

**WYNLAND WATER USERS' ASSOCIATION**

**ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2024**

# WYNLAND WATER USERS' ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2024

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### WATER USERS' ASSOCIATION

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

Stellenbosch (Subdistrict 1)

Helderberg (Subdistrict 2)

Eerste River (Subdistrict 3)

### INDEX

Report of the independent auditor	2 - 4
Statement of Financial position	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 13

The annual financial statements set out on pages 5 to 13 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

.....  
SECRETARY

.....  
DATE

WYNLAND WATER USERS' ASSOCIATION

STATEMENT OF FINANCIAL POSITION

on 30 June 2024

	Notes	2024 R	2023 R
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	17,322,741	18,546,018
		<b>17,322,741</b>	<b>18,546,018</b>
<b>Current assets</b>			
Inventory	3	774,458	774,458
Trade and other receivables	4	3,956,408	3,591,653
Cash and cash equivalents	5	104,801,876	100,929,589
		<b>109,532,742</b>	<b>105,295,700</b>
<b>Total assets</b>		<b>126,855,482</b>	<b>123,841,718</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Retained income		14,181,485	18,371,971
Subsidy		15,035,950	15,035,950
Reserve for project replacement		92,679,112	84,746,044
		<b>121,896,546</b>	<b>118,153,965</b>
<b>Current liabilities</b>			
Trade and other payables	6	4,958,936	5,687,752
		<b>4,958,936</b>	<b>5,687,752</b>
<b>Total equity and liabilities</b>		<b>126,855,482</b>	<b>123,841,718</b>

WYNLAND WATER USERS' ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 30 June 2024

	2024	2023
	R	R
<b>INCOME</b>	<b>18,216,508</b>	<b>16,789,540</b>
Revenue	17,905,810	16,332,925
Insurance claim received	-	12,670
Profit on sale of assets	-	260,000
Interest received	310,698	183,945
<b>Less: EXPENSES</b>	<b>(22,406,994)</b>	<b>(19,781,384)</b>
Administrative	1,057,348	868,068
Depreciation	1,739,092	1,631,916
Electricity	4,993,239	3,518,058
Employee costs	4,515,457	4,633,592
Repairs and maintenance	2,451,170	1,713,144
Legal fees	-	10,248
Travel cost	-	155
Water costs	7,650,689	7,406,203
Operating deficit for the year	(4,190,486)	(2,991,844)
Investment income	7,933,068	6,089,706
<b>Surplus for the year</b>	<b>3,742,582</b>	<b>3,097,862</b>

**WYNLAND WATER USERS' ASSOCIATION****STATEMENT OF CHANGES IN EQUITY  
for the year ended 30 June 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>RETAINED INCOME</b>		
Beginning of the year	18,371,971	21,363,815
Retained surplus for the year	3,742,582	3,097,862
Transfer to reserve for project replacement	(7,933,068)	(6,089,706)
Interest on surplus funds	(7,933,068)	(6,089,706)
End of the year	14,181,485	18,371,971
<b>SUBSIDIES</b>		
At the beginning and end of the year	15,035,950	15,035,950
<b>RESERVE FOR PROJECT REPLACEMENT</b>		
Beginning of the year	84,746,044	78,656,338
Transfer from Retained Income	7,933,068	6,089,706
Interest on surplus funds	7,933,068	6,089,706
End of the year	92,679,112	84,746,044

WYNLAND WATER USERS' ASSOCIATION

**STATEMENT OF CASH FLOWS**  
for the year ended 30 June 2024

	Notes	2024 R	2023 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from activities	7	(3,868,427)	1,965,600
Interest received		8,256,527	6,095,036
Cash generated from operating activities		4,388,100	8,060,635
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
Additions to property, plant and equipment		(515,814)	(658,987)
Cash used in investment activities		(515,814)	(658,987)
Increase in cash and cash equivalents		3,872,287	7,401,648
Cash and cash equivalents in the beginning of the year		100,929,589	93,527,941
<b>Cash and cash equivalents at the end of the year</b>	<b>5</b>	<b>104,801,876</b>	<b>100,929,589</b>

## WYNLAND WATER USERS' ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2024

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#### ACCOUNTING POLICIES

#### ASSOCIATION INFORMATION AND PRESENTATION OF FINANCIAL STATEMENTS

Wynland Water Users' Association is a water association established in South Africa. The address of its principal place of business is Droë Dyke, Polkadraaipad, Stellenbosh, 7600.

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

Subdistricts 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.

Subdistricts are aggregated from the date on which control is transferred to the board and are not aggregated after control is lost. Inter-subdistrict transactions, balances and unrealised profits between the subdistricts are eliminated.

#### 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 asset into working condition. Depreciation is charged to profit or loss over the expected useful life of the asset. The following depreciation periods are used:

Water scheme	40 years
Motor vehicles	5 years
Office equipment	3 years

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and deposits and investments in bank accounts of a short-term nature.

#### INVENTORY

Inventory comprises water rights, accounted for on the first-in-first-out (FIFO) method. Inventory is shown at cost price.

#### TRADE AND OTHER RECEIVABLES

Trade receivables are shown at expected realisable values. An estimate is made of doubtful debts based on outstanding amounts at year end. Bad debts are written off when identified.

#### TRADE AND OTHER PAYABLES

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

## **WYNLAND WATER USERS' ASSOCIATION**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2024 (continued)**

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#### **REVENUE**

Revenue comprises invoiced water levies and commission received, 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 that is accrued and received monthly is recognised as it accrues, unless collectibility is doubtful. Interest that accrues quarterly on the fixed deposit are recognised as it is received. All interest 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 2024 (continued)

			2024	2023
			R	R
<b>2. PROPERTY, PLANT AND EQUIPMENT</b>				
Water scheme at book value			16,485,039	17,544,905
Motor vehicles at book value			735,793	939,351
Office equipment at book value			101,908	61,762
			<b>17,322,741</b>	<b>18,546,018</b>
	<b>Water scheme</b>	<b>Motor vehicles</b>	<b>Office equipment</b>	<b>Total</b>
<b>30 June 2024</b>				
<b><u>Cost price</u></b>				
Cost price 1 July 2023	57,838,157	2,331,978	234,279	60,404,414
Purchases	396,109	56,652	63,053	515,814
Cost price 30 June 2024	58,234,266	2,388,630	297,332	60,920,228
<b><u>Depreciation</u></b>				
Accumulated depreciation 1 July 2023	40,293,252	1,392,627	172,517	41,858,397
Depreciation for the year	1,455,975	260,210	22,907	1,739,091
Accumulated depreciation 30 June 2024	41,749,227	1,652,837	195,424	43,597,488
<b>Book value 30 June 2024</b>	<b>16,485,039</b>	<b>735,793</b>	<b>101,908</b>	<b>17,322,741</b>
<b>30 June 2023</b>				
<b><u>Cost price</u></b>				
Cost price 1 July 2022	57,746,444	1,889,196	165,559	59,801,199
Purchases	91,713	758,554	68,720	918,987
Disposal	-	(315,772)	-	(315,772)
Cost price 30 June 2023	57,838,157	2,331,978	234,279	60,404,414
<b><u>Depreciation</u></b>				
Accumulated depreciation 1 July 2022	38,847,179	1,529,519	165,553	40,542,252
Depreciation for the year	1,446,073	178,880	6,964	1,631,917
Disposal	-	(315,772)	-	(315,772)
Accumulated depreciation 30 June 2023	40,293,252	1,392,627	172,517	41,858,397
<b>Book value 30 June 2023</b>	<b>17,544,905</b>	<b>939,351</b>	<b>61,762</b>	<b>18,546,018</b>

**WYNLAND WATER USERS' ASSOCIATION****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2024 (continued)**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>3. INVENTORY</b>		
Water rights	774,458	774,458
Inventory consist of rights to water not yet issued and sold to users.		
<b>4. TRADE AND OTHER RECEIVABLES</b>		
Levies receivable	2,921,188	2,381,201
Deposits	34,086	2,250
Prepayments	-	348,260
VAT receivable	704,449	550,493
Accrued interest	296,685	309,448
	<u>3,956,408</u>	<u>3,591,653</u>
<b>5. CASH AND CASH EQUIVALENTS</b>		
Cash in bank	104,801,876	100,929,589
	<u>104,801,876</u>	<u>100,929,589</u>
Cash and cash equivalents are allocated as follows:		
Reserve for project replacement	92,679,112	84,746,044
Operations	12,122,763	16,183,545
	<u>104,801,876</u>	<u>100,929,589</u>

## WYNLAND WATER USERS' ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2024 (continued)

	2024	2023
	R	R
<b>6. TRADE AND OTHER PAYABLES</b>		
Trade payables	441,994	315,828
Accrual for water costs	3,953,716	4,849,648
Provision for audit fee	264,800	205,900
Provision for accounting fee	101,980	84,000
Salary related creditors	192,316	228,246
Other	4,130	4,130
	<u>4,958,936</u>	<u>5,687,752</u>
<b>7. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net surplus for the year	3,742,582	3,097,862
Plus: Non cash flow and other items		
Depreciation	1,739,091	1,631,917
Interest received	(8,243,766)	(6,273,651)
Profit on sale of assets	-	(260,000)
Change in operating capital	(1,106,335)	3,769,472
Increase in trade and other receivables	(377,519)	(1,077,136)
(Decrease) / increase in trade and other payables	(728,816)	4,846,607
Cash (used in) / generated from operating activities	<u>(3,868,427)</u>	<u>1,965,600</u>

### 8. TAXATION

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

### 9. GOING CONCERN AND EVENTS AFTER THE RERPORTING PERIOD:

We draw attention to the fact as at 29 February 2024, the assoication has retained funds of R14,181,485 (2023: R18,371,971) and that the association's total assets exceed its liabilities by R121,896,546 (2023: R118,153,966).

The water association is dependent on the continued participation of licence holders that pay for water used. The financial statements have not been prepared on the basis of accounting policies applicable to a going concern as the association does not operate with the intention of making a profit. No matters have occurred after the reporting period date that require any disclosure or adjustments to the results presented.