



**Water Institute of  
Southern Africa**

**(Registration Number 2000/001140/08)  
Annual Financial Statements  
for the year ended 31 December 2020**

**Audited Financial Statements**

in compliance with Companies Act No. 71 of 2008  
Preparer: Y. Maistry AGA (SA)

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# WATER INSTITUTE OF SOUTHERN AFRICA NPC

(Registration Number 2000/001140/08)

Annual Financial Statements for the year ended 31 December 2020

## Index

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# WATER INSTITUTE OF SOUTHERN AFRICA NPC

(Registration Number 2000/001140/08)

Annual Financial Statements for the year ended 31 December 2020

## General Information

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<b>Country of Incorporation and Domicile</b>	South Africa
<b>Nature of Business and Principal Activities</b>	Non-Profit Company/ Professional Body
<b>Directors</b>	Eldidy, N Goldman, L Jacobs-Mata, I Mazibuko, S Muller, M Naidoo, P Pienaar, H Van Binsberg, N Walters, G
<b>Registered Office</b>	546, 16th Road Constantia Park Building No,5, 1st Floor Midrand 1685
<b>Bankers</b>	First National Bank
<b>Independent Auditor</b>	Morar Incorporated Eco Fusion 6 Block C, Unit 25 324 Witch-Hazel Avenue Highveld, Centurion 0169
<b>Level of Assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act No. 71 of 2008
<b>Compiler</b>	The annual financial statements have been internally compiled by the Finance Manager: Mr. Y Maistry AGA(SA)

## Independent Auditor's Report

### To the Directors of Water Institute of Southern Africa (NPC)

### Report on the Audit of the Annual Financial Statements

#### Opinion

We have audited the annual financial statements of the Water Institute of Southern Africa (NPC) set out on pages 8 to 20, which comprise the statement of financial position as at 31 December 2020, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the Water Institute of Southern Africa (NPC) as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act No.71 of 2008.

#### 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 Annual Financial Statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Water Institute of Southern Africa (NPC) annual financial statements for the year ended 31 December 2020", which includes the Directors' Report as required by the Companies Act No.71 of 2008 and the supplementary information as set out on page's 21 and 22. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

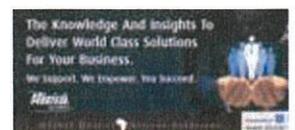
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**Offices In:**  
Pietermaritzburg  
Kimberley  
Centurion  
Cape Town  
East London  
Durban  
Bloemfontein  
Polokwane  
Rustenburg  
Mbombela  
Mahikeng

**Directors:**  
R. Morar CA (SA), CFE  
C. Machiri CA (SA)  
K. Naidoo CA (SA)  
V. Samarjith CA (SA)  
J. Reddy CA (SA)  
B. Temba CA (SA)  
M. Naicker CA (SA)  
A. Bikram CA (SA)  
S Maharaj CA (SA)  
P Daver Rampersadh CA (SA)



In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 Directors for the Annual Financial Statements**

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act No.71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Annual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the annual 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 annual 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 annual 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 annual 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

A handwritten signature or set of initials, possibly 'WJ', located at the bottom right of the page.

## **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 Morar Incorporated has been the auditor of the Water Institute of Southern Africa (NPC) for five years.



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**Roshan Morar**  
**Director**  
**Morar Incorporated**  
**Chartered Accountants (SA)**  
**Registered Auditors**

**06 May 2021**

# WATER INSTITUTE OF SOUTHERN AFRICA NPC

(Registration Number 2000/001140/08)

Annual Financial Statements for the year ended 31 December 2020

## Directors' Responsibilities and Approval

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The directors are required by the South African Companies Act No. 71 of 2008 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 satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company 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 forms 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 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 annual financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the company.

The annual financial statements have been audited by the independent auditing firm, Morar Incorporated, who has been given unrestricted access to all financial records and related data, including minutes of all meetings of the Board of Directors and Committees of the Board. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's audit report is presented on pages 2 to 4.

The annual financial statements as set out on pages 8 to 22 were approved by the board on 6 May 2021 and were signed on their behalf by:



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G Walters



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P Naidoo

# WATER INSTITUTE OF SOUTHERN AFRICA NPC

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Annual Financial Statements for the year ended 31 December 2020

## Directors' Report

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The directors present their report for the year ended 31 December 2020.

### 1. Review of activities

#### Main business and operations

The principal activity of the Company is being a Member and Professional Body. There were no major changes herein during the year.

WISA was incorporated on the 27th January 2000. The Principal activities of the organisation is to promote the effective and efficient management of water resources and water services locally and globally.

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.

### 2. Review of financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities, and the requirements of the Companies Act No. 71 of 2008. The accounting policies have been consistently applied compared to the prior year.

The company is exempt from income tax in terms of section 10(1)d(iv)(bb) of the Act.

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

#### Impact of COVID-19

The onset of COVID-19 presented many challenges to WISA as with many organisations. WISA had to think fast and implement sustainability measures, like others, in a time when many organisations had to shut their doors. WISA's ability to be flexible and adaptable ensured it was able to serve its members without compromising on its value proposition.

WISA's response was to embrace the digital lifestyle brought necessitated by this pandemic, thus becoming early adopters and adapters of digital technology and remote learning WISA created appropriate service offerings to meet the sector needs through webinars, online events, and training, which were still CPD accredited. Largely due to COVID-19 regulations, WISA had to postpone, and then convert its prestigious Biennial Conference to a fully Virtual Conference. This provided delegates the convenience and safety of attending digitally, whilst not compromising on quality and learning opportunities. This was essential to presenters and academics too, as the pandemic starved the learning opportunities on offer during 2020. The digital experience is enhanced by the on-demand functionality, which allows registered delegates the opportunity to access the conference recordings until 31 May 2021.

However, the postponement and untimely switch to an Online Conference, along with a ban on large gatherings, did impact the financial expectations of the Conference. WISA has devised and is implementing an operational strategy that will mitigate the financial risks it currently faces. WISA has been continuously evaluating the various regulation changes and has taken appropriate steps to limit the spread of the virus, by allowing applicable staff to work remotely and apply strict health protocols within the workplace.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis.

COVID-19 and its effects are not expected to have a significant impact on the entity. Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. It expects that COVID-19 will have some financial impact, though not significant.

# WATER INSTITUTE OF SOUTHERN AFRICA NPC

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## Directors' Report

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### 4. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

### 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. Borrowing limitations

In terms of the Memorandum of Incorporation of the company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate.

### 7. Directors

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

<b>Name</b>	<b>Appointment/ Resignation date</b>
Eldidy, N	Appointed 04 December 2017, Resigned 26 November 2020
Goldman, L	Appointed 25 June 2018
Jacobs-Mata, I	Appointed 26 June 2019
Mazibuko, S	Appointed 26 June 2019
Muller, Mike	Appointed 08 April 2020
Naidoo, P	Appointed 26 June 2019
Pienaar, Harrison	Appointed 25 June 2020
Van Binsberg, N	Appointed 31 May 2017
Walters, G	Appointed 24 November 2016

### 8. Secretary

The WISA Secretariat serves this function.

### 9. Independent Auditor

Morar Incorporated was the independent auditor for the year under review.

### 10. 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 supports the highest standards of corporate governance and the development of best practices.

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

# WATER INSTITUTE OF SOUTHERN AFRICA NPC

(Registration Number 2000/001140/08)

Financial Statements for the year ended 31 December 2020

## Statement of Financial Position

Figures in R	Notes	2020	2019
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	3,521,039	3,575,758
Intangible assets	4	19,276	28,977
Investments	5	2,315,246	3,558,278
		<b>5,855,561</b>	<b>7,163,013</b>
<b>Current Assets</b>			
Prepayments	6	273,997	1,753,560
Inventories	7	848	896
Trade and other receivables	8	2,122,135	1,352,054
Cash and cash equivalents	9	3,013,244	3,004,748
		<b>5,410,224</b>	<b>6,111,258</b>
<b>Total Assets</b>		<b>11,265,785</b>	<b>13,274,271</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Reserves for participation structures		4,817,289	6,007,431
Accumulated surplus		1,247,905	2,616,594
		<b>6,065,194</b>	<b>8,624,025</b>
<b>Non-Current Liabilities</b>			
Finance lease liabilities	10	91,721	121,673
Income received in advance	12	851,652	-
		<b>943,373</b>	<b>121,673</b>
<b>Current Liabilities</b>			
Finance lease liability	10	36,363	30,014
Trade and other payables	11	903,801	1,266,066
Income received in advance	12	1,448,489	2,945,330
Provisions	13	1,868,566	287,162
		<b>4,257,218</b>	<b>4,528,573</b>
<b>Total Equity and Liabilities</b>		<b>11,265,785</b>	<b>13,274,271</b>

# WATER INSTITUTE OF SOUTHERN AFRICA NPC

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Financial Statements for the year ended 31 December 2020

## Statement of Comprehensive Income

Figures in R	Notes	2020	2019
<b>Revenue</b>	14	4,775,655	6,496,658
Cost of sales	15	(384,050)	(2,391,118)
Gross surplus		<u>4,391,605</u>	<u>4,105,540</u>
Other income	16	4,902,447	718,729
Operating costs		(11,910,913)	(8,501,544)
<b>Operating loss</b>	17	<b><u>(2,616,861)</u></b>	<b><u>(3,677,275)</u></b>
Finance income	18	190,534	193,224
Finance costs	19	(11,972)	(12,355)
Fair value adjustment		(120,538)	475,678
<b>Deficit for the year</b>		<b><u>(2,558,837)</u></b>	<b><u>(3,020,728)</u></b>

# WATER INSTITUTE OF SOUTHERN AFRICA NPC

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Financial Statements for the year ended 31 December 2020

## Statement of Changes in Equity

Figures in R	Reserves for participation structures	Accumulated surplus	Total
<b>Balance at 1 January 2019</b>	5,462,397	6,189,043	11,651,440
<b>Total comprehensive income for the year</b>			
Loss for the year		(3,020,728)	(3,020,728)
<b>Total comprehensive income for the year</b>	-	(3,020,728)	(3,020,728)
Reallocation to participation structures	545,034	(551,721)	(6,687)
<b>Balance at 31 December 2019</b>	<b>6,007,431</b>	<b>2,616,594</b>	<b>8,630,712</b>
<b>Balance at 1 January 2020</b>	6,007,431	2,616,594	8,624,025
<b>Total comprehensive income for the year</b>			
Loss for the year		(2,558,837)	(2,558,837)
<b>Total comprehensive income for the year</b>	-	(2,558,837)	(2,558,837)
Movement in reserves	(1,190,146)	1,190,146	-
<b>Balance at 31 December 2020</b>	<b>4,817,285</b>	<b>1,247,903</b>	<b>6,065,188</b>

# WATER INSTITUTE OF SOUTHERN AFRICA NPC

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## Statement of Cash Flows

Figures in R	Note(s)	2020	2019
<b>Cash flows used in operating activities</b>			
Deficit for the year		(2,558,837)	(3,020,728)
<i>Adjustments for:</i>			
Finance costs		11,972	12,355
Amortisation of intangible assets		26,702	50,539
Depreciation of property, plant and equipment		97,055	106,210
Interest income		(190,534)	(193,224)
Fair value adjustment on investment		120,538	(475,678)
<b>Operating cash flow before working capital changes</b>		<b>(2,493,104)</b>	<b>(3,520,526)</b>
<i>Working capital changes</i>			
Decrease / (increase) in Prepayments		1,479,563	(1,434,567)
Decrease in inventories		48	24
Increase in trade and other receivables		(770,081)	(275,173)
Income received in advance		(645,189)	995,396
Provisions		1,581,404	109,348
(Decrease) / increase in trade and other payables		(362,261)	771,039
<b>Net cash flows used in operations</b>		<b>(1,209,620)</b>	<b>(3,354,459)</b>
Investment income		190,534	193,224
Finance costs		(11,972)	(12,355)
<b>Net cash flows used in operating activities</b>		<b>(1,031,058)</b>	<b>(3,173,590)</b>
<b>Cash flows from investing activities</b>			
Property, plant and equipment acquired	3	(64,237)	(338,643)
Intangible assets acquired	4	(17,001)	-
Proceeds on disposals of property, plant and equipment		21,901	-
Movement in investment		1,122,494	2,112,969
<b>Net cash flows from investing activities</b>		<b>1,063,157</b>	<b>1,774,326</b>
<b>Cash flows (used in) / from financing activities</b>			
Re-allocation to participation structures		-	(6,688)
Movement in finance leases		(23,603)	143,562
<b>Net cash flows (used in) / from financing activities</b>		<b>(23,603)</b>	<b>136,874</b>
Net increase / (decrease) in cash and cash equivalents		8,496	(1,262,390)
Cash and cash equivalents at beginning of the year		3,004,748	4,267,138
<b>Cash and cash equivalents at end of the year</b>	9	<b>3,013,244</b>	<b>3,004,748</b>

# WATER INSTITUTE OF SOUTHERN AFRICA NPC

(Registration Number 2000/001140/08)

Financial Statements for the year ended 31 December 2020

## Accounting Policies

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### 1. General information

Water Institute of Southern Africa NPC is a non-profit company incorporated in South Africa with NPO registration number 014/821. It is recognised as a Professional Body by the South African Qualifications Authority.

### 2. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium- sized Entities, and the Companies Act No.71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 2.1 Revenue recognition

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.

#### 2.2 Property, plant and equipment

Property, plant and equipment 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.

Property, plant and equipment is initially measured at cost.

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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment 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.

Property, plant and equipment 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.

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 following rates are used for the depreciation of property, plant and equipment:

Item	Rate
Leased equipment	20.00%
Furniture and fittings	20.00%
Office equipment	20.00%
IT equipment	33.33%

# WATER INSTITUTE OF SOUTHERN AFRICA NPC

(Registration Number 2000/001140/08)

Financial Statements for the year ended 31 December 2020

## Accounting Policies

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### *Basis of preparation and summary of significant accounting policies continued...*

An item of property, plant and equipment is derecognised upon 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.

Buildings are not depreciated. Management performs self valuations which indicate the buildings appreciate in value. Land and buildings were acquired on the 30th of July 2008 and on the 14th of December 2018. The applicable depreciation charge if affected would be 12.5 years and 2 years of depreciation to date, respectively. The residual values of land and buildings will be reviewed each year.

### **2.3 Intangible assets**

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

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

<b>Item</b>	<b>Rate</b>
Website development	33.33%

### **2.4 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.

#### **2.4.1 Finance leases as lessee**

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

### **2.5 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.

### **2.6 Employee benefit obligations**

#### **2.6.1 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.

# WATER INSTITUTE OF SOUTHERN AFRICA NPC

(Registration Number 2000/001140/08)

Financial Statements for the year ended 31 December 2020

## Accounting Policies

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*Basis of preparation and summary of significant accounting policies continued...*

### 2.7 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company 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.

### 2.8 Borrowing costs

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

### 2.9 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. Those debt instruments which meet the criteria in section 11.8(b) of the standard, 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.

# WATER INSTITUTE OF SOUTHERN AFRICA NPC

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Financial Statements for the year ended 31 December 2020

## Accounting Policies

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*Basis of preparation and summary of significant accounting policies 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.

### **2.10 Impairment of assets**

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets 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.

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## Notes to the Annual Financial Statements

Figures in R 2020 2019

### 3. Property, plant and equipment

	Cost	Accumulated depreciation	2020 Carrying value	Cost	Accumulated depreciation	2019 Carrying value
<i>Owned assets</i>						
Buildings	3,135,643	-	3,135,643	3,135,643	-	3,135,643
Furniture and fittings	202,614	(154,837)	47,777	202,614	(137,618)	64,996
Land	157,268	-	157,268	157,268	-	157,268
Office equipment	135,396	(97,557)	37,839	110,058	(90,120)	19,938
IT equipment	273,734	(247,201)	26,533	268,389	(218,949)	49,440
	<b>3,904,655</b>	<b>(499,595)</b>	<b>3,405,060</b>	<b>3,873,972</b>	<b>(446,687)</b>	<b>3,427,285</b>

	Cost	Accumulated depreciation	2020 Carrying value	Cost	Accumulated depreciation	2019 Carrying value
<i>Capitalised leased assets</i>						
Plant and equipment	185,928	(69,949)	115,979	174,674	(26,201)	148,473

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

	Carrying value at beginning of year	Additions/ Adjustments	Disposals	Depreciation	2020 Carrying value at end of year
<i>Owned assets</i>					
Buildings	3,135,643	-	-	-	3,135,643
Furniture and fittings	64,996	-	-	(17,219)	47,777
Land	157,268	-	-	-	157,268
Office equipment	19,938	47,639	(21,901)	(7,837)	37,839
IT equipment	49,440	5,344	-	(28,251)	26,533
	<b>3,427,285</b>	<b>52,983</b>	<b>(21,901)</b>	<b>(53,307)</b>	<b>3,405,060</b>

	Carrying value at beginning of year	Additions/ Adjustments	Disposals	Depreciation	2019 Carrying value at end of year
<i>Owned assets</i>					
Buildings	3,114,968	20,675	-	-	3,135,643
Furniture and fittings	14,147	79,271	-	(28,422)	64,996
Land	157,268	-	-	-	157,268
Office equipment	7,926	23,683	-	(11,671)	19,938
IT equipment	42,632	40,340	-	(33,532)	49,440
	<b>3,336,941</b>	<b>163,969</b>	<b>-</b>	<b>(73,625)</b>	<b>3,427,285</b>

	Carrying value at beginning of year	Additions/ Adjustment	Disposals	Depreciation	2020 Carrying value at end of year
<i>Capitalised leased assets</i>					
Plant and equipment	148,473	11,254	-	(43,748)	115,979

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## Notes to the Annual Financial Statements

Figures in R 2020 2019

### Property, plant and equipment continued...

	Carrying value at beginning of year	Additions/ Adjustments	Disposals	Depreciation	2019 Carrying value at end of year
<i>Capitalised leased assets</i>					
Plant and equipment	6,384	174,674	-	(32,585)	148,473

### 4. Intangible assets

	Cost	Accumulated amortisation	2020 Carrying value	Cost	Accumulated amortisation	2019 Carrying value
CRM and website development	692,574	(673,298)	19,276	675,574	(646,597)	28,977

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

	Carrying value at beginning of year	Fair value gains / Additions	Amortisation	Reclassified held for sale / Disposals	2020 Carrying value at end of year
CRM and website development	28,977	17,001	(26,702)	-	19,276

	Carrying value at beginning of year	Fair value gains / Additions	Amortisation	Reclassified held for sale / Disposals	2019 Carrying value at end of year
CRM and website development	79,516	-	(50,539)	-	28,977

### 5. Investments

Rand Merchant Bank Investment	2,315,246	3,558,278
Investment in Rand Merchant bank is held at fair value		

### 6. Prepayments

WISA Biennial Conference	273,997	1,753,560
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### 7. Inventories

E-books and CD's	848	896
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Financial Statements for the year ended 31 December 2020

## Notes to the Annual Financial Statements

Figures in R	2020	2019
<b>8. Trade and other receivables</b>		
Debtors	2,699,413	2,123,069
Sundry debtors	433,721	-
Debtors provision	(1,010,999)	(771,015)
	<u>2,122,135</u>	<u>1,352,054</u>
<b>9. Cash and cash equivalents</b>		
<b>Favourable cash balances</b>		
Cash on hand	1,583	3,455
Bank balances	3,011,661	3,001,293
	<u>3,013,244</u>	<u>3,004,748</u>
<b>10. Finance lease liabilities</b>		
<b>Finance lease liabilities consist of the following balances</b>		
Finance lease liabilities	128,084	151,687
	<u>128,084</u>	<u>151,687</u>
Future minimum lease payments fall due as follows		
- no later than one year	36,363	30,014
- later than one year but no later than five years	91,721	121,673
Finance lease liability	<u>128,084</u>	<u>151,687</u>
<b>11. Trade and other payables</b>		
Creditors	194,976	813,054
Accrued liabilities	-	5,533
Value Added Tax	615,733	355,173
Unallocated receipts	93,092	92,306
	<u>903,801</u>	<u>1,266,066</u>
Unallocated receipts represents receipts from members who cannot be identified at this stage. These members normally claim these receipts when their fees remain unpaid and they receive reminders.		
<b>12. Income received in advance</b>	<u>2,300,141</u>	<u>2,945,330</u>
Income to be recognised within one year	1,448,489	2,945,330
Income to be recognised later than one year	851,652	-
	<u>2,300,141</u>	<u>2,945,330</u>
Income received in advance includes: Membership fees, Biennial Conference income and Project income.		
<b>13. Provisions</b>	<u>1,868,566</u>	<u>287,162</u>
Provisions include: Operational expenditure, Annual leave and Biennial Conference refunds.		

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Financial Statements for the year ended 31 December 2020

## Notes to the Annual Financial Statements

Figures in R	2020	2019
<b>14. Revenue</b>		
An analysis of revenue is as follows:		
Membership fees	3,665,905	3,689,775
Participation structures	93,935	2,191,582
Directory Sales	-	332,557
Training and Accreditation	1,015,815	282,744
	<u>4,775,655</u>	<u>6,496,658</u>
<b>15. Cost of Sales</b>		
Participation structures expenses	108,989	1,942,521
Directory expenses	-	296,040
Training and accreditation expenses	275,061	152,557
	<u>384,050</u>	<u>2,391,118</u>
<b>16. Other Income</b>		
Biennial conference	4,412,698	-
Events income	63,880	594,983
Sundry Income	425,869	123,746
	<u>4,902,447</u>	<u>718,729</u>
<b>17. Operating surplus</b>		
Operating surplus is arrived at after taking into account the following items:		
<i>Depreciation and impairments</i>		
<i>Owned assets</i>		
Furniture and fittings	17,219	28,422
Office equipment	7,837	11,671
IT equipment	28,251	33,532
	<u>53,307</u>	<u>73,625</u>
<i>Capitalised leased assets</i>		
Plant and equipment	43,748	32,585
	<u>43,748</u>	<u>32,585</u>
<i>Amortisation and impairment</i>		
<i>Intangible assets</i>		
CRM and website development	26,702	50,539
	<u>26,702</u>	<u>50,539</u>
Audit fees	73,080	67,417
	<u>73,080</u>	<u>67,417</u>
<b>18. Finance income</b>		
<b>Interest income</b>		
Interest received	190,534	193,224
	<u>190,534</u>	<u>193,224</u>

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## Notes to the Annual Financial Statements

Figures in R	2020	2019
<b>19. Finance costs</b>		
Finance leases	10,391	12,355
SARS	1,581	-
	<u>11,972</u>	<u>12,355</u>

## 20. Key staff emoluments

Key staff - short term benefits	4,741,162	4,399,255
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## 21. Director's emoluments

Year	Director	Basic remuneration	Retirement/ medical benefits	Other benefits and allowances	Total emoluments
2020	LM Goldman	1,691,592	143,234	19,800	1,854,626
2019	LM Goldman	1,706,308	127,161	19,800	1,853,269

The CEO is the only Executive Director. Non Executive Director's do not receive remuneration from WISA. The Director's emoluments is included in Key staff emoluments.

## Remuneration Policy

The company's Remuneration policy is recommended by the Remuneration Committee and approved by the Board. The Remuneration policy was reviewed in 2019 and salaries benchmarked by Remuneration Consultants.

# WATER INSTITUTE OF SOUTHERN AFRICA NPC

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Financial Statements for the year ended 31 December 2020

## Detailed Income Statement

Figures in R	Notes	2020	2019
<b>Gross Revenue</b>	12		
Directory Sales		-	332,557
Membership fees		3,665,905	3,689,775
Participation structures		93,935	2,191,582
Training and Accreditation		1,015,815	282,744
		<u>4,775,655</u>	<u>6,496,658</u>
<b>Cost of Sales</b>	13		
Directory expenses		-	296,040
Participation structures expenses		108,989	1,942,521
Training and accreditation expenses		275,061	152,557
		<u>384,050</u>	<u>2,391,118</u>
<b>Gross Surplus</b>		<u><b>4,391,605</b></u>	<u><b>4,105,540</b></u>
<b>Other Income</b>	14		
Biennial conference		4,412,698	-
Events income		63,880	594,983
Fair value adjustment		-	475,678
Interest income		190,534	193,224
Sundry Income		425,869	123,746
		<u>5,092,981</u>	<u>1,387,631</u>
		<u><b>9,484,586</b></u>	<u><b>5,493,171</b></u>

# WATER INSTITUTE OF SOUTHERN AFRICA NPC

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Financial Statements for the year ended 31 December 2020

## Detailed Income Statement

Figures in R	Notes	2020	2019
<b>Operating expenditure</b>			
Accounting and audit fees		119,081	125,673
Advertising		136,006	108,079
Affiliations		48,064	77,480
Amortisation		26,702	50,539
Bad debt		239,984	59,055
Bank charges		36,886	44,417
Computer expenses		157,677	145,672
Consulting fees		321,235	187,450
Depreciation		97,055	106,210
Discount allowed		6,972	1,779
Donations		-	6,237
Employee costs		5,740,011	5,948,138
Exhibitions and conferences		18,233	52,494
Finance costs		11,972	12,355
Insurance		31,536	39,652
Investment expense		122,494	112,970
Licence fees		57,061	70,298
Loss on fair value adjustment		120,538	-
Printing and stationery		13,696	56,579
Rates and utilities		213,909	228,590
Staff and office costs		23,283	36,206
Sundry expenses		194,964	73,367
Telephone and fax		72,877	88,805
Training and development		7,234	27,440
Travel and accommodation		23,394	102,076
Venue and catering		13,013	39,487
<b>Sub total</b>		<b>7,853,877</b>	<b>7,801,048</b>
<b>Other expenditure</b>			
Biennial conference		4,189,546	257,947
Events		-	454,904
<b>Sub total</b>		<b>4,189,546</b>	<b>712,851</b>
<b>Grand total</b>		<b>12,043,423</b>	<b>8,513,899</b>
<b>Deficit for the year</b>		<b>(2,558,837)</b>	<b>(3,020,728)</b>