT) as a result of the group's operations in Mozambique. There is no currency risk with regards to operations in Swaziland, due to a 1:1 exchange rate.

The exposure to currency risk was as follows based on carrying amounts for financial instruments was as follows;

Figures in Rand	**ZAR 2014**	**MT 2014**	ZAR 2013	MT 2013
GROUP				
Trade and other receivables	**144 368 197**	**20 074 143**	109 196 846	4 820 475
Cash and cash equivalents	**52 069 225**	**9 836 428**	23 181 403	6 105 148
Trade and other payables	**(97 556 909)**	**(5 287 726)**	(71 134 849)	(2 287 654)
Bank overdraft	**–**	**–**	(5 091)	–
Interest-bearing borrowings	**(280 383 274)**	**–**	(165 748 110)	–
Statement of financial position exposure	**(181 502 761)**	**24 622 845**	(104 509 801)	8 637 969

The following significant exchange rates applied during the year:

Figures in Rand	**Average rate 2014**	Average rate 2013	**Reporting date spot rate 2014**	**Reporting date spot rate 2013**
South African Rand				
MT	**0.36**	0.32	**0.35**	0.35

Sensitivity analyses
A 10 percent weakening of the Rand against the following currency at 31 December would have decreased equity and profit or loss for the group by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Figures in Rand	**Group 2014**	Group 2013
31 December		
MT	**1 674 353**	503 147

A 10 percentage strengthening of the Rand against the MT at 31 December would have had an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.
The group has several United States Dollar denominated bank accounts which do not result in a significant currency risk as the amounts involved are not material.

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value analysis

Figures in Rand	**Carrying Value 2014**	**Fair Value 2014**	Carrying Value 2013	Fair Value 2013
GROUP				
Assets				
Trade and other receivables	**164 442 340**	**164 442 340**	113 765 725	113 765 725
Cash and cash equivalents	**61 905 653**	**61 905 653**	29 286 551	29 286 551
Liabilities				
Interest-bearing borrowings	**280 383 274**	**280 383 274**	165 748 110	165 748 110
Trade and other payables	**102 844 635**	**102 844 635**	73 422 503	73 422 503
Bank overdraft	**–**	**–**	5 091	5 091

Figures in Rand	**Carrying Value 2014**	**Fair Value 2014**	Carrying Value 2013	Fair Value 2013
COMPANY				
Assets				
Loan to group company	**245 362 998**	**245 362 998**	161 095 113	161 095 113
Cash and cash equivalents	**19 847**	**19 847**	12 242	12 242
Liabilities				
Trade and other payables	**4 970 718**	**4 970 718**	3 930 229	3 930 229

FAIR VALUES VERSUS CARRYING AMOUNTS

Estimation of fair values
The following summarises the major methods and assumptions used in estimating the fair values of financial instruments.

Interest-bearing borrowings
Fair value is calculated by discounting the expected future principal and interest cash flows at a market related rate.

Trade and other receivables / payables
For receivables / payables with a remaining life of less than one year, the notional amount is deemed to approximate the fair value. All other long-term receivables / payables are discounted to determine the fair value.

Loan owing by group company
The loan is payable on demand, but has to be repaid by no later than 31 December 2018. The company controls the timing of repayment and does not intend to demand repayment within the next twelve months and thus the loan has been classified as non-current. The fair value is deemed to approximate the face value at year-end as the interest rate applicable to the loan is market related.

Non-derivative financial assets and liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Fair value hierarchy
At 31 December 2014 and 2013, the group did not have financial instruments or other assets carried at fair value, by valuation method, requiring fair value hierarchy classification disclosures.

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital management

The board's policy is to maintain a strong capital base so as to maintain creditor and shareholder confidence and to sustain the future development of the business. The board of directors monitors the return on capital, which the group defines as net operating income divided by total shareholders equity. The board of directors also monitors the level of dividends to ordinary shareholders.

The group's debt to capital ratio at the end of the year was as follows:

Figures in Rand	**Group 2014**	Group 2013	**Company 2014**	Company 2013
GROUP				
Total liabilities	**447 094 137**	286 569 121	**5 126 783**	3 930 229
Less: positive cash balances	**(61 905 653)**	(29 286 551)	**(19 847)**	(12 242)
	385 188 484	257 282 570	**5 106 936**	3 917 987
Total equity	**453 082 560**	325 794 568	**319 800 371**	236 277 947
Debt to capital ratio at 31 December	**0,85**	0,79	**0,02**	0,02

There were no changes to the group's approach to capital management during the year. The group is not subject to externally imposed capital requirements other than for the facilities and guarantees disclosed in Note 10.

24. BASIC EARNINGS AND FULLY DILUTED EARNINGS PER SHARE

The calculation of basic earnings per ordinary share of 10.82 cents (2013: 7.61 cents) is based on a profit of R 44 322 760 (2013: profit of R27 340 964) and a weighted average number of shares in issue of 409 464 398 (2013: 359 183 791).

The calculation of diluted earnings per ordinary share of 10.62 cents (2013: 7.56 cents) is based on a profit of R 44 322 760 (2013: profit of R27 340 964) and a weighted average number of shares in issue of 417 189 252 (2013: 361 699 763).

Weighted average number of shares

Figures in Rand	**2014**	2013
GROUP		
Number of shares in issue	**458 342 877**	395 977 877
Weighted average number of shares	**409 464 398**	359 183 791
Dilutive portion of share options	**7 724 854**	2 515 972
Diluted weighted average number of shares	**417 189 252**	361 699 763

25. HEADLINE EARNINGS AND DILUTED HEADLINE EARNINGS PER SHARE

The headline earnings per ordinary share of 11.23 cents (2013: earnings of 8.56 cents) is based on a profit of R46 000 390 (2013: profit of R30 757 954) and a weighted average number of shares in issue of 409 464 398 (2013: 359 183 791).

The fully diluted headline earnings per ordinary share of 11.03 cents (2013: earnings of 8.50 cents) is based on profit of R46 000 390 (2013: profit of R30 757 954) and a weighted average number of shares in issue of 417 189 252 (2013: 361 699 763).

Reconciliation of headline earnings:

Figures in Rand	**2014**	2013
GROUP		
Attributable profit per the statement of comprehensive income	**44 322 760**	27 340 964
Adjustments for:		
– loss on disposal of property, plant and equipment	**2 317 542**	4 987 274
– taxation on loss on disposal of property, plant and equipment	**(648 912)**	(1 396 436)
– non-controlling interest effect of adjustments	**9 000**	–
– gain from bargain purchase	**–**	(173 848)
	46 000 390	30 757 954
Headline earnings per share (cents)	**11.23**	8.56
Diluted headline earnings per share (cents)	**11.03**	8.50

The net asset value per share is 98.2 cents (2013: 81.74 cents) and is based on a net asset value of R450 191 294 (2013: R 323 668 798) and shares in issue of 458 342 877 (2013: 395 977 877). The tangible net asset value per share is 85.3 cents (2013: 66.7 cents) and is based on a net tangible asset value of R 390 809 502 (2013: R 264 287 006) and shares in issue of 458 342 877 (2013: 395 977 877)

26. SEGMENT REPORT

Figures in Rand	**2014**	2013
GROUP		
Gross revenue		
Waste management	**676 330 265**	529 761 403
Compost manufacturing and sales	**40 989 139**	42 855 305
Landfill management, construction and rehabilitation	**117 154 456**	115 625 549
	834 473 860	688 242 257
Results from operating activities		
Waste management	**46 022 959**	23 736 319
Compost manufacturing and sales	**(1 214 573)**	(6 552 894)
Landfill management, construction and rehabilitation	**39 207 191**	33 268 684
	84 015 577	50 452 109

26. SEGMENT REPORT (CONTINUED)

Figures in Rand	Group 2014	Group 2013
Depreciation		
Waste management	**54 183 404**	30 559 701
Compost manufacturing and sales	**2 474 620**	2 352 673
Landfill management, construction and rehabilitation	**8 211 726**	8 765 199
	64 869 750	41 677 573
Net finance (costs)/income		
Waste management	**(19 455 488)**	(10 058 461)
Compost manufacturing and sales	**(157 568)**	(113 644)
Landfill management, construction and rehabilitation	**34 639**	(27 437)
	(19 578 417)	(10 199 542)
Taxation (expense)/credit		
Waste management	**(6 418 823)**	(3 988 195)
Compost manufacturing and sales	**3 128 511**	1 943 832
Landfill management, construction and rehabilitation	**(15 599 642)**	(9 692 496)
	(18 889 954)	(11 736 859)
Segment assets		
Waste management	**735 889 652**	466 613 658
Compost manufacturing and sales	**30 056 063**	29 778 002
Landfill management, construction and rehabilitation	**134 230 982**	115 972 029
	900 176 697	612 363 689
Segment liabilities		
Waste management	**399 084 434**	245 470 765
Compost manufacturing and sales	**6 501 635**	6 302 204
Landfill management, construction and rehabilitation	**41 508 068**	34 796 152
	447 094 137	286 569 121
Segment property, plant and equipment		
Waste management	**492 654 550**	293 466 872
Compost manufacturing and sales	**11 978 220**	19 591 860
Landfill management, construction and rehabilitation	**93 957 165**	82 278 771
	598 589 935	395 337 503
Capital expenditure		
Waste management	**246 283 222**	154 979 563
Compost manufacturing and sales	**24 500**	1 942 180
Landfill management, construction and rehabilitation	**18 368 931**	17 120 542
	264 676 652	174 042 285

For management purposes the group is organised into three major operating divisions: waste management, compost manufacturing and landfill management, construction and rehabilitation. These represent the basis on which the group reports its primary segment information and manages risk.

27. DIRECTORS' SHAREHOLDING

Figures in Rand	Beneficial Direct 2014	Beneficial Indirect 2014	Total 2014	Beneficial Direct 2013	Beneficial Indirect 2013	Total 2013
Executive						
WAH Willcocks	**100 000**	**79 633 700**	**79 733 700**	100 000	79 633 700	79 733 700
LC Grobbelaar	**–**	**2 740 007**	**2 740 007**	–	2 940 007	2 940 007
AP Broodryk	**2 000 000**	**–**	**2 000 000**	2 000 000	–	2 000 000
Non executive						
Gavin Tipper	**12 756 751**	**–**	**12 756 751**	12 756 751	–	12 756 751
Bronwyn Willcocks	**–**	**79 633 701**	**79 633 701**	–	79 633 701	79 633 701
	14 856 751	**162 007 408**	**176 864 159**	14 856 751	162 207 408	177 064 159

No director has any non-beneficial interest in the ordinary shares of the company.

28. KEY MANAGEMENT EMOLUMENTS

28.1 DIRECTORS' EMOLUMENTS

Figures in Rand	Salary	Fees	Motor vehicle allowance	Bonus and gratuity	Sub total	Share option expense	Total
2014							
Executive							
Alan Willcocks	**2 336 683**	**–**	**–**	**194 724**	**2 531 407**	**–**	**2 531 407**
Leon Grobbelaar	**1 673 378**	**–**	**170 819**	**224 172**	**2 068 369**	**118 235**	**2 186 604**
André Broodryk	**1 788 000**	**–**	**120 000**	**278 250**	**2 186 250**	**284 893**	**2 471 143**
Non-executive – fees							
Gavin Tipper	**–**	**78 000**	**–**	**–**	**78 000**	**–**	**78 000**
Andisiwe Kawa	**–**	**54 000**	**–**	**–**	**54 000**	**–**	**54 000**
Funani Mojono	**–**	**57 000**	**–**	**–**	**57 000**	**–**	**57 000**
Bronwyn Willcocks	**–**	**78 000**	**–**	**–**	**78 000**	**–**	**78 000**
Landiwe Mahlangu	**–**	**78 000**	**–**	**–**	**78 000**	**–**	**78 000**
	5 798 061	**345 000**	**290 819**	**697 146**	**7 131 026**	**403 128**	**7 534 154**
Consulting services							
Gavin Tipper	**–**	**930 000**	**–**	**–**	**930 000**	**–**	**930 000**
	5 798 061	**1 275 000**	**290 819**	**697 146**	**8 061 026**	**403 128**	**8 464 154**

Non-Executive directors are remunerated in line with market related rates taking into account their responsibilities on the board and on any of the sub committees on which they serve. For services that all outside their ordinary duties as directors they are remunerated by the way of a market related fee.

Figures in Rand	Salary	Fees	Motor vehicle allowance	Bonus and gratuity	Sub total	Share option expense	Total
2013							
Executive							
Alan Willcocks	2 204 418	–	–	183 702	2 388 120	–	2 388 120
Leon Grobbelaar	1 571 866	–	175 037	140 989	1 887 892	95 815	1 983 707
André Broodryk	1 680 000	–	120 000	150 000	1 950 000	317 023	2 267 023
Non-executive – fees							
Gavin Tipper	–	102 000	–	–	102 000	–	102 000
Andisiwe Kawa	–	102 000	–	–	102 000	–	102 000
Funani Mojono	–	91 500	–	–	91 500	–	91 500
Bronwyn Willcocks	–	91 500	–	–	91 500	–	91 500
Landiwe Mahlangu	–	102 000	–	–	102 000	–	102 000
	5 456 284	489 000	295 037	474 691	6 715 012	412 838	7 127 850
Consulting services							
Gavin Tipper	–	841 000	–	–	841 000	–	841 000
	5 456 284	1 330 000	295 037	474 691	7 556 012	412 838	7 968 850

Non-Executive directors are remunerated in line with market related rates taking into account their responsibilities on the board and on any of the sub-committees on which they serve. For services that all outside their ordinary duties as directors, they are remunerated by the way of a market related fee.

28.2 PRESCRIBED OFFICERS' EMOLUMENTS

In accordance with the King III recommendation on the disclosure of remuneration paid to prescribed officers (as defined in the Companies Act of 2008), the prescribed officers in the group, other than the executive directors, were remunerated as follows:

Figures in Rand	Salary	Bonus and gratuity	Motor vehicle allowance	Other	Sub total	Share option expense	Total
2014							
Prescribed officer A	**1 037 533**	**128 112**	**–**	**–**	**1 165 645**	**51 672**	**1 217 317**
Prescribed officer B	**918 505**	**76 542**	**74 444**	**47 104**	**1 116 595**	**–**	**1 116 595**
Prescribed officer C	**1 344 000**	**180 000**	**137 706**	**–**	**1 661 706**	**128 893**	**1 790 599**
Prescribed officer D	**1 297 950**	**120 000**	**193 758**	**–**	**1 611 708**	**128 893**	**1 740 601**
Prescribed officer E	**1 110 000**	**125 000**	**109 363**	**–**	**1 344 363**	**63 480**	**1 407 843**
Prescribed officer F	**1 182 960**	**197 160**	**21 208**	**–**	**1 401 328**	**86 711**	**1 488 039**
Prescribed officer G	**1 187 280**	**98 940**	**25 465**	**–**	**1 311 685**	**106 439**	**1 418 124**
	8 078 228	**925 754**	**561 944**	**47 104**	**9 613 030**	**566 088**	**10 179 118**
2013							
Prescribed officer A	978 804	82 167	–	26 348	1 087 319	44 890	1 132 209
Prescribed officer B	866 514	75 210	74 444	74 062	1 090 230	–	1 090 230
Prescribed officer C	1 151 803	155 975	153 418	–	1 461 196	102 577	1 563 773
Prescribed officer D	1 148 904	106 742	188 358	–	1 444 004	102 577	1 546 881
Prescribed officer E	991 200	90 100	108 000	1 037	1 190 337	53 287	1 243 624
Prescribed officer F	1 854 000	154 500	–	18 000	2 026 500	50 545	2 077 045
	6 991 225	664 694	524 220	119 441	8 299 586	353 876	8 653 462

29. RETIREMENT BENEFITS

Defined contribution plan

It is the policy of the group to provide retirement benefits to certain of the group's employees. The group is a member of a provident fund which provides benefits on a defined contribution basis. The fund is subject to the Pensions Fund Act of 1956 as amended. The group's contribution to the provident fund for the year, which has been charged to the statement of comprehensive income, was R2 237 528 (2013: R2 062 008).

The group is under no obligation to cover any unfunded benefits.

30. SUBSEQUENT EVENTS

The directors are not aware of any matter or circumstance arising, since the end of the financial year and up to the date of approving the financial statements, relevant to an assessment of the financial statements at 31 December 2014.

31. DIVIDENDS PAID

No dividends were declared or paid to shareholders during the year 31 December 2014 (2013: Rnil).

Platinum Waste Resources Proprietary Limited, a group subsidiary, did not pay any dividends in the current year (2013: R1 170 000) to non-controlling shareholders.

Interwaste Cleaning Proprietary Limited, a group subsidiary, paid dividends of R459 000 (2013: Rnil) to a non-controlling shareholder.

FOR THE YEAR ENDED 31 DECEMBER 2014

Figures in Rand	No. of shareholders	%	No. of Shares	%
SHAREHOLDER SPREAD				
1 – 1,000 shares	248	17.63	126 415	0.03
1,001 – 10,000 shares	465	33.05	2 332 068	0.51
10,001 – 100,000 shares	539	38.31	20 166 421	4.40
100,001 – 1,000,000 shares	120	8.53	34 837 731	7.60
1,000,001 shares and over	35	2.49	400 880 242	87.46
TOTAL	**1 407**	**100.00**	**458 342 877**	**100.00**
DISTRIBUTION OF SHAREHOLDERS				
Brokers	4	0.28	2 754 982	0.60
Close Corporations	15	1.07	1 501 419	0.33
Endowment Funds	1	0.07	213	0.00
Individuals	1 122	79.74	71 553 087	15.61
Investment Companies	3	0.21	65 759 466	14.35
Mutual Funds	21	1.49	93 401 680	20.38
Nominees and Trusts	113	8.03	187 604 097	40.93
Other Corporations	14	1.00	435 228	0.09
Pension Funds	72	5.12	11 995 794	2.62
Private Companies	38	2.70	22 980 236	5.01
Public Companies	4	0.28	356 675	0.08
TOTAL	**1 407**	**100.00**	**458 342 877**	**100.00**
PUBLIC / NON - PUBLIC SHAREHOLDERS				
Non - Public Shareholders	9	0.64	242 640 173	52.94
Directors and associates of the company	8	0.57	177 213 707	38.66
Strategic Holder (more than 10%)	1	0.07	65 426 466	14.27
Public Shareholders	1 398	99.36	215 702 704	47.06
TOTAL	**1 407**	**100.00**	**458 342 877**	**100.00**
BENEFICIAL SHAREHOLDERS HOLDING 5% OR MORE				
Wilco Family Trust			159 267 401	34.75
Coronation Capital Limited			65 426 466	14.27

SHAREHOLDERS' DIARY

SALIENT DATES

Financial year-end	31 December
Annual General Meeting	30 June 2015

REPORTS

Interim results for half year to June 2015	September 2015
Abridged annual results announcement for 2015	March 2016
Annual Financial Statements for 2015	May 2016

Interwaste Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2006 / 037223 / 06)
(JSE share code: IWE)
(ISN: ZAE000097903)
("Interwaste" or "the Company" or "the Group")

NOTICE TO SHAREHOLDERS OF ANNUAL GENERAL MEETING

Incorporating a form of proxy for the use of holders of certificated ordinary shares and dematerialised ordinary shares with "own name" registration only.

Notice is hereby given that the annual general meeting of the Company's shareholders will be held in the boardroom of the Company, 2 Brammer Road, Germiston South, Gauteng, South Africa on Tuesday, 30 June 2015 at 14h00 to conduct the business listed below.

(The record date for receipt of the notice of Annual General Meeting is 22 May 2015. The record date in terms of section 59 of the Companies Act, 2008, ("the Companies Act") for shareholders to be recorded in the Register in order to be able to attend, participate and vote at the annual general meeting is Friday, 19 June 2015).

To consider and, if deemed fit, to pass with or without modification, the ordinary resolutions 1 to 7 below. In terms of the Companies Act, for an ordinary resolution to be adopted, it must be supported by more than 50% of the total number of votes which the shareholders present or represented by proxy at the meeting are entitled to cast.

1. To receive and adopt the annual financial statements for the year ended 31 December 2014, together with the reports of the directors, the audit committee and the external auditors.
2. To re-elect Mrs A Kawa as a non-executive director of the Company. In terms of the Company's Memorandum of Incorporation she retires by rotation but being eligible, offers herself for re-election.*
3. To re-elect Mr L Mahlangu as a non-executive director of the Company. In terms of the Company's Memorandum of Incorporation he retires by rotation but being eligible, offers himself for re-election.*
4. To re-appoint KPMG as the independent external auditors of the Company and to appoint Mr N Botha as the registered auditor who will undertake the audit of the Company for the ensuing year.
5. To elect, as separate resolutions, the members of the Audit and Risk Committee. The proposed members of the committee are:

   5.1 Mr P Mojono (Chairman);

   5.2 Mr G Tipper;

   5.3 Ms A Kawa.*

   The Board has satisfied itself that these directors are suitable for appointment to the Audit and Risk committee as contemplated in the Companies Act. (*Brief CVs of the directors appear on page 8 of the integrated report.)
6. To endorse, by way of a non-binding, advisory ordinary resolution, the Company's remuneration policy as set out in the Remuneration Report.
7. That pursuant to the Memorandum of Incorporation of the Company, and subject to the Companies Act and the Listings Requirements of the JSE Limited ("Listings Requirements"), the directors of the Company be and are hereby authorised, by way of a general authority to, allot and issue ordinary shares for cash as and when suitable opportunities arise, subject to the following conditions:

   7.1 that the shares be of a class already in issue or where this is not the case, be limited to such shares or rights that are convertible into a class already in issue;

   7.2 that the shares only be issued or sold, as the case may be, to public shareholders as defined in the Listings Requirements, and not to related parties;

   7.3 that the shares to be issued or sold do not exceed 15 percent, i.e 68 751 432 shares, of the Company's issued shares, the number that may be issued or sold, as the case may be, being determined in accordance with sub-paragraph 5.52 (c) of the Listings Requirements and the Companies Act;

   7.4 that the maximum discount at which such shares be issued or sold, is 10 percent of the weighted average traded price of such shares on the JSE over the 30 business days preceding the date of determination of the issue or selling price

   7.5 that such authorisation is valid only until the next annual general meeting or for 15 months from the date of this resolution, whichever is the earlier date;

   7.6 that an announcement giving full details of any issue, including the impact on net asset value, net tangible asset value, earnings, and headline earnings per share and, if applicable, diluted earnings and diluted headline earnings per share, be published at the time of any issue or sale representing, on a cumulative basis within a financial year, five percent or more of the number of securities in issue prior to the issue.

VOTING

In terms of the Listings Requirements, the approval of this ordinary resolution requires 75 percent of the votes cast by all shareholders present or represented by proxy (excluding the controlling shareholders together with their associates).

To consider and if deemed fit, to pass with or without modification, special resolutions 8 to 10 below. In terms of the Companies Act for a special resolution to be adopted, it must be supported by at least 75% of the total number of votes which the shareholders present or represented by proxy at the meeting are entitled to cast.

8. That with effect from 1 July 2015 the fees payable to the non-executive directors of the Company be R15 000 per board meeting, R10 000 per audit committee meeting, R8 000 per general meeting and R5 000 per remuneration committee and social and ethics committee meeting attended.

   (The non-executive directors' fees proposed in terms of this resolution are based on the results of a review and comparison of non-executive directors' fees to market related benchmarks.)

9. That, as a general authority contemplated in the Act, the repurchase from time to time, either by the Company itself or by its subsidiaries, of the Company's issued shares, upon such terms and conditions and in such amounts as the directors of the Company may decide, subject to the provisions of the Companies Act and the Listings Requirements, be approved. It being recorded that in terms of the Listings Requirements, general repurchases of the Company's shares can only be made subject to the following terms and conditions:

   9.1 that the Company and its subsidiaries are authorised by their Memoranda of Incorporation to repurchase such shares;

   9.2 that the repurchase of shares be effected through the order book operated by the JSE trading system and be done without any prior understanding or arrangement between the Company and the counterparty;

   9.3 that the general authority be valid only until the next annual general meeting or for 15 months from the date of the approval of this special resolution, whichever is the earlier date;

   9.4 that an announcement be published giving such details as may be required in terms of the Listings Requirements when the Company has cumulatively repurchased three percent of the initial number (the number of that class of share in issue at the time that the general authority is granted) of the relevant class of shares and for each three percent in aggregate of the initial number of that class acquired thereafter;

   9.5 that at any one time the Company may only appoint one agent to effect any repurchase on the Company's behalf;

   9.6 that the repurchase of shares shall not, in the aggregate, in any one financial year, exceed 20 percent of the Company's issued share capital as at the date of passing this resolution, or 10 percent of the Company's issued share capital in the case of an acquisition of shares in the Company by the subsidiaries of the Company;

   9.7 that the repurchase of shares may not be made at a price greater than 10 percent above the weighted average traded price of the shares as determined over the five business days immediately preceding the date on which the transaction is effected;

   9.8 that the repurchase of shares may not be made by the Company and/or its subsidiaries during a prohibited period as defined by the Listings Requirements of the JSE unless a repurchase programme is in place where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been disclosed in an announcement on SENS prior to the commencement of the prohibited period;

   9.9 that the board of directors passes a resolution authorising the repurchase and that the Company passes the solvency and liquidity tests set out in section 4 of the Companies Act and that since the tests were done there have been no material changes to the financial position of the group.

The reason for this resolution is to grant the Company and its subsidiaries a general authority to repurchase the Company's shares by way of open market transactions on the JSE, subject to the Companies Act and the Listings Requirements. The directors currently have no specific intention with regard to the utilisation of this authority.

DISCLOSURES REQUIRED IN TERMS OF THE LISTINGS REQUIREMENTS OF THE JSE

In terms of the Listings Requirements, the following disclosures are required with reference to the repurchase of the Company's shares as set out in the resolution number 9 above:

The directors are of the opinion that, after considering the effects of the maximum repurchase permitted, for a period of 12 months after the date of this notice of annual general meeting:

- the Company and the Group will be able, in the ordinary course of business, to pay their debts;
- the assets of the Company and the Group will be in excess of their liabilities, recognised and measured in accordance with the accounting policies used in the latest annual financial statements;
- the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes; and
- the working capital resources of the Company and the Group will be adequate for ordinary business purposes.

VOTING

The approval of 75 percent of the votes cast for this resolution by all shareholders present or represented by proxy is required.

10. That the Company be authorised, in terms of section 45(2) of the Companies Act, to provide direct or indirect financial assistance to:
    - a director or prescribed officer of the Company or of a related or inter-related company for the purchase of the Company's shares; or
    - a related or inter-related company,

subject to:

10.1 such authorisation being valid only until the next annual general meeting or for 15 months from the date of this resolution, whichever is the earlier date;

10.2 the board of the Company being satisfied immediately after providing the financial assistance, that the Company would satisfy the solvency and liquidity test; and

10.3 the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company".

The reason for this resolution is to authorise the Company to provide financial assistance to a related or inter-related company or to the Company's directors and/or prescribed officers for the purchase of the Company's shares.

LITIGATION STATEMENT

Other than disclosed or accounted for in this integrated report, the directors of the Company, whose names are given on page 8 of this report, are not aware of any legal or arbitration proceedings, pending or threatened against the Group, which may have or have had, in the 12 months preceding the date of this notice of annual general meeting, a material effect on the Group's financial position.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given on page 8 of this integrated report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to the above ordinary and special resolutions and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above ordinary and special resolutions contain all information required by law and the Listings Requirements.

MATERIAL CHANGES

Other than as reported in this integrated report and arising in the ordinary course of business, there were no material changes to the affairs, financial or trading position of the Group between the financial year end and the signature date of this report.

The following further disclosures required in terms of the Listings Requirements are set out in the integrated report of which this notice forms part:
Directors and management (Refer to pages 8 and 16)
Major shareholders of the Company (Refer to page 75)
Directors' interests in the Company's shares (Refer to page 73)
Share capital (Refer to page 56)

VOTING AND ATTENDANCE

On a show of hands every shareholder present in person or by proxy and if a member is a body corporate, its representative, shall have one vote and on a poll, every shareholder present in person or by proxy and if the person is a body corporate, its representative, shall have one vote for every share held or represented by him/her. Each shareholder is entitled to appoint one or more proxies to attend, speak and on a poll, to vote in his/her stead. A proxy need not to be a shareholder of the Company. Before any person may attend or participate in the annual general meeting, that person must present reasonably satisfactory identification, and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as shareholder or as proxy for a shareholder, has been reasonably verified.

ACTION REQUIRED BY CERTIFICATED SHAREHOLDERS AND OWN-NAME DEMATERIALISED SHAREHOLDERS

A form of proxy is attached for the convenience of certificated shareholders and own-name dematerialised shareholders who are unable to attend the annual general meeting, but who wish to be represented thereat. In order to ensure validity, duly completed forms of proxy must be returned to the transfer secretaries, so as to reach them by no later than 48 hours before the time of the annual general meeting or they may be handed to the chairperson of the annual general meeting at any time prior to the commencement of voting on the ordinary and special resolutions tabled at the annual general meeting.

ACTION REQUIRED BY DEMATERIALISED SHAREHOLDERS OTHER THAN THOSE WITH OWN-NAME REGISTRATION

The CSDP or broker, as the case may be, of dematerialised shareholders, other than those with own-name registration, should contact such dematerialised shareholders to ascertain how they wish their votes to be cast at the annual general meeting and thereafter cast their votes in accordance with their instructions. If such dematerialised shareholders have not been contacted, it is recommended that they contact their CSDP or broker, as the case may be, to advise them as to how they wish their vote to be cast. Dematerialised shareholders, other than those with own-name registration, who wish to attend the annual general meeting, must request a Letter of Representation from their CSDP or broker, as the case may be, but must not complete the attached form of proxy.

ELECTRONIC PARTICIPATION

In terms of section 61(10) of the Companies Act, every shareholders' meeting of a public company must be reasonably accessible within South Africa for electronic participation by shareholders. Shareholders wishing to participate electronically in the annual general meeting are required to deliver written notice to the Company at either of the following addresses:

Physical address:
Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001

Postal address:
PO Box 61051, Marshalltown, 2107

Fax Number:
+27 11 688 5238

by no later than 14h00 on Tuesday, 23 June 2015 advising that they wish to participate via electronic communication in the annual general meeting (the "Electronic Notice"). In order for the Electronic Notice to be valid it must contain the following information:

a) if the shareholder is an individual, a certified copy of his identity document and/or passport;

b) if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. The relevant resolution must set out who from the relevant entity is authorised to represent the relevant entity at the general meeting via electronic communication;

c) a valid e-mail address and/or facsimile number (the "Contact Address/Number"); and

d) if the Shareholder wishes to vote via electronic communication, set out that the shareholder wishes to vote via electronic communication.

By no later than 48 hours before the time of the annual general meeting, the Company shall use its reasonable endeavours to notify a shareholder, at its contact address/number, who has delivered a valid Electronic Notice, of the relevant means through which the shareholder can participate in the annual general meeting via electronic communication.

SALIENT DATES

Record date to receive notice this notice of annual general meeting	**22 May 2015**
Last day to trade to be eligible to vote at the annual general meeting	**12 June 2015**
Record date for determining those shareholders entitled to vote at the annual general meeting	**19 June 2015**

BY ORDER OF THE BOARD

Allen Stuart De Villiers (BA) LLB
Company Secretary
21 May 2015

DIRECTORS	**Executive Directors** WAH Willcocks – Chief Executive Officer LG Grobbelaar – Landfill Director AP Broodryk – Financial Director **Independent Non-executive Chairperson** A Kawa **Independent Non-executive Directors** PF Mojono L Mahlangu **Non-executive Directors** BL Willcocks GR Tipper
COMPANY SECRETARY	AS de Villiers 2 Brammer Road, Industries East, Germiston South Telephone: (011) 323 7300
REGISTERED OFFICE	2 Brammer Road, Industries East, Germiston South PO Box 382, Germiston, 1400
COMPANY REGISTRATION NUMBER	2006 / 037223 / 06
AUDITORS	KPMG Inc. KPMG Crescent, 85 Empire Road, Parktown, 2193 Private Bag 9, Parkview, 2122
TRANSFER SECRETARIES	Computershare Investor Services (Pty) Limited 70 Marshall Street, Johannesburg, South Africa, 2001 PO Box 24, Newtown, 2113
BANKERS	ABSA Bank Limited Pallazo Towers West, Monte Casino Boulevard Fourways, 2055 PO Box 782991, Sandton, 2146
ATTORNEYS	Fluxmans Inc. 11 Bierman Avenue, Roadebank, 2196 Private Bag X41, Saxonwold, 2196
SPONSOR	Grindrod Bank, 1st Floor, Building 3 Commerce Square, 39 Rivonia Road PO Box 78011, Sandton, 2196

FORM OF PROXY

INTERWASTE HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2006 / 037223 / 06)
(JSE code: IWE ISN: ZAE000097903)
("the Company")
Form of proxy

FOR USE BY CERTIFICATED SHAREHOLDERS AND SHAREHOLDERS WHO HAVE DEMATERIALISED THEIR SHARE CERTIFICATES AND HAVE ELECTED "OWN NAME" REGISTRATION THROUGH A CENTRAL SECURITIES DEPOSITORY PARTICIPANT ("CSDP") OR BROKER, AT THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD AT 14H00 ON TUESDAY, 30 JUNE 2015.

If you are a shareholder and have dematerialised your share certificate through a CSDP or broker, and have not selected own name registration in the sub-register maintained by a CSDP, you must not complete this form of proxy but must instruct your CSDP or broker to issue you with the necessary Letter of Representation to attend the annual general meeting, or if you do not wish to attend, you may provide your CSDP or broker with your voting instructions in terms of the custody agreement entered into with your CSDP or broker.

I / We (Name in block letters)	
of (Address in block letters)	
With the following telephone numbers:	Work Telephone:
	Home Telephone:
	Cellular Telephone:
being a member / members of Interwaste Holdings Limited and entitled to	votes, hereby appoint
1.	or failing him / her
2.	or failing him / her

the chairman of the meeting

as my/our proxy to act for me/us at the annual general meeting, to be held at Interwaste Holdings Limited, 2 Brammer Road, Germiston South, Gauteng, South Africa on Tuesday, 30 June 2015 at 14h00 and at any adjournment thereof, as follows:

	Number of Interwaste Shares		
	In Favour	**Against**	**Abstain**
1. Adoption of financial statements			
2. Re-election of Mrs A Kawa			
3. Re-election of Mr L Mahlangu			
4. Re-appointment of KPMG as the Company's independent auditors and Mr N Botha as the registered auditor			
5.1 Appointment of Mr P Mojono to the audit and risk committee			
5.2 Appointment of Mr G Tipper to the audit and risk committee			
5.3 Appointment of Mrs A Kawa to the audit and risk committee			
6. Approval of the remuneration philosophy of the Company			
7. General authority to allot and issue shares for cash			
6. Special Resolution - Approval of non-executive director's fees for the ensuing year			
9. Special Resolution - General authority to repurchase shares			
10. Special Resolution – Authorisation to provide financial assistance			

Signed at on 2015

Member

Please read the instructions on the reverse side of this form of proxy.

Form of proxy – Instructions

1. On a poll a shareholder is entitled to one vote for each share held.
2. Forms of proxy must be lodged at, posted to or faxed to Computershare Investor Services (Pty) Limited ("Computershare"), 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107 Fax +27 11 688 5238), to reach Computershare by no later than 14h00 on Thursday, 25 June 2015 or they may be handed to the chairperson of the annual general meeting at any time prior to the commencement of voting on the ordinary and special resolutions tabled at the annual general meeting.
3. The form of proxy must be delivered as per paragraph 2 above, before the proxy exercises any rights of the shareholder at the general meeting.
4. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting the words "the chairman of the annual general meeting". Any such deletion must be individually initialled by the shareholder, failing which it will not have been validly effected. The person present at the annual general meeting whose name appears first on the form of proxy and has not been deleted shall be entitled to act as proxy to the exclusion of the persons whose names follow.
5. Any alterations or corrections to this form of proxy have to be initialled by the relevant signatory(ies).
6. Each shareholder is entitled, at any time, to appoint one or more proxies (who need not be a shareholder(s) of the Company) to attend, speak and vote (either on a poll or by show of hands) in place of that shareholder at the annual general meeting.
7. Voting instructions for each of the resolutions must be completed by filling in the number of votes (one per ordinary share) under the "In Favour", "Against" or "Abstain" headings on the form of proxy. If no instructions are filled in on the form of proxy, the chairman of the annual general meeting, if the chairman is the authorised proxy, or any other proxy shall be authorised to vote in favour of, against or abstain from voting as he/she deems fit.
8. A shareholder or his/her proxy is entitled but not obliged to vote in respect of all the ordinary shares held by the shareholder. The total number of votes for or against the ordinary and special resolutions and in respect of which any abstention is recorded may not exceed the total number of shares held by the shareholder.
9. The appointment of a proxy is suspended at any time, to the extent that the shareholder concerned chooses to act directly and in person in the exercise of any rights as a shareholder. The appointment is revocable by the shareholder cancelling it in writing, or making a later inconsistent appointment, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument or the date on which the revocation instrument is delivered to the proxy and the Company.
10. Documentary evidence establishing the authority of a person signing this form must be attached to this form of proxy unless previously recorded by the transfer secretaries of the Company or waived by the chairman of the annual general meeting.
11. This form of proxy is to be completed only by those shareholders who either still hold shares in a certificated form, or whose shares are recorded in their "own name" in electronic form in the sub-register.
12. Shareholders whose dematerialised shares are held in the name of a nominee and wish to attend the annual general meeting must contact their Central Securities Depository Participant ("CSDP") or broker who will furnish them with the necessary letter of representation to attend the annual general meeting. Alternatively, they have to instruct their CSDP or broker as to how they wish to vote. This has to be done in terms of the agreement between the shareholder and the CSDP or the broker.
13. Shareholders who wish to attend and vote at the meeting must ensure that their letters of representation from their CSDP or broker reach the transfer secretaries by not later than 14h00 on Thursday, 25 June 2015.
14. The completion and lodging of this form of proxy does not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person to the exclusion of any proxy appointed by the shareholder.
15. If the instrument appointing a proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that must be delivered by the Company to the shareholder must be delivered to the shareholder or the proxy / proxies (if the shareholder has directed the Company to do so in writing and has paid any reasonable fee charged by the Company for doing so).
16. The chairman of the annual general meeting may accept or reject any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he shall not accept a proxy unless he is satisfied as to the manner in which a shareholder wishes to vote.
17. Subject to revocation by the shareholder, the proxy appointment remains valid only until the end of the meeting at which it is intended to be used.

Transfer secretaries' office
Computershare Investor Services (Pty) Limited
70 Marshall Street, Johannesburg, 2001
(P O Box 61051, Marshalltown, 2107)

SUMMARY OF THE RIGHTS ESTABLISHED IN TERMS OF SECTION 58 OF THE ACT AS REQUIRED BY SECTION 58(8)(B)

For purposes of this summary, "shareholder" shall have the meaning ascribed thereto in the Act.

1. At any time, a shareholder of a company is entitled to appoint any individual, including an individual who is not a shareholder of that company, as a proxy, to participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder, or give or withhold written consent on behalf of such shareholder in relation to an decision contemplated in section 60 of the Act.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder, and such proxy appointment remains valid for one year after the date upon which the proxy was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Companies Act or expires earlier as contemplated in section 58(8)(d) of the Companies Act.
3. Except to the extent that the Memorandum of Incorporation of a company provides otherwise:
   3.1. a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;
   3.2. a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
   3.3. a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders meeting.
4. Irrespective of the form of instrument used to appoint a proxy, the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company.
5. Unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the company.
6. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date: (a) stated in the revocation instrument, if any; or (b) upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Act.
7. If the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Act or the relevant company's Memorandum of Incorporation to be delivered by such company to the shareholder, must be delivered by such company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant company to do so in writing and paid any reasonable fee charged by the company for doing so.
8. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy provides otherwise.
9. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
   9.1. such invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
   9.2. the invitation, or form of instrument supplied by the relevant company, must: (a) bear a reasonably prominent summary of the rights established in section 58 of the Act; (b) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by such shareholder; and (c) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour or against the applicable resolution/s to be put at the relevant meeting, or is to abstain from voting;
   9.3. the company must not require that the proxy appointment be made irrevocable; and
   9.4. the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Act.

In line with Interwaste Holdings Limited's stated environmental policy on natural resource utilisation, this report is printed on Cyclus Print 100% recycled, coated paper. All ink used is 100% vegetable based and 100% recyclable.