VAALHARTS WATER USER ASSOCIATION

ANNUAL REPORT
2024-2025

A. INTRODUCTION

This report will provide feedback on all operations and activities of the Vaalharts Water User Association (VHWUA) for the financial year 2024/2025.

The focus of this report will be on the following areas:

- Operations
- Social Contributions
- Financial Results
- Committee Reports
- Auditor Report

B. Table of Contents

C. List of Abbreviations

VHWUA	-	Vaalharts Water User Association
m^3	-	cubic meters
CEO	-	Chief Executive Officer
CFO	-	Chief Financial Officer
MANCO	-	Management Committee
IFRS	-	International Financial Reporting Standards
ISAE	-	International Standard for Assurance Engagements
PWC	-	PriceWaterHouseCoopers
WSP	-	Workplace Skills Plan
EWSETA	-	Energy and Water Sector Education and Training Authority
DWS	-	Department of Water and Sanitation
VHP	-	Vaalharts Farms
KB	-	Klipdam / Barkley- West
WAS	-	Water Administration System
Ha	-	hectares
EF	-	Emerging Farmer
HDI	-	Historically Disadvantaged Individual

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1. CHAIRPERSON'S REPORT

During the Financial year 2024/2025 debtor payments returned to normal. Strategic user debt remained the main stumbling block in terms of proper income from debtors and the institution went on a campaign to improve the situation. A lot of progress has been made that looks promising.

Due to DWS still insisting on doing all the rehabilitation needed, VHWUA was able to spend more attention on internal repairs and improvements, though a close eye was kept on the few repairs that DWS did effect.

The Vaalharts Taung Revitalization Project ground to a halt due to non-action by government agencies, but progress is close.

In terms of transformation our WUA is once again leading the pack in terms off capacity building and local involvement while doing all we can to effect water reform responsibly.

1.1. Operational Review

2024/2025 was a year where a lot of focus was placed on internal scheme maintenance while the background work for the recouping of strategic user debt was done to the point where we are very close to start seeing a lot of income generated from that sector.

With uncertainty in terms of changes to the act and the introduction of the National Water Infrastructure Agency looming, the importance of our scheme focusing on things going right at home while at the same time investing and pulling together our communities cannot be overstated to ensure water is protected at local level.

We continue to build a strong labour team, investing in skills and productivity while maintaining discipline and motivation. Water distribution as our main function will not loose its focus while showing our commitment to transformation is evident in our push for more access to water, capacity development and opportunity.

1.2. Vaalharts Taung Revitalization (VTR) Project Feedback

After an initial stall in the project this year saw some movement with the DBSA confirming the terms of reference of Phase 2: Project Preparation with the Department of Water and Sanitation. This lead to the drafting of the tender advertisement for the appointment of a contractor to execute the project prep in preparation for detail designs and construction.

Lots of work to be done and we know that government is a slow turning ship, but we feel as long as there is progress there will be hope.

1.3. Transformation

Participation and involvement remains important for any institution along with creating opportunities, and VHWUA ensures year on year that we are visible and making a difference in our communities, region, province and country.

This year we tried harder to create more opportunity for our youth and females in our area in terms of jobs, training and Manco participation while continuing our effort to uplift our communities as far as possible by reaching out and helping where help was needed.

Giving opportunity to small businesses and supporting locally we feel we are helping to build strong integrated communities that feel connected to us across many borders.

1.4. Vaal Main Stem WUA

Due to the fact that no Local Water Management Institution exists at the Vaal Main Stem area (Bloemhof Dam to Schmitsdrift), the risk of over abstraction and general water management is a concern not only to their own area but also to downstream users like the VHWUA.

We are therefor awaiting the area or the department to create a WUA, we are also close enough that we have volunteered our services in running the Operation and Maintenance in order to also save costs for their area.

Figure 1: Women's Day

1.5. Manco Composition

Table 1: Manco March 2025

CATEGORY - IRRIGATION	Nr	NAME
Wyk/Ward 1	1	WILLEM DE KLERK
Wyk/Ward 2	2	ANTON HOWARTH
Wyk/Ward 3 (5 Seats VH)	3	PIETER BURGER
Wyk/Ward 4	4	JOHAN BEYTELL
Wyk/Ward 5	5	PIET VAN NIEKERK
KB Kanaal/Canal (2 Seats KB)	6	MATT BOND
	7	JANNIE LIEBENBERG
Spitskop (1 Seat Spitskop)	8	BENNIE LIEBENBERG
Taung Bosele (2 Seats Taung)	9	MBULELO TAU
Taung Areagengmmogo	10	MATTHEWS SENOKWANE
EMERGING FARMERS	**Nr**	**NAME**
(1 Seat Across Scheme)	11	DANIEL STAOERT
SMALL SCALE USERS	**Nr**	**NAME**
(1 Seat VH)	12	CHRISTELLE STOMAN
(1 Seat Taung)	13	TUMELO LETELE
(1 Seat KB/Spitskop)	14	FABIAN LOBELO
(Traditional Leader Co-Opted)	15	KGOSI MOTHIBI
(Traditional Leader Co-Opted)	16	KGOSI MANKUROANE
LOCAL WATER AUTHORITIES	**Nr**	**NAME**
(1 Seat Water Boards)	17	MARUPING RAPUDUNGOANE (Vaal Central)
	18	KELEBOGILE MOGAMISI (Magalies Water)
(1 Seat Phokwane)	19	
(1 Seat Magareng)	20	
INDUSTRIES	**Nr**	**NAME**
(1 Seat)(Co-Opted)	21	LINKIE MARGARET NGATANA
GOVERNMENT DEPARTMENTS	**Nr**	**NAME**
(1 Seat Dept. Agriculture)	22	PONDAI KANYASA (NC)
	23	GOITSEONE MOCWIRI (NW)
(1 Seat DWS Region)	24	RUTH MOTHEKHE

1.6. Vote of Thanks

I would like to take this opportunity to thank the Vaalharts team and my fellow board members for a great recovery year. Lots of improvements on critical items were realised while the financial position improved once again. The importance of our water can be seen in all activities and I am proud to be associated with this institution.

Pieter Burger
Chairman of Manco

2. HISTORY OF THE ASSOCIATION

The Vaalharts Water User Association (VHWUA) was established by proclamation no 421 in Government Gazette no. 22281 dated 18 May 2001. The Minister of Water Affairs has approved the Constitution of the Water User Association and certain powers and duties in terms of the National Water Act have been delegated to the VHWUA.

In 1934 building work on the Vaalharts Government Water Scheme started. Vaalharts Weir was constructed on the Vaal River, just upstream of Warrenton, to divert water into the Vaalharts Main Canal which supplies the North, West, Klipdam-Barkly and Taung canals. The canal system compromises of a total of 1176 kilometres of concrete lined canals supplying irrigation water to a total of 39 820 hectares (scheduled), as well as industrial water to six towns and other industrial users, and household water to individual farms for primary use.

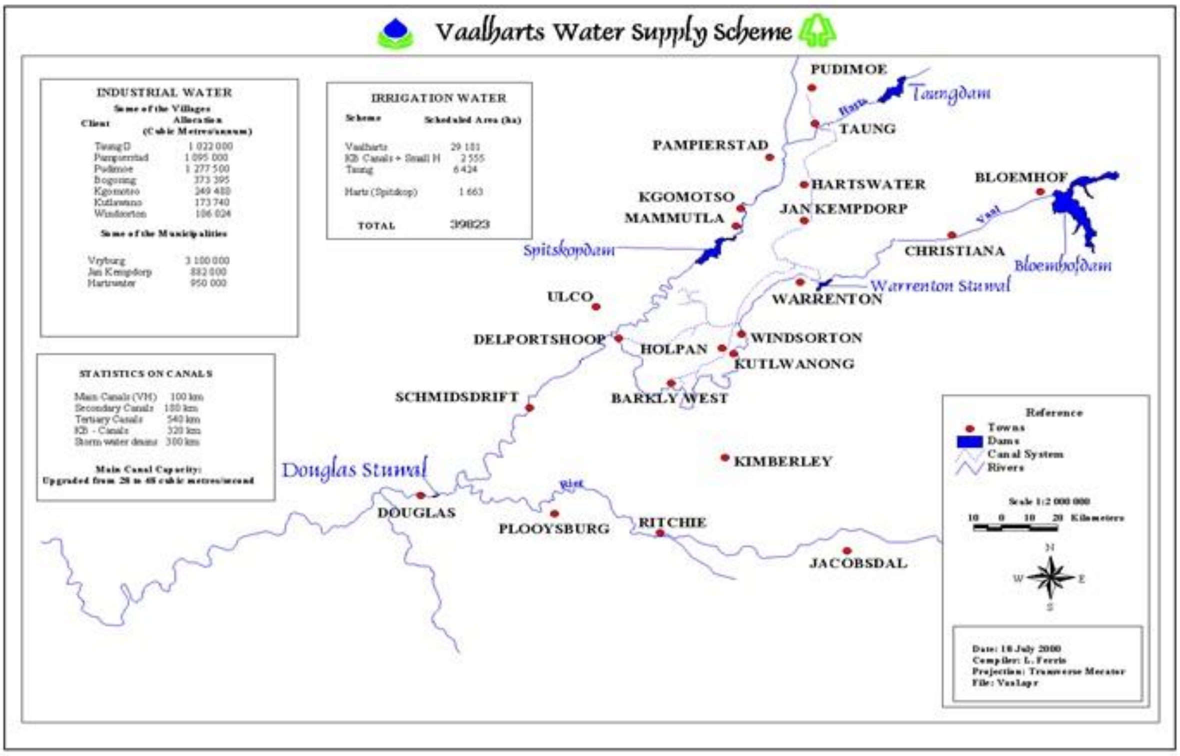

Figure 2: Vaalharts Water Supply Scheme

Irrigation activities and storm water drainage on the Vaalharts Government Water Scheme and Taung Irrigation necessitated the building of the dual purpose drainage canals to convey both storm water and subsurface drainage water out of the irrigation scheme. A total of 314 kilometres of concrete lined drainage canals were built to serve this purpose.

The Ganspan Social Welfare Settlement was developed with a scheduled area under the Vaalharts Canal System of 229.8 hectares of which 150 hectares are developed. The Vaalharts Agricultural Research Station was also developed and was scheduled for 381.2 hectares of which 180.5 hectares are developed. All the above were operated and maintained by the Department of Water Affairs.

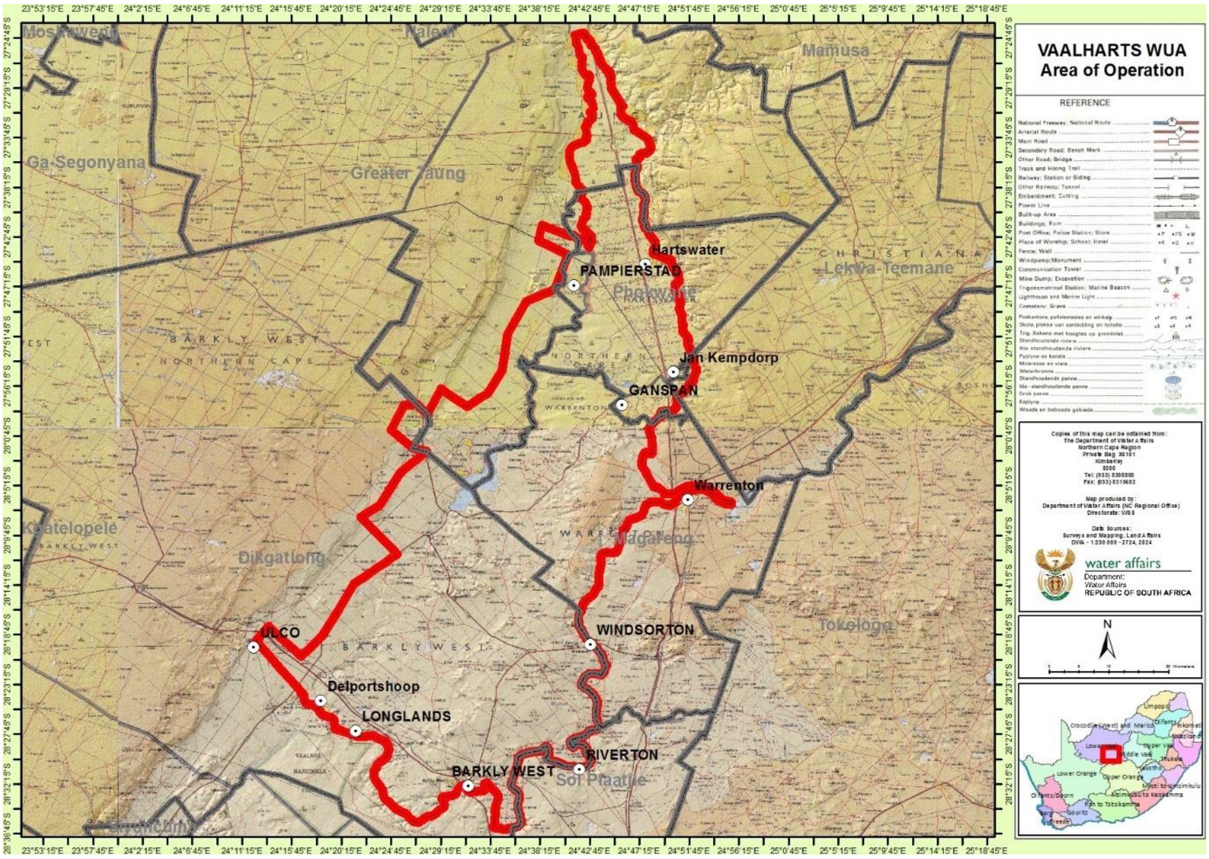

Figure 3: VHWUA Area of Operation

The area also includes a few restitution cases, one of them being Majeng which is situated close to the Spitskop dam. The community of Majeng was removed during the 1970's and only given back their land in 2002. Currently the community has had 60 hectares of water rights returned to them from their original amount of 600 hectares, however the infrastructure has gone to waste and needs urgent refurbishment if the community is to ever be functional irrigators again.

3. AUDIT COMMITTEE REPORT

This is the report of the audit committee of Vaalharts Water User Association appointed for the financial year ended 31 March 2025 in compliance with the Constitution of the Association.

3.1. Membership

The Board appointed the committee for the 2025 financial year at the management committee meeting dated 11 April 2024.

The committee consists of members of the management committee together with the Chief Executive Officer and Chief Financial Officer.

The members of the committee were J. Beytell (chairman), DJ van Eeden (CEO) and P Lombard (Financial Manager).

3.2. Purpose

The purpose of the committee is to:

- assist the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control and reporting processes, and the preparation of accurate reporting and financial statements in compliance with the applicable legal requirements and accounting standards;
- oversee the activities of, and to ensure coordination between, the activities of internal and external audit;
- provide a forum for discussing financial, enterprise-wide, market, regulatory, safety and other risks and control issues; and to monitor controls designed to minimize these risks;
- review the company's annual integrated report, including the annual financial statements, as well as its interim report and any other public reports or announcements containing financial information;
- receive and deal with any complaints concerning the accounting practices, internal and external audit or the content and audit of its financial statements or related matters; and
- annually review the committee's work and charter to make recommendations to the board to ensure its effectiveness.

3.3. Duties carried out

The committee has performed its duties and responsibilities during the financial year according to its charter.

3.3.1. Financial statements

The committee:

- confirmed, based on management's review, that the annual financial statements were prepared on the going concern basis;
- examined the annual financial statements and other financial information made public, prior to their approval by the board;
- considered accounting treatments, significant or unusual transactions and accounting judgements;
- considered the appropriateness of accounting policies and any changes made
- reviewed the representation letter relating to the annual financial statements and the ISAE 3240 reasonable assurance opinion in respect of the preliminary announcement, signed by management;
- considered any problems identified as well as any legal and tax matters that could materially affect the financial statements; and
- met separately with management, external audit and internal audit and satisfied themselves that no material control weakness exists

3.3.2. External audit

The committee:

- nominated PriceWaterhouseCoopers Inc. as auditors and JP Allen as the independent auditor and designated audit partner, respectively to the management committee for appointment for the financial year ended 31 March 2025, of the Association, and ensured that the appointments complied with legal and regulatory requirements for the appointment of an auditor;
- approved the external audit engagement letter, the audit plan and the budgeted audit fees payable to the external auditors;
- determined the nature and extent of all non-audit services provided by the independent auditors and pre-approved all non-audit services undertaken;
- obtained assurances from the independent auditors that adequate accounting records were being maintained;
- confirmed that no reportable irregularities had been identified or reported by the independent auditors under the Auditing Profession Act; and

3.3.3. Independence of external auditors

The committee is satisfied that PriceWaterhouseCoopers Inc is independent of the Association after taking the following factors into account:

- representations made by PriceWaterhouseCoopers Inc to the committee;
- the auditors do not, except as external auditors or in rendering permitted non-audit services, receive any remuneration or other benefit from the Association;
- the auditors' independence was not impaired by any consultancy, advisory or other work undertaken;
- the auditors' independence was not prejudiced as a result of any previous appointment as auditors; and
- the criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies.

3.3.4. Combined assurance

The committee reviewed the plans and reports of the external auditors and other assurance providers including management and concluded that these were adequate to address all significant financial risks facing the business.

3.3.5. Financial Manager, Internal Auditors TGA and finance function

The committee:

- considered the appropriateness of the experience and expertise of the Financial Manager and Internal Auditors TGA and concluded that this was appropriate; and
- considered the expertise, resources and experience of the finance function and concluded that these were appropriate.

3.4. Annual financial statements

Following the review by the committee of the annual financial statements of Vaalharts Water User Association for the year ended 31 March 2025, the committee is of the view that, in all material respects, it complies with the relevant provisions of the Constitution of the Association and the entity's accounting policies and fairly presents the financial position at that date and the results of its operations and cash flows for the year. In conjunction with the risk committee and social and ethics committee, the committee has also satisfied itself as to the integrity of the remainder of the annual integrated report.

Having achieved its objectives for the financial year, the committee recommended the annual financial statements and annual integrated report for the year ended 31 March 2025 for approval to the management committee.

J Beytell

Chairman

4. HUMAN RESOURCE COMMITTEE REPORT

It is an honour and prestige to be afforded an opportunity to present the human resources and remuneration report of the aforementioned committee for the period 2024/2025.

4.1. Members of the committee

1. Mr. OF Lobelo – Committee Chairperson
2. Mr. E Letele – Vice-Chairperson
3. Mr. DJ van Eeden – Chief Executive Officer
4. Mr. MV Mokoena - Human Resource Manager
5. All heads of departments

4.2. Terms of reference are *inter alia*

- To develop and ensure implementation of human resources polices
- Oversee compliance with employment legislation
- Oversee fair and sound labour practices
- Bridge the gap between labour and management
- Oversee skills development plan
- Oversee selection and recruitment
- Oversee development of an organogram

To mention a few.

4.3. Job Creation & Labour Relations

During the year under review, we were able to create about 115 non-permanent jobs for the community which lives on the scheme through the dry week period.

All internal grievances (2) were handled as per the company's grievance procedure and resolved timely, the disciplinary actions taken by the company during the year under review were in accordance with company's policy and the Labour relations act.

Vaalharts Water has 3 recognised unions (Nehawu, Amcu and Solidarity) with the following employee representation: Nehawu 47%, Amcu 44% and Solidarity 9%.

4.4. **Long Service Awards & Employee Wellness**

Vaalharts Water Users Association was able to hold its annual long service and merits awards ceremony, the ceremony aims to motivate workers and show appreciation to employees who served the institution for a number of years with loyalty and faithfulness and also to avoid exodus of personnel from the institution.

Vaalharts Water also assisted employees who were going through mental, domestic, social and/or alcohol and substance abuse problems through its employee assistant program (EAP).

4.5. **Employment Equity.**

In compliance with Employment Equity Act No 55 of 1998, Vaalharts water submitted its annual employment equity report to the department of labour, it was acknowledge as received with no issues communicated back.

4.6. **Skills Development**

The annual workplace skill plan also known as WSP together with the annual training report also known as ATR was drafted as per the legislative requirement of the Skills Development Act No 97 of 1998, it was submitted to EWSETA (energy and water sector education and training authority) it was approved for mandatory grant, which is a partial reimbursement of the accredited training cost for the year under review.

The institution during the financial year 2024/20245 trained 76 employees on occupational based training, skills program, academic, statutory and refresher training which is a total of 44% from the total number of employees.

The institution is also in a process of capacitating its supervisors, boilermakers and mechanics to bridge the skills gap for immediate future company opportunities and for their self-developments.

4.7. Occupational Health and Safety

In terms of the Occupational Health and Safet Act No 85 of 1993 Vaalharts Water has an approved risk assessment and action plan in accordance with the department of labour regulations and directives.

The institution has trained health and safety officer, safety reps and first aiders, this is very important not only for compliance but as a proactive measure against the occupation risk of accidents and health risk.

The highest number of days work without injuries recorded for the year under review is 105.

4.8. Way forward

Vaalharts Water aims to continue uplifting and capacitating its work force to build a competent work force for the benefit of the water users in the scheme.

To effectively and efficiently apply its human resources to achieve the goals of the scheme and always aiming for improvements where there are gaps.

F Lobelo

VHWUA HR Committee Chairperson

5. CIVIL DEPARTMENT

In order to ensure sustainable water supply to all water users, continuous maintenance and refurbishment is needed on the Vaalharts Water Scheme. The maintenance of all infrastructure belonging to the Department of Water and Sanitation within the Vaalharts Water Scheme, is the responsibility of the Civil and Technical Departments, while DWS as the owners of the infrastructure, is responsible for all refurbishments and betterments.

During the previous Financial Years, the Refurbishment of the North Canal was done by the VHWUA and claimed back from DWS. During the 2024-2025 Financial Year the Department once again decided to use their own Construction team to fulfil this duty.

The following were achieved by DWS during scheduled dry periods on the North Canal in 2024/2025:

- 74 Concrete panels were replaced.
- 181m³ Concrete were placed.
- 185m were effected.

Compared to what was achieved by DWS during scheduled dry periods on the North Canal in 2023/2024:

- 19 Concrete panels were replaced.
- 53m³ Concrete were placed.
- 47.5m were effected.

Compared to VHWUA's work on the North Canal during the same dry periods in 2022-2023:

- 469 Concrete panels were replaced.
- 782m³ Concrete were placed.
- 1172.5 m were replaced.

5.1. Concrete Works

During the Financial year under review the following concrete maintenance work was conducted by VHWUA:

Table 2: Concrete Works

STRUCTURE	CONCRETE m^3	SLABS	METERS
North Canal	135	80	202
Feeder canals	318	398	1194
Community furrows	634.5	1410	4231
Drainage canals	580	723	2169
KB canals	290	645	1934
Pre-Cast	18.5		
Other	226.5		
TOTAL:	**2202.5**		

5.2. Sluices

During the 2024-2025 Financial year the following sluices were replaced:

- 45 Community Sluices and Calibrated
- 16 Division Sluices

5.3. Maintenance of Drainage Canals

The cleaning of the drainage canals was done by the Civil Departments Drain team. Primary drains were mechanically cleaned, and secondary drains were cleaned by contractors on a tender basis.

During the financial year under review, the following Drainage canals were cleaned::

Table 3: Drains

DRAINS CLEANED	DISTANCE IN METERS
Primary and secondary drains mechanically cleaned	144 313
Secondary drains cleaned by contractors	335 220

5.4. **Maintenance of Buildings**

This section of the Civil department is responsible for the maintenance on all buildings under the administration of VHWUA. This includes 95 Houses as well as all offices and Work Shops.

The team does all the normal maintenance work thorough out the year, the following were bigger projects that were completed:

- Admin Building FM File Cupboards
- House B048 Painting inside and outside
- House F11/2 Painting inside and outside
- House F12/2 Painting inside and outside
- House GB009 Tiling
- House GB079 Painting inside
- House H15/1 Painting inside and outside
- House GB081 Painting inside and outside
- House GB081 Tiling
- House B011 Tiling; Painting
- SCM Offices Tiling of 3 Offices
- WC KB Stores Install Shelves
- Community Garden Restore Buildings

6. WATER CONTROL

6.1. Efficiency and Control of Water

Table 4: Water Use Efficiency

VAALHARTS WATER

Water Use Efficiency Accounting Report: Weeks 1 to 52

VHS: Vaalharts 2024/2025

Year	Mnth	Agriculture (x1000 m3)	Industrial (x1000 m3)	Municipality (x1000 m3)	Household (x1000 m3)	Down stream (x1000 m3)	Other (x1000 m3)	Total used (x1000 m3)	Released (x1000 m3)	Total loss (x1000 m3)	Loss (%)	Alloc used (x1000 m3)	Alloc avail (x1000 m3)	Used (%)	Avail (%)
2024	Apr	3 022	27	741	36	3 624	2	7 451	10 174	2 723	26.8	3 791	274 553	1.4	98.6
2024	May	4 846	26	806	45	4 162	27	9 912	14 176	4 265	30.1	9 497	268 847	3.4	96.6
2024	Jun	6 680	30	737	36	5 264	31	12 777	17 652	4 875	27.6	16 974	261 370	6.1	93.9
2024	Jul	7 345	196	663	36	4 779	23	13 041	18 120	5 078	28.0	25 201	253 144	9.1	90.9
2024	Aug	17 134	15	773	45	8 041	23	26 031	34 826	8 795	25.3	43 146	235 198	15.5	84.5
2024	Sep	19 209	15	854	36	7 859	27	27 999	35 452	7 452	21.0	63 251	215 093	22.7	77.3
2024	Oct	37 735	4	708	45	12 123	45	50 660	63 965	13 305	20.8	101 743	176 601	36.6	63.4
2024	Nov	18 911	39	839	36	5 377	18	25 220	31 740	6 520	20.5	121 550	156 794	43.7	56.3
2024	Dec	31 444	34	749	36	7 993	31	40 286	48 879	8 593	17.6	153 809	124 536	55.3	44.7
2025	Jan	31 862	24	590	45	10 003	41	42 564	54 876	12 312	22.4	186 325	92 019	66.9	33.1
2025	Feb	24 436	26	750	36	7 431	31	32 709	39 959	7 250	18.1	211 567	66 777	76.0	24.0
2025	Mar	13 726	16	800	36	3 373	7 243	25 192	32 481	7 289	22.4	226 130	52 214	81.2	18.8
		216 349	**451**	**9 009**	**463**	**80 028**	**7 541**	**313 842**	**402 299**	**88 456**	**22.0**	**226 130**	**52 214**	**81.2**	**18.8**

6.2. Loss Percentage

In the table below the past 24 year's loss percentages can be seen. A clear reduction can be seen from 2007 when the WAS program was introduced fully. The biggest factor used to be the operational losses. As more real time measurement devices is installed and water control employees are hopefully trained formally again soon, losses can be reduced further.

The fluctuation in losses year on year is due to the amount of rain during the season. The canal is more efficient when in high and even flows during the year.

This year 81.2% of the total agricultural quota has been used due to summer rainfall and the canal did not have an even flow and that is a result of higher losses.

Table 5: Loss Percentages

Year	Release	Agriculture	Industries	Losses
2001 / 2002	342493656	220601667	10706508	32.46
2002 / 2003	466115640	300543082	11776505	33.00
2003 / 2004	488284140	301224875	7400411	36.79
2004 / 2005	433936910	276099880	6737981	34.82
2005 / 2006	366491600	223932100	9310951	36.36

2006 / 2007	406172300	255986842	6885718	35.28
2006 / 2007	373348400	243647992	9027348	32.32
2007/2008	351413400	202907300	9442000	26.12
2008/2009	396550400	227259400	11689000	25.22
2009/2010	374724500	212461900	86550000	24.71
2010/2011	366491600	243647992	9027348	25.4
2011/2012	371800500	263311734	10517915	26.1
2012/2013	447967500	335745351	10929292	22.6
2013/2014	459084500	324462500	12150000	26.7
2014/2015	449132500	335851500	13178000	22.3
2015/2016	493176500	347370500	14740000	26.6
2016/2017	326706500	237113500	22212200	22.7
2017/2018	44194000	325974000	16685000	22.8
2018/2019	477785000	356746000	16845000	21.7
2019/2020	421883000	323894000	15788000	19.7
2020/2021	362031000	294394000	12598000	18.7
2021/2022	321149000	159370000	13087000	20.5
2022/2023	339538000	252552000	11612000	22.1
2023/2024	344850000	334326000	10524000	20.9
2024/2025	40229900	304832000	9009000	22.0

6.3. Representation of HDI Farmers on the Vaalharts Water Scheme

Table 6: Current HDI Farmer Hectares

Scheme	Total ha	HDI ha	%
Vaalharts	28968	600.7	2.0
Spitskop	1663	375.41	22.57
KB	2555	360.9	14
Taung	(6424 available) 3759 usable	3759	100
Total	**36 945**	**5096.01**	**13.79**

The Vaalharts/Taung Revitalisation project is expected to add 2665 ha in Taung, an estimated 875 ha of land in the Majeng area as well as 412ha of land in the Sekhing area which will become available for HDI farmers to utilise.

Thus, the project on its own could almost double the HDI farmer representation to 24.4 %.

6.4. Water Measurement

The Vaalharts Sub-District uses calibrated sluices along with the WAS system for indirect measurement, the water is released on a demand system and is controlled and streamlined by Water control.

Vaalharts Water has a registered rain meter by SAWS in Jan Kempdorp, we also measure at 8 other different sights to oversee the Vaalharts irrigation area.

The daily operation for the water distribution is done on the WAS program to calculate the releases for the scheme on daily basis. These personnel do water distribution, reporting faults next to canals, cleaning inside and outside of canals and is directly in contact on daily basis with the clients of Vaalharts Water.

Electromagnetic meters are installed for industrial and Municipal use and give a reading daily to the Water control office. Electronic meters are also used on the Harts River however some do have problems with signal in the field due to mobile networks thus some meters needs to be physically read.

The KB system uses fixed overflows that ensure the amount of water licensed per year is delivered to each user in 250 days per year.

6.5. Servitudes

The servitudes team have a grass cutting section that uses 3 tractors, 2 with mulchers and 1 with a brush cutter plus 2 petrol brush cutters to maintain the grass next to feeders.

Figure 4: Servitude Operations

The tractors are also used to spay chemicals next to canals at the VHP and West canal area. This operation continues during the year non-stop.

We received a new tipper truck to clean next to feeders where ground is removed during dry weeks and supply gravel to roads and servitudes to fill up to restore the areas. They also remove all debris next to informal settlements where there is possible pollution.

The Team also has 3 excavators, 2x 5tonners and a 18ton wheel excavator. This equipment is being used to prepare servitude areas and to cut with mulchers next to it, remove trees next to overgrown canals and restore roads that were damaged by overflowing canals and heavy rains. They also clean canals that catches high amounts of sand during the year to prevent overspilling.

6.6. **Taung**

The Taung Office is operating at full capacity, a database is in place of all users that has received tribal land and monthly meetings is held to better communication. The office is working parallel with the tribal office and feedback from the community is positive. There is still a challenge to receive the change of ownership details in time.

Crop verification is done bi-annually for proof of irrigation. The Vaalharts Water Officers are visible on daily basis while they attend all the Co-Op meetings for general enquiries and challenges.

6.7. **Vaalharts App**

The Vaalharts Water App, developed by FarmSpace has being rolled out, firstly focussing on the maintenance management of the scheme. Next phases include notices and access for users to monitor their quotas and accounts while water ordering, agricultural monitoring and sluice control will be added at later stages.

6.8. Temporary Water Transfers

Table 7: Temporary Transfers

A total of 765 temporary transfers were done for the 2024/2025 year.

Total volume of water temporarily transferred for the water year	35 650 919 m^3
Transfers to Vaal River	4 839 936 m^3
Transfers between plots, between irrigators and between properties of the same irrigator	30 810 983 m^3

7. MECHANICAL DEPARTMENT

The core functions of the Vaalharts Water's Mechanical department are:

- Maintenance and service of vehicles and machines.
- Procurement, planning & transportation of fleet and equipment
- Innovation implementation to enhance productivity.
- All mechanical and steel maintenance of canals including sluices etc.
- Inspections of dams and structures.
- Grading of access roads
- Providing fuel and backup services to vehicles and machines on site.
- Electrical maintenance on all operated buildings, houses and dams.
- Community work for schools, hospitals, churches, emerging farmers and communities

7.1. Mechanical and Fleet operations

During the 2024/2025 year the mechanical department completed the following jobs:

Table 8: Mechanical Operations

Vehicle/Machine Maintenance & Service Activities	707
Steel Maintenance & Innovation Activities	217
Electrical Repairs	144
Pool Activities	1000+
Diesel & Tyre Jobs	1000+

Most mechanical maintenance jobs are done inside the Vaalharts Workshop, while others are carried out on site on the Scheme. Mechanics, welding teams, electricians and support teams travel great distances every day to ensure fleet, steel and electrical structures are in a good working condition.

The pool assistance vehicles include two low-bed trucks, two truck mounted crane trucks, a roll-back truck, a mobile crane and a tractor with a slasher. Water is also delivered to concrete sites and water control houses while two graders grades all access roads.

The service truck and fuel delivery vehicles provide diesel, tyres and small service support to machines on site.

7.2. New Fleet Items

During the past financial year, the following new additions to the fleet were added:

Table 9: New Additions

2 x Nissan Navara 2.5 DC SE	
1x Nissan Navara 2.5 SC XE	

1 x Pesci 1Ton Hydraulic crane	
1x Hydraulic Detachable neck 40Ton Trailer	
1x Toyota 1627 6cube Tipper truck	
1x John Deere Ride on Mower	

7.3. Budget

The results for the Mechanical Budget for 2024/2025 are listed below:

Table 10: Mechanical Budget Results

Year Budget	R7 616 051
Year Spent	R7 052 702
Balance	R563 349
% Savings	7.4%

<u>The 7.4% saving was made due to the following measures:</u>

- Strict measures to ensure all vehicles, trucks, machines, and the mobile plant is serviced according to intervals to prevent major damage.

- Preventive maintenance on the fleet, all mechanical and steel structures in the Vaalharts scheme.
- Utilising our own mechanical personnel more than contractors.
- The daily using of the Omni accounts financial program to ensure strict budget control to prevent overspending.
- Fleet inspections to identify mechanical problems that could prevent high repair costs.
- The use of the Live Budget to know daily spending and balances.

8. HUMAN RESOURCE DEPARTMENT

8.1. Brief introduction

The Human Resources department is responsible for the acquisition, maintenance and retention of human capital in the institution.

Below are some of the functions entrusted to the Human Resources Department:

- Selection and Recruitment
- Labour relations
- Benefits management
- Skills development
- Human resources Administration
- Employment Equity
- Human Resources Policies development
- Leave Management
- Occupational Health and Safety
- Office Cleaning
- Security Services

* The Mission of the VHWUA Human Resources Department is to be fully compliant with all labour laws, for example: The Basic Conditions of Employment, Labour Relations Act, Skills Development Act, Employment Equity Act etc while ensuring a happy and productive labour force.

* The Vision is to contribute towards the general development of the Vaalharts Water User Association and South Africa and in particular the community within our area of operation by capacitating employees who will respond to the challenging needs of the scheme which requires flexible employees who are not rigid and able to interact with administration, civil, technological and mechanical developments and also achieve our training and employment equity targets.

* We have programs in place in terms of learnerships and internships for the local youth who are taken through our program to increase skill levels. We are also committed to social responsibility and, as a water user association, we are busy with the outlay of our social responsibility plans.

- During our dry weeks when we do annual maintenance work, we are able to provide temporary work for the locals.

8.2. Organogram

The organogram for 2024-2025 was approved by Management when changes were made and by Manco when changes were made at Executive and Senior Management level.

8.3. Staff Compliment

The staff compliment for the financial year was 175.

8.4. Training and development

A total number of 76 employees were trained during the financial year, in order to improve their production, efficiency, skills and knowledge.

All training undertaken was occupationally directed, and reported to EWSETA's mandatory grant.

The WSP (Workplace Skills Plan) was submitted to EWSETA during the year under review.

8.5. Positions filled during the financial year 2024-2025

The following 5 positions were filled during the year under review in accordance with our Selection and Recruitment Policy

- Senior Driver/Operator
- X2 General Worker: concrete
- Boilermaker Assistant
- Mechanical Assistant

8.6. Vacancy Rate

The Vacancy rate (Number of unfilled positions (27) vs positions in the establishment (208)) is at 13%.

8.7. Staff turnover rate

Staff turnover rate is a rate at which employees leave employment with Vaalharts Water for any reason, the current staff turnover rate is at 4.81% (10 staff turnover)

The following list is a breakdown of ways personnel left the employment of Vaalharts Water during the year under review:

- Resigned: 1
- Pensioned: 1
- Deceased: 1
- Dismissed 6
- Ill Health 1

8.8. Employment Equity

VHWUA has submitted its employment equity plan and the annual Employment Equity report as per the provisions of the Employment Equity Act and In terms of its a 5-year Employment Equity Plan.

8.9. Injury on Duty Report

During the year under review 20 incidents of injury on duty were reported with no fatalities and the cost was carried by the Department of Labour.

9. FINANCE DEPARTMENT

9.1. Overview of the Past Financial Year

The Finance Department aims to ensure that spending and revenue collection align with the budget. Policies are reviewed annually and developed as needed to promote sound financial management. Internal controls are continuously introduced and consistently implemented. As a result, the association has seen positive improvements in both revenue and expenditure, while also maintaining an unqualified audit report.

This department comprises of five units: Bookkeeping, Debtors, Creditors, Payroll and Supply Chain Management, all reporting to the Financial Manager.

Throughout the financial year, the budget vs actual expenditure is monitored. All deviations are explained to ensure compliance to the organisation's mandate.

This has resulted in a cashflow surplus of R1 358 866. In terms of the AFS the provision for debtors has increased due to non-payment in the last financial year while the reserve fund continues to grow and is now standing at 31% of the year's Budgeted Expenditure, the requirement is 50%.

Processes within the SCM and Creditors sections are monitored and improved where necessary to maintain a good financial management system.

The budget for the next financial year 2025/2026 was developed in consultation with all HOD's and their input was considered. Revenue streams are constantly considered while the association strives to keep the water tariff increase affordable to the users. The budget process for the 2026/2027 FY and outer years commences during November 2025.

The audit of the 2024/2025 Financial year went well with only a few matters raised. Preparation for the audit was managed by the finance team and TGA, and the concerns raised by PWC once again reduced and are ones that can be corrected going forward. Additional controls will be implemented in the 2025/2026 Financial year, however one is still a legacy matters that can only be corrected once the Department assists with the sorting out of accounts.

9.2. Revenue

Revenue collection returned to normal after our agricultural clients experienced better harvests. Magalies Water made a commitment from September to start paying their current accounts that made a positive impact while strategies indicate positive changes in terms of Industrial Strategic User debt collection from next year. Increases in tariffs were once again kept relevant to inflation.

9.3. Expenditure

Operational expenditure was monitored closely throughout the 2024/2025 financial year by comparing internal live budget reports to TGA's Pastel reports. The focus is on actual revenue and expenditure to ensure that it align to the approved budget.

By cultivating the involvement of the entire staff compliment of VHWUA, we continue to manage expenditure to align with revenue collected. The entire VHWUA are geared together to ensuring the continuation of a financially viable and sustainable Association.

9.4. Budget

Attention is given to the budgeting process to ensure a realistic short-, medium- and long-term budget. Inputs are received from all the departments, and by doing that a sense of ownership is created. VHWUA use incremental budgeting that involves setting the budget for the next year based on the previous year's budget, with adjustments made to accommodate expected changes and real increases in costs due to inflation and other aspects such as specific projects.

The budget is based on a zero-based budget approach, but with specific saving and revenue goals worked into the initial deficits.

VHWUA Three Year Budget					
	2024/2025		**2025/2026**	**2026/2027**	**2027/2028**
	Budget	**Actual Budget**	**Budget**	**Budget**	**Budget**
Capital	5 343 259	5 525 081	6 299 903	6 621 198	6 958 879
Projects	3 289 292	3 179 655	3 677 522	3 865 075	4 062 194
Material, Stock & Fuel	16 392 500	14 865 372	19 311 449	20 296 333	21 331 446
Repairs & Maintenance	4 027 448	4 055 914	4 769 552	5 012 799	5 268 452
Labour Costs	66 650 659	64 333 198	71 272 233	74 907 117	78 727 380
Vehicle Allowance - Capital	2 000 000	1 789 140	2 349 540	2 469 367	2 595 304
Training & Skills Development	537 750	324 589	519 000	545 469	573 288
Travel & Accommodation	149 725	196 920	261 340	274 669	288 677
Other Operational Costs	11 070 323	10 020 259	11 826 169	12 429 304	13 063 199
Consumables	1 539 089	1 201 626	1 694 123	1 780 523	1 871 330
Total Expenses	111 000 044	105 491 755	121 980 832	128 201 855	134 740 149
Income From Main Activity	92 904 599	100 289 019	104 420 025	110 685 227	117 326 340
Income from Other Sources	7 355 849	6 561 601	8 343 531	8 844 143	9 374 791
Total Income	100 260 448	106 850 620	112 763 556	119 529 369	126 701 132
Budget (Deficit) / Surplus	-10 739 597	1 358 866	-9 217 276	-8 672 485	-8 039 018

Figure 5: VHWUA Three Year Budget

10. SOCIAL RESPONSIBILITY

10.1. Projects

- Water Awareness Campaign

For Water Day and for general Water Resource Awareness we reach out to schools in our area of operation to emphasise water knowledge and the importance of water conservation.

Figure 6: Water Awareness

- Water Safety Campaign

We hosted another successful Water Safety Training Workshops in Taung and Jan Kempdorp inviting children, parents and teachers from all schools close to canals as well as trained volunteers from communities close to canals on lifesaving and living safely close to water.

Figure 7: Water Safety Campaign

- HDI Farmer Workshop

  We hosted a very successful HDI Capacity Building Workshop bringing together experts from the field and some exciting key note speakers in order to help train our HDI farmers more in terms of Precision Farming.

Figure 8: HDI Farmer Workshop

- Reggie Pienaar Community Garden

Figure 9: Reggie Pienaar Community Garden

VHWUA started a community garden on an open yard in town that was being used as a rubbish dump. The aim is to teach children and community members how to grow their own vegetables while also cleaning up our environment. The garden was named after Reggie Pienaar who played a pivotal role in establishing the garden along with other Social Responsibility Projects over the years.

- Heritage Day

  The VHWUA celebrated Heritage Day during 2024 once again in great spirits focussing on expressing our cultures through plays this time.

Figure 10: Heritage Day

10.2. General Community Assistance

Table 11: Community Institution Assistance

INSTITUTION	WORK DONE
Holy Apostolic Jerusalem Church	Cleaning of Church premises
Weltevrede Farm Warrenton	Fire breaks
Northern Cape Agricultural High School	Fire breaks
Fast Eleven Ladies Football Club	Fixing the pitch
Futurum Academy	Assisting with installation of light (crane)
Assist at the funeral of late employee: Motshabi	Cutting tree, cleaning area for tent, etc.
CCW Jan Kempdorp	One load of gravel around substation
Christian Youth Ministry	Cutting of grass
Hartsvaal Primary School	Cutting of grass
Bethel Reformed Church	Cleaning of yard and 2 load of red soil
Vaalharts High School	Cutting of grass
Vaalharts Combined School	Moving of 2 Jojo tanks
Lady D Kids Home Centre	Machine Supporting
Weltevrede Farm Warrenton	TLB Assistance - farm border fence
Andalusia Primary School	Cutting of trees
Kgosi Mothibi	Machine assistance – grading
Jan Kemp Gholf Club	2 loads of red soil
Baphuduhuwana Traditional Council	Assistance with dozer machine – cutting/de-bushing
Jan Kempdorp Primary School	Revamping of sports playground
Holy Apostolic Jerusalem Church	Cleaning of church premises

Tlhwahalang High School	Welding of poles for soccer
Independent Ethopian Church of Southern Africa	Cleaning of church yard
Bethel Reformed Church	Cleaning of church yard and 2 loads of red soil
Holy Apostolic Church	2 loads of gravel, 2 loads of red soil
Magogong Farmers	De-bushing of premises and machinery assistance
Majeng Communal Property Association	200 bottles of water
Lukhanyo Day Care Centre	4 loads of red soil
Huis Andalusia	Loads of soil
Weltevrede Farm	TLB to scrap and clear fields
NG Church Jan Kemp	1 load of soil
Jan Kemp CHC	Spraying of ground with water to suppress dust during memorial service.
Thari Ya Boitekanelo NPO	Cleaning of yard – front end loader
Walter Rooi - Ragabolo Soccer Tournament	Soil to improve drainage and evenness; machinery to level the ground
Jan Kemp Golf Club	Repair of entry road from main road
Jan Kemp CHC	Removal of garden waste
Boitumelo NPO	Venue for Environmental awareness program (Weir)
Phokwane Municipality	Grading of Newtown area
Futurum Academy	Machinery: Wheel Excavator
Uniting Reformed Church in Southern Africa	2 loads of old concrete to complete church building project.
Greater Taung Local Municipality	Filling of jojo tanks
Dept: Forestry, Fisheries and the Environment	Machine assistance: cleaning campaign
Vaalharts Research Station	Cutting of tree at entrance
Vaalharts District Agricultural Union	Loading and offloading of gravel
Pudimoe Farmers	Machine assistance: bulldozer or grader
NG Church Tadcaster	10 loads of red soil
Game Conservation Association: Vaalharts Branch	Ranch repairs
Hartswater Primary School	Cleaning of yard
Kopanang Primary School	Grading of school sports grounds
Vaalharts Combined School	Cleaning of school yard
Northern Cape Agricultural High School	Cutting of grass
Vaalharts High School	Cutting of grass and loads of soil
Phokwane Municipality	Machinery to clean Hartswater Landfill site
Alfred Kokwe	Jojo Tank
NG Church Jan Kemp	Cleaning of premises
NG Church Jan Kemp	1 load of red soil
ECC Ebangeli Catholic Christian in Zion Apostolic Church	Loads of soil and removal of stones from premises
Northern Cape Agricultural High School	Cleaning of piece of land for planting purposes
CCW: DWS (Gloria Shupping)	1 load of red soil for garden (official house)

Tlhwahalang High School	Removal of stones/rock and red soil for grass
Angels Day Care Centre/ Re A Ruta Day Care	Removal of fallen tree, repairing of damaged fence.
CCW Jan Kempdorp : DWS	Cutting of trees to install surveillance cameras
Anglican Church of Southern Africa	Removal of garden garbage
Northern Cape Agricultural High School	Cutting of grass
Champion Tladi	Cleaning of Bonita Park Stadium
Vaalharts Combined School	6 loads of red soil

10.3. Personnel External Assistance

Table 12: Personnel Assistance

ASSISTANCE	REQUEST
Old Concrete	4 Load
Transport VHW Soccer Team	4 Events

10.4. Emerging Farmer Support & Water Allocation Reform

Vaalharts Water User Association is highly committed to support Water Allocation Reform in the area by supporting and assisting with development of all water use entitlement applications in the area as well as solving any and all water related issues emerging farmers might have.

Currently over and above various small applications VHWUA is involved with the following large water use entitlement applications where VHWUA also provides machines in terms of soil analysis:

- Taung Enlargement of Arable Land
- Majeng Application
- Kgosi Mothibi License

VHWUA also offered the following support to emerging farmers and is also currently busy engaging with the Agricultural Sector in terms of further Emerging Farmer support:

- Co-Operatives Workshops and Training
- Emerging Farmer Fire Breaks
- Emerging Farmer Machine Support

11. FINANCIAL STATEMENTS

Vaalharts Water User Association
Financial statements
for the year ended 31 March 2025

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Water User Association
Registered office	Van Riebeeck Road Jan Kempdorp 8550
Bankers	Standard Bank
Tax reference number	PBO93001226
Level of assurance	The annual financial statements were audited in terms of the requirements of the Association's Constitution
Preparer	The financial statements were independently compiled under the supervision of: JM du Toit CA(SA)
Issued	21 August 2025
Management Committee Members	
Irrigation	W de Klerk A Howarth P Burger J Beytell P van Niekerk M Bond J Liebenberg B Liebenberg M Tau M Senokwane
Emerging farmers	TD Staoert
Small Scale Users	C Stoman K Mothibi F Lobelo T Letele K Mankuroane
Local Authorities	M Rapudungoane (Vaal Central) K Mogamisi (Magalies Water)
State Departments	P Kanyasa R Mothekhe G Mocwiri

Index

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

Management Committee's Responsibilities and Approval

The management committee is responsible 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 organisation 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.

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

Management acknowledges that they are ultimately responsible for the system of internal financial control established by the association and places considerable importance on maintaining a strong control environment. To enable management to meet these responsibilities, the management committee 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 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 external auditor were given unrestricted access to all financial records and related data, including minutes of all meetings of the management committee and committees of the board. The management committee believes that all representations made to the independent auditor during their audit are valid and appropriate.

The management committee is also responsible for the Association's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the management committee to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the management committee has every reason to believe that the management committee has adequate resources in place to continue in operation for the foreseeable future.

The management committee of the Association confirms that as at 31 March 2025, the assets of the Association exceeded its liabilities.

The annual financial statements and additional schedules set out on pages 7 to 21, were approved by the management committee on 12/08/2025 and have been signed by them or on their behalf by:

Chairman

Independent auditor's report

To the Management Committee of Vaalharts Water User Association

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Vaalharts Water User Association (the Association) as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard.

What we have audited

Vaalharts Water User Association's financial statements set out on pages 8 to 21 comprise:

- the statement of financial position as at 31 March 2025;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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).*

Other information

The Management Committee are responsible for the other information. The other information obtained at the date of this auditor’s report comprises the information included in the document titled “Vaalharts Water User Association financial statements for the year ended 31 March 2025". 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 identified above 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 on the other information that we obtained prior to the date of this auditor’s report, 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 Management Committee for the financial statements

The Management Committee are responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs Accounting Standard and for such internal control as the Management Committee 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 Management Committee 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 Management Committee 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 ISAs 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 ISAs, 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 Management Committee.
- Conclude on the appropriateness of the Management Committee' 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 Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: JP Allen
Registered Auditor
Kimberley, South Africa
21 August 2025

Management Committee Report

The management committee has pleasure in submitting the report on the annual financial statements of Vaalharts Water User Association report for the year ended 31 March 2025.

1. Review of activities

Main business and operations

The Association was established in terms of section 115 of the National Water Act, 1998. The Association's main operations include the waterworks of the Vaalharts canal system, including the Barkley West canal and the Taung system, as well as the utilisation and maintenance of the Spitskop and Taung Dams for water supply.

There have been no material changes to the Association's business from the prior year.

The operating results and state of affairs of the Association are fully set out in the attached financial statements and do not in our opinion require any further comment.

Net comprehensive income of the Association was R9 903 036 (2024: R8 239 468).

Vaalharts Water User Association's main objective is the effective supply of water to its members. In order to achieve this goal it is important that sufficient funds are available to:
1. finance normal operating expenses;
2. finance the maintenance of infrastructure; and
3. maintain the reserve fund.

The levying of a reasonable rate in line with current market conditions as well as the current water pricing strategy of the Department of Water and Sanitation that is also sufficient to supplement the accumulated funds, as well as the collection for outstanding receivables is extremely important to enable the Association to achieve its overall main goal.

2. 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.

3. Events after the reporting period

The management committee is not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

4. Auditor

PricewaterhouseCoopers Inc. will continue in office for the next financial period.

Statement of Financial Position as at 31 March 2025

	Notes	2025 R	2024 R
Assets			
Current Assets			
Trade and other receivables	2	19 683 209	25 990 397
Other financial assets	3	32 637 885	30 923 475
Cash and cash equivalents	4	43 486 284	37 584 099
		95 807 378	**94 497 971**
Non-Current Assets			
Property, plant and equipment	5	47 249 202	42 003 243
Total Assets		**143 056 580**	**136 501 214**
Equity and Liabilities			
Liabilities			
Current Liabilities			
Trade and other payables	6	59 621 434	63 070 287
Equity and reserves			
Contingency reserve		50 558 852	42 158 852
Risk reserves		1 090 769	989 586
Retained income		31 785 525	30 282 489
		83 435 146	**73 430 927**
Total Equity and Liabilities		**143 056 580**	**136 501 214**

The accounting policies on pages 12 to 16 and the notes on pages 17 to 21 form an integral part of the financial statements.

Statement of Comprehensive Income

	Notes	2025 R	2024 R
Revenue	7	105 540 327	99 038 750
Other income	8	6 753 399	3 898 079
Operating expenses	9	(111 240 866)	(109 969 870)
Operating surplus / (deficit)		**1 052 860**	**(7 033 041)**
Investment revenue	11	8 852 490	7 616 526
Finance cost paid	12	(2 314)	(781)
Reversal of creditor	17	-	7 656 764
Total comprehensive income for the year		**9 903 036**	**8 239 468**

The accounting policies on pages 12 to 16 and the notes on pages 17 to 21 form an integral part of the financial statements.

Statement of Changes in Equity

	Contingency reserve R	Risk reserve Spitskop R	Accumulated funds R	Total equity R
Balance at 01 April 2023	**42 158 852**	**-**	**22 043 021**	**64 201 873**
Total comprehensive income	-	-	8 239 468	8 239 468
Allocation to reserve	-	989 586	-	989 586
Total comprehensive income for the year	**-**	**989 586**	**8 239 468**	**9 229 054**
Balance at 01 April 2024	**42 158 852**	**989 586**	**30 282 489**	**73 430 927**
Total comprehensive income	-	-	9 903 036	9 903 036
Allocation to risk reserve	-	101 183	-	101 183
Total comprehensive income for the year	**-**	**101 183**	**9 903 036**	**10 004 219**
Allocation to reserve	8 400 000	-	(8 400 000)	-
Balance at 31 March 2025	**50 558 852**	**1 090 769**	**31 785 525**	**83 435 146**

The accounting policies on pages 12 to 16 and the notes on pages 17 to 21 form an integral part of the financial statements.

Statement of Cash Flows

	Notes	2025 R	2024 R
Cash flows from operating activities			
Cash receipts from customers		104 670 734	104 712 232
Cash paid to suppliers and employees		(97 076 037)	(101 514 404)
Cash generated from / (used in) operations	13	7 594 697	3 197 828
Interest received	11	8 852 490	5 135 822
Finance cost paid	12	(2 314)	(781)
Net cash from / (used in) operating activities		**16 444 873**	**8 332 869**
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(9 036 676)	(4 505 496)
Proceeds from sale of property, plant and equipment	5	208 398	432 327
Cash transferred to investments		(1 714 410)	(2 468 883)
Net cash used in investing activities		**(10 542 688)**	**(6 542 052)**
Cash flows from financing activities			
Total cash and cash equivalents movement for the year		**5 902 185**	**1 790 817**
Cash and cash equivalents at the beginning of the year		37 584 099	35 793 282
Cash and cash equivalents at the end of the year	4	**43 486 284**	**37 584 099**

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. The financial statements have been prepared on the historical cost basis, unless stated otherwise, 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, except where indicated otherwise.

1.1 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.

Property, plant and equipment is initially measured at cost.

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.

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 Association 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, 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
Plant and machinery	Straight line	15 years
Furniture and fixtures	Straight line	3 years
Vehicles and equipment	Straight line	8 - 15 years
Buildings and Solar	Straight line	20 years
Water flow meters	Straight line	5 years

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

When indicators are present that the useful lives 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.

Accounting Policies

1.2 Financial instruments

Initial recognition and 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 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 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.

Trade receivables

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

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as a current liability on the statement of financial position.

Trade Payables

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

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into Rand using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

In certain circumstances, trade payables are reflected based on the Association's own internal accounting records where accurate third party information is not available.

1.3 Impairment of assets

The Association assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

Accounting Policies

1.3 Impairment of assets (continued)

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.

1.4 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.

1.5 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.

Contingent assets and contingent liabilities are not recognised.

1.6 Operating expenses

Expenses are recognised when incurred and the service or goods have been delivered.

1.7 Contingency Reserves

The Association has the policy of providing for the maintenance of normal activities of the Association in times when restrictions on the ability of the Association exists to generate sufficient revenue through water charges, such as in times of drought and when water restrictions are in place .

According to the contents of paragraph 13.2 of the Memorandum of Agreement in respect of the operation and maintenance of the Vaalharts Water Scheme, between DWS and the Board, the Association has an additional policy to provide for the responsibilities pertained in that agreement by way of contingency reserve.

The Association calculates on an annual basis the required increase or decrease of the capital reserve, this is captured in the income of the Association and reclassified to Contingency Reserves through other comprehensive income.

The risk reserve consists of amounts received that have be earmarked for specific purposes in the Spitskop sub-division.

Accounting Policies

1.8 Revenue

Income 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 income can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Association. Income is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

The Association includes in income only the gross inflows of economic benefits received and receivable by the Association on its own account. The Association excludes from revenue all amounts collected on behalf of third parties such as goods and services and value added taxes. The amounts collected on behalf of the principal are not income of the Association.

Service income is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The Stage of completion is determined by surveys of work performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, income is recognised only to the extent of the expenses recognised that are recoverable.

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

Rental income is received from the renting out of properties to employees of the Association. Rental income is levied on a monthly basis.

Billing agent commission is levied on payments received on behalf of the Department of Water and Sanitation.

The reserve fund is held for a reserve to ensure the continuity of normal activities of the Association. The risk reserve is funded by income received from irrigation users to remove reeds.

Contractor services income is billed and received after work on infrastructure has been performed. The income is billed per hours worked, infrastructure used and other additional resources utilised during the project.

Gain on disposal of assets is recognised if the selling price for the assets exceeds the assets carrying amount.

Employee training income is recognised as and when employees have received and completed training.

Fuel recoveries is recognised once fuel expenses actually incurred has been received back by the Association.

Gate and camping fees is recognised as and when the income is received and the services relating to the fees have been performed.

Legal fees recovered is recognised once legal fees actually incurred has been received back by the Association.

1.9 Interest expense

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

1.10 Comparative figures

Where necessary comparative figures have been adjusted to conform with changes in presentation in the current year.

1.11 Change in accounting policy

The effects of changes in accounting policies on prior periods are recognised as adjustments to opening balances at the beginning of the current period.

Accounting Policies

1.12 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the financial statements.

Critical judgements in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Trade and other payables

In certain circumstances, trade payables are reflected based on the Association's own internal accounting records where accurate third party information is not available. This includes the water levies payable to the Department of Water and Sanitation.

Key sources of estimation uncertainty

Residual values of property, plant and equipment

Management reassesses the residual values of property, plant and equipment based on the returns that it currently expects to obtain once the assets reach the end of their useful lives. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Trade and other receivables

The Association assesses its accounts receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in the profit or loss, the Association makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a debtor.

The impairment for accounts receivable is calculated on a client group basis, based on historical payments, adjusted for national and industry-specific economic conditions and other indicators present at the reporting period that correlate with defaults on the client group.

Notes to the Financial Statements

2. Trade and other receivables

	2025 R	2024 R
Trade receivables	124 287 408	124 215 384
Total trade receivables outstanding	673 677 219	625 277 007
Levies on Department of Water and Sanitation accounts not collected	(549 389 811)	(501 061 623)
Debtor impairment provision	(110 580 000)	(105 875 364)
	13 707 408	18 340 020
Eskom Deposit	195 917	184 827
VAT	5 753 592	7 439 258
Prepaid expense	26 292	26 292
	19 683 209	**25 990 397**

The Association has a right to recovery in terms of section 58, 59 and 60 of the Water Act of 1998 regarding water tax debtors.

In terms of the billing agent contract dated 1 April 2022, the Association is responsible for paying to the Department of Water and Sanitation, the amount collected on their behalf and the Department of Water and Sanitation has in terms of paragraph 9.1.4 the sole discretion to take action against defaulters where the Association acts as agent for the Department of Water and Sanitation.

3. Other financial assets

Investments at amortised cost		
Stanlib Income fund - 000402184	32 637 885	30 923 475
Current assets		
Investments at amortised cost	32 637 885	30 923 475

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1 478	15 288
Current account - Standard Bank	474 039	615 752
Other cash and cash equivalents	43 010 767	36 953 059
	43 486 284	**37 584 099**

Notes to the Financial Statements

	2025	2024
	R	R

5. Property, plant and equipment

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	37 401 279	(21 184 399)	16 216 880	36 245 324	(19 448 438)	16 796 886
Furniture and fixtures	1 300 147	(675 494)	624 653	1 699 735	(867 171)	832 564
Vehicles and equipment	39 448 261	(15 155 020)	24 293 241	35 837 435	(13 582 024)	22 255 411
Water Flow meters	1 470 542	(423 824)	1 046 718	1 368 924	(358 800)	1 010 124
Buildings and Solar	5 428 893	(361 183)	5 067 710	1 349 971	(241 713)	1 108 258
Total	**85 049 122**	**(37 799 920)**	**47 249 202**	**76 501 389**	**(34 498 146)**	**42 003 243**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Plant and machinery	16 796 886	1 155 955	-	(1 735 961)	16 216 880
Furniture and fixtures	832 564	77 007	(174 183)	(110 735)	624 653
Vehicles and equipment	22 255 411	3 610 826	-	(1 572 996)	24 293 241
Water Flow meters	1 010 124	101 617	-	(65 023)	1 046 718
Buildings and Solar	1 108 258	4 091 271	(3 515)	(128 304)	5 067 710
	42 003 243	**9 036 676**	**(177 698)**	**(3 613 019)**	**47 249 202**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Plant and machinery	19 009 272	400 000	(112 166)	(2 500 220)	16 796 886
Furniture and fixtures	589 671	364 820	(6 107)	(115 820)	832 564
Vehicles and equipment	20 832 417	3 173 165	(255 844)	(1 494 327)	22 255 411
Water flow meters	1 075 148	-	-	(65 024)	1 010 124
Buildings	590 921	567 511	(6 136)	(44 038)	1 108 258
	42 097 429	**4 505 496**	**(380 253)**	**(4 219 429)**	**42 003 243**

6. Trade and other payables

	2025	2024
Department of Water & Sanitation	53 824 083	55 914 384
Total outstanding invoices issued	545 030 227	498 792 234
VAT payable once levies on accounts are collected	58 183 667	58 183 667
Less: Levies on Department of Water and Sanitation accounts not collected	(549 389 811)	(501 061 623)
Employee loans	15 500	9 500
Leave accrual	4 082 628	3 365 128
Trade payables	599 053	2 709 455
Payroll accruals	1 047 518	915 670
Other reserves	52 652	156 150
	59 621 434	**63 070 287**

Notes to the Financial Statements

	2025 R	2024 R

7. Revenue

Irrigation - operations and maintenance	99 879 594	94 179 311
Industrial - operations and maintenance	5 660 733	4 859 439
	105 540 327	**99 038 750**

8. Other income

Commissions received	4 085 522	1 258 368
Contractor services	-	10 200
Fuel recoveries	1 353 505	1 556 326
Gate and camping fees	13 740	13 218
Insurance claim received	92 328	47 496
Profit on sale of assets	30 700	52 074
Recoveries	434 987	290 030
Rental income	742 617	670 367
	6 753 399	**3 898 079**

9. Operating expenses

Operating expenses include the following expenses:

Depreciation and amortisation	3 613 019	4 219 429
Employee costs	64 043 956	65 745 338
Contractors	2 297 470	5 981 576
Fuel and oil	9 618 348	9 846 819
Repairs and maintenance	9 351 941	4 014 450
Motor vehicle subsidy	2 885 127	-
Other expenses	14 726 369	15 044 145
Debtor impairment provision	4 704 636	5 118 113
	111 240 866	**109 969 870**

10. Employee cost

Employee costs		
Basic	50 476 393	48 293 351
Long-term benefits - incentive scheme	-	167 826
Motor vehicle allowance	-	2 915 287
Other allowances	8 294 390	8 829 146
Overtime, bonus, honorarium and merit allowance	4 321 078	4 609 685
Skills Development Levy	572 092	553 256
Unemployment Insurance Fund	380 003	376 787
	64 043 956	**65 745 338**

11. Investment revenue

Finance income		
Bank	2 788 073	2 067 593
Eskom	12 457	12 861
Interest from debtors	3 355 104	3 055 368
Stanlib Collective Invest	2 696 856	2 480 704
	8 852 490	**7 616 526**

Notes to the Financial Statements

	2025 R	2024 R

12. Finance cost paid

Trade and other payables	979	411
Bank	-	370
SARS	1 335	-
	2 314	**781**

13. Cash generated from / (used in) operations

Net comprehensive income	9 903 036	8 239 468
Adjustments for:		
Depreciation	3 613 019	4 219 429
Profit on sale of assets and liabilities	(30 700)	(52 074)
Movement in risk reserves	101 183	989 586
Investment income	(8 852 490)	(7 616 526)
Finance costs	2 314	781
Changes in working capital:		
Trade and other receivables	12 060 780	837 891
Trade and other payables	(9 202 445)	(3 420 727)
	7 594 697	**3 197 828**

14. Taxation

The Association is exempt from income tax in terms of section 10(1)(cA)(i) of the Income Tax Act of 58 of 1962 in terms of an exemption certified dated 30 March 2006.

15. Events after the reporting period

The management committee is not aware of any material event which occurred after the reporting date and up to date of this report that would have a material impact on these annual financial statements.

16. Contingent liability

Currently there is a dispute with the Department of Water and Sanitation regarding the outstanding amount owed. Management together with the Department of Water and Sanitation are busy with a mediation process.

17. Reversal of creditor

Reversal of creditor in the prior year	-	7 656 764

Notes to the Financial Statements

	2025 R	2024 R

18. Related parties

Relationships	
Current Executive Committee	Pieter Burger (Chairperson) Fabian Lobelo (Vice-Chairperson) Niel van Eeden (CEO) Phia Lombard (Financial Manager) Vincent Mokoena (HRM) Johan Beytell (Audit Chair) Christelle Stoman (Social Chair)
Management Committee members	Willem de Klerk Anton Howarth Pieter Burger Johan Beytell Piet van Niekerk Matt Bond Jannie Liebenberg Bennie Liebenberg Mbulelo Tau Matthews Senokwane Daniel Staoert Christelle Stoman Tumelo Letele Fabian Lobelo Kgosi Mothibi Kgosi Mankuroane Maruping Rapudungoane (Vaal Central) Kelebogile Mogamisi (Magalies Water) Pondai Kanyasa (NC) G Mocwiri (NW) Ruth Mothekhe

Compensation paid to key management

	2025 R	2024 R
Travel and accommodation costs paid for management committee members	49 346	103 522
Remuneration of management committee for attendance of meetings	132 574	114 397
	181 920	**217 919**

Members of the executive committee are also registered water users of the Association, and are charged levies based on the same terms and conditions as all other water users of this Association. No other transactions were entered into with members of the executive committee during the year.

19. 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.

Detailed Income Statement

	Note	2025 R	2024 R
Revenue			
Irrigation - operations and maintenance		99 879 594	94 179 311
Industrial - operations and maintenance		5 660 733	4 859 439
	7	**105 540 327**	**99 038 750**
Other income			
Commissions received		4 085 522	1 258 368
Contractor services		-	10 200
Fuel recoveries		1 353 505	1 556 326
Gains on disposal of assets		30 700	52 074
Gate and camping fees		13 740	13 218
Insurance claim received		92 328	47 496
Recoveries		434 987	290 030
Rental income		742 617	670 367
		6 753 399	**3 898 079**
Expenses (Refer to page 23)		**(111 240 866)**	**(109 969 870)**
Operating (deficit) / surplus		**1 052 860**	**(7 033 041)**
Investment income	11	8 852 490	7 616 526
Finance cost paid	12	(2 314)	(781)
Reversal of creditor		-	7 656 764
		8 850 176	**15 272 509**
Total comprehensive income for the year		**9 903 036**	**8 239 468**

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

Detailed Income Statement

	2025 R	2024 R
Operating expenses		
Advertising	-	127 930
Auditing and compilation fees	429 855	426 907
Bank charges	161 036	129 060
Chemicals	400 040	158 268
Cleaning	83 676	-
Communication	915 337	287 475
Compensation commissioner	422 939	409 761
Computer expenses	83 140	34 330
Consulting fees	712 506	712 010
Contractors	2 297 470	5 981 576
Debtor impairment provision	4 704 636	5 118 113
Depreciation, amortisation and impairments	3 613 019	4 219 429
Employee costs	64 043 956	65 745 338
Entertainment, refreshments and canteen	165 825	185 929
Fuel and oil	9 618 348	9 846 819
HR and Payroll Services	421 947	487 692
Insurance	1 915 381	1 739 589
Internal audit fees	442 625	477 179
Legal expenses	199 011	51 209
Loss on scrapping of assets	177 697	-
MANCO fees	132 574	113 528
Membership fees	325 413	208 550
Motor vehicle expenses	2 011 413	1 845 540
Motor vehicle subsidy	2 885 127	-
Pest control	16 984	638
Printing and stationery	365 482	410 235
Professional Fees	-	86 900
Protective clothing	594 504	506 870
Provision for leave accrual	717 500	2 221 770
Rates, electricity and water	1 938 149	2 309 990
Repairs and maintenance	9 351 941	4 014 450
Security	1 198 917	1 138 306
Skills development	327 745	666 553
Social responsibility	377 868	163 344
Traveling expenses	188 805	144 582
	111 240 866	**109 969 870**

The accounting policies on pages 12 to 16 and the notes on pages 17 to 21 form an integral part of the financial statements.

Supplementary Information

1. Department of Water and Sanitation

	2025 R	2024 R
Total outstanding invoices issued by the Department of Water and Sanitation	603 213 894	556 976 007
Less: levies on Department of Water and Sanitation accounts included in trade receivables not collected	(549 389 811)	(501 061 623)
	53 824 083	**55 914 384**

2. Accounts receivable

	2025 R	2024 R
Irrigation - Overheads and maintenance Commercial Farmers	21 224 498	-
Irrigation - Overheads and maintenance - Emerging Farmers	106 575 455	78 896 615
Irrigation - Water levies (NWRI, CMA, WRF)	21 287 039	16 838 276
Other services - construction contracts and agent commission	3 118 193	1 939 141
Rental income	-	190 824
Industrial - overheads and maintenance	54 344 915	43 698 134
Industrial - water levies (NWRI, CMA, water research fund)	467 645 470	484 223 347
Less: Department of Water and Sanitation - water levies (NWRI, CMA, water research fund) only payable once collected	(549 389 811)	(501 061 623)
Unallocated deposits	(518 350)	(509 350)
	124 287 409	**124 215 364**

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