

WYNLAND WATER USERS' ASSOCIATION
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2021

WYNLAND WATER USERS' ASSOCIATION

ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2021

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 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

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WYNLAND WATER USERS' ASSOCIATION

STATEMENT OF FINANCIAL POSITION
on 30 June 2021

	Notes	2021 R	2020 R
Assets			
Non-current assets			
Property, plant and equipment	2	20,223,242	21,483,649
		20,223,242	21,483,649
Current assets			
Inventory	3	774,458	774,458
Trade and other receivables	4	1,781,510	2,614,205
Cash and cash equivalents	5	93,003,884	91,453,417
		95,559,852	94,842,081
Total assets		115,783,094	116,325,730
EQUITY AND LIABILITIES			
Capital and reserves			
Retained income		24,247,868	28,394,866
Subsidy		15,035,950	15,035,950
Reserve for project replacement		75,558,897	72,195,313
		114,842,715	115,626,129
Current liabilities			
Trade and other payables	6	940,379	699,602
		940,379	699,602
Total equity and liabilities		115,783,094	116,325,730

WYNLAND WATER USERS' ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2021

	2021 R	2020 R
INCOME	14,256,268	13,519,195
Revenue	14,159,816	13,344,314
Insurance claim received	768	-
Profit on sale of assets	9,000	-
Interest received	86,684	174,881
Less: EXPENSES	(18,403,266)	(17,548,938)
Administrative	897,898	846,149
Depreciation	1,621,487	1,619,518
Electricity	3,279,384	2,897,394
Employee costs	4,156,950	4,062,930
Repairs and maintenance	1,128,141	1,070,190
Water costs	7,319,406	7,052,757
Operating deficit for the year	(4,146,998)	(4,029,743)
Investment income	3,363,584	5,529,312
(Deficit) / surplus for the year	(783,414)	1,499,569

WYNLAND WATER USERS' ASSOCIATION

**STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2021**

	2021	2020
	R	R
RETAINED INCOME		
Beginning of the year	28,394,866	32,424,609
Retained (deficit) / surplus for the year	(783,414)	1,499,569
Transfer to reserve for project replacement	(3,363,584)	(5,529,312)
Interest on surplus funds	(3,363,584)	(5,529,312)
End of the year	24,247,868	28,394,866
SUBSIDIES		
At the beginning and end of the year	15,035,950	15,035,950
RESERVE FOR PROJECT REPLACEMENT		
Beginning of the year	72,195,313	66,666,001
Transfer from Retained Income	3,363,584	5,529,312
Interest on surplus funds	3,363,584	5,529,312
End of the year	75,558,897	72,195,313

WYNLAND WATER USERS' ASSOCIATION

STATEMENT OF CASH FLOWS
for the year ended 30 June 2021

	Notes	2021 R	2020 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash used in activities	7	(1,447,796)	(4,217,942)
Interest received		3,350,340	5,577,391
Cash generated from operating activities		1,902,544	1,359,450
CASH FLOW FROM INVESTMENT ACTIVITIES			
Additions to property, plant and equipment		(361,077)	(326,098)
Proceeds from disposals of assets		9,000	-
Cash used in investment activities		(352,077)	(326,098)
Increase in cash and cash equivalents		1,550,467	1,033,352
Cash and cash equivalents in the beginning of the year		91,453,417	90,420,065
Cash and cash equivalents at the end of the year	5	93,003,884	91,453,417

WYNLAND WATER USERS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2021

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 2021 (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.

WYNLAND WATER USERS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2021 (continued)

			2021	2020
			R	R
2. PROPERTY, PLANT AND EQUIPMENT				
Water scheme at book value			19,692,735	21,249,890
Motor vehicles at book value			530,501	233,754
Office equipment at book value			6	6
			20,223,242	21,483,650
	Water scheme	Motor vehicles	Office equipment	Total
30 June 2021				
<u>Cost price</u>				
Cost price 1 July 2020	57,230,516	1,410,348	165,559	58,806,423
Purchases	-	361,077	-	361,077
Disposal	-	(16,612)	-	(16,612)
Reallocation	(134,383)	134,383	-	-
Cost price 30 June 2021	57,096,133	1,889,196	165,559	59,150,888
<u>Depreciation</u>				
Accumulated depreciation 1 July 2020	35,980,626	1,176,594	165,553	37,322,774
Depreciation for the year	1,422,772	198,713	-	1,621,485
Disposal	-	(16,612)	-	-
Accumulated depreciation 30 June 2021	37,403,398	1,358,695	165,553	38,944,259
Book value 30 June 2021	19,692,735	530,501	6	20,223,242
30 June 2020				
<u>Cost price</u>				
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	57,230,516	1,410,348	165,559	58,806,423
<u>Depreciation</u>				
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	35,980,626	1,176,594	165,553	37,322,774
Book value 30 June 2020	21,249,890	233,754	6	21,483,649

WYNLAND WATER USERS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2021 (continued)

	2021	2020
	R	R
3. INVENTORY		
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.		
4. TRADE AND OTHER RECEIVABLES		
Levies receivable	1,388,380	1,897,380
Deposits	164,476	100,000
VAT receivable	128,727	490,025
Accrued interest	99,927	126,801
	<u>1,781,510</u>	<u>2,614,205</u>
5. CASH AND CASH EQUIVALENTS		
Cash in bank	93,003,884	91,451,417
Petty cash	-	2,000
	<u>93,003,884</u>	<u>91,453,417</u>
Cash and cash equivalents are allocated as follows:		
Reserve for project replacement	75,558,897	72,195,313
Operations	17,444,986	19,258,104
	<u>93,003,884</u>	<u>91,453,417</u>

WYNLAND WATER USERS' ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2021 (continued)**

	2021	2020
	R	R
6. TRADE AND OTHER PAYABLES		
Trade payables	353,139	196,792
Accrual for water costs	161,751	110,023
Provision for audit fee	172,500	157,300
Provision for accounting fee	63,500	59,900
Salary related creditors	185,359	175,587
Other	4,130	-
	<u>940,379</u>	<u>699,602</u>

7. CASH FLOW FROM OPERATING ACTIVITIES

Net (deficit) / surplus for the year	(783,414)	1,499,569
Plus: Non cash flow and other items		
Depreciation	1,621,485	1,619,518
Interest received	(3,450,269)	(5,704,193)
Profit on sale of assets	(9,000)	-
Change in operating capital	1,173,401	(1,632,835)
(Decrease) / increase in trade and other receivables	932,624	(421,072)
Increase / (decrease) in trade and other payables	240,777	(1,211,762)
Cash used in operating activities	<u>(1,447,796)</u>	<u>(4,217,942)</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.