

WYNLAND WATER USERS' ASSOCIATION

**ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2023**

Draft Only

WYNLAND WATER USERS' ASSOCIATION

ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2023

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)

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The annual financial statements set out on pages 5 tot 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 2023

	Notes	2023 R	2022 R
Assets			
Non-current assets			
Property, plant and equipment	2	18,546,018	19,258,948
		18,546,018	19,258,948
Current assets			
Inventory	3	774,458	774,458
Trade and other receivables	4	3,591,653	2,335,902
Cash and cash equivalents	5	100,929,589	93,527,941
		105,295,700	96,638,301
Total assets		123,841,718	115,897,250
EQUITY AND LIABILITIES			
Capital and reserves			
Retained income		18,371,971	21,363,815
Subsidy		15,035,950	15,035,950
Reserve for project replacement		84,746,044	78,656,337
		118,153,965	115,056,102
Current liabilities			
Trade and other payables	6	5,687,752	841,148
		5,687,752	841,148
Total equity and liabilities		123,841,718	115,897,250

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WYNLAND WATER USERS' ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2023

	2023	2022
	R	R
INCOME	16,789,540	16,285,222
Revenue	16,332,925	16,141,737
Insurance claim received	12,670	-
Profit on sale of assets	260,000	-
Interest received	183,945	143,485
Less: EXPENSES	(19,781,384)	(19,169,275)
Administrative	868,068	856,676
Depreciation	1,631,916	1,614,603
Electricity	3,518,058	3,785,866
Employee costs	4,633,592	4,294,611
Repairs and maintenance	1,713,144	1,607,689
Legal fees	10,248	4,565
Travel cost	155	-
Water costs	7,406,203	7,005,265
Operating deficit for the year	(2,991,844)	(2,884,053)
Investment income	6,089,706	3,097,441
Surplus for the year	3,097,862	213,388

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WYNLAND WATER USERS' ASSOCIATION

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2023

	2023	2022
	R	R
RETAINED INCOME		
Beginning of the year	21,363,815	24,247,868
Retained surplus for the year	3,097,862	213,388
Transfer to reserve for project replacement	(6,089,706)	(3,097,441)
Interest on surplus funds	(6,089,706)	(3,097,441)
End of the year	18,371,971	21,363,815
SUBSIDIES		
At the beginning and end of the year	15,035,950	15,035,950
RESERVE FOR PROJECT REPLACEMENT		
Beginning of the year	78,656,338	75,558,897
Transfer from Retained Income	6,089,706	3,097,441
Interest on surplus funds	6,089,706	3,097,441
End of the year	84,746,044	78,656,338

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WYNLAND WATER USERS' ASSOCIATION

STATEMENT OF CASH FLOWS
for the year ended 30 June 2023

	Notes	2023 R	2022 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash used in activities	7	1,965,600	(1,935,724)
Interest received		6,095,036	3,110,092
Cash generated from operating activities		8,060,635	1,174,368
CASH FLOW FROM INVESTMENT ACTIVITIES			
Additions to property, plant and equipment		(658,987)	(650,311)
Cash used in investment activities		(658,987)	(650,311)
Increase in cash and cash equivalents		7,401,648	524,057
Cash and cash equivalents in the beginning of the year		93,527,941	93,003,884
Cash and cash equivalents at the end of the year	5	100,929,589	93,527,941

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WYNLAND WATER USERS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2023

ACCOUNTING POLICY

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. 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 2023 (continued)**

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.

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WYNLAND WATER USERS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023 (continued)

			2023	2022
			R	R
2. PROPERTY, PLANT AND EQUIPMENT				
Water scheme at book value			17,544,905	18,899,265
Motor vehicles at book value			939,351	359,677
Office equipment at book value			61,762	6
			18,546,018	19,258,948
	Water scheme	Motor vehicles	Office equipment	Total
30 June 2023				
<u>Cost price</u>				
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
<u>Depreciation</u>				
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
Book value 30 June 2023	17,544,905	939,351	61,762	18,546,018
30 June 2022				
<u>Cost price</u>				
Cost price 1 July 2021	57,096,133	1,889,196	165,559	59,150,888
Purchases	650,311	-	-	650,311
Cost price 30 June 2022	57,746,444	1,889,196	165,559	59,801,199
<u>Depreciation</u>				
Accumulated depreciation 1 July 2021	37,403,398	1,358,695	165,553	38,927,647
Depreciation for the year	1,443,781	170,824	-	1,614,605
Accumulated depreciation 30 June 2022	38,847,179	1,529,519	165,553	40,542,252
Book value 30 June 2022	18,899,265	359,677	6	19,258,948

WYNLAND WATER USERS' ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023 (continued)**

	2023	2022
	R	R
3. INVENTORY		
Water rights	774,458	774,458
Inventory consist of rights to water not yet issued and sold to users.		
4. TRADE AND OTHER RECEIVABLES		
Levies receivable	2,381,201	1,231,761
Deposits	2250	2,250
Prepayments	348,260	283,924
VAT receivable	550,493	687,135
Accrued interest	309,448	130,833
	<u>3,591,653</u>	<u>2,335,902</u>
5. CASH AND CASH EQUIVALENTS		
Cash in bank	100,929,589	93,527,941
	<u>100,929,589</u>	<u>93,527,941</u>
Cash and cash equivalents are allocated as follows:		
Reserve for project replacement	84,746,044	78,656,338
Operations	16,183,545	14,871,603
	<u>100,929,589</u>	<u>93,527,941</u>

WYNLAND WATER USERS' ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023 (continued)**

	2023	2022
	R	R
6. TRADE AND OTHER PAYABLES		
Trade payables	315,828	305,907
Accrual for water costs	4,849,648	86,602
Provision for audit fee	205,900	192,125
Provision for accounting fee	84,000	104,463
Salary related creditors	228,246	147,921
Other	4,130	4,130
	<u>5,687,752</u>	<u>841,148</u>
7. CASH FLOW FROM OPERATING ACTIVITIES		
Net surplus for the year	3,097,862	213,388
Plus: Non cash flow and other items		
Depreciation	1,631,917	1,614,605
Interest received	(6,273,651)	(3,240,926)
Profit on sale of assets	(260,000)	-
Change in operating capital	3,769,472	(522,791)
Increase in trade and other receivables	(1,077,136)	(423,560)
Increase / (decrease) in trade and other payables	4,846,607	(99,231)
Cash generated from / (used in) operating activities	<u>1,965,600</u>	<u>(1,935,724)</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:

The water association is dependent on the continued participation of licence holders that pay for water used. No matters have occurred after the reporting period date that require any disclosure or adjustments to the results presented.