Wynland Water Users Association

Annual Financial Statements
for the year ended 30 June 2025

Audited Financial Statements

Wynland Water Users Association
Annual Financial Statements for the year ended 30 June 2025

Water Users Association

The following subdistricts are aggregated and are shown as the Wynland Water Users Association

Wynland Water Users Association Stellenbosch (Subdistrict 1)

Wynland Water Users Association Helderberg (Subdistrict 2)

Wynland Water Users Association Eersterivier (Subdistrict 3)

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The annual financial statements set out on pages 5 to 11 are approved by the Management Committee, who is responsible for the accuracy and completeness of the information and is signed on behalf of the Management Committee by:

________________________________ ____________________
Chairman Date

____
Secretary

J E Alexander & Co.
Registered Chartered Accountant & Auditor Reg # 951202
11 Kei Road, Farrarmere, Benoni, 1501

Tel: 082 465 4099
Email: james@anatax.co.za

Independent Auditor's Report

To the Management Committee of Wynland Water Users Association

Opinion

We have audited the financial statements of Wynland Water Users Association ("the Association" or "WWUA"), which comprise the statement of financial position as at 30 June 2025, the statements of comprehensive income, changes in reserves and cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of WWUA for the year ended 30 June 2025 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the financial statements (the Association's management-accounting basis of accounting).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Association in accordance with the IRBA Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to audits in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting (Special Purpose)

We draw attention to Note 1, which describes the management-accounting basis of accounting applied by WWUA to meet the information needs of its members (water users) and the Department of Water and Sanitation. The financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Management Committee is responsible for the other information. The other information comprises the information included in the document titled "Wynland Water Users Association

Annual Financial Statements for the year ended 30 June 2025", but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Committee for the Financial Statements

The Management Committee is responsible for the preparation of the financial statements in accordance with the basis of accounting described in Note 1 and for determining that this basis of preparation is acceptable in the circumstances. The Management Committee is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going-concern basis of accounting unless the Management Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Association.
- Conclude on the appropriateness of the Association's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the re.lated disclosures in the financial statements; or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report; however, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter – Restriction on Use

The financial statements have been prepared in accordance with a special-purpose basis of accounting (management accounting basis) to meet the needs of the Association's members and the Department of Water and Sanitation. Our report is intended solely for those parties and should not be distributed to or relied upon by any other parties for any other purpose.

J E Alexander

J E Alexander & Co.
Registered Auditors
Engagement Partner: James Alexander
Stellenbosch, South Africa
Date: 24 October 2025

Wynland Water Users Association
Statement of Financial Position as at 30 June 2025

	Notes	R 2025	R 2024
ASSETS			
Non-Current Assets			
Property, plant and equipment	***2***	17 207 744	17 322 741
Current assets			
Inventory	***3***	774 458	774 458
Trade and Other Receivables	***4***	4 638 743	3 956 408
Cash and cash equivalents	***5***	104 223 114	104 801 876
TOTAL ASSETS		**126 844 059**	**126 855 483**
EQUITY AND LIABILITIES			
Equity and reserves			
Retained income		8 845 756	14 181 485
Subsidy		15 035 950	15 035 950
Reserve for project replacement		100 512 162	92 679 112
Totale Kapitaal / Total Equity		124 393 868	121 896 547
Current liabilities			
Trade and other payables	***6***	2 450 191	4 958 936
TOTAL EQUITY AND LIABILITIES		**126 844 059**	**126 855 483**

Wynland Water Users Association

Statement of Comprehensive Income for the Year Ended 30 June 2025

	Notes	R 2025	R 2024
INCOME			
Revenue levies operational		21 313 594	17 905 810
Revenue alian invasion clearance		628 000	
		21 941 594	17 905 810
COST OF SALES			
Cost of alian invasion clearance		628 045	
GROSS PROFIT		21 313 549	17 905 810
OPERATING EXPENSES		27 179 062	22 406 994
Adminstrative		1 097 692	1 057 348
Depreciation		1 810 538	1 739 092
Electricty		5 864 252	4 993 239
Employee costs		5 014 345	4 515 457
Fines and penalties		14 489	
Other costs	*8*	2 672 830	
Repairs and maintenance		2 595 001	2 451 170
Water cost		8 109 914	7 650 688
OPERATING DEFICIT FOR THE YEAR		-5 865 513	-4 501 184
Interest received	*7*	286 088	310 698
Investment income	*7*	7 833 050	7 933 068
SURPLUS FOR THE YEAR		**2 253 625**	**3 742 582**

Wynland Water Users Association

Statement of Changes in Equity for the Year Ended 30 June 2025

	R 2025	R 2024
RETAINED INCOME		
At beginning of the year	14 181 485	18 371 971
Adjustment for unrecorded electricty deposit	243 696	
Retained surplus for the year	2 253 625	3 742 582
	16 678 806	22 114 553
Transfer to from Reserve for Project Replacement	-7 833 050	-7 933 068
Interest on surplus funds	-7 833 050	-7 933 068
At end of year	8 845 756	14 181 485
SUBSIDY		
At beginning of the year	15 035 950	15 035 950
At end of year	15 035 950	15 035 950
RESERVE FOR PROJECT REPLACEMENT		
At beginning of the year	92 679 112	84 746 044
Transfer from Retained Income	7 833 050	7 933 068
Interest on surplus funds	7 833 050	7 933 068
At end of year	100 512 162	92 679 112

Wynland Water Users Association

Statement of Changes in Equity for the Year Ended 30 June 2025

	R 2025	R 2024
Cash flow from Operating Activities		
Interest received operatoinal	286 088	310 698
Interest received cash investments	7 833 050	7 933 068
	8 119 138	8 243 766
Cash generated from / (utilised in) operating activities	-7 002 359	-3 855 665
Income per statement of comprehensive income	2 253 625	3 742 582
Adjustment for Depreciation	1 810 538	1 739 092
Adjustment for unrecorded deposits	243 696	
Adjusment for Interest Received	-8 119 138	-8 243 766
Adjustment for trade and other receivables	-682 335	-364 757
Adjustment for trade and other payables	-2 508 745	-728 816
Net Cash generated from / (utilised in) Operating Activities	1 116 778	4 388 101
Cash from Investment Activities		
Additions to fixed assets	-1 758 037	-515 814
Scraping of items	62 496	-
	-1 695 541	-515 814
Increase in Cash and Cash Equivalents	-578 762	3 872 287
Cash and Cash Equivalents Beginning of the Year	104 801 876	100 929 589
Cash and Cash Equivalents End of the Year	**104 223 114**	**104 801 876**

Wynland Water Users Association
Notes to the Financial Statements for the Year Ended 30 June 2025

1. ACCOUNTING POLICIES

ASSOCIATION INFORMATION AND PRESENTATION OF FINANCIAL STATEMENTS

The Wynland Water Users Association is a non profit association with the purpose of distribution of water and maintaining the water infrastructure to its members. The principal place of business is Polkadraai Pad, Droë Dyke, Stellenbosch, 7600. The association is divided into three sub districts namely, Stellenbosch District, Helderberg District and Laer Eersterivier District.

The financial statements are compiled on the historical cost-basis and incorporate the following main accounting policies which are consistent with the previous years. The financial statements are prepared for management purposes.

CONSOLIDATION

Sub districts of The Wynland Water Users Association over which management has the power to govern the financial and operating policies are aggregated into this set of financials.

PROPERTY PLANT AND EQUIPMENT

Property, plant, and equipment are shown at historical cost less accumulated depreciation and any impairment loss. Cost includes all costs that are necessary to get the assets into working condition. Depreciation is charged to the profit of loss over the expected useful life of the asset. The following depreciation periods were used:

Plant	40 years
Vehicles	5 years
Office equipment	3 years

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise bank balances and medium-term deposits.

INVENTORY

Inventory comprise water rights accounted for on the First-in-First-out basis and is shown at cost price.

TRADE AND OTHER RECEIVABLES

Trade receivables are shown at expected realisable values. No provision is made of doubtful debts due to the nature of the underlying water rights and debt attached to these water rights remain and is transferred to new owners.

TRADE AND OTHER PAYABLES

Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

REVENUE

Revenue comprises invoiced water levies, excluding VAT. The association recognises revenue when it can be measured reliably and when economic benefits will probably flow to the association.

INTEREST RECEIVED

Interest earned on surplus funds is transferred to replacement reserve. Interest income that accrues and are received monthly, is recognised when it accrues. All interest received on surplus funds is transferred to the project replacement reserve as approved by the oversight board.

Wynland Water Users Association

Notes to the Financial Statements for the Year Ended 30 June 2025

	R 2025	R 2024
2. Property, plant and equipment		
Water scheme at book value	16 531 135	16 485 039
Motor vehicles at book value	578 773	735 793
Office equipment at book value	97 836	101 909
	17 207 744	**17 322 741**

	Water scheme	Motor vehicles	Office equipment	Total
As at 30 June 2024				
Cost price				
Cost price 1 July 2023	57 838 157	2 331 978	234 280	60 404 415
Additions	396 109	56 652	63 053	515 814
Cost price 30 June 2024	58 234 266	2 388 630	297 333	60 920 229
Depreciation				
Accumulated depreciation 1 July 2023	40 293 252	1 392 627	172 517	41 858 396
Depreciation for the year	1 455 975	260 210	22 907	1 739 092
Accumulated depreciation 30 June 2024	41 749 227	1 652 837	195 424	43 597 488
Book value 30 June 2024	**16 485 039**	**735 793**	**101 909**	**17 322 741**
As at 30 June 2025				
Cost price				
Cost price 1 July 2024	58 234 266	2 388 630	297 333	60 920 229
Additions	1 561 979	142 783	53 275	1 758 037
Disposals	-98 327	-1 111 174	-40 345	-1 249 845
Cost price 30 June 2025	59 697 919	1 420 239	310 263	61 428 421
Depreciation				
Accumulated depreciation 1 July 2024	41 749 227	1 652 837	195 424	43 597 488
Depreciation for the year	1 453 398	299 796	57 344	1 810 538
Disposals	-35 841	-1 111 167	-40 341	-1 187 349
Accumulated depreciation 30 June 2025	43 166 784	841 466	212 427	44 220 677
Book value 30 June 2025	**16 531 135**	**578 773**	**97 836**	**17 207 744**

Wynland Water Users Association

Notes to the Financial Statements for the Year Ended 30 June 2025

	R 2025	R 2024
4. Trade and Other Receivables		
Levies recievable	3 877 384	2 921 188
Deposits	280 230	34 086
VAT receivable	254 445	704 449
Accrued interest	226 684	296 685
	4 638 743	3 956 408
5. Cash and Cash Equivalents		
Cash in bank	104 223 114	104 801 876
Cash and cash equivalents are allocated as follows :		
Reserve for project replacement	100 512 162	92 679 112
Operations	3 710 952	12 122 764
	104 223 114	104 801 876
6. Trade and other payables		
Trade Creditors	87 627	446 124
Accrued water costs	2 050 764	3 953 716
Provision for audit fees	160 000	264 800
Provision for accounting fees	21 700	101 980
Payroll liabilities	112 820	192 316
VAT payable	17 281	
	2 450 191	4 958 936
7. Finance income		
Interest received	286 088	310 698
Investment income	7 833 050	7 933 068
	8 119 138	8 243 766
Finance income consist of the following:		
Interest received - bank balances	118 627	91 785
Interest received - deposits	14 284	-
Interest received - investments	7 833 050	7 933 068
Interest received - receivables	153 177	218 913
	8 119 138	8 243 766
8. Other costs		
Accounting fees with DWS settlement	139 880	
Loss on scraping of assets	16 991	
VAT opening balance adjustments	493 607	
Other adjustments	23 514	
Under accruals for water costs	1 998 838	-
	2 672 830	-

8. Taxation

The Water Users' Association is exempt from SA Normal Taxation in terms of Section 10 (1) (cA) of the Income Tax Act.