

Water Institute of Southern Africa (Association Incorporated Under Section 21)
(Registration number 2000/001140/08)
Annual Financial Statements
for the year ended 31 December 2008

RMS Chartered Accountants (SA)
Registered Auditors
Issued 07 April 2009

Water Institute of Southern Africa (Association Incorporated Under Section 21)

(Registration number 2000/001140/08)

Annual Financial Statements for the year ended 31 December 2008

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Non-profit Organisation
Directors	M.A. Bowers F.O. Otieno S.D. Freese H.G. Snyman L.A. Boyd F.C. Van Zyl R.M. Brown V. Meyer J.W. Wilken K.C. Pietersen A.M. Mancothywa
Registered office	1st Floor Building No 5 Constantia Park 546 16th Road Randjes Park X7 Midrand 1685
Postal address	P.O. Box 6011 Halfway House 1685
Bankers	First National Bank Limited Investec Private Bank Nedbank Limited
Auditors	RMS Chartered Accountants (SA) Registered Auditors
Company registration number	2000/001140/08

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

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

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RMS

CHARTERED ACCOUNTANTS (SA)
GEOKTRODIEERDE REKENMEESTERS (SA)

REPORT OF THE INDEPENDENT AUDITORS

To the members of Water Institute of Southern Africa (Association Incorporated Under Section 21)

We have audited the annual financial statements of Water Institute of Southern Africa (Association Incorporated Under Section 21) which comprise the directors' report, the balance sheet as at 31 December 2008, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 20.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the company as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa.

Accounting and secretarial duties

Without qualifying our opinion, we draw your attention to the fact that with the written consent of the shareholder, we have performed certain accounting and secretarial duties.

Supplementary information

We draw your attention to the fact that the supplementary information set out on pages 21 to 22 do not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

RMS Chartered Accountants (SA)
Per: RM Scheepers CA (SA)
Registered Auditors
Pretoria
07 April 2009

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Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, 1973, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with South African Statements of Generally Accepted Accounting Practice. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments 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.

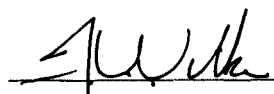
The directors have reviewed the company's cash flow forecast for the year to 31 December 2009 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 3.

The annual financial statements set out on pages 6 to 22, which have been prepared on the going concern basis, were approved by the board on 07 April 2009 and were signed on its behalf by:



H.C. Snyman



J.W. Wilken

Pretoria

07 April 2009

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Directors' Report

The directors submit their report for the year ended 31 December 2008.

1. Incorporation

The company was incorporated on 24 January 2000 and obtained its certificate to commence business on the same day.

2. Review of activities

Main business and operations

The company is engaged in the exchange of information and views to improve water resource management and operates principally in South Africa.

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

Net profit of the company was R 2,410,954 (2007: loss R 213,408) after taxation of R Nil (2007: R Nil).

3. Post balance sheet events

The directors are not aware of any matter or circumstance arising since the end of the financial year.

4. Non-current assets

The company acquired non-current assets to the value of R 283,495 during the current financial year.

There were no changes in the policy relating to the use of non-current assets during the current financial year.

5. Directors

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

Name	Changes
M.A. Bowers	
F.O. Otieno	
S.D. Freese	
H.G. Snyman	
L.A. Boyd	
F.C. Van Zyl	
R.M. Brown	Appointed 08 September 2008
V. Meyer	Appointed 08 September 2008
J.W. Wilken	
K.C. Pietersen	
A.M. Mancothywa	

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Directors' Report

6. Secretary

The company had no formally appointed secretary during the year.

7. Auditors

RMS Chartered Accountants (SA) will continue in office in accordance with section 270(2) of the Companies Act.

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Annual Financial Statements for the year ended 31 December 2008

Balance Sheet

	Note(s)	2008 R	2007 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	1,513,644	1,295,199
Current Assets			
Inventories	4	28,560	18,870
Trade and other receivables	5	1,964,817	4,274,904
Prepaid expenses		484,165	100,311
Cash and cash equivalents	6	3,833,921	2,784,396
		6,311,463	7,178,481
Total Assets		7,825,107	8,473,680
Equity and Liabilities			
Equity			
Reserves		1,800,404	1,553,955
Retained income		4,943,012	2,778,507
		6,743,416	4,332,462
Liabilities			
Non-Current Liabilities			
Operating lease liability	3	34,458	37,573
Current Liabilities			
Other financial liabilities	7	-	77,248
Trade and other payables	8	1,047,233	4,026,397
		1,047,233	4,103,645
Total Liabilities		1,081,691	4,141,218
Total Equity and Liabilities		7,825,107	8,473,680

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Income Statement

	Note(s)	2008 R	2007 R
Revenue	9	1,352,777	709,756
Other income		4,832,393	1,431,378
Operating expenses		<u>(3,934,953)</u>	<u>(2,653,497)</u>
Operating profit (loss)	10	2,250,217	(512,363)
Investment revenue	11	349,345	375,686
Finance costs	12	<u>(188,608)</u>	<u>(76,731)</u>
Profit (loss) for the year		<u>2,410,954</u>	<u>(213,408)</u>

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Statement of Changes in Equity

	Share capital		Branches and divisions		Bursary Fund		Total reserves		Retained income		Total equity	
	R		R		R		R		R		R	
Balance at 01 January 2007	-		930,620		522,499		1,453,119		3,092,751		4,545,870	
Changes in equity												
Loss for the year	-		-		-		-		(213,408)		(213,408)	
Profit - Branches and Divisions	-		56,093		-		56,093		(56,093)		-	
Bursary Fund - Net effect	-		-		44,743		44,743		(44,743)		-	
Total changes	-		56,093		44,743		100,836		(314,244)		(213,408)	
Balance at 01 January 2008	-		986,713		567,242		1,553,955		2,778,507		4,332,462	
Changes in equity												
Profit for the year	-		-		-		-		2,410,954		2,410,954	
Profit - Branches and Divisions	-		176,510		-		176,510		(176,510)		-	
Bursary Fund - Net effect	-		-		69,939		69,939		(69,939)		-	
Total changes	-		176,510		69,939		246,449		2,164,505		2,410,954	
Balance at 31 December 2008	-		1,163,223		637,181		1,800,404		4,943,012		6,743,416	

Note(s)

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Cash Flow Statement

	Note(s)	2008 R	2007 R
Cash flows from operating activities			
Cash receipts from customers		5,962,120	(3,012,119)
Cash paid to suppliers and employees		(4,328,735)	2,503,193
Cash generated from (used in) operations	15	1,633,385	(508,926)
Interest income		349,345	375,686
Finance costs		(188,608)	(76,731)
Net cash from operating activities		1,794,122	(209,971)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(283,495)	(1,274,714)
Disposal of property, plant and equipment	2	-	439
Proceeds from non-interest bearing loan		-	77,248
Prepayments		(383,854)	-
Net cash from investing activities		(667,349)	(1,197,027)
Cash flows from financing activities			
Repayment of other financial liabilities		(77,248)	-
Net cash from financing activities		(77,248)	-
Total cash movement for the year		1,049,525	(1,406,998)
Cash at the beginning of the year		2,784,396	4,191,394
Total cash at end of the year	6	3,833,921	2,784,396

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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, and the Companies Act of South Africa, 1973. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and any impairment losses.

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

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Item	Depreciation Rate
Buildings	0.00%
Furniture and fixtures	20.00%
Office equipment	20.00%
IT equipment	33.33%
IT software	50.00%
Exhibition equipment	20.00%
Photographic equipment	33.33%
Mine water - audio equipment	20.00%

The residual value and the useful life of each asset are reviewed at each financial period-end.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

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

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Accounting Policies

1.2 Financial instruments

Initial recognition

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Other loans and receivables

Other financial assets classified as loans and receivables are initially recognised at fair value plus transaction costs, and are subsequently carried at amortised cost less any accumulated impairment.

Loan payables that bear no interest and where there are no determinable terms of repayment are included in current liabilities, unless the company has an unconditional right to defer settlement for at least 12 months from the balance sheet date. Any adjustment arising from the applying the effective interest rate method over a 12 month period is ignored if it is immaterial and the loan is then recorded at cost.

1.3 Tax

Current tax assets and liabilities

No current tax or deferred tax assets or liabilities or expenses are recognised, because the company is exempt of tax.

