

**GROENLAND
WATERGEBRUIKERSVERENIGING
WATER USER ASSOCIATION**



JAARVERSLAG

2021

ANNUAL REPORT



GROENLAND

WATERGEBRUIKERSVERENIGING
WATER USER ASSOCIATION

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GRABOUW
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INVITATION TO AGM 2021

In terms of Section 19 of the constitution of the Groenland Water User Association (GWUA), you are hereby cordially invited to attend the Annual General Meeting of the GWUA.

This meeting will take place on **Tuesday, 8 February 2022, at 10:00 at the ELGIN GRABOUW COUNTRY CLUB.**

The following documents are attached for your information:

- Agenda of the meeting
- Minutes of previous AGM
- GWUA Chairman's report
- 2021/22 Summer and winter water tariffs for irrigators from Eikenhof Dam
- Rules relating to Sub District 1
- Auditor's report and financial statements for GWUA

UITNODIGING NA AJV 2021

In terme van Afdeling 19 van die grondwet van die Groenland Watergebruikersvereniging (GWGV) word u hiermee vriendelik uitgenooi om die Algemene Jaarvergadering van die GWGV by te woon.

*Die vergadering sal gehou word op **Dinsdag, 8 Januarie 2022 om 10:00 by die ELGIN GRABOUW COUNTRY CLUB.***

Die volgende dokumente word ter inligting hierby aangeheg:

- *Agenda van vergadering*
- *Notule van vorige AJV*
- *GWUA se Voorsittersverslag*
- *2021/22 Somer- en winterwatertariewe*
- *Reëls met betrekking tot Sub Distrik 1*
- *Ouditeursverslag en finansiële state vir die GWGV*



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AGENDA

Annual General Meeting of the Groeland Water User Association to be held on 8 February 2022 at 10:00 at the Elgin Grabouw Country Club

Algemene Jaarvergadering van die Groenland Watergebruikersvereniging Op 8 Februarie 2022 om 10:00 by die Elgin Grabouw Country Club

1. Welcome / *Verwelkoming*
2. Attendance Register and Apologies / *Bywoningsregister en Verskonings*
3. Adoption of the minutes of previous AGM / *Aanvaarding van notule van vorige AJV*
4. Report from the chairman / *Voorsitter se verslag*
5. Report on the financial statements of GWUA including Sub-district 1 / *Ouditeursverslag en finansiële state van GWGV insluitend Subdistrik 1*
6. Nominated Members to the Management Committee of the GWUA / *Benoemde lede tot die Bestuurskomitee van die GWGV*
7. Election of members to the Management Committee of the GWUA / *Verkiesing van lede tot die Bestuurskomitee van die GWGV*
8. Co-opted members to the Management Committee / *Gekoöpteerde lede tot die Bestuurskomitee van die GWGV*
9. General / *Algemeen.*
 - 9.1 Elsa Pienaar - Prokureur
 - 9.2 Jeandre Kritzinger – Water ontledings
 - 9.3 Ryno Bezuidenhout – Alien Clearing
 - 9.4 Richard Moss – Project with Cherry Irrigation
10. Closure / *Afsluiting*
11. Coffee / Tea and snacks.



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**MINUTES OF THE FIFTEENTH ANNUAL GENERAL MEETING OF
THE GROENLAND WUA
HELD AT 10:00 ON 8 DECEMBER 2020
AT THE ELGIN GRABOUW COUNTRY CLUB**

1. Welcome

Stuart Maxwell, chairperson, welcomes all present at the fifteenth AGM. Although the meeting is conducted in English, members from the floor are welcome to express their views in Afrikaans. The Small attendance figure is as a result of Covid-19. Stuart says we need to pray for the World, this country but also this Valley. Con Groenewald passed away because of Covid. A Minute of Silence was held for all that passed away.

2. Attendance Register and Apologies

The attendance register was circulated and is attached to these minutes. Apologies were received from the following people: Karin Cluver, Grant Jephtas, Gary & Cathy Shaw, Josias Beukes, Elmarie van Rooyen, Thys Blom, Derick Corder, Shelley Fuller

3. Adoption of the minutes of the eleventh AGM

The minutes of the fourteenth AGM of Groenland WUA were then adopted without any further amendments.

Proposer – Ryk Joubert Seconded – Danie Laubscher and duly signed by Chairman

4. Chairman's report

Stuart Maxwell reads through his report that is included in the Annual Report. 2 Years ago there was a Day Zero situation in Cape Town because of drought conditions. GWUA could convince the powers that be that we could run our restrictions ourselves, and we could supply more water than normal to the Cape Town Supply System. This year they took very little water.

The Reticulation is getting old. HDPE pipes are being used as replacement for broken pipes now. The vision is to replace the whole system with HDPE pipes.

Water quality is very important. Good quality is vital to be able to export fruit. On a farm or two there are problems with septic tanks, but in the bigger picture the quality is good. Farmers must also be responsible in waste removal.

Management of Palmiet River – The Weir has been renovated. There are other implications that needs to be managed now like the heavy flow of water. The reeds are a very good filtration object.

Management Committee – There has been a re-shuffling in the committee this year.

The supply of water from the Eikenhof Dam becomes under strain when loadshedding occurs. The use of water in Wesselsgat as back-up for water supply to the town is still being investigated. Under these circumstances GWUA cannot guarantee water 24/7.

Eskom Loadshedding – With loadshedding it takes about 1 ½ to 2 hours to get the whole system running again. Farmers needs to store water!

Water Restrictions – we did not have any restrictions in the past financial year.

Finances – There was a surplus of R1 222 000 this year. This money will be accumulated for extraordinary expenses.

5. Report from the auditors & Financial Statements

INCOME

Revenue – GWUA

Interest on own funds

Levy charges for right to all water

Rental of premises

WRM Charges – paid over to BGCMA

WWF – project income – this is the funding towards expenses for Ryno Bezuidenhout

Revenue – Sub-District 1

Board levies – Summer/Winter water

Pump cost – water pumped to farmers

Interest

Service levies

Gross income R11 558 285

EXPENSE

Bigger expenses are being explained :

Municipal charge – The evaluation of the Office land has been increased quite a lot – objection was lodged, but it was not successful.

Consulting fees – Finance – Stuart Maxwell gets paid for extra financial work

Electricity – biggest expense

Motor Vehicle expense – major renovation of old vehicle

Repairs and Maintenance – Reticulation Scheme – not as high as previous year

Social responsibility – R35 000 – help to keep Country Club open (might have to pay one more amount)
R10 000 – Elgin Foundation during Covid-19

Stuart Maxwell goes through the Assets and Equity and Liabilities.

Financial Statement Approved: Proposer – Albert Rust – Seconded – Ross Heyns

BVSA will continue as Auditors for the next financial year.

6. Election and nomination of members to the GWUA management committee

The following members were nominated and elected or re-elected.:

Sub-district 1: Ryk Joubert – his term has expired. He has been re-elected.
Proposer to accept - Piet Reuvers – Seconded by Matthew English

7. Nominated Members to the Management Committee of the GWUA

None

8. Co-opted members to the Management Committee

None

9. General:

9.1 WWF – Shelley Fuller

Shelly Fuller was going to do a presentation but she has send through her apology- could not attend the meeting

9.2 KBRC – Mike du Toit

The Kogeberg Biosphere Reserve has got a mandate from Department of Environment affairs through various other departments to run this area.

Their objectives are to :

Reach out to community and
Achieve socio economic development
Do Research

Research topics that is/has been done –

1. Supermarkets influence on farmers – student having doing his Master on this subject
2. How do other companies around the world manage their Biospheres

Drilling in the mountains – The drilling company is 95% sure that they will not have negative impact on the environment.

Kogelberg Water Security plan – Dr Paul Cluver initiated this.

WWF came on board to run projects. They get funding from overseas and could therefore appoint Ryno Bezuidenhout as Water Stewardship Coordinator. Their main goal is to clear aliens but at the same time to educate the youth.

Farmers on their own property needs to identify critical areas; put together a simple strategy for clearing and then give it to Ryno. He will then put together a bigger plan to clear aliens in the Valley.

Water quality will be increased by clearing aliens and the Riparian areas will also be protected

This Valley has done little to improve the Alien situation. Luckily we have Ryno now to run this project.

Stuart Maxwell says we underestimate what the KBRC is doing. It has an influence over the whole Valley as it forms part of the biosphere reserve – He thanks Mike for all the effort he has put in this project.

Albert Rust comments that in other parts of the world the municipality takes responsibility, but not in SA. If we can get Transformation right, we might get help from Government.

The open area where people moved in without permission is putting the whole area in danger with regards to pollution etc. We need to apply pressure to Municipality to do something.

Andre Meyer from TWK responds. He says that TWK is not part of the planning as the transfer of responsibility to Municipality has not come through. Therefore there is no funding from Government and there will be no big changes coming soon if no funding is coming in.

Stuart Maxwell says GWUA should maybe in future think where is the best area to spend money – clearing aliens or the health of the Grabouw area.

Bea Whittaker talks about a Swop Shop project that takes place in Stanford. People bring in refuge, gets a token to purchase certain things in the “shops”. The Municipality are there on that day to take the refuge away. There are ways to get people involved in cleaning, but it will take effort.

Piet Reuvers puts a proposal forward that GWUA budget an amount for someone to help Mike du Toit. Stuart Maxwell supports this. Mike du Toit says that will be a big help.

9.3 Alveo Water – Jeandre Kritzinger

Jeandre Kritzinger unfortunately not present to do his presentation.

9.4 General

Emerging Farmers

GWUA and its members should get more involved with Emerging Farmers. A part of the cleared Forest on the R43 are being invaded by Khoi people. GWUA should be aware of it and keep track of the development as it can have a huge impact on pollution of water resources.

10. Closure

Stuart Maxwell thanks Bea Whittaker for all her help with her knowledge through the years while he was part of GWUA.

Stuart Maxwell says thank you to all the members of GWUA for the 9 years that he was part of the GWUA board as he is stepping down as Chairman. He also thanks the board members and staff.

Neil Reid thanks Stuart Maxwell on behalf of everyone involved with GWUA. He says that Stuart is a true gentleman who touches the lives of everyone he comes into contact with. He is also a just and fair person. He says that Stuart is good with details but can see the bigger picture. He is a Competent communicator and served the community with great passion. He thank Stuart for leading the organisation through difficult times and congratulate him on a job well done. GWUA was privileged to have Stuart at the helm.

Richard Moss was appointed as Chairman of GWUA and Kobus Lourens as Vice-Chairman of GWUA at a special Management Meeting earlier today.

The Chairman thanks everyone for attending. He asks everyone to stay safe of the Corona Virus during the Festive season.

The meeting adjourned at 11:30 – refreshments were served.

GROENLAND

WATER USER ASSOCIATION / WATERGEBRUIKERSVERENIGING

16TH Annual General Meeting

CHAIRMANS REPORT / VOORSITTERVERSLAG

November 2020 – October 2021

Water Usage

In the 2021 financial year GWUA pumped 15.3 million m³ of water compared to 14.8 million m³ in 2020 and the Municipality withdrew 2 million m³ in 2021 from Eikenhof Dam which was much the same as what they used in 2020.

Reticulation System

Over the winter shutdown Sub District 1 installed a new pump at Pump Station 5 which has more capacity than the one it replaced. The pipeline connected to Pump Station 5 supplies approximately 63% of the water pumped through the reticulation system, and the new pump should help with the supply of water to users at higher elevations who were not getting their full allocation during peak season. The old pump has been reconditioned and will be kept as a spare unit should it ever be required.

Cherry Irrigation (Pty) Ltd have been contracted to monitor and assist the GWUA team for the 2022 irrigation season with the aim of producing a set of Standard Operating Procedures for the operation and maintenance of the reticulation system. Included in the scope of the project is a report on the current status of the telemetry system used to control the reticulation system, as well as possible upgrades that can be made to the telemetry and pipelines to prevent pipe breakages and downtime.

During the 2021 season it was noted that during the peak season flow rates in the scheme were not being managed well, resulting in some members receiving more water than they were entitled to while others received too little. During the 2022 pumping season greater attention will be given to the adjustment of individual flows rates at each of the take-off points in order to balance the overall flow in the system.

A serious problem that needs addressing is that certain members continue to adjust their own flows at their take-off points, and this results in pipe breakages as well as imbalances in the overall flow of the system. Members are once again reminded of the scheme rules and penalties associated with this (see attached Special Rules Relating to Sub-District 1).

Another issue that needs addressing is that several members have pumps connected to the take-off points of the scheme. Pumping directly out of the scheme is a problem as the starting and stopping of these pumps also results in unnecessary pipe bursts.

Management of Rivers and Catchment Area

As part of the implementation of the Palmiet River Catchment Management Plan, alien clearing on the Palmiet River has continued over the last year by means of funding from the Department of Agriculture Western Cape Land Care Project.

Alien clearing on the Krom River has also begun with funding from the South African National Botanical Institute (SANBI) and will continue into 2022.

Funding is in place through the World Wildlife Fund (WWF) for two new projects. The first of these is an indigenous plant nursery (trees and shrubs) which will be used to rehabilitate areas that have been cleared of alien vegetation. The second project involves the procurement of a chipper and establishment of a biochar plant. The biochar will be used to produce fertilizer from the chipped-up alien vegetation that is being removed as a result of the various river and catchment management plans.

A Maintenance Management Plan (MMP) for the Krom River is being prepared and GWUA has budgeted in the 2022 financial year to contribute towards the implementation of the plan once its completed. Funding for the preparation of the MMP has been supplied by Department of Agriculture Western Cape Land Care Project.

We plan to begin implementation of the Jackals River Maintenance Management Plan by starting with alien clearing in the upper catchment of the Jackals River in 2022. This will be funded by Department of Agriculture Western Cape Land Care Project.

Monitoring of Water Quality

Following a study conducted by Liz Day Consulting (LDC) on the Palmiet River in 2021 we are in discussions with LDC to provide GWUA with a “toolbox” that can be used to more effectively monitor the ecological health of the various rivers in our area of responsibility.

Alveo Water (Pty) Ltd continue to sample and report on water quality and will provide more detailed feedback in their presentation. The general conclusion is that the overall water quality remains in line with what it has been in recent years.

ESKOM Load Shedding

As mentioned in previous Chairman’s Reports, load shedding remains a serious problem that affects GWUA’s ability to supply a constant flow of water during the season. A two-hour load shedding event results in an interruption of over four hours before normal operations are established. The water that is not supplied during these events cannot be resupplied as the scheme is designed to operate at full capacity during the season.

We are committed to addressing this issue by looking at various options which include backup power, storage of water in buffer dams at high elevation points, as well as control systems to keep the main lines full to keep startup time to a minimum.

Eikenhof and Related Dams

Inspection of the outlet pipes under the Eikenhof Dam wall will need to be repeated in the 2022 maintenance period. The previous contractor was unable to complete the work because their equipment was not suitable.

Plans are in place to do maintenance work on the hydroplus fusegates that were installed to raise the full supply level of the Eikenhof Dam.

We are considering ways to access water in the Wessels Gat Dam to enable the Municipality to have a backup water source, if water is not available from Eikenhof Dam. One of the ideas being considered is laying of a pipeline from Wessels Gat Dam to Pumpstation 1.

Management Committee

I would like to thank the current Management Committee for their active involvement over the past year and their ongoing efforts to continue to improve the operational and financial well-being of GWUA for the benefit of all our stakeholders.

As in past the Sub District 1 Board has appointed an Executive Committee (Exco) made up of the Chairman of GWUA, the Chairman of Sub District 1 and one additional Sub District 1 Board Member.

We would like to welcome all new committee members that are appointed this year and look forward to their engagement and input.

Personnel

Over the past year the Management Committee has been engaged in a project to establish written policies and procedures that apply to the staff and contractors that work for GWUA. This is ongoing and we are currently in the consultation phase with the staff over the implementation of the afore mentioned.

Since GWUA does not have a CEO at present, the Sub District 1 Board has appointed me to oversee operations in a consulting capacity until end June 2022. During this time, I will oversee the Cherry Irrigation Project mentioned above, implementation of the new policies and procedures, as well as the implementation of a new financial and inventory system. I will also be available to help with day-to-day operations should it be required.

The Management Committee has decided to change the GWUA logo from



to



and all personnel uniforms and vehicles will be clearly identified with the new logo.

Finances

The budget for GWUA for the 2021-2022 financial year was compiled on the basis that fixed costs relating to GWUA and Sub District 1 are recouped from the members via the relevant Board Levies. This has enabled us to reduce the GWUA levy by 10% for 2022, while maintaining the Sub District 1 levy at the same level as the 2021 financial year.

Unfortunately, mainly due to the increase in electricity prices, the variable cost of supplying water, namely the Water Pumping charges will be increased by 20% for 2022 compared with the 2021 financial year. The Management Committee however would like to bring to members attention that should ESKOM increase tariffs beyond the 15.01% assumed for this year, the additional cost will need to be passed on by adjusting the pumping costs accordingly.

There is a project underway to upgrade the WAS system that we use to track water usage and bill our members from. We hope to better integrate the way in which water meters are read as well as reassess the way members order the opening and closing of valves.

We are also in the process of upgrading the current accounting system that will allow for better management reporting and integration into the WAS system. By more accurately recording inventory and resources used for each maintenance event, we hope to be able to identify areas within the reticulation scheme that need the most attention when planning upgrades.

We have installed a new backup solution for our electronic data that is copied up to the cloud after-hours, as our previous system was found to be lacking.

Richard Moss
Chairman

UITEENSETTING VAN DIE HUIDIGE BESTUURSKOMITEE VAN DIE GROENLAND WGV SOOS GENOMINEER EN VERKIES OP 1 NOVEMBER 2021 (08-02-2022)

COMPOSITION OF THE EXISTING MANAGEMENT COMMITTEE OF THE GROENLAND WUA AS NOMINATED AND ELECTED ON 1 NOVEMBER 2021 (08-02-2022)

Verkose lede van Subdistrik en sub-areas 1 tot 4 met hul ampstermyne

Elected members from the sub-district and sub-areas 1 to 4, including terms of office

1. Subdistrik 1/Sub-district 1 : (5 lede/members)

Mnr/Mr. Ryk Joubert	Smarag	083 225 7414	(2023)
Mnr. D. Loubser	Breevlei	082 826 0992	(2021)
Mnr/Mr. Albert Rust	Glen Brae	082 400 5442	(2021)
Mnr/Mr. Josias Beukes	Dennegeur	082 944 9901	(2022)
Mnr/Mr. Richard Moss	Tall Trees	082 361 1195	(2023)
Mnr/Mr Selborne Boome	Cheverells	082 881 9783	(2021) Co-opted members of Sub-District 1
Mnr. Ian Cunningham	Fine Farms		(2021) Co-opted members of Sub-District 1
Mnr. Kobus Lourens	Vergelegen	082 334 3297	(2021) Co-opted members of Sub-District 1

2. Sub-Area 1 : (Nuweberg: 1 lid/member)

Mnr/Mr. Matthew English	Fruitways	083 974 0763	(2022)
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3. Sub-Area 2 : (Kogelberg: 1 lid/member)

Mnr/Mr. Neil Reid	Elgin Orchards	083 6285104	(2022)
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4. Sub-Area 3 : (Krom/Solva: 1 lid/member)

Me/Ms. Karin Cluver	De Rust	082 326 8058	(2021)
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5. Sub-Area 4 : (Ariekraal: 1 lid/member)

Mnr/Mr. Jaco Laubscher	Ariekraal dam		(2021)
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Benoemde lede om die verskillende sektore en hulle belange in die gebied te verteenwoordig. Hierdie persone word elk vir een jaar deur hul sektor benoem (maks 3 agtereenvolgende jare)

Nominated members to represent the various sectors and interests in the area. These persons are nominated by their sector for a period of one year (max 3 consecutive years)

1. Waterdienste/Water services (3 lede/members)

Mnr/Mr. Andre Meyer	Theewaterskloof Mun		
Mnr/Mr. Hanre Blignaut	Overstrand Mun	028 271 8156	

2. Plaaslike Nywerhede/Local Industries (1 lid/member)

Me/Ms Ellie Dawids	Kromco	076 222 8909	
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3. Nasionale Nywerhede/National Industries (1 lid/member)

Me/Ms. Liesel Sherwood-Adcock	Eskom	021 859 2690	
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4. Onafhanklike Watergebruikers/Independent Water Users (2 lede/members)

Me/Ms Doris Klaasen	Waterwomen	083 373 6719	
Me/Ms Alfra Cox	Theewaterskloof Mun	(VAKATURE)	

5. Commercial BEE farmers. (2 lede/members)

Marilyn Siegels	Protea Plaas	082 969 2441	
Jan Skippers	Thandi Estate	061 283 3535	

6. Openbare Omgewingsorganisasies/Public Environmental Organisations (1 lid/member)

Mnr/Mr. Michael du Toit	Kogelberg Biosphere Reserve Co.	083 627 8254	
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7. Ontspanningsgebruikers/Recreational Users (1lid/member)

Me/Ms. Jacky Blaauw	Cape Nature	082 691-9638	
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8. Gekoöpteerde lid/Co-opted member

Grant Jephthas	Provinsiale Departement Landbou		
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9. BGCMA

Jan van Staden			
Elmarie van Rooyen			

GWUA Tariewe - sent per m3			
	2021/2022	2020/2021	Verhoging
GWGV			%
GWUA heffing (per maand)	0.153	0.170	-10.0%
Sub Distrik 1			
Raadsheffing gepomp somer (per maand)	1.000	1.000	0.0%
Raadsheffing gepomp winter (per maand)	0.730	0.730	0.0%
Raadsheffing nie gepomp somer (per maan)	0.175	0.175	0.0%
Raadsheffing nie gepomp winter (per maan)	0.135	0.135	0.0%
Pompkoste: Junie	0.912	0.760	20.0%
Pompkost : Julie Augustus	0.480	0.400	20.0%
Pompkoste: September tot Mei	0.306	0.255	20.0%
WRM Koste Landbou (per maand)	0.208	0.205	1.5%
WRM Koste Industrieel (per maand)	0.457	0.453	0.9%
Diesfooi Donderdae	gratis	gratis	
Diensfooi kantoor ure nie Donderdae	R 200	R 200	0.0%
Diensfooi na ure	R 400	R 400	0.0%

gehef op alle geregistreerde allokasie, DWA en Sub distrik 1

gehef op totale geregistreerde Sub distrik 1 gepomp allokasie

gehef op totale geregistreerde Sub distrik 1 gepomp allokasie

gehef op totale geregistreerde Sub distrik 1 nie gepomp allokasie

gehef op totale geregistreerde Sub distrik 1 nie gepomp allokasie

gemeterde water

gemeterde water (indien Eikenhof dam oorloop)

gemeterde water

gehef op totale geregistreerde Sub distrik 1 allokasie

gehef op totale geregistreerde Sub distrik 1 allokasie

Versoeke moet in wees voor 12:00 Donderdae

GWUA Tariffs - cents per m3			
	2021/2022	2020/2021	Increase
GWUA			%
GWUA levy (per month)	0.153	0.170	-10.0%
Sub District 1			
Board levy pumped summer (per month)	1.000	1.000	0.0%
Board levy pumped winter (per month)	0.730	0.730	0.0%
Board levy non-pumped summer (per month)	0.175	0.175	0.0%
Board levy non-pumped winter (per month)	0.135	0.135	0.0%
Water : June	0.912	0.760	20.0%
Water : July August	0.480	0.400	20.0%
Water : September to May	0.306	0.255	20.0%
WRM Cost Agricultural (per month)	0.208	0.205	1.5%
WRM Cost Industrial (per month)	0.457	0.453	0.9%
Service levy on Thursdays	free	free	
Service levy normal hours not Thursdays	R 200	R 200	0.0%
Service Levy after hours	R 400	R 400	0.0%

levied on total registered allocation, DWA and Sub district 1

levied on registered Sub district 1 pumped allocation

levied on registered Sub district 1 pumped allocation

levied on registered Sub district 1 non-pumped allocation

levied on registered Sub district 1 non-pumped allocation

metered water

metered water (if Eikenhof Dam overflows)

metered water

levied on total registered Sub District 1 allocation

levied on total registered Sub District 1 allocation

To notify office before 12:00 on a Thursday

GROENLAND WATER USERS ASSOCIATION (GWUA)

Special rules relating to Sub-District 1

These rules relate to the users of water from the EIKENHOF DAM and the reticulation of the water available from this source to members situated on the various pipelines. The dam is situated on the Palmiet River. The extraction of 38 million cubic metres is registered with the Department of Water Affairs (DWA) in terms of permit No: B191/2/740/1 dated 30 September 1999. This sub-group was previously referred to as the "Groenland Irrigation Board"

1 PURPOSE

- 1.1 The Main purpose of this Sub-Group is to make raw water available, and to distribute it amongst its members through its distribution system.

2 DISTRIBUTION SYSTEM

- 2.1 The Distribution System comprises a series of pumps and/or closed pipelines laid over the various properties over which GWUA has the necessary servitudes. Currently these servitudes are registered in the name of "Groenland Irrigation Board" (GIB), which organisation has been disbanded, and the rights attributable to such servitudes have been ceded to GWUA. The costs related to changing all current servitudes registered in the name of GIB to the name of GWUA are not justified but any future registrations will be in the name of GWUA

3 MEMBERSHIP

- 3.1 Membership is determined by the official list known as the List of Rateable Areas. (LRA).
- 3.2 Membership of the Sub-Group does not give any member any right to any proportion of the assets of the Sub-Group, but only gives members rights of membership in terms of the rules and regulations laid down by the Standing Committee from time to time.
- 3.3 A member of the Sub-Group is bound by the rules of the Sub-Group applicable at that time and as amended from time to time.
- 3.4 Members of the Sub-Group must ensure that their membership details are kept up to date.
- 3.5 Members are split between "PUMPED WATER" and "NON-PUMPED WATER" members, and then each group is split again between "Agricultural", and "Industrial and Domestic". Each group is then split again into Summer water entitlements and Winter water entitlements, and any member may have entitlements to both Summer and Winter water.

- 3.6 Only in the event of GWUA, or the Sub-Group being dissolved for any reason, will the net asset value of reserves and assets attributed to that group, after settling all creditors related to that group, either be transferred to another organization handling the affairs of such Sub-Group, failing which, should there be no need for any such new organization, then the net reserves could be refunded to members of the Sub-Group in proportion to their contributions towards such reserves over the last five years. Any such distribution will be subject to approval by the Management Committee of GWUA

4 VOTERS LIST

- 4.1 The Voters List is an integrated list of members with all their details including a description of the property, title deed details, size of property, and its summer and winter water entitlements.
- 4.2 Management must update the register and at least once a year and submit such list to the DWA.
- 4.3 The LRA / Voters list is at all times available at the GWUA's offices.

5 VOTING RIGHTS

- 5.1 The number of votes attributable to a quota holder is ONE vote per 30 000m³ or part thereof of each quota, subject to a maximum of TEN votes per registered quota holder.
- 5.2 If a quota is not registered in the name of a natural person, then such body must nominate an authorised person whose name will then appear on the voters' list, and vote on behalf of the registered quota holder.

6 STANDING COMMITTEE

- 6.1 Any paidup member of the Sub-Group may be nominated and elected to be on the Standing Committee, and nomination forms must be handed in at least 48 hours before an Annual Meeting of the Sub-Group to be held just before June each year, and members of the committee will not be remunerated.
- 6.2 The Standing Committee shall comprise no less than 5 members, shall be elected for terms of 3 years, renewable, and shall choose their own Chairman and Vice-Chairman. The quorum for any meeting of the Standing Committee shall be more than 50% of the number of members on the committee. The members of the Standing Committee are automatically the representatives of the Sub-Group on the GWUA Management Committee.
- 6.3 The Standing Committee will have power to make such financial decisions as laid down and agreed to in the proposals to the Management Committee of GWUA, but can amend and make its own operational rules applicable to the working of the Sub-Group which fall within the powers given them by GWUA.

7 QUOTAS

- 7.1 The water available from the Department of Water Affairs on an annual basis from the Eikenhof Dam and which may be pumped through the reticulation system, has currently been fully allocated to all the holders / users by way of quotas.
- 7.2 The quotas are allocated to individual properties, and are registered to a Title Deed.
- 7.3 The Standing Committee will ensure that quotas are available to the properties concerned throughout the year.
- 7.4 Members who are property owners can decide amongst themselves the temporary transfer of water quotas for periods up to a year within a financial year ending June if such a transfer is physically possible within the reticulation system, and request the staff in writing to honour such transfer. Any pumping charges will be charged to the effective user of the water, but adjustments in respect of levies covering fixed costs in respect of such transfers are to be settled between property owners and are not the responsibility of the staff.
- 7.5 Due to the topography of the valley, the distribution system of GWUA was designed as a low pressure pumping scheme. The Management Committee guarantees the quantity of water at the take-off point, but not at any specific pressure. Members should preferably ensure that the water flows freely into a dam. Direct irrigation from the scheme is not recommended, as it has a negative effect on the distribution system and influences the flow rate.
- 7.6 At present Summer Water quotas are available for 12 months of the year, and-Winter Water quotas are available for 9 months of the year (i.e. July, Aug, Sept, Oct, Nov, Dec, Apr, May & Jun).
- 7.7 For the 3 months July, August and June of the following year, the water tariff is three times the normal tariff for that financial year. These high tariffs are solely as per ESKOM's Ruraflex winter tariffs.
- 7.8 As unexpected interruptions may occur, members must at all times make provision for the storage of an adequate supply of water on the farm. The management of each farm must ensure that their employees involved in water activities (the so-called water men) are familiar with the rules and regulations of Sub-Group 1.

8 ADMINISTRATION

Administration will be done by the management and staff of GWUA

- 8.1 The management must enforce all decisions approved by the Management Committee of GWUA.
- 8.2 The management may handle all day to day purchases and expenses within the limits of the approved budget.
- 8.3 Capital purchases must be approved by the Chairman or Vice-Chairman.

- 8.4 The management must, in the undertaking of its activities, follow official resolutions, rules and regulations as have been laid down in the official minutes of the Standing Committee of Sub-Group 1.
- 8.5 The costs of administering, maintaining and managing the reticulation system shall be charged to the quota owners in proportion to their type and size of quota, on a monthly basis for the months for which quota owners are guaranteed water flow.
- 8.6 The costs of pumping water will be charged to the users of water, based on the volume of water used each month. It is noted here that electricity charges vary per month throughout the year and any premium during a month will be incorporated in the charge for that month.
- 8.7 GWUA invoices levy charges and water usage monthly, and any tariffs may be increased by the Standing Committee with effect from 1st of July each year.
- 8.8 Terms of payment on all accounts are strictly thirty days from date of Invoice.
- 8.9 Interest at prime plus 2% will be charged on overdue accounts. In the event of accounts being more than two months overdue, the water supply will be suspended. Should a request be made to reinstate the water supply, the Management Committee requires an additional deposit equal to two months of the total yearly charges and this will only be reinstated after full settlement of the outstanding account.
- 8.10 The rule of a deposit equal to two months of the total yearly charges applies to all new members.

9 PENALTIES

- 9.1 Should any take-off point (including locks), be damaged in an attempt by a member to obtain access to water, a minimum fine of R2 000-00 will be levied. Only officials of the Association may adjust the flow, and any unauthorised turning of valves will be penalised with a similar fine of R2 000-00.
- 9.2 Members should familiarise themselves with the pipelines on their property. Servitudes have been registered for this purpose and each farm has a copy thereof. The owner of the farm is responsible for any damage to the Association's pipes, especially during deep-ploughing or excavation in the servitudes. Should the take-off points, manholes, route markers, etc. be damaged, a minimum charge of R8 000-00 will apply. No buildings are allowed in the servitude and only crops with shallow root-system are permissible at the owner's own risk.
- 9.3 Water supplied by GWUA should be used for agricultural purposes only as it is not suitable for human consumption or domestic use. The Association supplies raw water to members in accordance with the scheduled water allocation for the property. Valves are turned on and off free of charge on Thursdays. Instructions/requests are accepted up to 12:00 noon on a Thursday. Requests may be made by phone, fax, sms or email. A service levy of R200-00 is payable for this service on any other day during office hours and R400-00 for any services after hours.

Groenland Water User Association
Financial statements
for the year ended 31 October 2021

Groenland Water User Association

Financial Statements for the year ended 31 October 2021

General Information

Management committee

Elected members from Sub-district 1:

Richard Moss (Chairman)

Kobus Lourens (Vice-chairman)

Josias Beukes

Selborne Boome

Ian Cunningham

Danie Loubser

Albert Rust

Ryk Joubert

Elected member from sub-area 1 (Nuweberg):

Matthew English

Elected member from sub-area 2 (Kogelberg):

Neil Reid

Elected member from sub-area 3 (Krom/Solva):

Karin Clüver

Elected member from sub-area 4 (Arieskraal):

Jaco Laubscher

Nominated members to represent the various sectors and their interest in the area:

Water services:

Andre Meyer - Theewaterskloof Municipality

Hanre Bignaut - Overstrand Municipality

Local industries:

Ellie Dawids - Kromco

National industries:

Liesel Sherwood - Adcock - Eskom

Independent water users:

Doris Klaasen

Alfra Cox

Commercial BEE farmers:

Marilyn Siegels

Jan Skippers

Public environmental organisations:

Michael Du Toit

Recreational users:

Jacky Blaauw

Co-opted member:

Grant Jephtas - Provincial Department of Agriculture

BGCMA

Jan van Staden

Elmarie van Rooyen

Groenland Water User Association

Financial Statements for the year ended 31 October 2021

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To ensure water resources in the Palmiet river catchment area are protected, used, developed, conserved, managed and controlled.
Registered office	Viljoenshoop Road Grabouw 7160
Bankers	First National Bank
Auditors	BVA Grabouw Inc Registered Auditors
Tax reference number	9018010604
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The financial statements were independently compiled by: A Germishyus Professional Accountant (SA)
Issued	20 January 2022

Groenland Water User Association

Financial Statements for the year ended 31 October 2021

Index

The reports and statements set out below comprise the financial statements presented to the members:

	Page
Independent Auditor's Report	4 - 6
Statement of Financial Position	7
Statement of Comprehensive Income	8 - 9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 14
Notes to the Financial Statements	15 - 17

The financial statements set out on pages 7 to 17, which have been prepared on the going concern basis, were approved by the Management Committee on _____ and were signed on its behalf by:

Chariman

Vice Chairman

Independent Auditor's Report

To the Members of Groenland Water User Association

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Groenland Water User Association (the company) set out on pages 7 to 17, which comprise the statement of financial position as at 31 October 2021, statement of comprehensive income, statement of changes in equity and statement of 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 financial statements of Groenland Water User Association for the year ended 31 October 2021 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the financial statements and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. 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 entity in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The directors are responsible for the other information. The other information comprises the information included in the document titled "Groenland Water User Association financial statements for the year ended 31 October 2021", which includes the as required by the Companies Act of South Africa, which we obtained prior to the date of this report. The other information 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 an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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.

Independent Auditor's Report

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 to the financial statements and the requirements of the Companies Act of South Africa, for determining that the basis of preparation is acceptable in the circumstance and for such internal control as the management committee 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 entity'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 intend to liquidate the entity or to cease operations, or have 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management committee.
- Conclude on the appropriateness of the management committee'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 entity'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 related 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 auditor's report. However, future events or conditions may cause the entity 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.

Independent Auditor's Report

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BVA Grabouw Inc has been the auditor of Groenland Water User Association for 14 years.

BVA Grabouw Inc
Registered Auditors
Per: WJ Steyn CA (SA)
Director
Date: _____
PO Box 38
Grabouw
7160

Groenland Water User Association

Financial Statements for the year ended 31 October 2021

Statement of Financial Position as at 31 October 2021

Figures in Rand	Notes	2021	2020
Assets			
Non-Current Assets			
Reticulation scheme	2	2 768 924	2 880 960
Land and buildings	3	670 974	670 974
Eikenhof dam	4	7 877 640	7 877 640
Movable assets	5	253 706	287 208
Loan to employee	6	197 916	330 344
		11 769 160	12 047 126
Current Assets			
Inventories	7	1 368 122	1 824 223
Trade and other receivables	8	2 243 068	2 209 559
Cash and cash equivalents	9	23 810 384	20 665 059
Loan to employee	6	132 428	120 937
		27 554 002	24 819 778
Total Assets		39 323 162	36 866 904
Equity and Liabilities			
Equity			
Accumulated surplus - Sub-district 1		9 281 544	8 093 982
Capital contributions - Sub-district 1		14 647 688	14 647 688
Accumulated surplus - GWUA		13 189 701	12 349 627
		37 118 933	35 091 297
Liabilities			
Current Liabilities			
Trade and other payables	12	2 094 193	1 775 607
Special projects	11	110 036	-
		2 204 229	1 775 607
Total Equity and Liabilities		39 323 162	36 866 904

Groenland Water User Association

Financial Statements for the year ended 31 October 2021

Statement of Comprehensive Income

Figures in Rand	Notes	2021	2020
Revenue - GWUA			
Interest received		483 141	507 277
Levy charges		1 591 932	2 579 660
Other income		1 036	(80 000)
Rental income		106 254	72 000
Project income		400 536	181 330
		2 582 899	3 260 267
Revenue - Sub-district 1			
Interest received - Sub-district 1 (Investment - FNB)		284 577	471 335
Delivery and pump cost recovered		4 072 663	3 817 369
Service levies		8 800	10 200
Board levies		3 365 422	2 870 498
WRM charges		1 266 303	1 128 616
		8 997 765	8 298 018
GROSS INCOME		11 580 664	11 558 285
Expenses (Refer to page 9)		(10 478 635)	(10 336 404)
SURPLUS FOR THE YEAR		1 102 029	1 221 881
Other comprehensive income		-	-
Total comprehensive income for the year		1 102 029	1 221 881

Groenland Water User Association

Financial Statements for the year ended 31 October 2021

Statement of Comprehensive Income

Figures in Rand	Notes	2021	2020
OPERATING EXPENSES			
Assessment rates & municipal charges		47 631	110 631
Auditor's remuneration	13	39 256	43 249
Bank charges		10 016	8 746
Computer costs		85 600	76 236
Consulting fees - Finance		21 440	36 800
Consulting fees - Water sampling and rehabilitation		107 867	92 929
Depreciation		477 034	499 019
Electricity		3 348 699	3 007 393
Employee costs		2 515 750	2 253 959
Entertainment		4 096	15 151
Insurance		141 770	129 285
Legal expenses		3 600	-
Motor vehicle expenses		205 444	245 369
Office expenses		31 673	33 210
Printing and stationery		9 322	6 958
Project cost funded		400 536	122 470
Repairs and maintenance - Building and other		17 749	90 844
Repairs and maintenance - Reticulation scheme		1 711 550	1 870 183
Repairs and maintenance - River		-	316 256
Security		31 838	24 270
Social responsibility		-	45 000
Subscriptions and membership		26 237	89 898
Telephone and fax		61 742	64 926
WRF charges		44 558	44 558
WRM charges		1 135 227	1 109 064
		10 478 635	10 336 404

Groenland Water User Association

Financial Statements for the year ended 31 October 2021

Statement of Changes in Equity

	Capital contributions - Sub-district 1	Accumulated surplus - Sub-district 1	Total accumulated surplus - Sub-district 1	Accumulated surplus - GWUA	Total equity
Figures in Rand					
Balance at 01 November 2019	14 647 688	5 210 754	19 858 442	14 010 975	33 869 417
Total comprehensive surplus for the year	-	(79 650)	(79 650)	1 301 530	1 221 880
Reallocation of capital expenditure for 2013 - 2014	-	2 962 878	2 962 878	(2 962 878)	-
Total changes	-	2 883 228	2 883 228	(1 661 348)	1 221 880
Balance at 01 November 2020	14 647 688	8 093 982	22 741 670	12 349 627	35 091 297
Total comprehensive surplus for the year	-	261 954	261 954	840 074	1 102 028
Recoupment of water sales not recorded (pre-2021 financial year)	-	581 628	581 628	-	581 628
Reversal of WRM levies provided for in previous financial years	-	343 980	343 980	-	343 980
Total changes	-	1 187 562	1 187 562	840 074	1 896 560
Balance at 31 October 2021	14 647 688	9 281 544	23 929 232	13 189 701	37 118 933
See note		10			

The Sub-district 1 surplus is kept for the main purpose of the repairs and maintenance of the reticulation scheme and pump stations of Sub-district 1.

The GWUA surplus is kept for the preservation of the water collection, storage and related costs including river maintenance which is for the general benefit of the whole area including the Municipalities of Theewaterskloof and Cape Town.

Groenland Water User Association

Financial Statements for the year ended 31 October 2021

Statement of Cash Flows

Figures in Rand	Notes	2021	2020
Cash flows from operating activities			
Cash generated from operations	14	3 245 848	1 824 168
Cash flows from investing activities			
Additions to reticulation scheme and telemetry	2	(235 853)	(120 106)
Additions to movable assets and equipment	5	(95 643)	(88 351)
Movement in loan to employee		120 937	102 656
Net cash from investing activities		(210 559)	(105 801)
Cash flows from financing activities			
Unspend funds of special projects		110 036	-
Net cash from financing activities		110 036	-
Total cash movement for the year		3 145 325	1 718 367
Cash at the beginning of the year		20 665 059	18 946 692
Total cash at end of the year	9	23 810 384	20 665 059

Groenland Water User Association

Financial Statements for the year ended 31 October 2021

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Buildings, dam, reticulation scheme and moveable assets

Eikenhof dam for which fair value is determinable without undue cost or effort are measured at fair value less costs to sell, with changes in fair value recognised in profit or loss. All other biological assets are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on other assets where fair value cannot be determined, to write down the cost, by equal instalments over their useful lives as follows:

Item	Depreciation method	Average useful life
Building	Straight line	Indefinite
Dam	Straight line	Indefinite
Reticulation scheme	Straight line	10-20 years
Telemetry	Straight line	10 years
Motor vehicles	Straight line	5 years
IT equipment	Straight line	3 years
Furniture, fixtures and equipment	Straight line	7 years

1.2 Investment property

Investment property is land and buildings held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business.

Investment property is initially measured at cost and subsequently at fair value with changes in fair value recognised in profit or loss. If the fair value of investment property cannot be measured reliably without undue cost or effort, then it is measured at cost less accumulated depreciation and accumulated impairment.

The cost of investment property comprises its purchase price and any directly attributable costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an investment property and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of investment property, the carrying amount of the replaced item is derecognised.

1.3 Reticulation scheme

Reticulation scheme are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Reticulation scheme is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of reticulation scheme and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of reticulation scheme, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of reticulation scheme are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Reticulation scheme is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Groenland Water User Association

Financial Statements for the year ended 31 October 2021

Accounting Policies

1.3 Reticulation scheme (continued)

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of reticulation scheme have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings & dam	Straight line	Indefinite
Reticulation scheme	Straight line	10-20 years
Telemetry	Straight line	10 years
Motor vehicles	Straight line	5 years
IT equipment	Straight line	3 years

When indicators are present that the useful lives and residual values of items of reticulation scheme have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on reticulation scheme when there is an indicator that they may be impaired. When the carrying amount of an item of reticulation scheme is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of reticulation scheme is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of reticulation scheme, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Groenland Water User Association

Financial Statements for the year ended 31 October 2021

Accounting Policies

1.4 Financial instruments (continued)

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.5 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill or investment property on the cost model may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.8 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.9 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.10 Allocation of surpluses

Surpluses or losses arising from the administration of the association accrue to the association. Surpluses or losses arising from the recovery of pumping costs, interest and other related matters accrue to Sub-district 1.

Groenland Water User Association

Financial Statements for the year ended 31 October 2021

Notes to the Financial Statements

Figures in Rand

2021

2020

2. Reticulation scheme

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Reticulation scheme	6 728 948	(4 522 805)	2 206 143	6 521 526	(4 322 784)	2 198 742
Telemetry	1 515 942	(953 161)	562 781	1 487 511	(805 293)	682 218
Total	8 244 890	(5 475 966)	2 768 924	8 009 037	(5 128 077)	2 880 960

Reconciliation of reticulation scheme - 2021

	Opening balance	Additions	Depreciation	Closing balance
Reticulation scheme	2 198 742	207 422	(200 021)	2 206 143
Telemetry	682 218	28 431	(147 868)	562 781
	2 880 960	235 853	(347 889)	2 768 924

Reconciliation of reticulation scheme - 2020

	Opening balance	Additions	Depreciation	Closing balance
Reticulation scheme	2 391 780	-	(193 038)	2 198 742
Telemetry	701 206	120 106	(139 094)	682 218
	3 092 986	120 106	(332 132)	2 880 960

3. Land and buildings

Reconciliation of land and buildings - 2021

	Opening balance	Closing balance
Investment property	670 974	670 974

Reconciliation of land and buildings - 2020

	Opening balance	Closing balance
Investment property	670 974	670 974

4. Eikenhof dam

	2021			2020		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Eikenhof dam	7 877 640	-	7 877 640	7 877 640	-	7 877 640

Groenland Water User Association

Financial Statements for the year ended 31 October 2021

Notes to the Financial Statements

Figures in Rand 2021 2020

5. Movable assets

	2021			2020		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Motor vehicles	931 056	(747 886)	183 170	835 413	(657 088)	178 325
IT equipment	225 877	(200 774)	25 103	225 877	(177 078)	48 799
Furniture, fixtures and equipment	142 315	(109 765)	32 550	142 315	(102 474)	39 841
Office equipment	36 572	(23 689)	12 883	36 572	(16 329)	20 243
Total	1 335 820	(1 082 114)	253 706	1 240 177	(952 969)	287 208

Reconciliation of movable assets - 2021

	Opening balance	Additions	Depreciation	Closing balance
Motor vehicles	178 325	95 643	(90 798)	183 170
IT equipment	48 799	-	(23 696)	25 103
Furniture, fixtures and equipment	39 841	-	(7 291)	32 550
Office equipment	20 243	-	(7 360)	12 883
	287 208	95 643	(129 145)	253 706

Reconciliation of movable assets - 2020

	Opening balance	Additions	Depreciation	Closing balance
Motor vehicles	311 503	-	(133 178)	178 325
IT equipment	40 359	28 998	(20 558)	48 799
Furniture, fixtures and equipment	13 880	37 272	(11 311)	39 841
Office equipment	2	22 081	(1 840)	20 243
	365 744	88 351	(166 887)	287 208

6. Loan to employee

Repayable after 12 months	197 916	330 344
Repayable within the next 12 months	132 428	120 937
	330 344	451 281

The loan to the employee carries interest at the same rate of interest that the association would have earned on its investment with First National Bank. The loan is repayable in monthly installments.

7. Inventories

Pipes, pumps and fittings - Sub-district 1 scheme	1 368 122	1 824 223
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8. Trade and other receivables

Trade receivables	1 774 482	1 759 724
Prepayments	107 763	103 223
Deposits - Eskom	360 823	346 612
	2 243 068	2 209 559

Groenland Water User Association

Financial Statements for the year ended 31 October 2021

Notes to the Financial Statements

Figures in Rand	2021	2020
9. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	1 466	3 168
Bank balances - current accounts	1 808 016	1 521 310
Money market and call account investments	22 000 902	19 140 581
Total cash reserves	23 810 384	20 665 059
10. Capital contributions - Sub-district 1		
Eikenhof Dam	1 530 682	1 530 682
Original reticulation	3 147 414	3 147 414
Extension No 1	3 323 371	3 323 371
Capitalised extensions to the reticulation scheme	2 962 878	2 962 878
Capital contributions for water allocations	3 683 343	3 683 343
	14 647 688	14 647 688
11. Special projects		
Current liability	110 036	-
Special projects constitute unspent funding for project income received for the SANBI, WESSA and Department of Agriculture projects.		
12. Trade and other payables		
Trade payables	1 406 957	747 018
VAT	41 706	83 636
Department of Water Affairs - WRF	537 623	493 066
Deposits received from tenants	5 250	5 250
Deposits received from members	102 657	102 657
Department of Water Affairs - WRM	-	343 980
	2 094 193	1 775 607
13. Auditor's remuneration		
Audit fees	36 335	34 000
Other fees	2 921	9 249
	39 256	43 249
14. Cash generated from operations		
Profit before taxation	1 102 029	1 221 881
Adjustments for:		
Depreciation	477 034	499 019
Water sales recouped	581 628	-
WRM provision allocated to equity	343 980	-
Changes in working capital:		
Inventories	456 101	(77 757)
Trade and other receivables	(33 509)	237 705
Trade and other payables	318 585	(56 680)
	3 245 848	1 824 168