Gamtoos Water User Association

Financial Statements
for the year ended 30 June 2026

These financial statements were prepared by:
WG Melville
Chartered Accountant (S.A.)

These financial statements have been audited in compliance with the applicable requirements of the National Water Act, 36 of 1998.
Issued 17 September 2026

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Management and storage of water
Members	A Bain (chairperson) C Opperman (vice chairperson) SG Ferreira M Meyer KB Katoo PNJ le Roux R Janse van Rensburg B Lamprecht Q Bezuidenhout M Rautenbach B Hattingh W Jansen van Vuuren C Kritzinger N Mgcina H Blaauw L Sawuti H Swanevelder W Coetzer C de Kock N Molisi C Barnard G Daniell
Business address	Gamtoos Water User Association Patensie 6335
Postal address	P.O. Box 237 Patensie 6335
Bankers	First National Bank Investec
Auditors	Moore Registered Auditors
Tax reference number	9340/011/60/1

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

Members' Responsibilities and Approval

The members are required by the National Water Act, 36 of 1998, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the association as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the association to meet these responsibilities, the members set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the association and all employees are required to maintain the highest ethical standards in ensuring the association’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The members have reviewed the association’s cash flow forecast for the year to 30 June 2027 and, in the light of this review and the current financial position, they are satisfied that the association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the association's financial statements. The financial statements have been examined by the association's external auditors and their report is presented on page 4 to 5.

The financial statements set out on pages 6 to 22, which have been prepared on the going concern basis, were approved by the association on 17 September 2026 and were signed on their behalf by:

A Bain (chairperson)	**C Opperman (vice chairperson)**

Patensie

17 September 2026

Moore Jeffreys Bay Partnership

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Independent Auditor's Report

To the members of Gamtoos Water User Association

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gamtoos Water User Association (the association) set out on pages 8 to 20, which comprise the statement of financial position as at 30 June 2026; and the statement of comprehensive income; the statement of changes in equity; and the statement of cash flows for the year then ended; and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Gamtoos Water User Association as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the National Water Act, 36 of 1998.

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 association 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.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the fact that the buildings are erected on land belonging to the government and cannot be recovered by way of disposal. Although these buildings are capitalised in the statement of financial position of the association, the recovery of economic benefits will only be through the use of these assets, except if a recovery of cost from the government could be accomplished.

Other Information

The members are responsible for the other information. The other information comprises the information which includes the Members' Report as required by the National Water Act, 36 of 1998 and the supplementary information as set out on pages 21 to 22. 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.

Responsibilities of the Members for the Financial Statements

The members are responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the National Water Act, 36 of 1998, and for such internal control as the members determine 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 members are responsible for assessing the association’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 members either intend to liquidate the association 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 association’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' 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 association’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 association 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 members 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.

Moore
J Barnard
Partner
Registered Auditors

17 September 2026
Humansdorp

Members' Report

The members have pleasure in submitting their report on the financial statements of Gamtoos Water User Association for the year ended 30 June 2026.

1. Review of financial results and activities

The financial statements have been prepared in accordance with IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the National Water Act, 36 of 1998. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the association are set out in these financial statements.

2. Members

The members in office at the date of this report are as follows:

Members	
A Bain (chairperson)	
C Opperman (vice chairperson)	
SG Ferreira	
M Meyer	
KB Katoo	
PNJ le Roux	
R Janse van Rensburg	
B Lamprecht	
Q Bezuidenhout	
M Rautenbach	
B Hattingh	
W Jansen van Vuuren	
C Kritzinger	
N Mgcina	
H Blaauw	
L Sawuti	
H Swanevelder	
W Coetzer	
C de Kock	
N Molisi	
C Barnard	Executive
G Daniell	Executive

3. Events after the reporting period

The members are not aware of any material event which occurred after the reporting date and up to the date of this report.

4. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The members believe that the association has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The members have satisfied themselves that the association is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The members are not aware of any new material changes that may adversely impact the association. The members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the association.

Members' Report

5. Auditors

Moore continued in office as auditors for the association for 2026.

6. Officials

R Colesky - Chief executive officer

Statement of Financial Position as at 30 June 2026

Figures in Rand	Notes	2026	2025
Assets			
Non-Current Assets			
Property, plant and equipment	2	13,487,567	12,285,612
Other financial assets	3	9,617,551	2,746,828
		23,105,118	**15,032,440**
Current Assets			
Other financial assets	3	-	6,116,883
Inventories	4	1,471,295	1,717,183
Trade and other receivables	5	13,489,502	14,982,879
Cash and cash equivalents	6	11,216,991	12,519,063
		26,177,788	**35,336,008**
Total Assets		**49,282,906**	**50,368,448**
Equity and Liabilities			
Equity			
Retained income		40,965,394	39,282,861
Liabilities			
Current Liabilities			
Trade and other payables	7	7,511,995	10,311,057
Provisions	8	805,517	774,530
		8,317,512	**11,085,587**
Total Equity and Liabilities		**49,282,906**	**50,368,448**

Statement of Comprehensive Income

Figures in Rand	Notes	2026	2025
Revenue	9	43,576,445	41,884,340
Other income	10	2,776,665	4,628,684
Operating expenses		(46,809,821)	(47,870,636)
Operating loss	11	**(456,711)**	**(1,357,612)**
Investment revenue	12	1,847,769	1,815,722
Finance costs	13	(33)	(13)
Fair value adjustments	14	291,508	438,234
Profit for the year		**1,682,533**	**896,331**
Other comprehensive income		-	-
Total comprehensive income for the year		**1,682,533**	**896,331**

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 July 2024	**38,386,530**	**38,386,530**
Profit for the year	896,331	896,331
Other comprehensive income	-	-
Total comprehensive income for the year	**896,331**	**896,331**
Balance at 01 July 2025	**39,282,861**	**39,282,861**
Profit for the year	1,682,533	1,682,533
Other comprehensive income	-	-
Total comprehensive income for the year	**1,682,533**	**1,682,533**
Balance at 30 June 2026	**40,965,394**	**40,965,394**

Statement of Cash Flows

Figures in Rand	Notes	2026	2025
Cash flows from operating activities			
Cash receipts from customers and operating activities		54,158,919	55,668,361
Cash paid to suppliers, employees and towards operating activities		(53,847,231)	(55,598,325)
Cash generated from operations	15	311,688	70,036
Interest income	12	1,338,743	1,400,943
Finance costs	13	(33)	(13)
Net cash from operating activities		**1,650,398**	**1,470,966**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(2,004,609)	(866,686)
Proceeds from disposal of property, plant and equipment	2	-	233,970
Purchases of other financial assets		-	(55,000)
Net cash from investing activities		**(2,004,609)**	**(687,716)**
Total cash movement for the year		**(354,211)**	**783,250**
Cash and cash equivalents at the beginning of the year		12,519,063	11,735,813
Total cash at end of the year	6	**12,164,852**	**12,519,063**

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 IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board, and the National Water Act, 36 of 1998. The financial statements have been prepared on the historical cost basis, unless otherwise stated in the accounting policies which follow, and incorporate the principal accounting policies set out below. They are presented in South African Rands. Rounding is to the nearest R1.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The association reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date. During the current year, the members determined that the useful lives of property, plant and equipment have remained unchanged.

Impairment testing

The association reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Fair value estimation

Several assets of the association are measured at fair value.

The valuation process requires management to always first consider whether there is a quoted price in an active market for an identical or similar asset. If no such quoted price exists, then the fair value is determined by reference to a recent binding sale agreement or a recent transaction for an identical or similar asset.

The recent binding sale agreement or transaction is only applied where it is between knowledgeable willing parties in an arms length transaction and where there has not been a significant change in economic circumstances or significant time lapse between the date of such agreement or transaction and the measurement date. Where there have been significant changes in economic circumstances, then the price is adjusted to determine fair value. If there is no quoted price and there have been no recent binding sale agreements or recent transactions for the identical or similar assets, then management will determine fair value by applying appropriate valuation techniques. Observable market data is used as inputs to the extent that it is available.

Information about the specific techniques and inputs of the various assets is disclosed in note 3.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the association holds for its own use or for rental to others and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the association, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

1.2 Property, plant and equipment (continued)

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment 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 property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

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 association.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	100 years (100% residual value)
Plant	Straight line	5 to 15 years
Motor vehicles	Straight line	20 to 35 years
Office equipment	Straight line	10 to 20 years
IT equipment	Straight line	10 years
Heavy vehicles and equipment	Straight line	20 years
Solar equipment	Straight line	20 years

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

Where major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to the components and they are depreciated separately over each component's useful life.

When indicators are present that the useful lives and residual values of items of property, plant and equipment 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 property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment 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 property, plant and equipment 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 property, plant and equipment, 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.

1.3 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.

Accounting Policies

1.3 Financial instruments (continued)

Financial instruments at amortised cost

These include cash and cash equivalents, 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 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 or 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.

1.4 Tax

Tax expenses

The income of the association is exempt from income tax in terms of section 10(1)(t)(ix) of the Income Tax Act.

1.5 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the weighted average cost basis.

1.6 Impairment of assets

The association assesses at each reporting date whether there is any indication that any assets 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 Equity

Equity instruments issued by the association are recognised at the proceeds received, net of direct issue costs.

1.8 Provisions and contingencies

Provisions are recognised when the association has an obligation at the reporting date as a result of a past event; it is probable that the association will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

Accounting Policies

1.9 Revenue

Revenue is recognised to the extent that the association 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 association. 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.

Dividends are recognised, in profit or loss, when the association's right to receive payment has been established.

1.10 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.

1.11 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term unless:
- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:
- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.12 Borrowing costs

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

2. Property, plant and equipment

	2026			2025		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	1,687,437	-	1,687,437	1,687,437	-	1,687,437
Plant	1,575,770	(437,601)	1,138,169	1,244,802	(345,653)	899,149
Motor vehicles	6,513,844	(1,586,824)	4,927,020	6,131,280	(1,342,149)	4,789,131
Office equipment	54,817	(4,805)	50,012	19,600	(2,447)	17,153
IT equipment	1,187,447	(325,275)	862,172	997,900	(224,319)	773,581
Heavy vehicles and equipment	7,137,239	(3,339,253)	3,797,986	7,137,239	(3,018,078)	4,119,161
Solar equipment	1,066,313	(41,542)	1,024,771	-	-	-
Total	**19,222,867**	**(5,735,300)**	**13,487,567**	**17,218,258**	**(4,932,646)**	**12,285,612**

Reconciliation of property, plant and equipment - 2026

	Opening balance	Additions	Depreciation	Closing balance
Buildings	1,687,437	-	-	1,687,437
Plant	899,149	330,969	(91,949)	1,138,169
Motor vehicles	4,789,131	382,564	(244,675)	4,927,020
Office equipment	17,153	35,216	(2,357)	50,012
IT equipment	773,581	189,547	(100,956)	862,172
Heavy vehicles and equipment	4,119,161	-	(321,175)	3,797,986
Solar equipment	-	1,066,313	(41,542)	1,024,771
	12,285,612	**2,004,609**	**(802,654)**	**13,487,567**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Buildings	1,687,437	-	-	-	1,687,437
Plant	945,184	166,752	(149,302)	(63,485)	899,149
Motor vehicles	4,785,689	365,067	(127,408)	(234,217)	4,789,131
Office equipment	66,694	10,000	(58,307)	(1,234)	17,153
IT equipment	536,607	324,867	(7,371)	(80,522)	773,581
Heavy vehicles and equipment	4,440,337	-	-	(321,176)	4,119,161
	12,461,948	**866,686**	**(342,388)**	**(700,634)**	**12,285,612**

The buildings are erected on land which is not owned by the association.

3. Other financial assets

	2026	2025
At fair value		
Listed shares - Glacier	3,814,607	2,746,828

Notes to the Financial Statements

Figures in Rand	2026	2025

3. Other financial assets (continued)

At amortised cost		
Engeli Enterprise Development (Pty) Ltd The loan is unsecured, interest free and is repayable within the following 12 months, with an extention option for a further 12 months.	175,000	175,000
Amré Didloft The loan is unsecured, interest free and is repayable within the following 12 months, with an extention option for a further 12 months.	55,000	55,000
GBS Mutual Bank The amount represents a fixed investment bearing interest at prime-related rates. The maturity date of the investment is 29 January 2031.	5,572,944	5,886,883
	5,802,944	**6,116,883**
Total other financial assets	**9,617,551**	**8,863,711**
Non-current assets		
At fair value	3,814,607	2,746,828
At amortised cost	5,802,944	-
	9,617,551	**2,746,828**
Current assets		
At amortised cost	-	6,116,883
	9,617,551	**8,863,711**

Fair value measurement

The fair values of listed or quoted investments are based on the quoted market price at reporting period date.

4. Inventories

Consumable goods	1,471,295	1,717,183

5. Trade and other receivables

Trade receivables	11,605,401	12,482,626
Deposits	606,941	581,361
Nelson Mandela Bay Municipality	1,053,016	1,843,197
Sundry debtors	224,144	75,695
	13,489,502	**14,982,879**

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1,169,408	1,694,068
Short-term deposits	10,047,583	10,824,995
	11,216,991	**12,519,063**

Notes to the Financial Statements

Figures in Rand	2026	2025

7. Trade and other payables

Trade payables	1,285,757	3,783,956
Audit fee provision	138,500	130,600
Department of Water Affairs and Sanitation	3,530,755	3,893,009
Deposits received	20,108	18,389
Leave provision	905,161	1,000,717
Payroll accruals	347,310	508,029
SARS - VAT	1,284,404	976,357
	7,511,995	**10,311,057**

8. Provisions

Reconciliation of provisions - 2026

	Opening balance	Additions	Utilised during the year	Closing balance
Bonus provision	774,530	805,517	(774,530)	805,517

Reconciliation of provisions - 2025

	Opening balance	Additions	Utilised during the year	Closing balance
Bonus provision	765,400	774,530	(765,400)	774,530

The timing of the outflow of economic benefits with regards to the provision is expected to be within 12 months.

9. Revenue

Water taxes	38,330,327	36,862,452
Consumptive charge	3,136,534	2,992,053
Water resource management charge	2,109,584	2,029,835
	43,576,445	**41,884,340**

10. Other income

Administration and management fees received	820,312	801,211
Keiskammahoek income	438,948	2,454,440
Personnel income	484,734	467,126
Rental income	398,187	346,314
Rental of equipment	205,227	155,177
Sundry income	429,257	404,416
	2,776,665	**4,628,684**

Notes to the Financial Statements

Figures in Rand	2026	2025

11. Operating loss

Operating loss for the year is stated after accounting for the following:

	2026	2025
Operating lease charges		
Motor vehicles		
• Contractual amounts	53,030	79,287
Equipment		
• Contractual amounts	42,897	43,599
	95,927	**122,886**
Loss on disposal of property, plant and equipment	-	108,418
Depreciation	802,654	700,634
Employee costs	18,330,059	18,632,652

12. Investment revenue

	2026	2025
Dividend revenue		
Listed financial assets - Local	68,904	43,116
Interest revenue		
Bank	522,130	725,522
Deposits	25,580	30,349
Trade and other receivables	791,033	645,073
Other financial assets	440,122	371,662
	1,778,865	**1,772,606**
	1,847,769	**1,815,722**

13. Finance costs

	2026	2025
Trade and other payables	33	13

14. Fair value adjustments

	2026	2025
Other financial assets	291,508	438,234

15. Cash generated from operations

	2026	2025
Net profit before taxation	1,682,533	896,331
Adjustments for:		
Depreciation	802,655	700,634
Loss on disposal of property, plant and equipment	-	108,418
Fair value adjustments	(291,508)	(438,234)
Movement in provisions	30,987	9,130
Non-cash expenses in other financial assets	46,695	37,490
Investment income	(1,847,769)	(1,815,722)
Finance costs	33	13
Changes in working capital:		
Decrease (increase) in inventories	245,888	(211,996)
Decrease (increase) in trade and other receivables	2,546,393	(1,463,887)
(Decrease) increase in trade and other payables	(2,904,219)	2,247,859
	311,688	**70,036**

Notes to the Financial Statements

Figures in Rand	2026	2025

16. Related parties

Relationships	
Linked due to key management	WWF Keiskammahoek NatCarbon Eastern Cape Projects and Tourism Agency (ECP)
Members of key management	RC Colesky

Related party balances and transactions with other related parties

Related party balances

	2026	2025
Amounts included in trade receivables regarding related parties		
Keiskammahoek	195,404	2,914,086
NatCarbon	505,000	366,125
Eastern Cape Projects and Tourism Agency (ECP)	1,453,244	-

Related party transactions

	2026	2025
Project costs paid to (received from) related parties		
Eastern Cape Projects and Tourism Agency (ECP)	(37,020)	-
Keiskammahoek	(438,948)	(2,454,440)
Keiskammahoek	22,067	652,743
NatCarbon	-	11,263
Administration fees received from related parties		
NatCarbon	(569,666)	(318,370)
Eastern Cape Projects and Tourism Agency (ECP)	(250,646)	-
WWF	-	(29,029)

Compensation paid to key management

	2026	2025
Short-term employee benefits	1,660,572	1,585,187

17. Categories of financial instruments

Financial assets at fair value through profit or loss

	2026	2025
Other financial assets	3,814,607	2,746,828

Debt instruments at amortised cost

	2026	2025
Other financial assets	5,802,944	6,116,883
Trade and other receivables	12,436,486	14,982,879
Cash and cash equivalents	11,216,991	12,519,063
	29,456,421	**33,618,825**

Financial liabilities at amortised cost

	2026	2025
Trade and other payables	5,984,487	9,204,650

Detailed Income Statement

Figures in Rand	Notes	2026	2025
Revenue			
Water taxes		38,330,327	36,862,452
Consumptive charge		3,136,534	2,992,053
Water resource management charge		2,109,584	2,029,835
	9	**43,576,445**	**41,884,340**
Other income			
Administration and management fees received		820,312	801,211
Keiskammahoek income		438,948	2,454,440
Personnel income		484,734	467,126
Rental income		398,187	346,314
Rental of equipment		205,227	155,177
Sundry income		429,257	404,416
	10	**2,776,665**	**4,628,684**
Expenses (Refer to page 22)		**(46,809,821)**	**(47,870,636)**
Operating loss	11	**(456,711)**	**(1,357,612)**
Investment income	12	1,847,769	1,815,722
Finance costs	13	(33)	(13)
Fair value adjustments	14	291,508	438,234
		2,139,244	**2,253,943**
Profit for the year		**1,682,533**	**896,331**

Detailed Income Statement

Figures in Rand	Notes	2026	2025
ADMINISTRATIVE			
Administration and management fees		198,768	180,131
Auditor's remuneration		143,080	143,501
Bad debts		64,705	51,744
Bursaries		206,170	198,624
Chemicals		537,399	816,589
Community service expenses		232,353	219,759
Computer expenses		277,474	158,075
Consulting and professional fees		182,120	57,097
Consumables		7,171,018	9,285,892
Consumptive charge		3,161,375	4,422,313
Contractors		2,369,252	2,090,155
Depreciation		802,654	700,634
Electricity expense		1,996,707	2,011,543
Employee costs		18,330,059	18,632,652
Entertainment		144,348	171,663
Equipment hire		523,380	31,908
General expenses		11,161	26,879
Generator fuel		106,051	15,787
Geohydrological study		23,817	149,060
Herbicides		225,862	189,720
Honorarium		151,964	130,392
Insurance		819,191	761,450
Keiskammahoek expenses		22,067	656,479
Learnerships		214,131	161,657
Lease rentals on operating lease		95,927	122,886
Licenses and permits		14,656	-
Loss on disposal of property, plant and equipment		-	108,418
Media		87,522	66,248
Membership fees		73,756	71,800
Motor vehicle allowances		946,865	1,287,490
OPERATIONS AND MAINTENANCE			
Printing and stationery		134,983	203,328
Repairs and maintenance: Alarm system		159,341	180,386
Repairs and maintenance: Camp houses		90,465	74,849
Repairs and maintenance: Roadworks		281,879	220,833
Repairs and maintenance: Special maintenance		2,895,668	483,781
Repairs and maintenance: Vehicles		1,569,087	1,146,424
Sponsorships		93,550	43,270
Telephone and internet		190,148	192,665
Training		138,634	363,270
Travel - local		12,589	11,409
Water resource management charge		2,109,645	2,029,875
		46,809,821	**47,870,636**