

Water Institute of Southern Africa (Non Profit Company)

(Registration Number 2001/001140/08)

Annual Financial Statements
for the year ended 31 December 2014

RMS Chartered Accountants Inc.

Registered Auditors

Published 7 April 2015

Water Institute of Southern Africa (Non Profit Company)

(Registration Number 2001/001140/08)

Annual Financial Statements for the year ended 31 December 2014

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Water Institute of Southern Africa (Non Profit Company)

(Registration Number 2001/001140/08)

Annual Financial Statements for the year ended 31 December 2014

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Non-Profit Organisation (Service Industry)
Directors	J Burgess R Brown A Mancotywa C Esterhuyse I Jacobs A Lagardien G McConkey C Fennemore V Naidoo A Wurster S Nienaber M Padiaychee D Taylor
Postal address	P. O. Box 6011 Halfway House 1685
Registered office	1st Floor Building No. 5 Constantia Park 546 16th Road Randjes Park X7, Midrand 1685
Bankers	First National Bank and Investec Bank
Auditors	RMS Chartered Accountants Inc. 482 Jacqueline Drive Garsfontein Pretoria 0042
Company registration number	2000/001140/08
Business address	1st Floor Building No. 5 Constantia Park 546 16th Road Randjes Park X7, Midrand 1685



Chartered Accountants Inc.
Geotrouleerde Rekenmeesters Ing.
Reg Nr: 2006/022658/21

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Directors:
RM Scheepers CA (SA)
K de Villiers CA (SA)

INDEPENDENT AUDITOR'S REPORT

To the Directors of Water Institute of Southern Africa (Non Profit Company)

We have audited the annual financial statements of Water Institute of Southern Africa (Non Profit Company) set out on pages 8 to 20 which comprise the statement of financial position at 31 December 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the company's directors, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the annual financial statements fairly present, in all material respects, the financial position of Water Institute of Southern Africa (Non Profit Company) at 31 December 2014, and its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.



RMS

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INDEPENDENT AUDITOR'S REPORT

Other matter

Without qualifying our opinion we draw attention to the fact that supplementary information set out on pages 21 to 22 do not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

RMS Chartered Accountants Inc.



Karien de Villiers
Registered Auditors
Pretoria
07 April 2015

Water Institute of Southern Africa (Non Profit Company)

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Directors' Responsibilities and Approval

The directors are required by the companies act to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company 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 International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

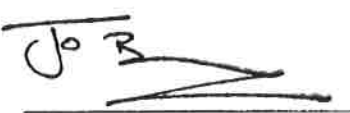
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known form of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2015 and, in the light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The directors 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation.

The annual financial statements as set out on pages 8 to 20 were approved by the board on 7 April 2015 and were signed on its behalf by:


M Padiaychee


J Burgess

Water Institute of Southern Africa (Non Profit Company)

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Annual Financial Statements for the year
ended 31 December 2014

Directors' Report

The directors present their report for the year ended 31 December 2014.

1. Incorporation

The Non Profit Company was incorporated on 27 January 2000 and obtained its certificate to commence business on the same day.

2. Review of activities

Main business and operations

The principal activity of the organisation is in the service industry. There were no major changes in the industry for the period under review.

The company recorded a deficit for the year of R543 222 (2013: R 1 159 702), and is exempt from income tax in terms of section 10(1)d(iv)(bb)

The operating results and statement of financial position of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

3. Going concern

The annual 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.

4. Events after reporting date

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report that has not been adjusted for or appropriately disclosed.

5. Directors' interest in contracts

To our knowledge none of the directors had any interest in contracts entered into during the year under review.

6. Directors

The directors of the company during the year and to the date of this report are as follows:

<u>Name</u>	<u>Appointed</u>	<u>Term completed</u>
J Burgess	23 June 2009	
R Brown	8 September 2008	
A Mancotywa	3 November 2007	26 May 2014
C Esterhuyse	23 June 2009	26 May 2014

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Directors' Report

<u>Name</u>	<u>Appointed</u>	<u>Term completed</u>
I Jacobs	15 February 2012	26 May 2014
A Lagardien	25 May 2011	
G McConkey	25 February 2011	
C Fennemore	14 June 2011	
V Naidoo	15 August 2012	
A Wurster	26 May 2014	
S Nienaber	26 May 2014	
M Padiaychee	26 May 2014	
D Taylor	21 August 2014	

7. Secretary

The company had no secretary during the current year.

8. Auditors

RMS Chartered Accountants Inc. were the auditors for the year under review.

9. Corporate governance

The board of directors are committed to business integrity, ethics, anti-corruption, transparency and professionalism in all its activities. As part of this commitment, the board support the highest standards of corporate governance and the development of best practice.

The chairperson is a non-executive and independent director. The roles of the Chairperson and Chief Executive Officer are separate, with responsibilities divided between them, so that no individual has unfettered powers of decision.

10. Restatement

New information came to light regarding a memorandum of understanding entered into by previous management with the Department of Water Affairs. The agreement stipulated that the MWQ profit will be split between Department of Water Affairs and Water Institute of Southern Africa. This was incorrectly recorded in 2013 due to a limitation of information and subsequently 2013 was restated. All relevant users were informed and due processes followed. The matter is disclosed in note 18 to the Annual Financial Statements.

11. Accounting policies

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) for Small and Medium-sized Entities issued by the International Accountings Standards Board.

Water Institute of Southern Africa (Non Profit Company)

(Registration Number 2001/001140/08)

Annual Financial Statements as at 31 December 2014

Statement of Financial Position

Figures in R	Note(s)	2014	2013
Assets			
Non-Current Assets			
Property, plant and equipment	3	1,416,482	1,383,032
Intangible assets	4	121,624	243,212
Investments	5	5,854,066	5,225,770
		<u>7,392,172</u>	<u>6,852,014</u>
Current Assets			
Inventories	6	3,588	11,016
Trade and other receivables	7	4,087,683	2,653,980
Cash and cash equivalents	8	3,287,074	6,174,600
		<u>7,378,345</u>	<u>8,839,596</u>
Total Assets		<u>14,770,517</u>	<u>15,691,610</u>
Reserves and Liabilities			
Reserves			
Other components of equity		2,859,739	2,984,340
Retained earnings		9,600,034	10,053,619
		<u>12,459,773</u>	<u>13,037,959</u>
Current Liabilities			
Provisions	9	926,418	762,893
Trade and other payables	10	831,966	754,555
Mine Water Division	11	2,798	5,967
DWA-MWQ 2013 Conference	12	549,562	1,130,236
		<u>2,310,744</u>	<u>2,653,651</u>
Total Reserves and Liabilities		<u>14,770,517</u>	<u>15,691,610</u>

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Annual Financial Statements for the year ended 31 December 2014

Statement of Comprehensive Income

Figures in R	Note(s)	2014	2013
Publications sales revenue		13 319	11 521
Cost of sales		<u>(7 428)</u>	<u>(5 954)</u>
Gross surplus		5 891	5 567
Special projects and membership income	13	16 897 885	12 049 715
Operating costs		<u>(18 194 610)</u>	<u>(14 059 597)</u>
Operating deficit		<u>(1 290 834)</u>	<u>(2 004 315)</u>
Investment income	15	<u>747 612</u>	<u>844 613</u>
Deficit for the year		<u>(543 222)</u>	<u>(1 159 702)</u>

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Annual Financial Statements for the year ended 31 December 2014

Statement of Changes in Reserves

Figures in R	Reserve: Branches and divisions	Other Non- Distributable Reserve	Accumulated surplus	Total
Balance at 1 January 2012	2,456,354	527,986	11,213,321	14,197,661
Total comprehensive income for the year				
Deficit for the year as restated			(1,159,702)	(1,159,702)
Total comprehensive income for the year			(1,159,702)	(1,159,702)
Balance at 31 December 2013	2,456,354	527,986	10,053,619	13,037,959
Balance at 1 January 2014	2,456,354	527,986	10,053,619	13,037,959
Total comprehensive income for the year				
Deficit for the year			(543,222)	(543,222)
Total comprehensive income for the year			(543,222)	(543,222)
Interest allocation to divisions	15,036			15,036
Other non distributable reserve		(50,000)		(50,000)
Transfer to branches	(89,637)		89,637	-
Balance at 31 December 2014	2,381,753	477,986	9,600,034	12,459,773

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Statement of Cash Flows

Figures in R	Note(s)	2014	2013
Cash flows from operating activities			
Deficit for the year		(543,222)	(1,159,702)
<i>Adjustments for:</i>			
Amortisation of Intangible assets		121,588	121,588
Depreciation of Tangible assets		23,200	38,536
Investment income		(747,612)	(844,613)
Loss on disposal of property, plant and equipment		175	5,829
Fair value adjustments		(535,119)	(509,694)
Interest transfer to division		15,036	48,306
Operating cash flow before working capital changes		(1,665,954)	(2,299,750)
<i>Working capital changes</i>			
Decrease in inventories		7,428	5,954
Increase in trade and other receivables		(1,433,703)	(1,308,692)
(Decrease)/Increase in provisions		163,525	(52,725)
(Decrease)/Increase in trade and other payables		(506,432)	1,134,781
Cash utilised in operating activities		(3,435,136)	(2,520,432)
Investment income		747,612	844,613
Net cash from operating activities		(2,687,524)	(1,675,819)
Cash flows from investing activities			
Property, plant and equipment acquired	3	(56,650)	(21,970)
Increase in investment value	5	(93,177)	-
Proceeds on disposals of property, plant and equipment		(175)	893
Increase in financial assets		-	(43,995)
Movements in other reserves		(50,000)	-
Net cash generated by investing activities		(200,002)	(65,072)
Decrease in cash and cash equivalents		(2,887,526)	(1,740,891)
Cash and cash equivalents at beginning of the year		6,174,600	7,915,491
Cash and cash equivalents at end of the year	8	3,287,074	6,174,600

Water Institute of Southern Africa (Non Profit Company)

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Annual Financial Statements for the year ended 31 December 2014

Accounting Policies

1. General information

Water Institute of Southern Africa (Non Profit Company) is a non-profit organisation.

2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

2.1 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the organisation's activities. Revenue is shown net of value-added tax, returns, and discounts.

The organisation recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the organisation's activities, as described below:

Dividends income

Dividends income is recognised as revenue when the right to receive payment is established and is shown as 'other income'.

Interest income

Interest income is recognised using the effective interest method.

2.2 Income taxes

The organisation is exempt from income tax in terms of Section 10(1)d(iv)(bb). The Non-Profit Organisation number applicable to the organisation is 014-821NPO.

2.3 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs include 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.

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Annual Financial Statements for the year ended 31 December 2014

Accounting Policies

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Buildings	0.00%
IT Equipment	33.33%
Office Equipment	20.00%
Furniture & Fittings	20.00%

2.4 Intangible assets

An Intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are initially recognised at cost.

All research and development costs are recognised as an expense unless they form part of the cost of another asset that meets the recognition criteria.

If the company is unable to make a reliable estimate of the useful life of an intangible asset, the life is presumed to be 10 years.

Website development 33.33%

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three to five years.

Research and development cost

All research and development costs are recognised as an expense unless they form part of the cost of another asset that meets the recognition criteria.

2.5 Impairment of non-current assets

At each balance sheet date, the carrying amounts of tangible and intangible assets and investments in associates are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If the fair value less costs to sell of an asset (or group of assets) is estimated to be less than its carrying amount, the carrying amount of the asset (or group of assets) is reduced to its fair value less costs to sell. 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 assets) is increased to the revised estimate of its fair value less costs to sell, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Water Institute of Southern Africa (Non Profit Company)

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Annual Financial Statements for the year ended 31 December 2014

Accounting Policies

2.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the organisation at their fair value at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciation and impairment losses are recognised.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

2.7 Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell.

2.8 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the organisation will not be able to collect all amounts due according to the original terms of the receivables.

2.9 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.10 Borrowings

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the organisation has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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Annual Financial Statements for the year ended 31 December 2014

Accounting Policies

2.11 Employee benefit obligations

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave 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.

2.12 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2.13 Provisions

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 passage of time is recognised as interest expense.

Water Institute of Southern Africa (Non Profit Company)

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Annual Financial Statements for the year ended 31 December 2014

Notes to the Annual Financial Statements

Figures in R

2014

2013

3. Property, plant and equipment

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
<i>Owned assets</i>						
Land and buildings	1,378,417	-	1,378,417	1,355,759	-	1,355,759
Furniture and fittings	90,295	90,293	2	90,295	88,375	1,920
Office equipment	59,298	55,303	3,995	56,566	51,272	5,294
IT equipment	107,661	73,593	34,068	76,401	56,342	20,059
	1,635,671	219,189	1,416,482	1,579,021	195,989	1,383,032

The carrying amounts of property, plant and equipment can be reconciled as follows:

	2014				Carrying value at end of year
	Carrying value at beginning of year	Additions	Disposals	Depreciation	
<i>Owned assets</i>					
Land and buildings	1,355,759	22,658	-	-	1,378,417
Furniture and fittings	1,920	-	-	(1,918)	2
Office equipment	5,294	2,732	-	(4,031)	3,995
IT equipment	20,059	31,260	-	(17,251)	34,068
	1,383,032	56,650	-	(23,200)	1,416,482

	2013				Carrying value at end of year
	Carrying value at beginning of year	Additions	Disposals	Depreciation	
<i>Owned assets</i>					
Land and buildings	1,355,759	-	-	-	1,355,759
Furniture and fittings	18,656	-	(4,114)	(12,622)	1,920
Office equipment	12,097	1,490	(979)	(7,314)	5,294
IT equipment	19,809	20,480	(1,630)	(18,600)	20,059
	1,406,321	21,970	(6,723)	(38,536)	1,383,032

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Notes to the Annual Financial Statements

Figures in R

2014 2013

4. Intangible assets

	Cost	Accumulated amortisation / impairment	2014 Carrying value	Cost	Accumulated amortisation / impairment	2013 Carrying value
Website development	364,800	(243,176)	121,624	364,800	(121,588)	243,212

The carrying amounts of intangible assets can be reconciled as follows:

	Carrying value at beginning of year	Fair value gains / Additions	Amortisation / Impairments	Reclassified held for sale / Disposals	2014 Carrying value at end of year
Website development	243,212	-	(121,588)	-	121,624
	243,212	-	(121,588)	-	121,624

5. Investments

Momentum - Equity funds	5,854,066	5,225,770
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Investment in the Allen Gray Equity and RMB Conservative fund at fair value.

6. Inventories

Inventories comprise:

Handbooks	3,588	11,016
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7. Trade and other receivables

Trade debtors	2,958,224	2,530,780
Sundry debtors	54,850	43,268
Prepaid expenses	603,301	-
Value Added Taxation	471,308	79,932
	4,087,683	2,653,980

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Notes to the Annual Financial Statements

Figures in R

2014

2013

8. Cash and cash equivalents

Favourable cash balances

Term deposits	1,041,908	1,079,665
Cash on hand	1,413	1,450
FNB 62044552710	842,505	275,439
FNB Money Market	681,308	661,664
Investec 40 day account	532,972	3,988,185
FNB 62044553726	186,968	168,197
	<u>3,287,074</u>	<u>6,174,600</u>

9. Provisions

Provision

Carrying amount at the beginning of the year	762,893	815,618
Increase in provision	163,525	283,910
Amounts incurred and charged against the provision	-	(336,635)
Carrying amount at end of the year	<u>926,418</u>	<u>762,893</u>

The provision was raised to take into consideration possible bad debts within the next financial year.

10. Trade and other payables

Accrued liabilities	238,397	-
Leave pay provision	124,893	-
Income received in advance	444,655	658,786
Trade creditors	24,021	95,769
	<u>831,966</u>	<u>754,555</u>

11. Mine Water Division

Mine Water Division	<u>2,798</u>	<u>5,967</u>
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Notes to the Annual Financial Statements

Figures in R	2014	2013
12. DWA-MWQ 2013 Conference		
DWA-MWQ 2013 Conference	549 562	1 130 236
The above liability arose due to an agreement between Water Institute of Southern Africa and Department of Water Affairs. The agreement stipulated that the MWQ profit will be split between the two parties.		
13. Special projects		
MWQ 2013 Income	92 000	3 827 202
WISA 2014 - Exhibition Income	2 014 719	-
WISA 2014 - Sponsorships	2 025 858	-
WISA 2014 - Delegates Income	7 936 893	-
Water Re-Use Conference	-	66 667
MWQ - Sponsorships	-	2 738 717
WISA 2014 - Other income	16 784	-
Branches and divisions - Income	969 861	2 308 749
Directory sales	496 214	366 921
Other income	76 806	138 334
Subscriptions	3 268 750	2 394 528
WISA 2012 Income	-	33 158
Website adverts and refunds received	-	175 439
	<u>16 897 885</u>	<u>12 049 715</u>
14. Profit before tax		
The following items have been recognised as expenses (income) in determining profit before tax:		
Depreciation - Tangible assets	23 200	38 536
Amortisation - Intangible assets	121 588	121 588
	<u>144 788</u>	<u>160 124</u>
15. Investment income		
Detail on investment income		
Interest received	159 730	324 029
Dividend income	52 763	10 890
Fair value adjustment	535 119	509 694
	<u>747 612</u>	<u>844 613</u>

Water Institute of Southern Africa (Non Profit Company)

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Annual Financial Statements for the year ended 31 December 2014

Notes to the Annual Financial Statements

Figures in R

2014

2013

16. Prior period restatement

New information came to light regarding a memorandum of understanding entered into by previous management with the Department of Water Affairs. The agreement stipulated that the MWQ profit will be split between Department of Water Affairs and Water Institute of Southern Africa. This was incorrectly accounted for in 2013.

Statement of comprehensive Income

Increase in expenses (1,129,370)

Decrease in profit

(1,129,370)

Statement of financial position

Increase in other payables

(1,129,370)

Decrease in Accumulated reserve

(1,129,370)

Decrease in opening retained income 2014

1,129,370

17. Taxation

No provision has been made for the 2014 tax as the company is exempt from income tax in terms of Section 30.

Receipts by or accrued to the association are exempt in terms of Section 10(1)(d)(iv)(bb) of the South African Income Tax Act, No 58, 1962.

Donations by or accrued to the association are exempt from donation tax in terms of Section 56(1)(h) of the aforementioned Act.

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Detailed Income Statement

Figures in R	2014	2013
Gross Revenue		
Publications	13,319	11,521
	<u>13,319</u>	<u>11,521</u>
Cost of Sales		
Opening stock	11,016	-
Purchases	-	16,970
Closing stock	(3,588)	(11,016)
	<u>7,428</u>	<u>5,954</u>
Gross Profit	<u>5,891</u>	<u>5,567</u>
Other Income		
Branches and divisions - Income	969,861	2,308,749
Directory sales	496,214	366,921
Investment income	747,612	844,613
Other income	76,806	138,334
Special projects	12,086,254	6,841,183
Subscriptions	3,268,750	2,394,528
	<u>17,645,497</u>	<u>12,894,328</u>
	<u>17,651,388</u>	<u>12,899,895</u>

The supplementary information presented does not form part of the annual financial statements and is unaudited

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Annual Financial Statements for the year ended 31 December 2014

Detailed Income Statement

Figures in R	2014	2013
Expenditure		
Advertising	277,374	195,349
Amortisation - Intangible assets	121,588	121,588
Auditors' remuneration	78,200	70,450
Bank charges	115,611	55,086
Branches and divisions' expenses	1,059,550	2,322,784
Computer and IT expenses	40,073	62,965
Consulting and professional fees	140,727	240,570
Department of Water Affairs	-	1,129,370
Depreciation - Tangible assets	23,200	38,536
Employee costs	3,767,259	3,067,560
Events held for students/patrons	81,451	90,740
eWisa development	216,372	247,460
Exhibition and conferences	115,734	268,418
Increase in provision for bad debts	163,525	270,023
Insurance	25,692	56,908
Loss on scrapping of fixed assets	175	5,829
Municipal expenses	66,750	64,239
Postage	21,972	19,625
Presidential projects	32,493	32,544
Printing and stationery	324,925	327,558
Recruitment fees	20,000	159,456
Special projects expenditure	10,577,739	4,456,738
Sponsorship	30,901	-
Staff training	22,043	35,211
Sundry expenses	135,173	94,194
Telephone	81,143	126,058
Travel local	654,940	500,338
	<u>18,194,610</u>	<u>14,059,597</u>
Deficit for the year	<u>(543,222)</u>	<u>(1,159,702)</u>

The supplementary information presented does not form part of the annual financial statements and is unaudited

