

**WYNLAND WATER USERS' ASSOCIATION**  
**ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 30 June 2020**

# WYNLAND WATER USERS' ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2020

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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	1 - 3
Statement of Financial position	4
Statement of Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 12

The annual financial statements set out on pages 4 tot 12 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 2020

	Notes	2020 R	2019 R
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	21,483,649	22,777,070
		<b>21,483,649</b>	<b>22,777,070</b>
<b>Current assets</b>			
Inventory	3	774,458	774,458
Trade and other receivables	4	2,614,205	2,066,331
Cash and cash equivalents	5	91,453,417	90,420,065
		<b>94,842,081</b>	<b>93,260,854</b>
<b>Total assets</b>		<b>116,325,730</b>	<b>116,037,924</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Retained income		28,394,866	32,424,609
Subsidy		15,035,950	15,035,950
Reserve for project replacement		72,195,313	66,666,001
		<b>115,626,129</b>	<b>114,126,560</b>
<b>Current liabilities</b>			
Trade and other payables	6	699,602	1,911,364
		<b>699,602</b>	<b>1,911,364</b>
<b>Total equity and liabilities</b>		<b>116,325,730</b>	<b>116,037,924</b>

WYNLAND WATER USERS' ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 30 June 2020

	2020	2019
	R	R
<b>INCOME</b>	<b>13,519,195</b>	<b>12,146,800</b>
Revenue	13,344,314	11,619,122
Commission received	-	373,488
Interest received	174,881	154,191
<b>Less: EXPENSES</b>	<b>(17,548,938)</b>	<b>(14,813,024)</b>
Administrative	846,149	912,199
Depreciation	1,619,518	1,611,366
Electricity	2,897,394	1,886,021
Employee costs	4,062,930	3,812,836
Repairs and maintenance	1,070,190	1,251,690
Water costs	7,052,757	5,338,912
Operating deficit for the year	(4,029,743)	(2,666,224)
Investment income	5,529,312	5,445,516
<b>Surplus for the year</b>	<b>1,499,569</b>	<b>2,779,292</b>

**WYNLAND WATER USERS' ASSOCIATION****STATEMENT OF CHANGES IN EQUITY  
for the year ended 30 June 2020**

	<b>2020</b>	<b>2019</b>
	<b>R</b>	<b>R</b>
<b>RETAINED INCOME</b>		
Beginning of the year	32,424,609	35,090,833
Retained surplus for the year	1,499,569	2,779,292
Transfer to reserve for project replacement	(5,529,312)	(5,445,516)
Interest on surplus funds	(5,529,312)	(5,445,516)
End of the year	28,394,866	32,424,609
<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	66,666,001	61,220,485
Transfer from Retained Income	5,529,312	5,445,516
Interest on surplus funds	5,529,312	5,445,516
End of the year	72,195,313	66,666,001

**WYNLAND WATER USERS' ASSOCIATION****STATEMENT OF CASH FLOWS  
for the year ended 30 June 2020**

		<b>2020</b>	<b>2019</b>
	<b>Notes</b>	<b>R</b>	<b>R</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash used in activities	<b>7</b>	(4,217,942)	(350,853)
Interest received		5,577,391	5,374,677
Cash generated from operating activities		1,359,450	5,023,824
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
Additions to property, plant and equipment		(326,098)	(346,492)
Loan repayments		-	11,042
Cash used in investment activities		(326,098)	(335,451)
Increase in cash and cash equivalents		1,033,352	4,688,373
Cash and cash equivalents in the beginning of the year		90,420,065	85,731,692
<b>Cash and cash equivalents at the end of the year</b>	<b>5</b>	<b>91,453,417</b>	<b>90,420,065</b>

## WYNLAND WATER USERS' ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2020

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#### 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.

#### 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 consolidated from the date on which control is transferred to the board and are not consolidated 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 2020 (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 2020 (continued)

			2020	2019
			R	R
<b>2. PROPERTY, PLANT AND EQUIPMENT</b>				
Water scheme at book value			21,249,890	22,354,675
Motor vehicles at book value			233,754	422,389
Office equipment at book value			6	6
			<b>21,483,649</b>	<b>22,777,070</b>
	<b>Water scheme</b>	<b>Motor vehicles</b>	<b>Office equipment</b>	<b>Total</b>
<b>30 June 2020</b>				
<b><u>Cost price</u></b>				
Cost price 1 July 2019	56,904,418	1,410,348	165,559	58,480,325
Purchases	326,098	-	-	326,098
Cost price 30 June 2020	<b>57,230,516</b>	<b>1,410,348</b>	<b>165,559</b>	<b>58,806,423</b>
<b><u>Depreciation</u></b>				
Accumulated depreciation 1 July 2019	34,549,744	987,959	165,553	35,703,256
Depreciation for the year	1,430,882	188,635	-	1,619,518
Accumulated depreciation 30 June 2020	<b>35,980,626</b>	<b>1,176,594</b>	<b>165,553</b>	<b>37,322,774</b>
<b>Book value 30 June 2020</b>	<b>21,249,890</b>	<b>233,754</b>	<b>6</b>	<b>21,483,649</b>
<b>30 June 2019</b>				
<b><u>Cost price</u></b>				
Cost price 1 July 2018	56,557,926	1,410,348	165,559	58,133,833
Purchases	346,492	-	-	346,492
Cost price 30 June 2019	<b>56,904,418</b>	<b>1,410,348</b>	<b>165,559</b>	<b>58,480,325</b>
<b><u>Depreciation</u></b>				
Accumulated depreciation 1 July 2018	33,127,014	799,322	165,553	34,091,889
Depreciation for the year	1,422,730	188,637	-	1,611,367
<b>Book value 30 June 2019</b>	<b>22,354,675</b>	<b>422,389</b>	<b>6</b>	<b>22,777,070</b>

**WYNLAND WATER USERS' ASSOCIATION****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2020 (continued)**

	<b>2020</b>	<b>2019</b>
	<b>R</b>	<b>R</b>
<b>3. INVENTORY</b>		
Water rights	774,458	774,458
	<u>774,458</u>	<u>774,458</u>
Inventory consist of rights to water not yet issued and sold to users.		
<b>4. TRADE AND OTHER RECEIVABLES</b>		
Levies receivable	1,897,380	1,761,539
Deposits	100,000	2,250
VAT receivable	490,025	231,702
Accrued interest	126,801	70,840
	<u>2,614,205</u>	<u>2,066,331</u>
<b>5. CASH AND CASH EQUIVALENTS</b>		
Cash in bank	91,451,417	90,418,065
Petty cash	2,000	2,000
	<u>91,453,417</u>	<u>90,420,065</u>
Cash and cash equivalents are allocated as follows:		
Reserve for project replacement	72,195,313	66,666,001
Operations	19,258,104	23,754,064
	<u>91,453,417</u>	<u>90,420,065</u>

## WYNLAND WATER USERS' ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2020 (continued)

	2020	2019
	R	R
<b>6. TRADE AND OTHER PAYABLES</b>		
Trade payables	196,792	253,378
Accrual for water costs	110,023	1,298,766
Provision for audit fee	157,300	149,660
Provision for accounting fee	59,900	56,000
Salary related creditors	175,587	153,559
	<u>699,602</u>	<u>1,911,364</u>
<b>7. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit for the year	1,499,569	2,779,292
Plus: Non cash flow and other items		
Depreciation	1,619,518	1,611,366
Interest received	(5,704,193)	(5,445,516)
Change in operating capital	(1,632,835)	704,004
Increase in trade and other receivables	(421,072)	(261,560)
Increase in inventory	-	(20,000)
(Decrease) / increase in trade and other payables	(1,211,762)	985,564
Cash flow from operating activities	<u>(4,217,942)</u>	<u>(350,853)</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 balance sheet date that require any disclosure or adjustments to the results presented.